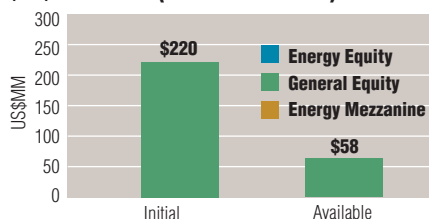


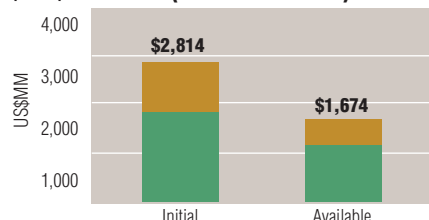
COSCO PRIVATE CAPITAL ENERGY INDEX

For more than seven years, COSCO Capital Management LLC has surveyed sources of private capital about the funds they have available to invest in the energy industry, their investment preferences, and their activities for that particular year. At present the COSCO Private Capital Energy Index™ consists of the 20 capital sources identified in the table. At year-end 2005, these 20 sources reported having some \$10 billion¹ available to invest in the energy business (either budgeted for 2006 or out of the \$27 billion initially raised in their active closed-end funds).

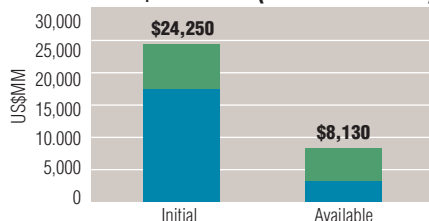
\$0-\$10 Million (2 Active Sources)



\$10-\$50 Million (9 Active Sources)



Greater Than \$50 Million (7 Active Sources)



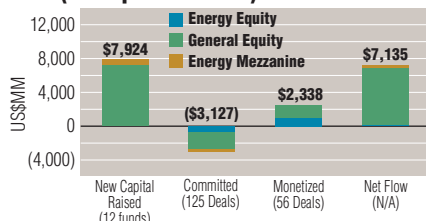
Preferred Per-Investment Range - 2005

These three charts show the investment size preferences² of the sources in the COSCO Index, as well as the total capital reported by these sources to be available for private investments in energy during 2005. Unless directed otherwise, COSCO makes the assumption that no more than 25% of the capital available originally in a general (non-energy specific) fund will be dedicated to energy.

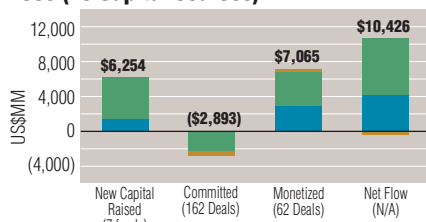
Editor's Note: Twice a year, we will publish this index report to indicate the level of private capital available and current energy investment activity.

Half of the COSCO Index sources clearly prefer to invest in the \$10- to \$50-million range. However, by far the largest amount of initial capital was originally raised by the sources that prefer to invest in tranches of \$50 million or more. These data continue to support the theme that raising more capital is easier than targeting less.

2004 (21 Capital Sources)

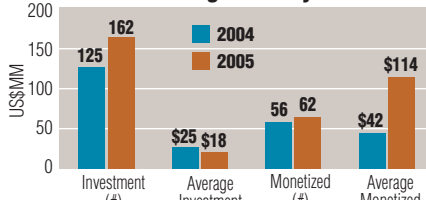


2005 (20 Capital Sources)



The COSCO Index sources continued to be very busy in 2005. As shown in the charts above, the net capital flow³ among all sources in the Index last year was a positive \$10 billion vs. \$7 billion for 2004. This was largely because the COSCO Index sources received more than triple the amount of capital through monetizing their portfolio holdings in 2005 vs. 2004. This, alone, more than offset the slight decline in capital raised by the Index sources in 2005.

2004 vs. 2005 Average Activity



Comparing just the average activity levels for 2005 vs. 2004 (see table above), the magnitude of these monetizations becomes even more impressive: In 2005, the COSCO Index sources made 162 investments for a total of \$2.9 billion, or an average of \$18 million per transaction. Granted, the average investment in 2004 at \$25 million was larger

but, more importantly, in 2005, the Index sources monetized 62 different holdings for roughly \$7.1 billion, or an average of \$114 million. That's more than six times the average investment in 2005 and almost three times the average size of the divestitures in 2004. The equivalent numbers for 2004 are \$42 million and 1.7X's, both less than half the returns on investment apparently being posted just one year later.

One further thought: The fact that the capital raised by the Index sources in 2005 is roughly equivalent to that year's total monetizations could also mean that institutional investors are simply recycling their profits from earlier investments in energy-focused private capital.

If this is the case, then profits from private capital are efficiently recapitalizing the industry at the currently higher commodity prices. Without continued growth in price levels, however, these flows into private capital may well slow, unless they are replenished by capital from other sources (like the public markets, or value creation through the drill bit). Stay tuned!

COSCO Index Sources

Sources - Equity	Mandate
Altira Group LLC	Energy
ARC Financial Corp. (CDN)	Energy
Avista Capital Partners	Energy
The Blackstone Group	General
Camcor Capital Inc. (CDN)	Energy
Eschelon Energy Partners	Energy
First Reserve Corp.	Energy
Greenhill Capital Partners LLC	General
Hicks, Muse, Tate & Furst	General
KERN Energy Partners (CDN)	Energy
Kayne Anderson Capital Advisors LP	Energy
Lime Rock Management	Energy
Metalmark Capital LLC	General
Quantum Energy Partners	Energy
Riverstone Holdings LLC	Energy

Subtotal 15

Sources - Mezzanine	Mandate
Constellation Energy Commodities Group	Energy
Goldman Sachs & Co.	Energy
NGP Capital Resources Company	Energy
Petrobridge Investment Management LLC	Energy
Prospect Energy Corp.	Energy

Subtotal 5

TOTAL COSCO Index 20

¹ All monetary values in U.S. dollars (Canadian dollar converted at \$1CDN=\$0.866944 USD)

² The amount of capital a source prefers to allocate to a single private energy investment.

³ Capital raised in funds or budgeted by other sources in a given year, plus capital from investments monetized, less new investments committed.