

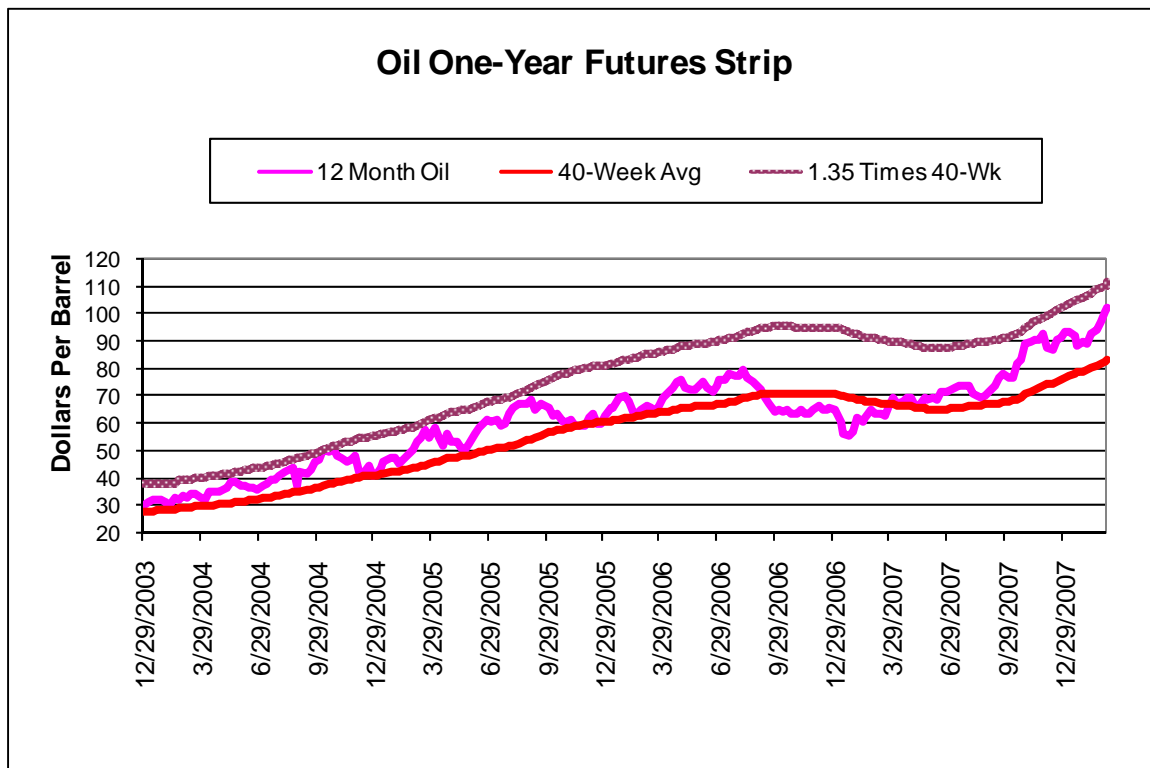


## Oil Price Points

### Summary and Recommendation

Judging from price action in the 21<sup>st</sup> century so far, oil price is nearing a moving upward boundary at about \$111 a barrel for the next twelve months average (see chart below Oil One-Year Futures Strip). As long as the current quotes for the next year stay above the 40-week average of about \$82, the price is in an uptrend by that definition. Our present value estimates are justified at a long-term real oil price of \$80. We think today's "high" price reflects the interplay of long-term supply and demand expectations. Trading to oil price divided by five in this millennium, natural gas price can double before it runs into near-term limits (see chart page two Oil/Natural Gas Futures Ratio). We think investors should maintain core weightings in buy recommendations and be alert to opportunities to adjust investment positions when markets are active.

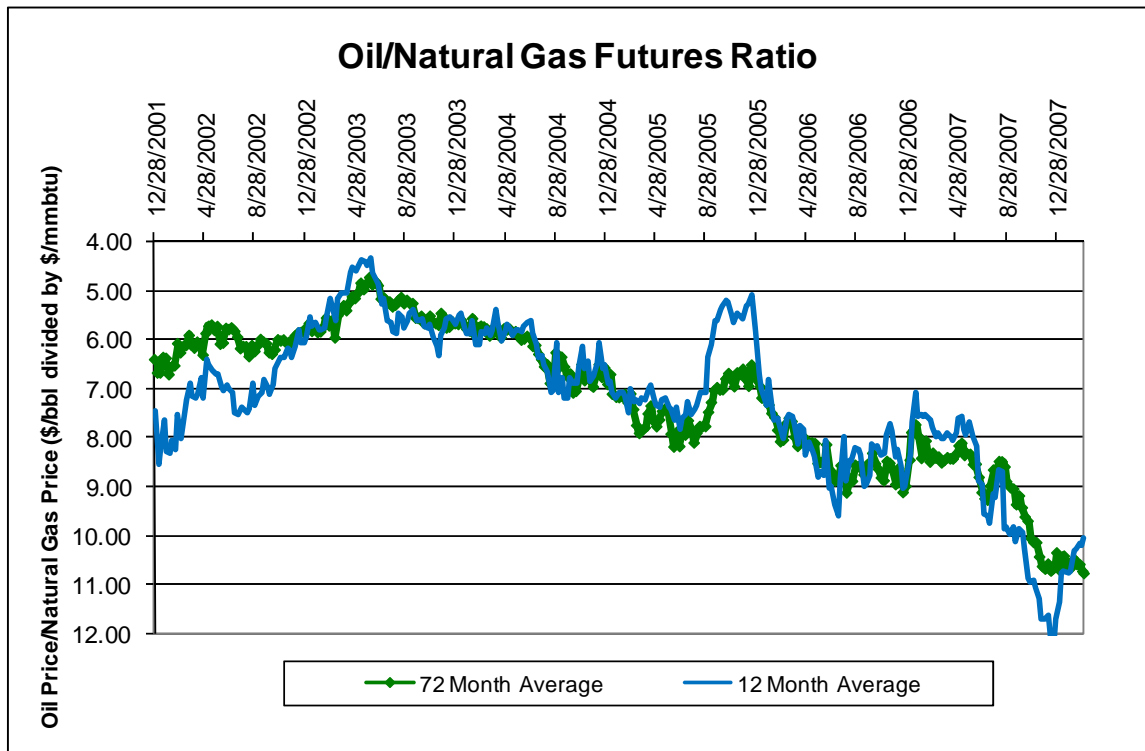
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# Oil and Gas Income Stocks

A Weekly Analysis

March 7, 2008



Natural Gas and Oil Income Stocks - Rank by McDep Ratio								
			Price (\$/sh)		Market Cap (\$mm)	Net Present Value (\$/un)	Debt/ Present Value	McDep Ratio
	Symbol/ Rating		6-Mar 2008	Shares (mm)				
<b>U.S. Royalty Trusts</b>								
Permian Basin RT	PBT		21.15	46.6	990	18.00	-	1.18
Sabine Royalty Trust	SBR		50.75	14.6	740	48.00	-	1.06
Cross Timbers Royalty Trust	CRT		47.99	6.0	290	47.00	-	1.02
Mesa Royalty Trust	MTR		68.80	1.9	130	70.00	-	0.98
San Juan Basin Royalty Trust	SJT	B	38.40	46.6	1,790	40.00	-	0.96
Hugoton Royalty Trust	HGT	B	28.85	40.0	1,150	34.00	-	0.85
<i>Total or Median</i>						5,100		1.00
<b>Canadian Income Trusts (US\$)</b>								
Pengrowth Energy Trust	PGH		18.90	247.0	4,670	19.00	0.25	1.00
Canadian Oil Sands Trust	COSWF	B	44.61	479.0	21,370	45.00	0.05	0.99
Enerplus Resources Fund	ERF		43.44	129.4	5,620	52.00	0.13	0.86
Penn West Energy Trust	PWE	B	28.10	372.6	10,470	37.00	0.24	0.82
<i>Total or Median</i>						42,100		0.19 0.92
<b>U.S. Master Limited Partnerships (MLPs)</b>								
Kinder Morgan Energy Partners, L.P.	KMP	S	58.61	179.4	10,520	17.00	0.56	2.08
Encore Energy Partners, L.P. (32%)	ENP		20.31	10.2	210	20.00	0.24	1.01
Linn Energy, LLC	LINE		21.43	114.0	2,440	27.00	0.30	0.86
Dorchester Minerals, L.P.	DMLP		21.27	28.2	600	27.00	-	0.79
<i>Total or Median</i>						13,800		0.27 0.93
B = Buy, S = Sell								
McDep Ratio = Market cap and Debt to present value of oil and gas and other businesses								

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Natural Gas and Oil Income Stocks - Rank by EV/Ebitda								
			Price (\$/sh)	Adjstd Resrvs/ Prod	PV/ Ebitda	EV/ Ebitda	P/E	Divd or Distrib NTM (%)
	Symbol/ Rating		6-Mar 2008	NTM	NTM	NTM	NTM	
<b>U.S. Royalty Trusts</b>								
San Juan Basin Royalty Trust	SJT	B	38.40	10.4	10.8	10.4	12.5	8.0
Cross Timbers Royalty Trust	CRT		47.99	13.0	10.1	10.3	10.9	9.2
Permian Basin RT	PBT		21.15	8.2	8.2	9.6	10.7	9.3
Sabine Royalty Trust	SBR		50.75	9.2	9.1	9.6	9.6	10.4
Mesa Royalty Trust	MTR		68.80	21.1	9.2	9.0	10.3	9.7
Hugoton Royalty Trust	HGT	B	28.85	13.1	9.5	8.1	11.0	9.1
	<i>Median</i>			11.7	9.4	9.6	10.8	9.2
<b>Canadian Income Trusts (US\$)</b>								
Canadian Oil Sands Trust	COSWF	B	44.61	23.2	9.5	9.5	11.5	7.5
Pengrowth Energy Trust	PGH		18.90	7.4	6.0	6.0	13.1	14.6
Enerplus Resources Fund	ERF		43.44	9.7	6.9	5.9	8.8	11.8
Penn West Energy Trust	PWE	B	28.10	7.3	6.5	5.3	14.5	14.8
	<i>Median</i>			8.6	6.7	5.9	12.3	13.2
<b>U.S. Master Limited Partnerships (MLPs)</b>								
Kinder Morgan Energy Partners, L.P.	KMP	S	58.61	8.5	7.8	16.3	30.3	6.3
Linn Energy, LLC	LINE		21.43	20.8	11.2	9.6	16.5	11.8
Encore Energy Partners, L.P.	ENP		20.31	12.4	8.0	8.1	(36.7)	7.6
Dorchester Minerals, L.P.	DMLP		21.27	9.2	10.0	7.9	11.1	12.7
	<i>Median</i>			10.8	9.0	8.8	13.8	9.7
EV = Enterprise Value = Market Cap and Debt; Ebitda = Earnings before interest, tax, depreciation and amortization; NTM = Next Twelve Months Ended December 31, 2008; P/E = Stock Price to Earnings; PV = Present Value of oil and gas and other businesses								

Natural Gas and Oil Income Stocks - Rank by NTM Distribution Yield								
			Natural Gas/ Ebitda	Dist/ Equity Ebitda	Dist/ Equity Ebitda	NTM Distribution (\$mm)	Dist. Yield (\$/un)	Dist. Yield (%)
	Symbol	Revenue Royalty (%)	(%)	Ebitda	Ebitda			
<b>U.S. Royalty Trusts</b>								
San Juan Basin Royalty Trust	SJT	-	98	0.83	0.83	143	3.07	8.0
Hugoton Royalty Trust	HGT	-	87	0.73	0.73	105	2.63	9.1
Cross Timbers Royalty Trust	CRT	84	66	0.94	0.94	26	4.39	9.2
Permian Basin RT	PBT	35	34	0.90	0.90	92	1.98	9.3
Mesa Royalty Trust	MTR	-	66	0.88	0.88	12	6.66	9.7
Sabine Royalty Trust	SBR	100	53	1.00	1.00	77	5.29	10.4
	<i>Total or Median</i>		66	0.89	0.89	500		9.2
<b>Canadian Income Trusts (US\$)</b>								
Canadian Oil Sands Trust	COSWF	-	(7)	0.67	0.71	1,611	3.36	7.5
Enerplus Resources Fund	ERF	-	38	0.59	0.68	665	5.14	11.8
Penn West Energy Trust	PWE	-	33	0.56	0.74	1,549	4.16	14.8
Pengrowth Energy Trust	PGH	-	36	0.65	0.87	680	2.75	14.6
	<i>Total or Median</i>		35	0.62	0.72	4,500		13.2
<b>U.S. Master Limited Partnerships (MLPs)</b>								
Kinder Morgan Energy Partners, L.P.	KMP		-	0.75	1.70	660	3.68	6.3
Encore Energy Partners, L.P.	ENP		24	0.47	0.62	16	1.55	7.6
Linn Energy, LLC	LINE		66	0.73	1.04	287	2.52	11.8
Dorchester Minerals, L.P.	DMLP	64	70	1.00	1.00	76	2.71	12.7
	<i>Total or Median</i>		45	0.74	1.02	1,000		9.7
NTM = Next Twelve Months Ended December 31, 2008								
Ebitda = Earnings before interest, tax, depreciation and amortization								

# *Oil and Gas Income Stocks*

*A Weekly Analysis*

March 7, 2008



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