Herold Energy Investment Outlook

Investor Insights

February 5, 2007

Canadian Trusts' Loss is U.S. MLP's Gain

When Revenue Canada changed the tax status of income trusts on October 31 last year, the Canadian market's reaction was swift and predictable. The group tanked, with most of the 30+ trusts that own oil and gas producing assets plunging more than 20% in the first day. Since then, few have recovered much more than half of the loss. The subdued bounce indicates that income investors are shunning Canada in favor of the U.S. group of Master Limited Partnerships carved out of E&P assets. Capital flows to where it is treated well.

	Price 10/31/06	Price 2/2/07	Percent Change	Dividend, Annual Rate	Yield Now	Yield 10/31	Yield Change
Arc Energy Trust	27.56	**22.92**	(16.8%)	2.40	10.5%	8.7%	1.8%
Baytex Energy	24.40	**20.11**	(17.6%)	2.16	10.7%	8.9%	1.9%
Enerplus Resources	60.81	**52.45**	(13.7%)	5.04	9.6%	8.3%	1.3%
Paramount Energy	16.77	**12.41**	(26.0%)	2.40	19.3%	14.3%	5.0%
Penn West Energy	42.21	**35.50**	(15.9%)	4.08	11.5%	9.7%	1.8%
Median			**(16.8%)**		**10.7%**	**8.9%**	**1.8%**
BreitBurn Energy	19.25	**24.90**	29.4%	1.65	6.6%	8.6%	(1.9%)
Dorchester Minerals	24.74	**22.52**	(9.0%)	1.91	8.5%	7.7%	0.8%
EV Energy Partner	18.92	**24.20**	27.9%	1.60	6.6%	8.5%	(1.8%)
Linn Energy	25.88	**33.19**	28.2%	2.08	6.3%	8.0%	(1.8%)
Median			**28.1%**		**6.6%**	**8.2%**	**(1.8%)**

As recently as twelve months ago, **Dorchester Minerals** (DMLP: $22.52) was the only U.S. E&P MLP, but it was joined by **Linn Energy** (LINE: $33.19) on February 7, 2006 following that firm's IPO. Since then, six other partnerships have closed offerings and several more reportedly are in the works.

The vehicle looks set to become the preferred means of financing acquisitions for two solid reasons. The partnership format eliminates taxation of income at the level of the parent, and the present interest rate environment means the cash flow from the properties is capitalized at a higher value when it is distributed than when it is reinvested. For example, DMLP and LINE currently sport an enterprise value in excess of $40 per boe, more than double the average for conventionally funded producers.

No surprise then that **Encore Acquisition** (EAC: $25.85) plans to transfer some of the assets purchased from **Anadarko Petroleum** (APC: $43.83) into just such a form, and **EXCO Resources** (XCO: $16.40) is considering doing likewise. With some 100 publicly-traded U.S. independents, there is ample room for consolidation, and the MLP structure provides a tax-efficient means of hurrying the movement.

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The research analysts who prepared this report certify that the views expressed herein accurately reflect their professional opinions, are consistent with established JSH methodologies and standards and that no part of their compensation was, is or will be directly or indirectly related to specific views contained in this report.

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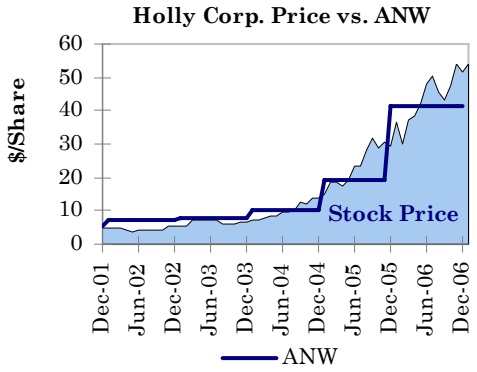
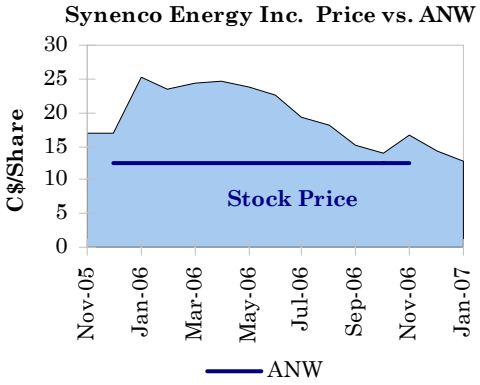
Notes On New Appraisals



Our year end 2005 ANW for Holly is more than 60% higher than the prior year as refining margins continued to expand and utilization averaged near full capacity. Updating our valuation for HOC's 1Q 2006 Montana refinery sale, Navajo refinery expansion, 2004-2006E pro forma EBITDA, and 9-30-2006 balance sheet, HOC's ANW/share gains another 30% to $41.35 as utilization rates remained high and margins stayed strong. Contact: *Cindy Giglio, CFA*



Based on JSH's discounted cash flow methodology using **SYN**'s projected capital costs and operating cost disclosure for similar projects, we appraise the recoverable resources at $0.50/barrel, which is in line with our assessments for other companies' minable resources with similar development schedules. Contact: *Andrew J. Byrne, CFA*

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Large E&P Relative Valuations & Profit Outlook

		Stock Price 2-Feb	JSH ANW/Sh	Price/ ANW 2-Feb	Price/ CF	Debt/ Asset Value	Est 2007 EBITDA	1-Year Change	Est 2007 CF/Sh	1-Year Change	Est 2007 EPS	Price/ EPS
Western Oil Sands Inc. ($C)	WTO	31.46	19.40	162%	18.0	17%	408	45%	1.75	75%	1.25	25.2
Penn West Energy Trust ($C)	PWT	35.50	28.65	124%	5.2	7%	1655	17%	6.80	8%	3.35	10.6
Nexen Inc. ($C)	NXY	71.85	60.40	119%	5.2	18%	4350	47%	13.85	44%	7.05	10.2
Woodside Petroleum ($Aus)	WPL.AU	37.48	32.00	117%	9.1	5%	3488	26%	4.10	26%	2.85	13.2
XTO Energy	XTO	50.55	46.65	108%	5.6	15%	4310	21%	9.00	15%	5.10	9.9
Hess Corp.	HES	54.57	51.25	106%	4.3	21%	5489	6%	12.55	6%	6.25	8.7
Canadian Oil Sands Trust ($C)	COS	29.35	29.65	99%	9.0	11%	1594	16%	3.25	18%	2.64	11.1
Talisman Energy ($C)	TLM	21.04	21.75	97%	4.6	14%	6171	2%	4.60	8%	1.35	15.6
Murphy Oil	MUR	51.52	53.50	96%	6.9	6%	1913	6%	7.44	16%	4.38	11.8
EOG Resources	EOG	68.69	72.15	95%	5.8	6%	3061	13%	11.85	6%	4.70	14.6
CNOOC Ltd. (ADRs)	CEO	84.94	92.00	92%	7.1	6%	7463	8%	11.95	4%	9.45	9.0
Noble Energy	NBL	53.60	60.00	89%	4.5	16%	2372	3%	11.80	6%	5.45	9.8
EnCana Corp.	ECA	48.19	54.10	89%	5.2	12%	8472	-2%	9.35	9%	4.00	12.0
Forest Oil	FST	31.99	36.25	88%	3.7	29%	628	11%	8.65	13%	2.95	10.8
Plains E&P	PXP	48.94	55.60	88%	7.5	15%	538	-17%	6.53	-12%	2.53	19.3
Occidental Petroleum	OXY	47.29	53.88	88%	6.3	5%	8868	-10%	7.45	0%	4.00	11.8
Devon Energy	DVN	70.40	81.40	86%	4.8	15%	8207	10%	14.70	9%	7.65	9.2
Canadian Natural ($C)	CNQ	58.77	69.00	85%	5.3	8%	6812	4%	11.05	1%	4.00	14.7
Newfield Exploration	NFX	43.46	51.10	85%	3.6	11%	1711	32%	12.15	23%	4.80	9.0
PTT E&P Ltd. (Thai Baht)	PTTEP.TB	95.50	114.80	83%	6.4	5%	73504	15%	14.81	12%	9.92	9.6
Statoil (ADRs)	STO	26.88	33.25	81%	6.3	6%	21319	0%	4.30	0%	2.65	10.1
Pioneer Natural Res.	PXD	41.18	52.50	78%	6.0	26%	1111	0%	6.85	0%	2.05	20.1
Apache Corp.	APA	70.71	105.45	67%	4.1	6%	7100	4%	17.30	1%	8.14	8.7
Cimarex Energy	XEC	37.58	57.20	66%	3.5	7%	1011	8%	10.60	0%	4.05	9.3
Chesapeake Energy	CHK	29.46	47.15	62%	3.8	28%	4356	6%	7.80	-3%	3.10	9.5
Pogo Producing Co.	PPP	49.12	80.45	61%	3.4	25%	1250	37%	14.56	12%	3.39	14.5
Santos Ltd. ($Aus)	STO.AU	9.07	16.25	56%	3.2	20%	1976	7%	2.80	8%	1.10	8.2
Anadarko Petroleum Corp.*	APC	43.83	80.00	55%	4.7	32%	6151	-2%	9.25	-11%	4.00	11.0
Medians				**88%**	**5.2**	**13%**		**8%**		**8%**		**10.7**

Bold indicates ANW is based on fiscal 2006 results.

* Anadarko ANW is pro forma for the Kerr McGee and Western Gas Resources acquisitions, as well as the asset divestitures announced to date.

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Smaller E&P Relative Valuations & Profit Outlook

		Stock Price 2-Feb	JSH ANW/Sh	Price/ ANW 2-Feb	Price/ CF	Debt/ Asset Value	Est 2007 EBITDA	1-Year Change	Est 2007 CF/Sh	1-Year Change	Est 2007 EPS	Price/ EPS
Arc Energy Trust ($C)	AET	22.92	15.85	145%	5.8	14%	817	2%	3.94	10%	1.93	11.8
Parallel Petroleum Corp.	PLLL	19.32	13.45	144%	8.7	18%	92	48%	2.22	45%	0.69	27.8
Premier Oil plc (pounds £)*	PMO	11.98	8.85	135%	7.8	4%	186	1%	1.53	4%	0.54	22.0
Bill Barrett Corp.	BBG	31.09	23.00	135%	5.2	8%	271	13%	5.95	14%	1.10	28.3
Ultra Petroleum	UPL	52.20	42.55	123%	14.5	0%	589	26%	3.60	26%	2.00	26.1
Southwestern Energy	SWN	38.82	32.50	119%	11.1	2%	601	52%	3.50	49%	1.30	29.9
Cairn Energy (pounds £)*	CNE	16.80	14.07	119%	28.0	0%	106	5%	0.60	0%	0.14	121.7
Enerplus Res. Fund ($C)	ERF	52.45	46.24	113%	6.6	11%	1016	3%	7.90	11%	3.31	15.8
W&T Offshore	WTI	30.60	27.75	110%	2.8	2%	957	49%	11.10	30%	4.05	7.6
Range Resources	RRC	30.96	28.50	109%	7.6	14%	665	20%	4.10	17%	1.85	16.7
St. Mary Land & Expl.	SM	36.29	34.40	105%	5.1	4%	556	3%	7.15	2%	3.00	12.1
Oil Search ($US)	OSH.AU	2.67	2.55	105%	7.5	4%	538	-8%	0.36	-9%	0.19	13.7
Panhandle Royalty	PHX	19.92	20.40	98%	7.1	3%	28	3%	2.80	2%	1.60	12.4
Berry Petroleum	BRY	30.56	31.50	97%	5.1	6%	292	9%	6.00	8%	2.85	10.7
Cabot Oil & Gas	COG	64.85	67.20	97%	7.2	9%	575	12%	8.98	2%	4.18	15.5
Denbury Resources, Inc.	DNR	28.04	30.35	92%	6.8	10%	530	9%	4.10	9%	1.70	16.5
Bois D'Arc Energy	BDE	15.10	17.00	89%	4.0	6%	262	24%	3.75	19%	1.50	10.1
Comstock Resources	CRK	30.46	35.00	87%	5.6	14%	216	6%	5.40	4%	2.35	13.0
Quicksilver Resources	KWK	39.67	46.00	86%	11.4	14%	379	34%	3.48	11%	1.60	24.8
Whiting Petroleum	WLL	45.51	54.00	84%	3.5	30%	555	15%	12.85	17%	5.00	9.1
Unit Corp.	UNT	49.68	60.50	82%	4.1	5%	639	0%	12.05	4%	6.35	7.8
Energy Partners	EPL	21.58	26.95	80%	2.2	18%	390	17%	10.00	33%	1.50	14.4
Houston Exploration	THX	52.46	71.00	74%	3.5	22%	470	8%	15.13	18%	4.98	NM
Swift Energy	SFY	44.31	63.50	70%	3.3	16%	442	1%	13.55	3%	4.27	10.4
Compton Petroleum ($C)	CMT	11.33	17.50	65%	4.6	19%	376	32%	2.45	14%	0.70	16.2
Clayton Williams Energy	CWEI	31.76	51.35	62%	2.4	29%	165	-4%	13.42	21%	5.21	6.1
Stone Energy	SGY	34.50	65.00	53%	2.2	22%	571	19%	15.86	1%	2.88	12.0
Encore Acquisition	EAC	25.85	52.05	50%	4.6	20%	410	6%	5.64	15%	1.96	13.2
Harvest Natural Res.	HNR	10.00	23.35	43%	2.2	0%	237	NM	4.55	NM	2.50	10.5
Medians				**97%**	**5.2**	**10%**		**9%**		**11%**		**13.4**

Bold indicates ANW is based on fiscal 2006 results.
* Figures for Cairn Energy and Premier Oil take into account changes in currency rates since 12/31/05.
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Integrated Oils Relative Valuations & Profit Outlook

		Stock Price 2-Feb	JSH ANW/Sh	Price/ ANW 2-Feb	Price/ CF	Debt/ Asset Value	Est 2007 EBITDA	1-Year Change	Est 2007 CF/Sh	1-Year Change	Est 2007 EPS	Price/ EPS
Rosneft	ROSN	9.07	5.02	181%	11.6	21%	11892	19%	0.78	20%	0.65	14.0
Shell Canada ($C)	SHC	45.00	29.80	151%	13.2	1%	3858	19%	3.40	1%	2.15	20.9
Husky Energy ($C)	HSE	75.03	63.30	119%	6.8	6%	5398	2%	11.05	2%	6.05	12.4
Imperial Oil ($C)	IMO	41.71	35.50	117%	10.4	4%	5427	11%	4.00	-4%	3.00	13.9
Sinopec	SNP	82.65	74.25	111%	7.5	21%	13379	-3%	11.05	10%	6.15	13.4
Repsol YPF (ADRs)	REP	33.13	30.00	110%	4.3	26%	10263	0%	7.65	0%	3.55	9.3
OMV Gruppe (ADRs)	OMV	54.55	50.00	109%	5.7	9%	3528	1%	9.60	3%	6.10	8.9
PetroChina Co. Ltd (ADRs)	PTR	124.15	115.05	108%	7.9	4%	35183	-13%	15.75	-13%	9.65	12.9
Hess Corp.	HES	54.57	51.25	106%	4.3	21%	5489	6%	12.55	6%	6.25	8.7
MOL Rt.	MOL	104.18	98.80	105%	5.2	15%	2195	-1%	19.98	-3%	14.30	7.3
ExxonMobil	XOM	75.54	72.00	105%	9.3	2%	65805	-6%	8.10	-2%	6.10	12.4
Marathon Oil	MRO	89.62	85.75	105%	5.9	11%	8442	-17%	15.15	-14%	10.75	8.3
Suncor Energy ($C)	SU	87.41	86.05	102%	7.2	7%	5750	4%	12.13	5%	7.18	12.2
Murphy Oil	MUR	51.52	53.50	96%	6.9	6%	1913	6%	7.44	16%	4.38	11.8
Petroleo Brasileiro (ADRs)	PBR	99.46	108.25	92%	5.0	14%	28689	10%	19.88	7%	14.85	6.7
Petro-Canada ($C)	PCA	46.26	52.85	88%	6.0	9%	5939	0%	7.70	17%	3.69	12.5
Royal Dutch Shell plc (ADRs)	RDS/A	68.02	78.00	87%	6.0	4%	47871	-8%	11.40	-1%	7.00	9.7
Total S.A. (ADRs)**	TOT	68.85	81.00	85%	6.9	9%	38000	1%	10.00	3%	7.05	9.8
BP plc (ADRs)	BP	63.65	75.00	85%	6.2	6%	46319	4%	10.30	8%	7.25	8.8
Eni S.p.A. (ADRs)	E	64.25	77.00	83%	5.0	9%	34134	0%	12.75	0%	7.15	9.0
Chevron Corp	CVX	74.04	91.15	81%	7.3	6%	33936	-7%	10.16	-5%	7.00	10.6
LUKOIL (ADRs)	LUKOY	82.00	102.45	80%	6.0	5%	15199	8%	13.60	8%	11.50	7.1
ConocoPhillips*	COP	67.29	98.00	69%	5.0	7%	30375	-5%	13.55	-3%	9.10	7.4
OAO Gazprom (ADRs)	OGZPY	43.70	65.75	66%	8.8	8%	39314	18%	4.95	17%	3.70	11.8
Medians:				**103%**	**6.5**	**8%**		**1%**		**2%**		**10.2**

Bold indicates ANW is based on fiscal 2006 results.
* ConocoPhillips ANW pro forma for Burlington Acquisition.
** Total's ANW is pro forma for the spin-off of its chemical operations in May 2006.
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Refiners, Pipelines & Diversified Oils Relative Valuations & Profit Outlook

		Stock Price 2-Feb	JSH ANW/Sh	Price/ ANW 2-Feb	Price/ CF	Debt/ Asset Value	Est 2007 EBITDA	1-Year Change	Est 2007 CF/Sh	1-Year Change	Est 2007 EPS	Price/ EPS
Frontier Oil	FTO	28.96	14.60	198%	7.8	8%	620	-10%	3.70	-10%	3.20	9.0
El Paso Corp.	EP	15.60	11.25	139%	4.8	66%	3400	28%	3.25	20%	1.20	13.0
Holly Corp.*	HOC	53.32	41.35	129%	11.2	0%	400	-6%	4.75	-9%	4.10	13.0
BG Group plc (ADRs)	BRG	67.97	57.00	119%	10.2	5%	6680	0%	6.65	0%	4.35	15.6
Western Refining*	WNR	27.43	23.85	115%	6.7	0%	325	8%	4.10	8%	3.25	8.4
Williams Companies	WMB	27.42	24.45	112%	6.2	34%	2863	NM	4.40	NM	1.70	16.1
Tesoro Petroleum	TSO	83.98	80.25	105%	5.3	15%	1518	-6%	15.75	-5%	10.50	8.0
Lyondell Chemical Co.	LYO	31.51	31.00	102%	4.3	40%	3400	13%	7.25	13%	3.95	8.0
Valero Energy Corp.	VLO	56.23	55.85	101%	5.5	13%	8071	-11%	10.20	-7%	7.45	7.5
Giant Industries*	GI	74.69	74.95	100%	8.7	21%	175	-12%	8.55	-7%	6.15	12.1
Norsk Hydro (ADRs)	NHY	32.95	35.00	94%	6.8	8%	13920	0%	4.85	0%	2.45	13.5
Questar Corp.	STR	80.73	86.00	94%	8.0	13%	1065	0%	10.05	0%	5.05	16.0
Sunoco, Inc.	SUN	63.86	71.75	89%	5.3	11%	2071	-2%	12.15	3%	7.80	8.2
Statoil	STO	26.88	33.25	81%	6.3	19%	21319	0%	4.30	0%	2.65	10.1
Medians:				**101%**	**6.5**	**13%**		**-1%**		**0%**		**11.1**

Bold indicates ANW is based on fiscal 2006 results.
* GI, HOC, & WNR ANW's are based on 9-30-2006
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How the Largest Independents Performed

Company	*2/2 Price*	*One Year Change*	*Six Month Change*	*Week Change*
Noble Energy	53.60	28.8%	6.1%	7.5%
Plains Expl. & Prod.	48.94	21.4%	11.3%	6.2%
EOG Resources	68.69	-2.6%	-3.0%	4.8%
Pioneer Natural Resources	41.18	-3.8%	-9.5%	4.7%
Anadarko Petroleum	43.83	-13.6%	-6.9%	4.6%
Newfield Exploration	43.46	6.3%	-2.1%	4.2%
INPEX Holdings (Yen)	986000	-21.1%	-10.4%	3.7%
Occidental Petroleum	47.29	4.6%	-12.2%	3.6%
Devon Energy	70.40	17.3%	7.1%	3.4%
Talisman Energy ($C)	21.04	3.7%	3.7%	3.1%
XTO Energy	50.55	24.6%	5.3%	2.9%
Pogo Producing	49.12	-4.7%	10.7%	2.8%
Canadian Natural Resources ($C)	58.77	-7.0%	-3.8%	2.7%
EnCana Corporation	48.19	14.6%	-11.6%	2.6%
Cimarex Energy	37.58	-15.0%	-9.4%	2.4%
Stone Energy	34.50	-18.6%	-26.3%	2.1%
Forest Oil Corp.	31.99	-5.6%	-4.5%	1.7%
PTT Expl. & Prod. (Baht)	95.50	-7.5%	-19.7%	1.6%
Chesapeake Energy	29.46	-0.1%	-11.2%	1.6%
Penn West Energy Trust ($C)	35.50	-12.5%	-23.0%	1.4%
DJIA	**12653.49**	**13.6%**	**13.0%**	**1.3%**
Apache Corp.	70.71	3.3%	1.1%	1.3%
Woodside Petroleum (Aust $)	37.48	-12.3%	-10.2%	0.6%
Tullow Oil (UK Pence)	405.00	35.1%	-0.1%	0.6%
Japan Petroleum Expl. (Yen)	6910	-3.4%	-13.9%	-0.6%
Maurel et Prom (Euros)	15.97	-15.9%	-3.4%	-0.7%
Nexen, Inc. ($C)	71.85	19.0%	3.6%	-0.9%
Cairn Energy (UK Pence)	1680.00	-10.6%	-22.3%	-1.2%
CNOOC Limited (ADR)	84.94	0.8%	-1.6%	-1.7%
Oil & Natural Gas Corp. (Rupees)	903.40	15.4%	13.6%	-1.7%
Santos Ltd. (Aust $)	9.07	-25.0%	-20.4%	-4.3%
Medians		**-3.0%**	**-4.2%**	**2.2%**

EOG Resources announced a 50% increase in its common stock dividend. **Anadarko Petroleum** agreed to sell natural gas assets to Exco Resources for $860MM. Shares of **Nexen Inc.** retraced some of its gains from the prior week after it had been rumored that Total S.A. would bid for the company. **CNOOC Ltd.** announced its strategy and development plan for 2007 and stated that it expected production to remain flat over the next year and reserve replacement to be near 100%.

How the Integrated & Downstream Oils Performed

Company	*2/2 Price*	*One Year Change*	*Six Month Change*	*Week Change*
Valero Energy	56.23	-3.4%	-16.3%	7.1%
Murphy Oil Corp.	51.52	-4.9%	1.4%	5.8%
Dominion Resources	86.54	14.9%	10.7%	5.4%
Hess Corp.	54.57	11.1%	2.7%	5.1%
Sunoco Inc.	63.86	-27.1%	-10.2%	4.8%
Norsk Hydro a.s. ADR	32.95	36.2%	15.0%	4.8%
ConocoPhillips	67.29	4.6%	-2.5%	3.9%
Chevron Corp.	74.04	26.5%	12.2%	3.6%
Williams Companies	27.42	18.1%	12.7%	3.4%
BG Group plc ADR	67.97	17.7%	0.0%	3.3%
Total SA (ADS)	68.85	4.7%	3.0%	3.0%
PetroCanada	39.07	-20.7%	-14.6%	2.8%
Statoil ASA	26.88	-0.6%	-10.4%	2.8%
Repsol YPF, SA ADR	33.13	23.1%	16.1%	2.6%
Exxon Mobil	75.54	21.9%	10.3%	2.6%
Sasol Limited ADR	34.44	-17.7%	-6.3%	2.4%
BHP Billiton	41.18	7.2%	-2.8%	2.4%
Petroleo Brasileiro ADS	99.46	11.8%	5.8%	2.1%
Lukoil Holding ADR	81.20	6.1%	-8.4%	1.9%
El Paso Corp.	15.60	20.2%	-3.7%	1.8%
DJIA	**12653.49**	**16.6%**	**13.0%**	**1.3%**
Marathon Oil Corp.	89.62	22.6%	1.1%	0.9%
PetroChina Company ADS	124.15	29.3%	10.3%	0.2%
ENI, Spa ADR	64.25	8.3%	4.8%	-0.1%
BP Plc	63.65	-8.6%	-12.5%	-0.1%
Royal Dutch Shell PLC	68.02	2.8%	-4.1%	-0.3%
Suncor Energy	73.98	-6.2%	-11.0%	-0.7%
Husky Energy Inc. (C$)	75.03	5.1%	-6.1%	-0.8%
China Petroleum & Chem. ADS	82.65	37.6%	47.2%	-1.6%
Medians		**7.8%**	**0.5%**	**2.6%**

Integrateds out gained the DJIA by 1.3% as oil price rose by more then $5/bbl. **Valero Energy** said in its 4Q conference call that it expects continued strong fundamentals in the refining sector during 2007. **Murphy Oil** reported a significant natural gas discovery off the coast of Malaysia. **Sunoco Inc.** increased its quarterly dividend 10% to $.275/share, while **Williams Companies** declared its first quarterly dividend of $.09/share. **Total S.A.** reported three new gas discoveries in the Gulf of Thailand.

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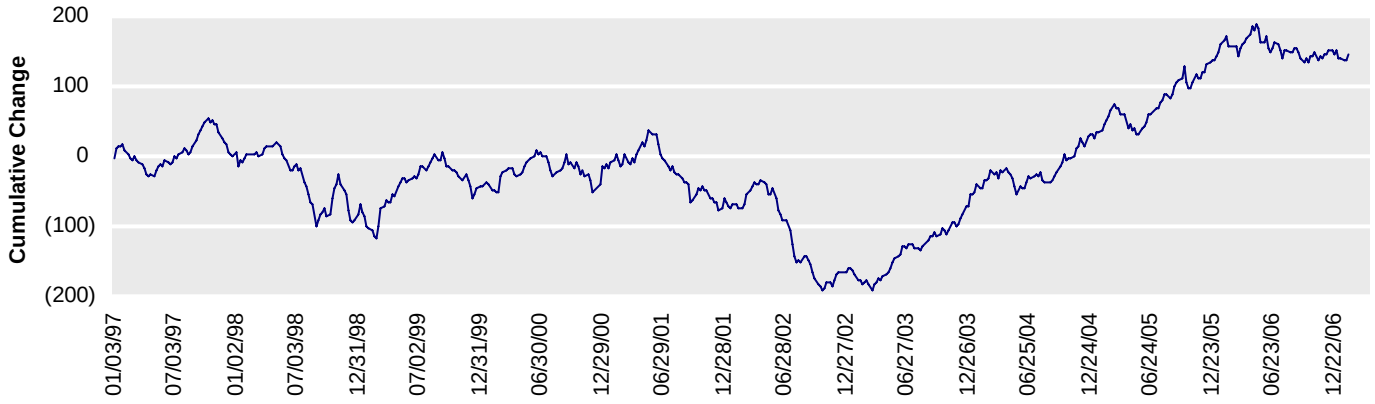
Gainers					*Decliners*				
Company	**Ticker**	**Close**	**Chg**	**% Chg**	**Company**	**Ticker**	**Close**	**Chg**	**% Chg**
Ascent Resources plc	AST LN	14.00	3.00	27.3%	Evergreen Energy Inc.	EEE	8.29	-2.20	-21.0%
CARBO Ceramics Inc.	CRR	44.77	9.27	26.1%	Aminex plc	AEX LN	18.00	-1.50	-7.7%
Verenex Energy Inc.	VNX CN	8.30	1.50	22.1%	Forum Energy plc	FEP LN	73.00	-5.00	-6.4%
Artumas Group Inc.	AGI NO	63.50	10.25	19.2%	TransAlta Corp.	TA CN	24.68	-1.64	-6.2%
Petrobank Energy &	PBG CN	20.45	2.91	16.6%	Eagle Rock Energy Prtnrs	EROC	19.25	-1.19	-5.8%
Equator Exploration Ltd.	EEL LN	51.00	6.75	15.3%	Gentry Resources Ltd	GNY CN	4.34	-0.26	-5.7%
Paramount Resources Ltd	POU CN	20.70	2.70	15.0%	Stolt-Nielsen S.A.	SNI NO	185.00	-11.00	-5.6%
Petroplus Holdings AG	PPHN	90.50	11.30	14.3%	Korea Gas Corp.	036460	37,300	-2,100	-5.3%
Trican Well Service Ltd.	TCW CN	21.65	2.69	14.2%	Hindustan Petroleum Corp.	HPCL IN	303.10	-15.45	-4.9%
Tesoro Corp.	TSO	83.98	10.16	13.8%	Santos Ltd	STO AU	9.07	-0.41	-4.3%
Powell Industries	POWL	33.46	3.63	12.2%	Trico Marine Services Inc.	TRMA	30.85	-1.36	-4.2%
Oilexco Inc.	OIL CN	8.72	0.92	11.8%	West Energy Ltd.	WTL CN	4.81	-0.20	-4.0%
E.ON AG	EON	47.48	4.77	11.2%	CREDO Petroleum Corp.	CRED	11.62	-0.47	-3.9%
Regal Petroleum PLC	RPT LN	162.25	16.25	11.1%	EXCO Resources Inc.	XCO	16.40	-0.66	-3.9%
Imperial Energy Corp.	IEC LN	794.00	79.50	11.1%	Circle Oil Plc	COP LN	13.25	-0.50	-3.6%

Ascent Resources plc topped the gainers list on the news of an oil discovery in the Anagni-1 well in Italy's Latina Valley. **Petroplus Holdings AG** will acquire BP's U.K. Coryton refinery for more than $1.4 billion. **Tesoro Corp.** will purchase Shell's Los Angeles-area refinery and more than 390 retail sites currently owned by Shell and USA Petroleum for over $1.9 billion.

Santos Ltd. increased its takeover offer for Queensland Gas Co. in efforts to outbid its rival AGL Energy Ltd. **EXCO Resources Inc.** acquired natural gas properties from Anadarko Petroleum Corp. for $860MM.

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