

9% Annual Distributions

Summary and Recommendation

Buy-recommended **Penn West Energy Trust (PWTFE)** to be listed on the New York Stock Exchange on June 22, symbol PWE, pays more than 9% a year at the current monthly distribution rate of C\$0.34 a unit. A third of equity Ebitda is reinvested in projects that include oil sands and carbon dioxide enhanced recovery to give long-term staying power to the attractive payout. Buy-recommended **Canadian Oil Sands Trust (COSWF)** pays C\$0.30 a unit quarterly, three times a year ago, yet half the rate we project for early next year. Both PWTFE and COSWF have positive momentum defined as stock price above the 200-day average. Buy-recommended **San Juan Basin Royalty Trust (SJT)** would pay more than 9% for the next twelve months at the natural gas price implied by latest one-year futures. Currently out of favor, the natural gas oriented trusts trade at stock prices less than the 200-day average. We are highly confident that natural gas will again trade at a higher price relative to oil. We cannot say when, but we could be surprised at any time.

Kurt H. Wulff, CFA

Natural Gas and Oil Royalty Trusts Rank by McDep Ratio: Market Cap and Debt to Present Value

	<i>Symbol/ Rating</i>	<i>Price (\$/sh) 8-Jun 2006</i>	<i>Shares (mm)</i>	<i>Market Cap (\$mm)</i>	<i>Net Present Value (\$/un)</i>	<i>Debt/ Present Value</i>	<i>McDep Ratio</i>	
U.S. Royalty Trusts								
Permian Basin RT	PBT	15.53	46.6	720	16.50	-	0.94	
Sabine Royalty Trust	SBR	42.20	14.6	620	45.00	-	0.94	
Dorchester Minerals, L.P.	DMLP	24.90	28.2	700	27.00	-	0.92	
Cross Timbers Royalty Trust	CRT	41.80	6.0	250	46.00	-	0.91	
San Juan Basin Royalty Trust	SJT	B	36.22	46.6	1,690	40.00	-	0.91
Mesa RoyaltyTrust	MTR	64.00	1.9	120	75.00	-	0.85	
Hugoton RoyaltyTrust	HGT	27.86	40.0	1,110	34.00	-	0.82	
	<i>Total or Median</i>			5,200			0.91	
Canadian Income Trusts (US\$)								
Enerplus Resources Fund	ERF	53.89	123.1	6,630	47.00	0.11	1.13	
Pengrowth Energy Trust	PGH	22.56	161.0	3,630	20.00	0.15	1.11	
Penn West Energy Trust	PWTFE	B	38.76	243.6	9,440	0.12	0.99	
Canadian Oil Sands Trust	COSWF	B	28.69	464.1	13,320	0.10	0.84	
	<i>Total or Median</i>			33,000		0.11	1.05	

B = Buy

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

Historical independent energy investment analysis by Kurt Wulff doing business as McDep Associates is posted at www.mcdep.com. Analyses are prepared from sources and data believed to be reliable, but no representation is made as to their accuracy or completeness. Mr. Wulff is not paid by covered companies. Neither he nor his spouse trade a subject stock within a week before or after a change in rating.

Natural Gas and Oil Royalty Trusts Rank by EV/Ebitda: Enterprise Value to Earnings Before Interest, Tax, Deprec.

	Symbol/ Rating	Price (\$/sh) 8-Jun 2006	Adjstd Resrvs/ Prod NTM	PV/ Ebitda NTM	EV/ Ebitda NTM	P/E NTM	Divd or Distrib NTM (%)
U.S. Royalty Trusts							
Cross Timbers Royalty Trust	CRT	41.80	13.0	11.6	10.5	10.9	9.2
Dorchester Minerals, L.P.	DMLP	24.90	8.2	10.9	10.1	16.0	9.3
Mesa RoyaltyTrust	MTR	64.00	20.1	11.8	10.0	11.1	9.0
San Juan Basin Royalty Trust	SJT	B	36.22	13.5	10.7	9.7	11.0
Sabine Royalty Trust	SBR	42.20	9.3	10.1	9.4	9.4	10.6
Permian Basin RT	PBT	15.53	7.8	9.8	9.2	10.1	9.9
Hugoton RoyaltyTrust	HGT	27.86	13.8	10.0	8.2	11.6	8.6
	<i>Median</i>		<i>13.0</i>	<i>10.7</i>	<i>9.7</i>	<i>11.0</i>	<i>9.2</i>
Canadian Income Trusts (US\$)							
Canadian Oil Sands Trust	COSWF	B	28.69	25.1	11.2	9.4	12.1
Enerplus Resources Fund	ERF		53.89	9.4	7.3	8.2	16.1
Pengrowth Energy Trust	PGH		22.56	7.5	6.7	7.5	12.9
Penn West Energy Trust	PWTFF	B	38.76	7.9	7.0	7.0	9.7
	<i>Median</i>			<i>8.6</i>	<i>7.1</i>	<i>7.9</i>	<i>12.5</i>

EV = Enterprise Value = Market Cap and Debt; Ebitda = Earnings before interest, tax, depreciation and amortization; NTM = Next Twelve Months Ended June 30, 2007; P/E = Stock Price to Earnings; PV = Present Value of oil and gas and other businesses

Natural Gas and Oil Royalty Trusts Rank by NTM Distribution Yield

	Symbol	Revenue Royalty (%)	Natural Gas/ Ebitda (%)	Dist/ Ebitda	Dist/ Equity Ebitda	NTM Distribution (\$mm)	Dist. Yield (\$/un) (%)
U.S. Royalty Trusts							
Hugoton RoyaltyTrust	HGT	-	90	0.70	0.70	96	2.40
Mesa RoyaltyTrust	MTR	-	72	0.91	0.91	11	5.78
San Juan Basin Royalty Trust	SJT	-	98	0.88	0.88	153	3.29
Cross Timbers Royalty Trust	CRT	81	68	0.97	0.97	23	3.84
Dorchester Minerals, L.P.	DMLP	56	73	0.94	0.94	65	2.31
Permian Basin RT	PBT	29	34	0.91	0.91	72	1.54
Sabine Royalty Trust	SBR	100	51	1.00	1.00	65	4.47
	<i>Total or Median</i>		<i>72</i>	<i>0.91</i>	<i>0.91</i>	<i>500</i>	<i>9.2</i>
Canadian Income Trusts (US\$)							
Canadian Oil Sands Trust	COSWF	-	(7)	0.55	0.61	881	1.90
Enerplus Resources Fund	ERF	-	45	0.63	0.71	561	4.56
Penn West Energy Trust	PWTFF	-	39	0.58	0.66	898	3.69
Pengrowth Energy Trust	PGH	-	37	0.78	0.91	437	2.71
	<i>Total or Median</i>		<i>38</i>	<i>0.61</i>	<i>0.68</i>	<i>2,800</i>	<i>9.0</i>
Kinder Morgan Energy Partners	KMP			0.80	1.79		7.0

NTM = Next Twelve Months Ended June 30, 2007

Ebitda = Earnings before interest, tax, depreciation and amortization

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