



Income and Small Cap Weekly

Analysis of Oil & Gas Stocks

December 3, 2010

Range (RRC) and Petrohawk (HK) New Buys – Selling Pressure Exhausted

Summary and Recommendation

Well-known stocks in the 2000s cycle, shale gas pioneers **Petrohawk Energy Corporation (HK)** and **Range Resources Corporation (RRC)** may have begun new advances in a 2010s cycle as months of selling pressure appears exhausted. Selling pressure kept stock price below the 200-day average for longer than for most stocks in our small cap and income coverage. McDep Ratios have also realigned more closely. Yet the long-term upside not captured in today's McDep Ratio remains impressive. Shale gas resources are greater than conventional resources with a key distinction. Developed long-life mature resources keep producing with minimal volume decline. Because early-stage shale gas production declines rapidly, it requires new drilling to be sustained. Low natural gas price makes drilling less attractive at the same time oil shale drilling drives up the price of fracturing services required to complete new wells. The imbalances are in a correction process that is taking time to unfold. With free money from the U.S. Federal Reserve acting as the global central banker, it costs nothing to wait longer, if necessary. Always believing in the long-term value of natural gas resources, we think the timing is good to initiate buy recommendations on RRC, the first horizontal driller of the Marcellus Shale, and HK, a pioneer in the Haynesville Shale and first horizontal driller of the Eagle Ford Shale.

Raise NPV on Abundant Natural Gas Resources

Looking just at the volume of natural gas in place on RRC and HK leases, we can see potential value that might readily justify higher estimates than our revised Net Present Value (NPV) for RRC of \$45 a share, up from \$40 and for HK of \$20 a share, up from \$16. Instead we limit our value to multiples of cash flow that buyers might pay today for future returns that depend on intensive investment to realize. Those multiples (PV/Ebitda) are 15 for RRC and 11 for HK (see statistical summaries on page 2). At the same time cash flow estimates ought to be exceeded as we have not incorporated all of management guidance toward higher volume (see tables [Next Twelve Months Operating and Financial Performance](#) on pages 3 and 4).

McDep Ratios of 0.98 and 0.97 point to competitive value among Income and Small Cap stocks in our coverage (see [Tables 1-2](#) on pages 5-6). PV/Ebitda for RRC at the high end of the range illustrates the limit we applied (see [Table 3](#) on page 7). PV/Ebitda for HK is limited by more rapidly declining existing production indicated by a shorter life of reported reserves (Adjusted Reserves/Production). All 25 peer stocks are in upward price trends compared to 200-day averages (see [Table 4](#) on page 8). Introductory research on RRC and HK is archived on www.mcdep.com.

Kurt H. Wulff, CFA



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Range Resources Corporation

<i>Symbol</i>	RRC	<i>Ebitda Next Twelve Months ending 12/31/11 (US\$m)</i>	594
<i>Rating</i>	Buy	<i>North American Natural Gas/Ebitda (%)</i>	65
<i>Price (\$/sh)</i>	43.99	<i>Natural Gas and Oil Production/Ebitda (%)</i>	100
<i>Pricing Date</i>	12/2/10	<i>Adjusted Reserves/Production NTM</i>	11.8
<i>Shares (mm)</i>	157	<i>EV/Ebitda</i>	15.2
<i>Market Capitalization (\$mm)</i>	6,910	<i>PV/Ebitda</i>	15.4
<i>Debt (\$mm)</i>	2,090	<i>Undeveloped Reserves (%)</i>	45
<i>Enterprise Value (EV) (\$mm)</i>	9,000	<i>Natural Gas and Oil Ebitda (\$/boe)</i>	17.30
<i>Present Value (PV) (\$mm)</i>	9,160	<i>Present Value Proven Reserves(\$/boe)</i>	17.60
<i>Net Present Value (\$/share)</i>	45	<i>Oil and Gas Ebitda Margin (%)</i>	61
<i>Debt/Present Value</i>	0.23	<i>Earnings Next Twelve Months (US\$/sh)</i>	0.12
<i>McDep Ratio - EV/PV</i>	0.98	<i>Price/Earnings Next Twelve Months</i>	353
<i>Dividend Yield (%/year)</i>	0.4	<i>Indicated Annual Dividend (US\$/sh)</i>	0.16
Note: Estimated cash flow and earnings tied to one-year futures prices for oil and natural gas.			
Reported results may vary widely from estimates. Estimated present value per share revised only infrequently.			
Estimated present value presumes a long-term price for oil of US\$75 a barrel and natural gas, \$8 a million btu.			

Petrohawk Energy Corporation

<i>Symbol</i>	HK	<i>Ebitda Next Twelve Months ending 12/31/11 (US\$m)</i>	841
<i>Rating</i>	Buy	<i>North American Natural Gas/Ebitda (%)</i>	89
<i>Price (\$/sh)</i>	18.98	<i>Natural Gas and Oil Production/Ebitda (%)</i>	100
<i>Pricing Date</i>	12/2/10	<i>Adjusted Reserves/Production NTM</i>	7.0
<i>Shares (mm)</i>	302	<i>EV/Ebitda</i>	10.8
<i>Market Capitalization (\$mm)</i>	5,730	<i>PV/Ebitda</i>	11.2
<i>Debt (\$mm)</i>	3,400	<i>Undeveloped Reserves (%)</i>	67
<i>Enterprise Value (EV) (\$mm)</i>	9,130	<i>Natural Gas and Oil Ebitda (\$/boe)</i>	19.50
<i>Present Value (PV) (\$mm)</i>	9,440	<i>Present Value Proven Reserves(\$/boe)</i>	20.60
<i>Net Present Value (\$/share)</i>	20	<i>Oil and Gas Ebitda Margin (%)</i>	72
<i>Debt/Present Value</i>	0.36	<i>Earnings Next Twelve Months (US\$/sh)</i>	0.26
<i>McDep Ratio - EV/PV</i>	0.97	<i>Price/Earnings Next Twelve Months</i>	73
<i>Dividend Yield (%/year)</i>	0.0	<i>Indicated Annual Dividend (US\$/sh)</i>	0.00
Note: Estimated cash flow and earnings tied to one-year futures prices for oil and natural gas.			
Reported results may vary widely from estimates. Estimated present value per share revised only infrequently.			
Estimated present value presumes a long-term price for oil of US\$75 a barrel and natural gas, \$8 a million btu.			



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Range Resources Corporation									
Next Twelve Months Operating and Financial Estimates									
	Q4	Q3	Q4E	Year	Q1E	Q2E	Q3E	Q4E	Year
	12/31/09	9/30/10	12/31/10	2010	3/31/11	6/30/11	9/30/11	12/31/11	2011E
Volume									
Natural Gas (mmcf/d)	374	389	389	384	450	450	450	450	450
Oil (mbd)	13.7	18.9	18.9	17.0	19.0	19.0	19.0	19.0	19.0
Total (mb)	7.0	7.7	7.7	30	8.5	8.6	8.6	8.6	34
Total (mbd)	76	84	84	81	94	94	94	94	94
Price									
Henry Hub (\$/mmbtu)	4.16	4.38	3.78	4.39	4.22	4.21	4.35	4.72	4.38
Differential (\$/mmbtu)	0.32	0.76	0.66	0.62	0.73	0.73	0.30	0.33	0.52
Company (\$/mcf)	3.84	3.62	3.13	3.77	3.49	3.48	4.05	4.39	3.86
WTI Cushing (\$/bbl)	76.09	76.08	83.97	79.14	86.48	87.31	87.96	88.42	87.54
Differential	24.11	33.41	36.88	31.73	37.98	38.35	38.63	38.84	38.45
Company (\$/bbl)	51.98	42.67	47.09	47.41	48.50	48.96	49.33	49.59	49.10
Total (\$/bbl)	28.26	26.45	25.16	27.82	26.52	26.57	29.35	31.05	28.39
Revenue (\$mm)									
Natural Gas	132	130	112	528	141	143	168	182	633
Oil	66	74	82	294	83	85	86	87	340
Total	198	204	194	822	224	227	254	269	974
Expense									
Lease operating	32	34							
Production taxes	9	9							
General and administrative	32	37							
Total	73	80	76	287	87	89	99	105	380
Ebitda									
Exploration	11	15	15	57	15	15	15	15	60
Deprec., Deplet., & Amort.	93	92	92	364	92	92	92	92	368
Other	(89)	(46)		(83)					-
Ebit									
Interest	31	34	34	129	34	34	34	34	136
Ebt									
Income Tax	28	10	(8)	24	(1)	(1)	5	8	11
Net Income (\$mm)									
Per Share (\$)	0.32	0.12	(0.09)	0.28	(0.02)	(0.01)	0.06	0.09	0.12
Shares (millions)									
Ebitda Margin	63%	61%	61%	65%	61%	61%	61%	61%	61%
Tax rate	35%	35%	35%	35%	35%	35%	35%	35%	35%



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Petrohawk Energy Corporation									
Next Twelve Months Operating and Financial Estimates									
	Q4	Q3	Q4E	Year	Q1E	Q2E	Q3E	Q4E	Year
	12/31/09	9/30/10	12/31/10	2010	3/31/11	6/30/11	9/30/11	12/31/11	2011E
Volume									
Natural Gas (mmcf)	576	654	680	636	680	680	680	680	680
Oil (mbd)	3.4	5.2	5.2	4.4	5.2	5.2	5.2	5.2	5.2
Total (mb)	9.1	10.5	10.9	40	10.7	10.8	10.9	10.9	43
Total (mbd)	99	114	119	110	119	119	119	119	119
Price									
Henry Hub (\$/mmbtu)	4.16	4.38	3.78	4.39	4.22	4.21	4.35	4.72	4.38
Differential (\$/mmbtu)	0.08	0.18	0.16	0.18	0.17	0.17	0.18	0.19	0.18
Company (\$/mcf)	4.08	4.20	3.63	4.22	4.05	4.04	4.18	4.53	4.20
WTI Cushing (\$/bbl)	76.09	76.08	83.97	79.14	86.48	87.31	87.96	88.42	87.54
Differential	3.44	17.96	19.83	16.77	20.42	20.62	20.77	20.88	20.67
Company (\$/bbl)	72.65	58.12	64.14	62.37	66.06	66.69	67.19	67.54	66.88
Total (\$/bbl)	26.14	26.69	23.62	26.77	26.13	26.09	26.89	28.94	27.02
Revenue (\$mm)									
Natural Gas	216	253	227	978	248	250	261	283	1,042
Oil	23	28	31	100	31	31	32	32	126
Total	239	280	257	1,078	279	281	293	315	1,169
Expense									
Lease operating	24	19							
Production taxes	18	(3)							
General and administrative	25	40							
Total	67	56	72	254	78	79	82	88	327
Ebitda									
	172	224	185	824	201	203	211	227	841
Deprec., Deplet., & Amort.	106	108	108	423	108	108	108	108	432
Other	(48)	(16)		(37)					-
Ebit									
	114	132	77	437	93	95	103	119	409
Interest	58	72	72	269	72	72	72	72	288
Ebt									
	56	60	5	168	21	23	31	47	121
Income Tax	20	21	2	59	7	8	11	17	43
Net Income (\$mm)									
	36	39	4	109	13	15	20	31	79
Per Share (\$)	0.12	0.13	0.01	0.36	0.04	0.05	0.07	0.10	0.26
Shares (millions)									
	302	302	302	303	302	302	302	302	302
Ebitda Margin	72%	80%	72%	76%	72%	72%	72%	72%	72%
Tax rate	35%	35%	35%	35%	35%	35%	35%	35%	35%



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Symbol/Rating	Price (US\$/sh)	EV/ Market	Enterprise Value (\$mm)	Present Value by Segment (%)		Dist. NTM (\$/un)	Dist. Yield (%)	McDep Ratio	
				N.Amer. Natural Gas	Oil Prod'n				
B = Buy CB (see below)	2-Dec 2010	Cap							
Canadian Income Trusts (US\$)									
Pengrowth Energy Trust	PGH	13.19	1.34	5,300	34	66	0.82	6.2	1.14
Enerplus Resources Fund	ERF	30.33	1.19	6,400	41	59	2.12	7.0	1.01
Penn West Energy Trust	PWE	22.39	1.33	13,100	22	78	1.06	4.7	0.98
Peyto Energy Trust	PEYUF	17.25	1.21	2,540	76	24	0.71	4.1	0.96
Canadian Oil Sands Trust	COSWF B	28.23	1.11	15,200		100	1.57	5.6	0.76
<i>Total or Median</i>				42,500				5.6	0.98
Small Cap Independent Producers									
Denbury Resources Inc.	DNR	19.40	1.44	11,190	16	84	-	-	1.19
Whiting Petroleum Corporation	WLL	112.85	1.18	7,840	15	85	-	-	1.16
Berry Petroleum Company	BRY	40.00	1.48	3,230	32	68	0.30	0.8	1.09
Cimarex Energy Company	XEC B	85.83	1.09	7,990	58	42	0.32	0.4	1.07
Range Resources	RRC B	43.99	1.30	9,000	74	26	0.16	0.4	0.98
Ultra Petroleum	UPL	48.30	1.20	8,920	93	7	-	-	0.97
Petrohawk Energy Corporation	HK B	18.98	1.59	9,130	96	4	-	-	0.97
Birchcliff Energy Ltd. (US\$)	BIREF B	9.58	1.27	1,550	69	31	-	-	0.73
<i>Total or Median</i>				58,900					1.02
Top Line Cash Payers									
Permian Basin RT	PBT	22.46	1.00	1,050	38	62	1.47	6.6	1.25
Cross Timbers Royalty Trust	CRT	40.93	1.00	250	75	25	2.58	6.3	1.21
Sabine Royalty Trust	SBR	59.00	1.00	860	45	55	3.94	6.7	1.18
Freehold Royalty Trust (US\$)	FRHLF	19.87	1.07	1,240	25	75	1.65	8.3	1.16
Dorchester Minerals, L.P.	DMLP B	27.51	1.02	860	66	34	1.66	6.1	1.02
<i>Total or Median</i>				4,300				6.6	1.18
Bottom Line Cash Payers									
Linn Energy, LLC	LINE	36.48	1.42	7,580	45	55	2.64	7.2	1.43
Vanguard Natural Resources, LLC	VNR	27.06	1.43	1,150	38	62	2.20	8.1	1.22
Legacy Reserves L.P.	LGCY	26.06	1.37	1,430	17	83	2.08	8.0	1.20
Encore Energy Partners, L.P. (52%)	ENP	20.49	1.26	610	25	75	2.00	9.8	1.16
Mesa RoyaltyTrust	MTR	49.50	1.00	92	75	25	3.49	7.0	1.03
San Juan Basin Royalty Trust	SJT B	24.89	1.00	1,160	100	-	1.38	5.5	1.00
Hugoton RoyaltyTrust	HGT B	20.53	1.00	820	90	10	1.28	6.2	0.98
<i>Total or Median</i>				12,800				7.2	1.16
Composite (excl COSWF)									
<i>Enterprise Value Weighting</i>				103,300	49	51			1.06
<i>Equal Weighting</i>					53	47			1.09
<i>Equal Weighted Buys</i>					66	34			0.96

CB=Contrarian Buy, Stock Price apparently in downtrend compared to 200-day average.

McDep Ratio = Market cap and Debt to present value of oil and gas and other businesses.

Present Value presumes long-term prices of \$75 a barrel for oil and \$8 a million btu for natural gas.

Dist. = Income distribution. NTM = Next Twelve Months Ended December 31, 2011. Enterprise Value = Market Cap and Debt.

Please see disclosures on the final page.

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			<i>Price</i>			<i>Net</i>		
			<i>(\$/sh)</i>		<i>Market</i>	<i>Present</i>	<i>Debt/</i>	
	<i>Symbol/</i>		<i>2-Dec</i>	<i>Shares</i>	<i>Cap</i>	<i>Value</i>	<i>Present</i>	<i>McDep</i>
	<i>Rating</i>		<i>2010</i>	<i>(mm)</i>	<i>(\$mm)</i>	<i>(\$/un)</i>	<i>Value</i>	<i>Ratio</i>
Canadian Income Trusts (US\$)								
Pengrowth Energy Trust	PGH		13.19	299.0	3,940	11.00	0.29	1.14
Enerplus Resources Fund	ERF		30.33	177.5	5,380	30.00	0.16	1.01
Penn West Energy Trust	PWE		22.39	439.6	9,840	23.00	0.25	0.98
Peyto Energy Trust	PEYUF		17.25	121.8	2,100	18.00	0.17	0.96
Canadian Oil Sands Trust	COSWF	B	28.23	484.0	13,660	38.00	0.08	0.76
	<i>Total or Median</i>				<i>34,900</i>		<i>0.17</i>	<i>0.98</i>
Small Cap Independent Producers								
Denbury Resources Inc.	DNR		19.40	401.0	7,780	15.00	0.36	1.19
Whiting Petroleum Corporation	WLL		112.85	59.0	6,660	95.00	0.17	1.16
Berry Petroleum Company	BRY		40.00	54.4	2,180	35.00	0.35	1.09
Cimarex Energy Company	XEC	B	85.83	85.8	7,360	80.00	0.08	1.07
Range Resources	RRC	B	43.99	157.1	6,910	45.00	0.23	0.98
Ultra Petroleum	UPL		48.30	154.0	7,440	50.00	0.16	0.97
Petrohawk Energy Corporation	HK	B	18.98	302.0	5,730	20.00	0.36	0.97
Birchcliff Energy Ltd. (US\$)	BIREF	B	9.58	127.3	1,220	14.00	0.16	0.73
	<i>Total or Median</i>				<i>45,280</i>		<i>0.20</i>	<i>1.02</i>
Top Line Cash Payers								
Permian Basin RT	PBT		22.46	46.6	1,050	18.00	-	1.25
Cross Timbers Royalty Trust	CRT		40.93	6.0	250	34.00	-	1.21
Sabine Royalty Trust	SBR		59.00	14.6	860	50.00	-	1.18
Freehold Royalty Trust (US\$)	FRHLF		19.87	58.4	1,160	17.00	0.08	1.16
Dorchester Minerals, L.P.	DMLP	B	27.51	30.7	840	27.00	0.02	1.02
	<i>Total or Median</i>				<i>4,160</i>			<i>1.18</i>
Bottom Line Cash Payers								
Linn Energy, LLC	LINE		36.48	146.5	5,340	21.00	0.42	1.43
Vanguard Natural Resources, LLC	VNR		27.06	29.8	810	20.00	0.37	1.22
Legacy Reserves L.P.	LGCY		26.06	40.1	1,050	20.00	0.32	1.20
Encore Energy Partners, L.P. (52%)	ENP		20.49	23.6	480	17.00	0.24	1.16
Mesa Royalty Trust	MTR		49.50	1.9	92	48.00	-	1.03
San Juan Basin Royalty Trust	SJT	B	24.89	46.6	1,160	25.00	-	1.00
Hugoton Royalty Trust	HGT	B	20.53	40.0	820	21.00	-	0.98
	<i>Total or Median</i>				<i>9,750</i>			<i>1.16</i>

B=Buy; CB=Contrarian Buy, Stock Price apparently in downtrend compared to 200-day average.

McDep Ratio = Market cap and Debt to present value of oil and gas and other businesses

Present Value presumes long-term prices of \$75 a barrel for oil and \$8 a million btu for natural gas.



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Table 3								
McDep Income and Small Cap Energy Portfolio								
Value Multiples - Rank by EV/Ebitda								
			Price (\$/sh)	Revenue	Dist/ Equity	Adjstd Resrvs/ Prod	PV/ Ebitda	EV/ Ebitda
	Symbol/ Rating		2-Dec 2010	Royalty (%)	Ebitda	NTM	NTM	NTM
Canadian Income Trusts (US\$)								
	PEYUF		17.25		0.50	18.4	12.7	12.3
	COSWF	B	28.23		0.48	29.2	11.6	8.9
	PGH		13.19		0.58	9.6	7.7	8.8
	PWE		22.39		0.41	9.9	9.0	8.8
	ERF		30.33		0.58	9.7	8.3	8.3
	<i>Median</i>					9.9	9.0	8.8
Small Cap Independent Producers								
	RRC	B	43.99		-	11.8	15.4	15.2
	UPL		48.30		-	12.6	12.7	12.4
	BIREF	B	9.58		-	19.8	16.1	11.8
	HK	B	18.98		-	7.0	11.2	10.8
	DNR		19.40		-	12.9	7.7	9.1
	BRY		40.00		-	11.3	7.9	8.6
	WLL		112.85		-	9.3	6.3	7.3
	XEC	B	85.83		-	6.2	6.8	7.2
	<i>Median</i>					11.5	9.6	10.0
Top Line Cash Payers								
	CRT		40.93	84	0.96	13.2	12.7	15.3
	PBT		22.46	32	0.98	13.2	12.0	15.0
	SBR		59.00	100	1.00	7.8	12.7	15.0
	DMLP	B	27.51	77	0.86	6.7	14.0	14.3
	FRHLF		19.87	71	0.89	8.4	9.2	10.6
	<i>Median</i>					8.4	12.7	15.0
Bottom Line Cash Payers								
	LINE		36.48		1.67	18.3	13.3	18.9
	SJT	B	24.89		0.83	13.7	15.0	14.9
	HGT	B	20.53		0.85	12.6	14.0	13.7
	MTR		49.50		0.91	8.7	12.5	12.8
	LCY		26.06		0.95	12.0	9.1	11.0
	VNR		27.06		0.92	13.0	8.4	10.3
	ENP		20.49		1.05	13.5	8.9	10.3
	<i>Median</i>					13.0	12.5	12.8
B=Buy; CB=Contrarian Buy, Stock Price apparently in downtrend compared to 200-day average.								
EV = Enterprise Value = Market Cap and Debt; Ebitda = Earnings before interest, tax, depreciation and amortization; NTM = Next Twelve Months Ended December 31, 2011; P/E = Stock Price to								
Earnings; PV = Present Value of oil and gas and other businesses								
Top Line Cash Payers defined as those having Revenue Royalty (see fifth column from right).								



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Table 4									
Oil and Gas Income and Small Cap Stocks									
Rank by Enterprise Value to 200 Day Average									
			Price (\$/sh)	Enterprise Value/					
	Symbol/ Rating		2-Dec 2010	52Wk High	52Wk Low	50 Day Avg.	200 Day Avg.		
							McDep Ratio		
Canadian Income Trusts (US\$)									
	Enerplus Resources Fund	ERF	30.33	1.00	1.85	1.10	1.21	1.01	
	Pengrowth Energy Trust	PGH	13.19	1.00	2.03	1.08	1.16	1.14	
	Peyto Energy Trust	PEYUF	17.25	0.96	1.43	1.07	1.16	0.96	
	Penn West Energy Trust	PWE	22.39	0.95	1.27	1.02	1.07	0.98	
	Canadian Oil Sands Trust	COSWF	B	28.23	0.87	1.19	1.08	1.04	0.76
	<i>Median</i>			<i>0.96</i>	<i>1.43</i>	<i>1.08</i>	<i>1.16</i>	<i>0.98</i>	
Small Cap Independent Producers									
	Whiting Petroleum Corporation	WLL		112.85	1.00	1.61	1.08	1.22	1.16
	Cimarex Energy Company	XEC	B	85.83	1.00	1.76	1.12	1.21	1.07
	Berry Petroleum Company	BRY		40.00	1.00	1.36	1.09	1.18	1.09
	Denbury Resources Inc.	DNR		19.40	0.98	1.31	1.07	1.12	1.19
	Ultra Petroleum	UPL		48.30	0.91	1.24	1.09	1.07	0.97
	Birchcliff Energy Ltd. (US\$)	BIREF	B	9.58	0.92	1.29	1.06	1.04	0.73
	Range Resources	RRC	B	43.99	0.84	1.26	1.10	1.02	0.98
	Petrohawk Energy Corporation	HK	B	18.98	0.78	1.20	1.06	1.01	0.97
	<i>Median</i>			<i>0.98</i>	<i>1.30</i>	<i>1.09</i>	<i>1.09</i>	<i>1.02</i>	
Top Line Cash Payers									
	Permian Basin RT	PBT		22.46	0.95	1.74	1.06	1.18	1.25
	Freehold Royalty Trust (US\$)	FRHLF		19.87	0.99	1.38	1.07	1.18	1.16
	Sabine Royalty Trust	SBR		59.00	0.99	1.48	1.07	1.15	1.18
	Cross Timbers Royalty Trust	CRT		40.93	0.98	1.45	1.07	1.15	1.21
	Dorchester Minerals, L.P.	DMLP	B	27.51	0.94	1.37	1.01	1.08	1.02
	<i>Median</i>			<i>0.98</i>	<i>1.45</i>	<i>1.07</i>	<i>1.15</i>	<i>1.18</i>	
Bottom Line Cash Payers									
	Linn Energy, LLC	LINE		36.48	0.99	1.86	1.05	1.17	1.43
	Mesa Royalty Trust	MTR		49.50	0.91	1.41	1.03	1.08	1.03
	Vanguard Natural Resources, LLC	VNR		27.06	1.00	1.36	1.03	1.08	1.22
	Legacy Reserves L.P.	LGCY		26.06	0.96	1.34	1.00	1.07	1.20
	Hugoton Royalty Trust	HGT	B	20.53	0.93	1.37	1.01	1.06	0.98
	Encore Energy Partners, L.P. (52%)	ENP		20.49	0.95	1.74	1.03	1.06	1.16
	San Juan Basin Royalty Trust	SJT	B	24.89	0.87	1.48	1.01	1.05	1.00
	<i>Median</i>			<i>0.95</i>	<i>1.41</i>	<i>1.03</i>	<i>1.07</i>	<i>1.16</i>	

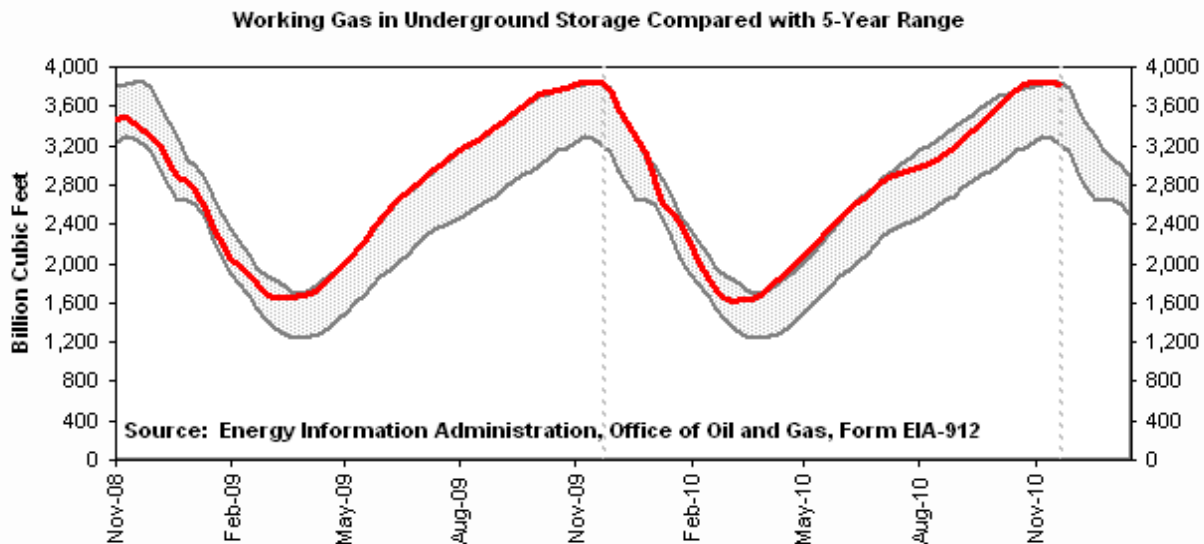
CB=Contrarian Buy, Stock Price apparently in downtrend compared to 200-day average.



Income and Small Cap Weekly

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December 3, 2010



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