

Morgan Stanley & Co. Incorporated **Lloyd Byrne**
Lloyd.Byrne@morganstanley.com
+1 (1)212 761 8343

Eric Pipa, CFA
Eric.Pipa@morganstanley.com
+1 (1)212 761 6648

Bryn Harder

Stephen Richardson

April 18, 2006

Industry View

In-Line

Exploration & Production

The Weekly Explorer

Recap of Last Week

	Fri. Close	WoW Change	YoY Change
Crude Oil Front-Month (\$/bbl)	\$69.32	2.9%	37.3%
12-Month Strip (\$/bbl)	\$72.24	3.3%	36.9%
Nat Gas Front-Month (\$/mcf)	\$7.14	5.8%	2.0%
12-Month Strip (\$/mcf)	\$9.07	4.9%	19.6%
S&P 500	1,289	-0.5%	12.8%
MS E&P Index (cap-weighted)	5,678	1.2%	63.8%
Oil Services Index (OSX)	217.15	2.2%	67.5%
Energy Select Sector Fund (XLE)	56.84	2.7%	43.1%
Top E&P Performer - Last Week			
Western Oil Sands	C\$37.70	6.5%	110.2%
Bottom E&P Performer - Last Week			
Pioneer Natural Resources	\$43.39	-2.3%	5.3%
Oil Complex Long / (Short)	58.4 k	+18.8 k	NM
Crude Oil Long / (Short)	23.0 k	+11.3 k	NM
Natural Gas Long / (Short)	12.3 k	(4.6 k)	NM
US Natural Gas Rig Count	1,349	36	NM
US Natural Gas Inventories (Bcf)	1,714	19	421
NatGas Differentials (vs. Henry Hub)	4/14/06	4/7/06	4/15/05
Appalachia	\$0.35	\$0.65	\$0.42
Rockies	(\$1.51)	(\$1.22)	(\$0.75)
AECO	(\$1.88)	(\$1.12)	(\$0.85)

Natural Gas Storage Estimate. For the week ending April 14th, we forecast a 50-60 Bcf injection to storage. This compares to the five-year average of a 33 Bcf injection and last year's 50 Bcf injection.

Recent MS Global Energy Reports of Interest:

- China Oil & Gas: "PetroChina: 1Q06 Operating Statistics: Volume Growth Driven by Natural Gas", by Howard Wong, 4/17/06
- Integrated Oils: "Integrated Oils and R&M: Raising Estimates; Maintain Constructive Outlook", by Doug Terreson, 4/13/06
- Oil Services, Drilling & Equipment: "Tenaris S.A: Raising Estimates and Target on Increased Visibility", by Ole Slorer, 4/5/06
- Exploration & Production: "Pioneer: Still Not Sold; Downgrading to Underweight", by Eric Pipa, 4/3/06

GICS Sector: Energy

Strategist's Recommended Weight 9.8%
S&P 500 Weight 9.8%

Calendar of Upcoming Events

April 20th	XTO Energy Earnings Release 4:00 pm EST Conference Call (800) 901-5218; conf #: 40262553
April 25th	Pogo Producing Co. Earnings Release 2:30 pm EST Conference Call (877) 219-8521
April 26th	EnCana Corp. Earnings Release (BMO) 10:00 am EST Conference Call (800) 819-9193; passcode: ECA
April 27th	Newfield Exploration Earnings Release (BMO) 9:30 am EDT Conference Call (719) 457-2633
	Nexen Inc. Earnings Release (BMO)
May 1st	Chesapeake Energy Earnings Release (AMC)
May 2nd	Chesapeake Energy Conference Call 9:00 am EDT Conference Call (913) 981-4911; conf #: 1324430
May 4th	Canadian Natural Res. Earnings Release (BMO)

Note: BMO = Before Market Open; AMC = After Market Close

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For analyst certification and other important disclosures, refer to the Disclosure Section.

April 18, 2006
Exploration & Production

Industry View: In-Line

Direction of the commodity has historically driven relative performance versus the broader market. With Morgan Stanley's expectation that commodity prices will remain high, but moderate over the next 18 months, we're advocating an In-Line position relative to the broader market. We do expect a wide discrepancy to emerge between the 'Haves' and 'Have-Nots', though. We define 'Haves' as those companies that can effectively reinvest capital and control costs to better hold onto margin.

Exhibit 1

E&P: Favorite Names

Favorite Names	Rating	4/14/06	
		Price	Target
US E&P			
1. EOG Resources	Overweight	\$73.68	\$87.00
2. Chesapeake Energy	Overweight-V	\$32.14	\$37.00
3. Apache Corp.	Overweight	\$68.89	\$88.00
4. XTO Energy	Overweight-V	\$46.30	\$54.00
5. Plains Exploration	Overweight-V	\$40.16	\$53.00
6. Noble Energy	Overweight	\$45.80	\$56.00
Canadian E&P (\$/CAD)			
1. Talisman Energy	Overweight	C\$65.25	C\$73.00
2. Suncor Energy	Overweight	C\$98.01	C\$99.00
3. Nexen Inc.	Overweight	C\$68.17	C\$66.00
4. Compton Petroleum	Overweight-V	C\$16.51	C\$24.00

Source: FactSet, Morgan Stanley Equity Research Estimates

Commodity Market - Fundamental Outlook

Exhibit 2

Morgan Stanley Crude Oil Price Forecast

(US\$/bbl)	1Q	2Q	3Q	4Q	Annual
1999	\$13.11	\$17.67	\$21.72	\$24.56	\$19.25
2000	\$28.81	\$28.80	\$31.63	\$31.96	\$30.30
2001	\$28.73	\$28.05	\$26.64	\$20.45	\$25.92
2002	\$21.66	\$26.29	\$28.17	\$28.25	\$26.09
2003	\$33.94	\$29.01	\$30.21	\$31.13	\$31.07
2004	\$35.34	\$38.19	\$43.83	\$47.83	\$41.30
2005	\$50.04	\$53.14	\$63.22	\$61.13	\$56.88
2006E	\$62.00E	\$60.00E	\$60.00E	\$58.00E	\$60.00E
2007E	\$55.00E	\$55.00E	\$55.00E	\$55.00E	\$55.00E
Normalized					\$50.00E

Source: Morgan Stanley Equity Research Estimates

Exhibit 4

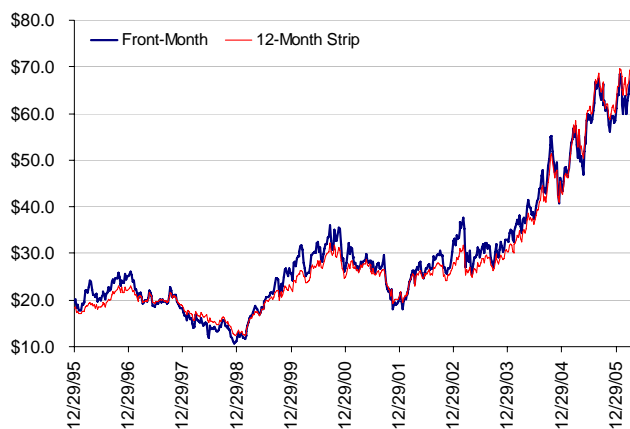
Morgan Stanley Natural Gas Price Forecast

(US\$/Mcf)	1Q	2Q	3Q	4Q	Annual
1999	\$1.66	\$2.08	\$2.41	\$2.38	\$2.14
2000	\$2.46	\$3.48	\$4.30	\$6.34	\$4.15
2001	\$6.22	\$4.19	\$2.63	\$2.27	\$3.88
2002	\$2.33	\$3.14	\$2.97	\$3.97	\$3.10
2003	\$6.40	\$5.35	\$4.74	\$4.90	\$5.35
2004	\$5.43	\$5.97	\$5.34	\$6.50	\$5.81
2005	\$6.27	\$6.73	\$9.00	\$12.97E	\$8.74
2006E	\$9.00E	\$6.50E	\$7.25E	\$9.25E	\$8.00E
2007E	\$8.00E	\$8.00E	\$8.00E	\$8.00E	\$8.00E
Normalized					\$7.00E

Source: Morgan Stanley Equity Research Estimates

Exhibit 3

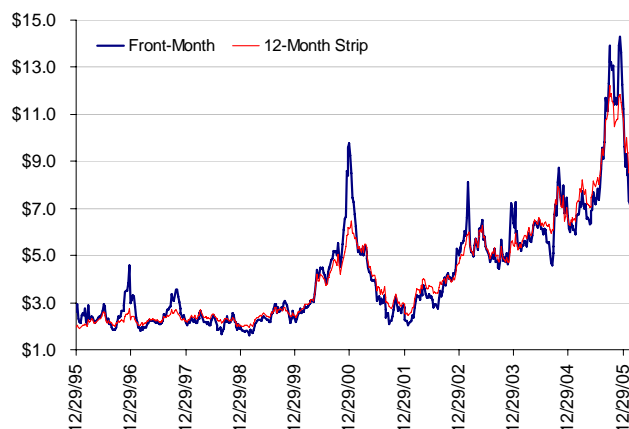
Crude Oil Prices (\$/bbl)



Source: Bloomberg

Exhibit 5

Natural Gas Prices (\$/Mcf)



Source: Bloomberg

Exhibit 6

Valuation Summary: North American E&Ps

	4/14/2006		Price Target	Div. Yield	(\$ MM) Mkt. Cap	(2006E)			Price / Earnings				Price / Cash Flow				EV / EBITDA(X)			
	Price	Rating				Production	Net Debt/Cap	2005E		2006E		2005E		2006E		2005E		2006E		
						% NA Gas	2005E	2006E	2005E	2006E	2007E	2008E	2005E	2006E	2007E	2008E	2005E	2006E	2007E	2008E
U.S. Large Cap (US\$)																				
APA	\$68.61	O	\$88	0.6%	\$22,650	34%	16%	8%	8.9	8.2	8.7	10.2	4.9	4.5	4.4	4.8	4.4	3.9	3.5	3.5
APC	\$107.15	E	--	0.7%	\$24,634	51%	21%	20%	9.8	9.3	9.3	11.8	5.8	5.3	4.9	5.4	5.1	4.8	4.5	4.9
CHK	\$32.00	O-V	\$37	0.6%	\$11,846	92%	51%	46%	12.4	10.1	10.0	12.1	4.8	3.9	3.7	4.3	6.5	5.0	4.7	4.8
DVN	\$61.41	E	--	0.7%	\$27,230	62%	20%	17%	9.2	8.8	9.3	10.7	5.0	4.8	4.6	4.8	4.3	4.2	4.0	4.0
EOG	\$72.93	O	\$87	0.3%	\$17,654	69%	7%	1%	14.0	13.6	13.7	15.2	7.5	6.7	6.2	6.2	6.2	6.0	5.3	5.3
KMG	\$102.02	E	--	0.2%	\$11,856	59%	33%	20%	10.6	11.6	10.5	12.4	3.9	5.1	4.2	4.4	4.5	4.5	3.6	3.5
OXY	\$99.63	U	--	1.4%	\$40,063	13%	-21%	-45%	10.3	9.3	10.2	12.2	8.0	6.8	7.2	8.0	4.7	3.7	3.8	4.2
XTO	\$45.80	O-V	\$54	0.7%	\$16,651	78%	42%	35%	14.4	11.6	11.6	12.8	7.5	6.5	6.0	6.2	7.5	5.9	5.5	5.3
					ex OXY:	64%	27%	21%	9.9	9.2	9.1	10.6	5.6	5.3	4.9	5.1	5.5	4.9	4.4	4.5
U.S. Mid and Small Cap (US\$)																				
BBG	\$30.86	E-V	--	0.0%	\$1,345	92%	3%	19%	26.4	30.6	19.6	21.4	6.9	6.1	4.7	4.5	8.8	7.0	5.5	5.4
FST	\$38.19	U	--	0.0%	\$2,394	60%	34%	45%	14.2	13.0	11.2	14.8	3.8	4.8	4.4	4.8	4.4	5.3	4.8	5.3
NBL	\$45.73	O	\$56	0.4%	\$8,031	40%	37%	28%	10.9	9.0	8.4	10.1	5.1	3.9	3.9	4.2	5.2	3.9	3.5	3.6
NFX	\$42.78	O-V	\$54	0.0%	\$5,456	77%	26%	29%	11.4	8.5	7.4	9.5	4.8	4.0	3.3	3.9	5.2	4.3	3.5	3.8
PPP	\$51.94	U	--	0.6%	\$3,008	55%	44%	37%	9.1	7.3	7.5	10.1	3.9	3.1	3.0	3.3	4.6	3.6	3.3	3.5
PXD	\$42.95	U	--	0.6%	\$5,523	56%	48%	36%	15.1	18.7	16.6	21.1	4.4	6.1	6.1	6.4	5.1	6.2	6.2	6.4
PXP	\$39.87	O-V	\$53	0.0%	\$3,126	16%	53%	36%	NM	10.2	18.1	16.1	4.7	4.8	6.7	6.4	9.9	5.1	7.1	6.4
					ex. BBG:	51%	40%	35%	12.1	11.1	11.5	13.6	4.5	4.4	4.6	4.9	5.7	4.7	4.7	4.8
Canadian E&P																				
					USD															
*CMT	C\$16.47	O-V	C\$24	0.0%	\$1,827	71%	44%	45%	19.9	16.4	16.5	17.6	7.3	6.5	5.9	5.8	8.7	7.1	6.7	6.6
*CNQ	C\$70.18	E	--	0.4%	\$32,811	41%	29%	31%	18.5	16.5	15.0	17.7	7.5	6.9	5.9	6.1	8.2	6.7	5.9	6.0
ECA	\$48.63	E	--	0.6%	\$41,574	79%	29%	13%	12.7	13.9	11.4	14.0	6.1	6.2	5.3	5.7	6.0	5.5	4.7	5.1
*NXY	C\$67.81	O	C\$66	0.3%	\$15,436	16%	48%	45%	15.5	16.3	10.3	10.4	7.3	6.8	3.8	3.8	7.7	7.0	4.1	3.8
*SU	C\$97.10	O	C\$99	0.2%	\$38,737	11%	32%	18%	47.4	21.1	21.8	17.9	16.7	11.4	11.7	9.9	17.5	11.0	11.1	9.0
*TLM	C\$65.36	O	C\$73	0.5%	\$20,867	30%	42%	34%	12.0	12.0	12.9	12.8	5.3	4.4	4.2	4.0	4.8	3.9	3.6	3.2
*WTO	C\$37.39	U-V	--	0.0%	\$5,232	0%	44%	35%	45.7	33.4	25.4	24.6	24.9	18.3	14.0	13.5	21.0	17.0	13.7	13.3
					ex. SU, WTO:	47%	38%	34%	15.7	15.0	13.2	14.5	6.7	6.2	5.0	5.1	7.1	6.0	5.0	5.0

O = Overweight, E = Equal-Weight, U = Underweight, V = Volatility flag, * = Financials reported in Canadian dollars

Notes: (1) Market Cap per FactSet; (2) OXY estimates per Doug Terreson, MS Integrated Oils Analyst; D, WMB, STR and EP estimates per Scott Soler, MS Natural Gas Analyst; ORG, OSH, STO and WPL estimates per Stuart Baker, MS Australian E&P Analyst. Source: Company Data, Morgan Stanley Equity Research ModelWare Estimates. ++ Rating and Price Target for this company have been removed from consideration in this report because, under applicable law and/or Morgan Stanley policy, Morgan Stanley may be precluded from issuing such information with respect to this company at this time.

Exhibit 7

Operations Summary: Global E&Ps

			(2006E)	Year-End 2004 Reserves			Reserve Life			% PUDs	----- Organic ----- 3 Yr. Avg. Finding & Development Costs			----- All-In ----- 3 Yr. Avg. Finding & Development Costs		
	4/14/2006		Production	Total	Liquid	Gas	2002	2003	2004	2004	2002	2003	2004	2002	2003	2004
	Price	Rating	% NA Gas													
U.S. Large Cap (US\$)																
APA	\$68.61	O	34%	1,937	932	6,028	10.5	10.9	11.8	33%	\$6.93	\$6.90	\$7.08	\$5.94	\$6.21	\$7.03
APC	\$107.15	E	51%	2,367	1,113	7,528	11.9	13.1	12.4	36%	\$8.56	\$9.04	\$9.19	\$7.99	\$8.59	\$8.76
CHK	\$32.00	O-V	92%	817	88	4,374	12.2	11.8	13.5	34%	\$9.91	\$10.57	\$7.84	\$7.74	\$8.94	\$9.14
DVN	\$61.41	E	62%	2,077	828	7,494	8.6	9.2	8.3	20%	\$10.78	\$14.65	\$12.76	\$7.65	\$9.22	\$9.82
EOG	\$72.93	O	69%	941	100	5,047	11.5	12.6	12.3	25%	\$7.22	\$7.57	\$8.14	\$6.80	\$7.36	\$8.03
KMG	\$102.02	E	59%	1,218	526	4,153	8.8	10.3	10.7	35%	\$7.96	\$10.45	\$41.76	\$7.31	\$8.72	\$17.25
OXY	\$99.63	U	13%	2,531	2,036	2,975	12.4	12.7	12.2	23%	\$4.58	\$4.41	\$5.25	\$4.16	\$8.48	\$8.95
XTO	\$45.80	O-V	78%	977	191	4,715	14.8	14.6	15.8	28%	\$3.91	\$4.70	\$4.44	\$4.57	\$5.52	\$6.47
			57%			<i>ex. OXY</i>	11.3	11.9	12.1	30%	\$7.70	\$8.82	\$12.25	\$6.88	\$7.73	\$9.19
U.S. Mid and Small Cap (US\$)																
BBG	\$30.86	E-V	92%	49	6	258	18.2	11.2	9.2	39%	N/A	N/A	\$13.44	N/A	N/A	N/A
FST	\$38.19	U	60%	222	89	801	10.8	8.7	7.7	23%	\$10.30	\$39.74	-\$27.07	\$9.92	\$19.39	\$29.13
NBL	\$45.73	O	40%	525	193	1,987	13.0	12.3	13.3	24%	\$6.13	\$8.84	\$7.93	\$7.10	\$9.46	\$8.52
NFX	\$42.78	O-V	77%	297	90	1,241	6.5	5.9	7.3	25%	\$14.29	\$13.79	\$13.91	\$11.96	\$12.05	\$12.95
PPP	\$51.94	U	55%	296	116	1,080	7.3	6.8	7.7	21%	\$7.60	\$8.90	\$11.90	\$9.88	\$10.22	\$12.05
PXD	\$42.95	U	56%	1,022	409	3,681	17.8	14.0	14.9	36%	\$6.35	\$6.85	\$7.87	\$6.24	\$6.76	\$8.78
PXP	\$39.87	O-V	16%	419	351	407	27.1	22.8	18.3	32%	\$3.86	\$6.49	\$7.07	\$3.71	\$6.97	\$7.21
			57%			<i>ex. BBG, FST</i>	14.3	12.4	12.3	28%	\$7.65	\$8.97	\$9.74	\$7.78	\$9.09	\$9.90
Canadian E&P (CAD\$)																
*CMT	C\$16.47	O-V	71%	79	19	360	8.8	9.8	10.1	20%	C\$ 6.29	C\$ 8.68	C\$ 11.70	C\$ 10.55	C\$ 12.76	C\$ 13.71
*CNQ	C\$70.18	E	41%	1,514	1,066	2,690	9.9	9.2	9.4	36%	C\$ 11.05	C\$ 12.28	C\$ 11.24	C\$ 11.46	C\$ 13.51	C\$ 13.69
ECA	\$48.63	E	79%	2,245	501	10,460	11.5	10.0	9.3	33%	\$7.12	\$8.29	\$8.40	\$7.39	\$7.96	\$9.96
*NXY	C\$67.81	O	16%	451	351	600	8.0	6.4	7.8	37%	C\$ 11.64	C\$ 16.55	C\$ 39.03	C\$ 11.74	C\$ 15.83	C\$ 29.51
*SU	C\$97.10	O	11%	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
*TLM	C\$65.36	O	30%	1,207	526	4,082	8.6	9.0	9.4	28%	C\$ 10.85	C\$ 13.14	C\$ 13.78	C\$ 11.42	C\$ 13.82	C\$ 14.52
*WTO	C\$37.39	U-V	0%	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
			41%			<i>ex. SU, WTO:</i>	9.4	8.9	9.2	31%	C\$ 9.39	C\$ 11.79	C\$ 16.83	C\$ 10.51	C\$ 12.78	C\$ 16.28

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 Notes: (1) Market Cap per FactSet; (2) OXY estimates per Doug Terreson, MS Integrated Oils Analyst; D, WMB, STR and EP estimates per Scott Soler, MS Natural Gas Analyst; ORG, OSH, STO and WPL estimates per Stuart Baker, MS Australian E&P Analyst. Source: Company Data, Morgan Stanley Equity Research ModelWare Estimates. ++ Rating and Price Target for this company have been removed from consideration in this report because, under applicable law and/or Morgan Stanley policy, Morgan Stanley may be precluded from issuing such information with respect to this company at this time.

Exhibit 8

Global E&P Stock Performance

	4/14/06	% Below 52W High	% Above 52W Low	Last Week	Last Month	Last 3 Months	Last 6 Months	Last 12 Months	2006	2005
Commodities										
NYMEX Gas (Front-Month)	\$7.14	54%	20%	5.8%	2.3%	-17.9%	-45.4%	2.0%	-35.7%	82.6%
WTI (Front-Month)	\$69.32	2%	50%	2.9%	10.4%	7.3%	11.8%	37.3%	13.6%	40.5%
North American E&P Equities										
Swift Energy	\$42.06	17%	63%	10.7%	13.8%	-10.6%	0.6%	60.4%	-6.7%	55.7%
Comstock Resources	\$32.34	6%	59%	7.8%	15.5%	0.3%	9.6%	28.4%	6.0%	38.4%
Western Oil Sands	C\$37.70	3%	117%	6.5%	15.4%	14.0%	47.3%	110.2%	35.6%	99.4%
Occidental Petroleum	\$101.25	0%	58%	6.4%	6.5%	12.7%	39.2%	54.6%	26.8%	36.9%
Anadarko Petroleum	\$108.22	2%	60%	5.9%	8.3%	5.6%	20.6%	51.0%	14.2%	46.2%
Plains Exploration	\$40.16	14%	43%	5.8%	5.6%	-7.0%	6.4%	32.2%	1.1%	52.8%
Houston Exploration	\$56.13	21%	23%	4.9%	10.9%	4.2%	-7.0%	10.1%	6.3%	-6.2%
Newfield Exploration	\$43.25	21%	35%	4.5%	10.6%	-15.3%	-4.7%	25.2%	-13.6%	69.6%
Suncor Energy	C\$98.01	0%	123%	4.4%	14.2%	25.3%	62.3%	119.8%	33.7%	72.9%
Compton Petroleum	C\$16.51	14%	68%	4.3%	8.3%	-12.1%	11.2%	49.5%	-3.5%	57.6%
Noble Energy	\$45.80	6%	46%	4.3%	9.3%	6.1%	13.3%	44.7%	13.6%	30.7%
XTO Energy	\$46.30	7%	78%	4.2%	8.0%	1.5%	12.7%	57.7%	5.4%	65.6%
Devon Energy	\$61.83	12%	52%	3.4%	2.2%	-5.8%	-0.3%	40.8%	-1.1%	60.7%
EnCana Corp.	C\$55.58	20%	42%	3.3%	0.6%	4.6%	-4.6%	40.4%	5.7%	53.7%
Cabot Oil & Gas	\$50.75	5%	84%	3.0%	6.8%	1.7%	9.8%	57.5%	12.5%	52.9%
Apache Corp	\$68.89	12%	34%	2.8%	4.3%	-3.5%	6.8%	24.0%	0.5%	35.5%
Chesapeake Energy	\$32.14	20%	81%	2.7%	2.0%	-1.2%	-1.4%	66.1%	1.3%	92.3%
Forest Oil	\$38.72	0%	66%	2.7%	10.2%	15.7%	20.2%	49.9%	24.4%	43.7%
Canadian Natural Res.	C\$69.75	6%	128%	2.4%	7.1%	12.8%	50.1%	123.4%	21.0%	124.9%
EOG Resources	\$73.68	15%	74%	2.2%	1.5%	-8.1%	10.1%	68.9%	0.4%	105.6%
Phil. Oil Services Index	217.15	3%	77%	2.2%	8.5%	7.6%	36.0%	67.5%	19.2%	47.0%
Ultra Petroleum	\$63.89	9%	197%	2.0%	9.0%	0.5%	26.4%	186.4%	14.5%	131.9%
Kerr McGee Corp	\$102.00	5%	55%	1.8%	4.8%	6.4%	19.7%	31.7%	12.3%	57.2%
Nexen Inc	C\$68.17	2%	131%	1.6%	8.1%	16.2%	38.8%	123.3%	23.0%	127.6%
MS E&P Prod. Index *	5,678	2%	67%	1.2%	4.6%	2.9%	17.3%	63.8%	8.4%	69.8%
Talisman Energy	C\$65.25	12%	78%	1.0%	5.9%	0.1%	24.8%	73.2%	5.9%	90.4%
Pogo Producing	\$52.00	14%	20%	0.7%	8.1%	-0.2%	-4.6%	15.6%	4.4%	2.7%
TSE 300	12,309	0%	33%	0.6%	2.6%	6.1%	17.4%	32.7%	9.2%	21.9%
MSCI USA Energy Index	219.15	1%	37%	0.4%	3.2%	1.9%	13.2%	32.8%	10.6%	30.3%
Burlington Resources	\$91.91	2%	106%	0.0%	1.6%	4.0%	31.2%	90.5%	6.6%	98.2%
Petro-Canada	C\$56.19	5%	68%	-0.1%	6.0%	13.7%	29.3%	67.0%	20.5%	52.5%
Bill Barrett Corp.	\$30.99	27%	20%	-0.6%	1.8%	-21.9%	-8.8%	17.3%	-19.7%	20.7%
S&P 500	1,289	2%	13%	-0.5%	-1.4%	0.1%	8.6%	12.8%	3.3%	3.0%
Amerada Hess Corp.	\$144.00	8%	67%	-1.3%	0.2%	1.2%	22.0%	58.8%	13.5%	53.9%
Pioneer Natural Resources	\$43.39	23%	18%	-2.3%	10.2%	-15.9%	-14.2%	5.3%	-15.4%	46.1%
US Listings of Canadian E&P Equities										
EnCana Corp.	\$48.65	19%	55%	3.9%	1.5%	6.0%	-1.0%	53.2%	7.7%	58.3%
Suncor Energy	\$84.75	0%	140%	3.7%	14.3%	25.6%	66.5%	137.1%	34.2%	78.3%
Canadian Natural Res.	\$61.25	5%	150%	3.4%	8.9%	15.0%	56.6%	145.2%	23.4%	132.0%
Nexen Inc	\$59.18	3%	154%	1.2%	8.7%	16.9%	43.1%	141.8%	24.2%	134.3%
Talisman Energy	\$57.01	12%	98%	1.5%	6.8%	1.5%	29.1%	88.8%	7.8%	96.1%
Australian E&P Equities										
Woodside Petroleum	AUD\$46.80	2%	108%	2.7%	10.3%	13.9%	46.7%	94.7%	19.4%	95.0%
BHP Billiton	AUD\$29.75	2%	91%	0.8%	20.4%	25.4%	48.9%	78.6%	30.8%	48.3%
Oil Search Ltd	AUD\$4.11	4%	93%	-0.7%	5.4%	7.9%	20.9%	83.5%	11.4%	103.9%
Santos Ltd	AUD\$11.85	13%	36%	-1.1%	6.3%	-5.4%	1.5%	32.6%	-3.3%	44.5%
Origin Energy	AUD\$7.18	9%	12%	-3.1%	1.0%	-2.7%	7.0%	6.5%	-4.4%	12.3%

Note: E&P index includes is market-cap weighted and includes the following: APA, APC, BR, DVN, EOG, KMG, NBL, NFX, FST, PPP, PXD, XTO, CHK, CRK, COG, THX, SFY, UPL, BBG, CNQ, ECA, NXY, TLM, SU. Source: FactSet, Morgan Stanley Equity Research.

Exhibit 9

Global Energy Events Calendar: April 2006

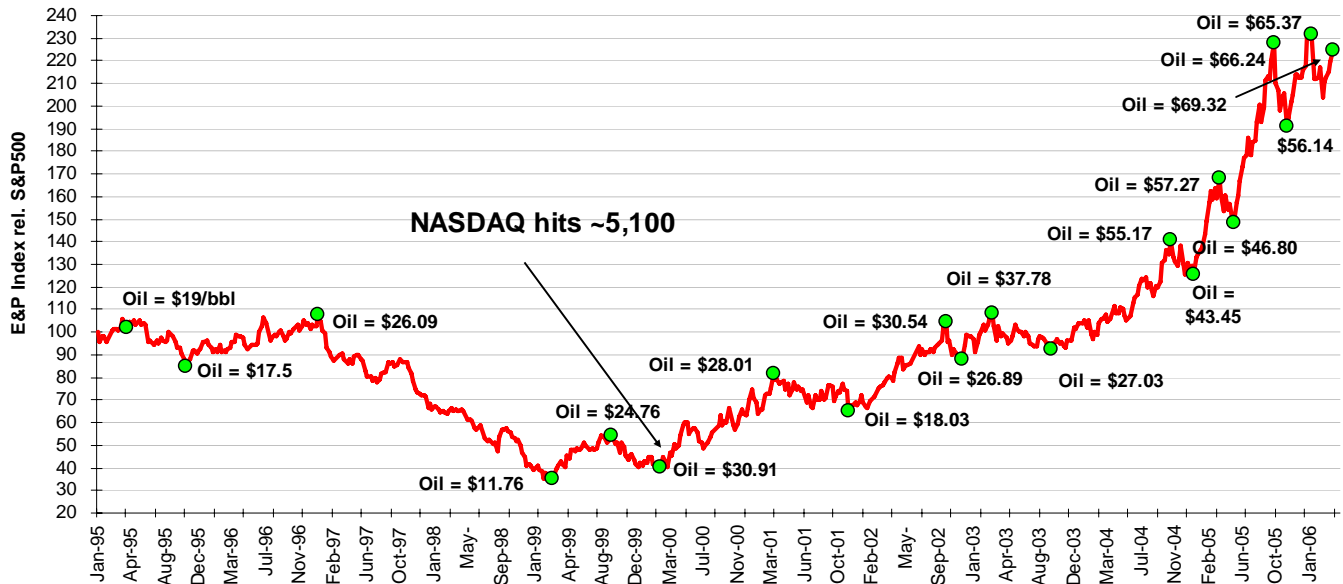
Category	Month	Date	Day	Event	Comment
Eur. Services	April	19	Wed	Technip 2006 Annual Shareholders Meeting (First Notice)	-
US Services	April	21	Fri	Schlumberger 1Q06 Results conf call at 09:00 EDT	Number: 888 428 4474, Access: SLB earnings, Replay: 800 475 6701, Access: 822755
US Services	April	25	Tue	ENSCO 1Q06 results	-
Eur. integrated	April	25	Tue	BP 1Q06 Earnings Release	-
Eur. integrated	April	27	Thu	MOL AGM	-
Eur. Services	April	27	Thu	Saipem AGM (first call)	-
Eur. integrated	April	27	Thu	Neste 1Q06 results	-
Eur. integrated	April	27	Thu	Norsk Hydro 1Q06 Results	-
N. America E&P	April	27	Thu	Nexen 1Q06 Earnings and AGM	AGM at 1pm (ET)
Eur. Services	April	28	Fri	Technip 2006 Annual Shareholders Meeting (2nd Notice)	-

Source: Company data, Morgan Stanley Research.

Exhibit 10

E&P Index vs. S&P 500: Relative Performance

(crude oil prices represent the front-month contract)

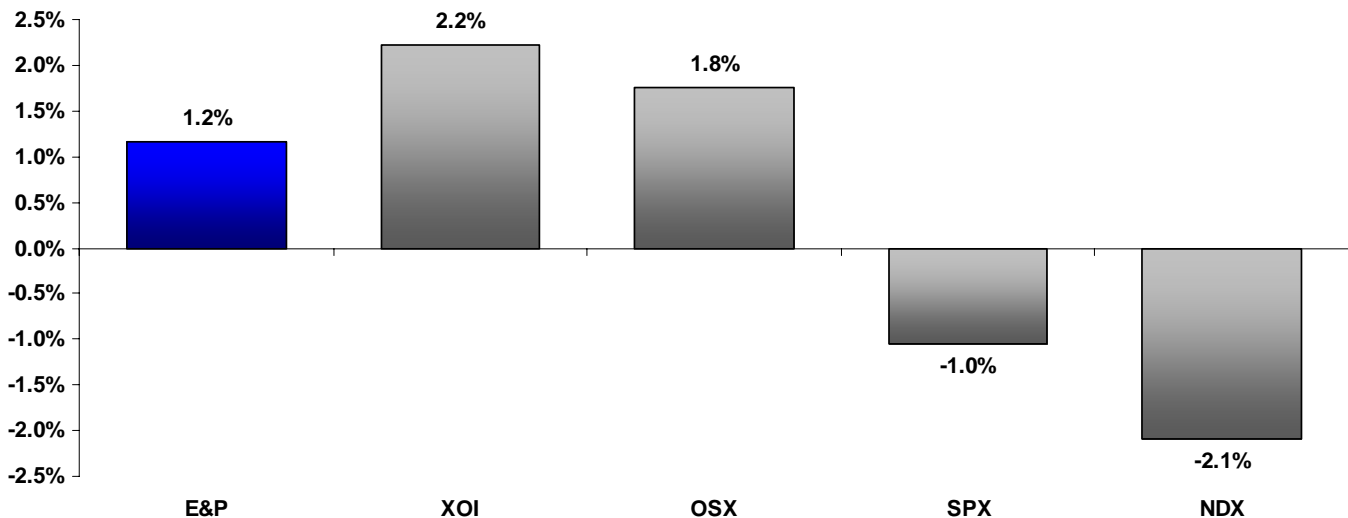


Source: FactSet, Morgan Stanley Equity Research

Exhibit 11

Weekly Energy Sector Performance

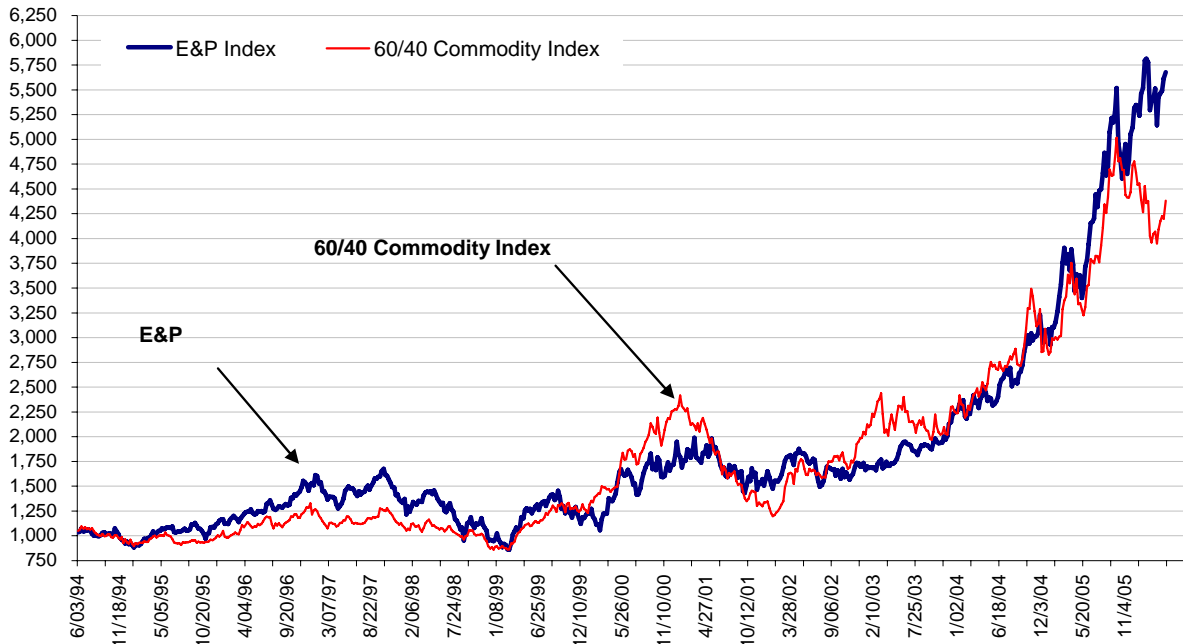
Returns for the Week Ending April 14, 2006



Note: E&P index includes is market-cap weighted and includes the following: APA, APC, BR, DVN, EOG, KMG, NBL, NFX, FST, PPP, PXD, XTO, CHK, CRK, COG, THX, SFY, UPL, BBG, CNQ, ECA, NXY, TLM, SU. Source: FactSet, Morgan Stanley Equity Research

Exhibit 12

Morgan Stanley E&P Index (Market-Cap Weighted) vs. 60/40 Gas/Oil Index



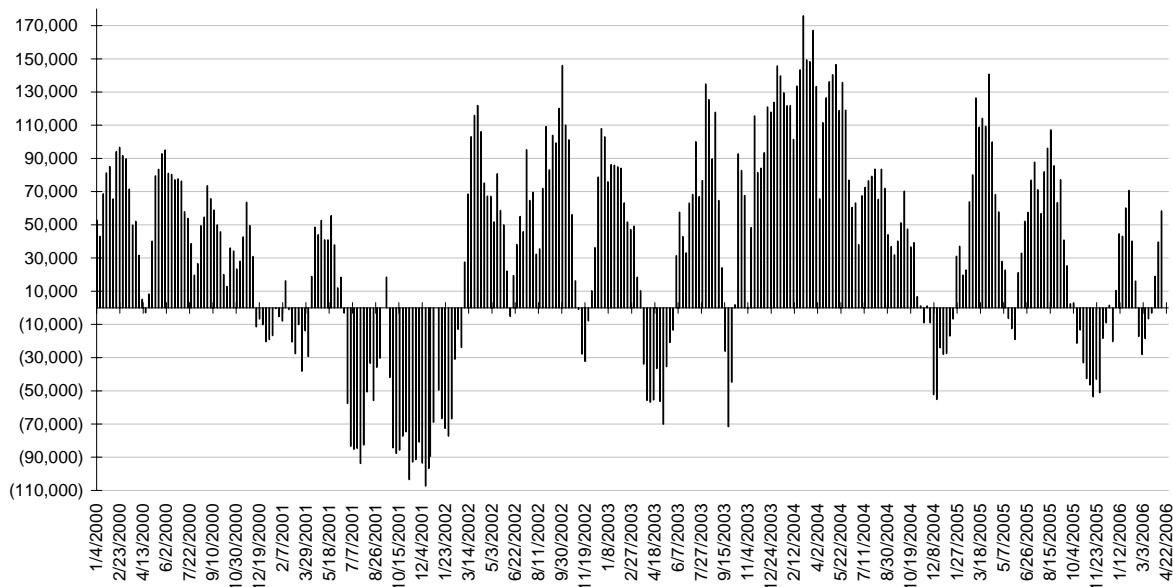
Note: December 31, 1993 = 1000

Source: FactSet, Morgan Stanley Equity Research

E&P index is market-cap weighted and includes the following: APA, APC, BR, DVN, EOG, KMG, NBL, NFX, FST, PPP, PXD, XTO, CHK, CRK, COG, THX, SFY, UPL, BBG, CNQ, ECA, NXY, TLM, SU

Exhibit 13

Crude Oil + Distillate + Motor Gasoline - CFTC Total Net Speculative Position (Futures Only)

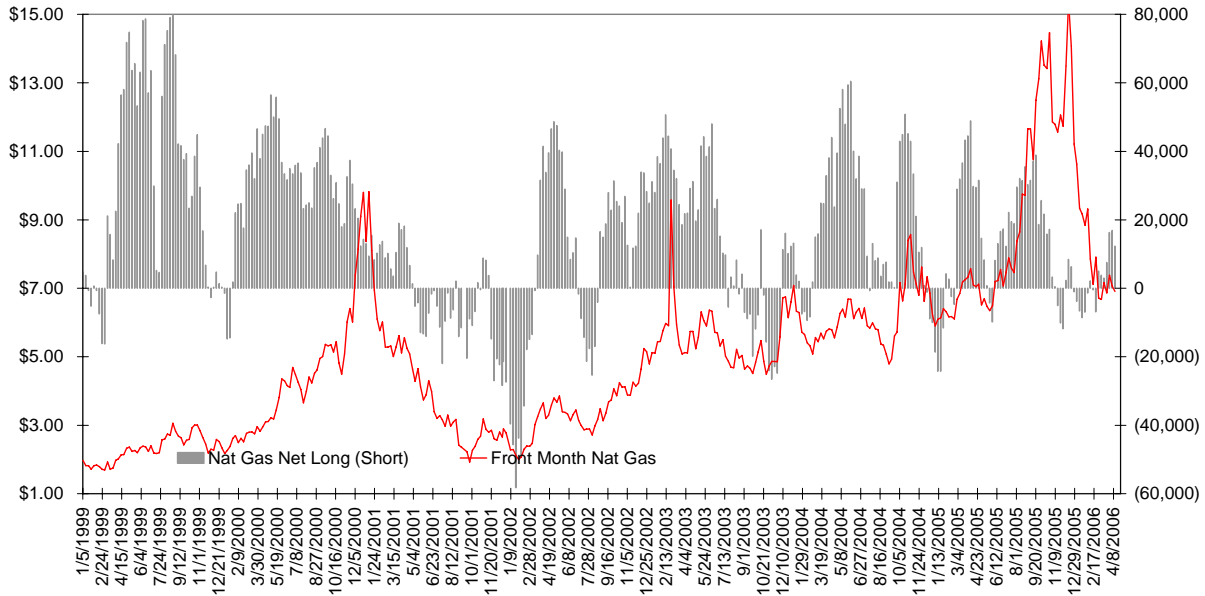


Note: most recent data point as of Tuesday, April 11, 2006

Source: Commodity Futures Trading Commission, FactSet

Exhibit 14

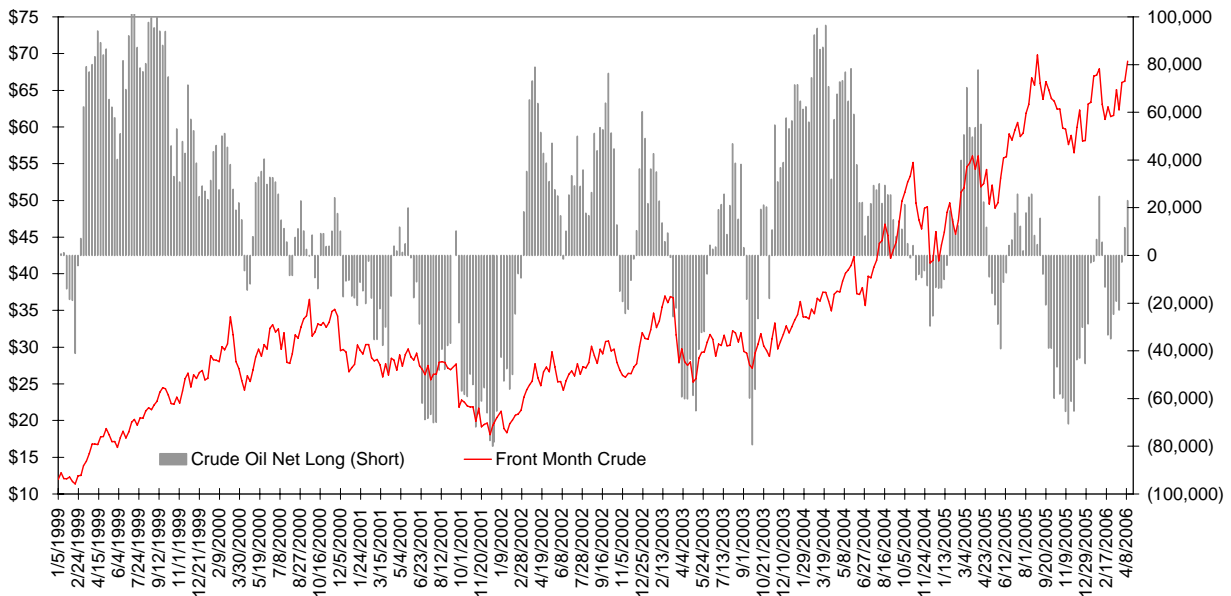
Natural Gas - CFTC Total Net Speculative Position (Futures Only)



Note: most recent data point as of Tuesday, April 11, 2006
 Left Axis - natural gas front month contract (\$/Mcf) Right Axis - natural gas net speculative position (futures only)
 Source: Commodity Futures Trading Commission, FactSet

Exhibit 15

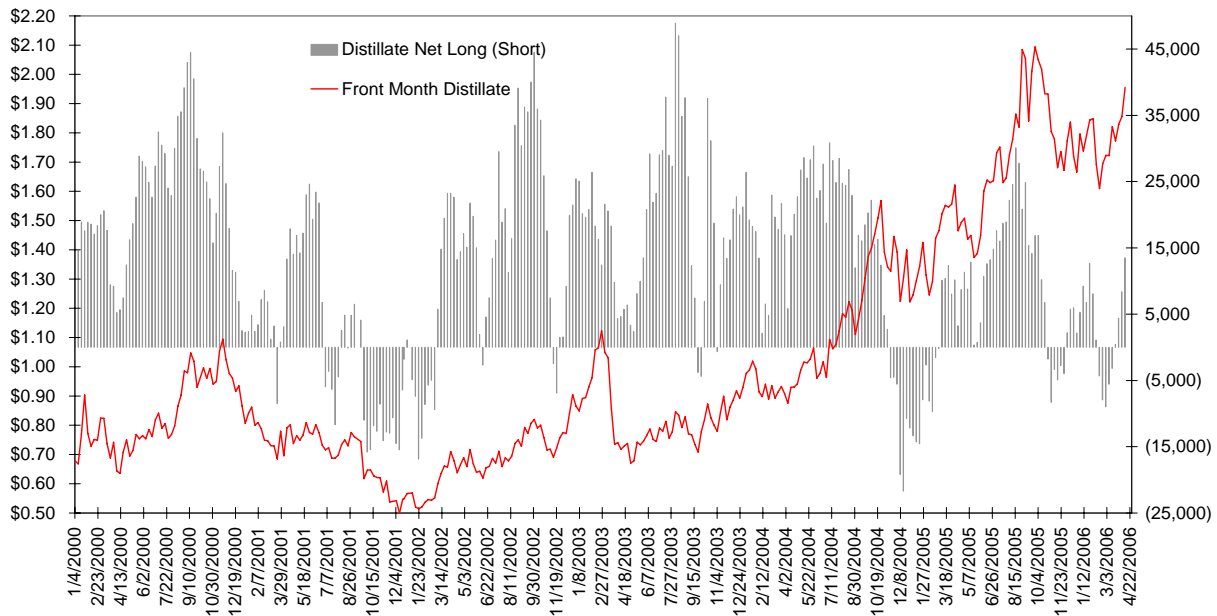
Crude Oil - CFTC Total Net Speculative Position (Futures Only)



Note: most recent data point as of Tuesday, April 11, 2006
 Left Axis - crude oil front month contract (\$/bb) Right Axis - crude oil net speculative position (futures only)
 Source: Commodity Futures Trading Commission, FactSet

Exhibit 16

Distillate - CFTC Total Net Speculative Position (Futures Only)

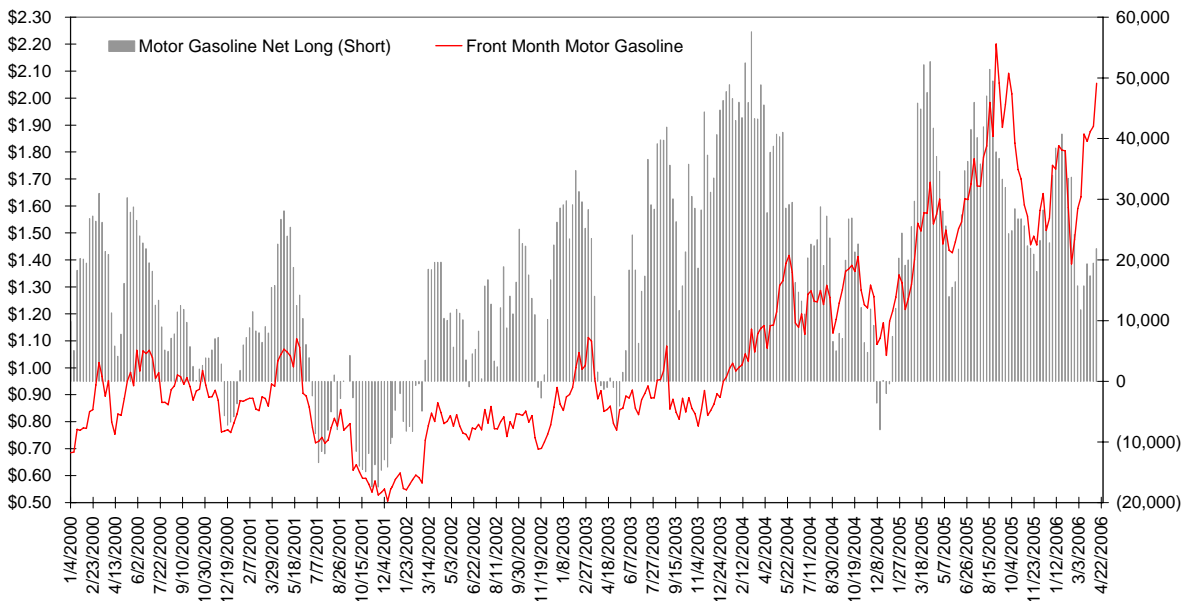


Note: most recent data point as of Tuesday, April 11, 2006
Left Axis - distillate front month contract (\$/gallon)
Source: Commodity Futures Trading Commission, FactSet

Right Axis - distillate net speculative position (futures only)

Exhibit 17

Motor Gasoline - CFTC Total Net Speculative Position (Futures Only)



Note: most recent data point as of Tuesday, April 11 2006
Left Axis - crude oil front month contract (\$/gallon)
Source: Commodity Futures Trading Commission, FactSet

Right Axis - crude oil net speculative position (futures only)

Crude Oil Update

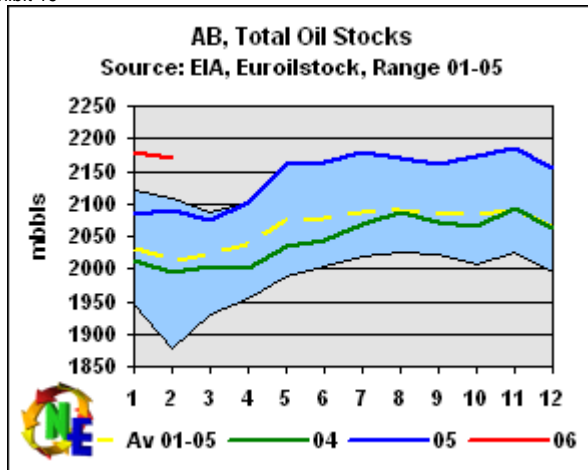
Exhibit 18

Crude Oil Prices

(US\$/bbl unless otherwise noted)	14-Apr-06	7-Apr-06	Last Year
NYMEX WTI	\$69.32	\$67.39	\$50.49
12-Month Forward Strip	\$72.24	\$69.90	\$52.76
WTI (Cal-06)	\$68.85	\$67.04	\$51.96
WTI (Cal-07)	\$71.77	\$70.28	NA
Brent (Cal-07)	\$70.85	\$68.70	NA
Bow River @ Hardisty*	C\$59.46	C\$58.66	C\$37.20

Source: Bloomberg, Morgan Stanley Commodities Group

Exhibit 19



Source: Norwegian Energy

Exhibit 20

Morgan Stanley Crude Oil Supply / Demand Forecast

(mmbpd)	2001	2002	2003	2004	2005E	2006E	2007E
Demand							
OECD	47.8	47.9	48.7	49.5	49.7	50.2	50.6
Non-OECD	29.5	30.0	30.8	32.7	33.6	34.8	36.0
Tot. Demand	77.2	77.9	79.5	82.2	83.3	85.0	86.6
Supply							
OECD	21.8	21.9	21.7	21.3	20.3	20.2	20.4
Non-OECD	24.8	26.2	27.2	28.8	29.8	30.8	31.7
OPEC (w/ Iraq)	30.1	28.6	30.4	33.0	33.9	34.4	34.6
Total Supply	76.7	76.6	79.3	83.0	84.1	85.4	86.7

E = Morgan Stanley Research estimate
Source: Morgan Stanley Integrated Oils Research

Exhibit 21

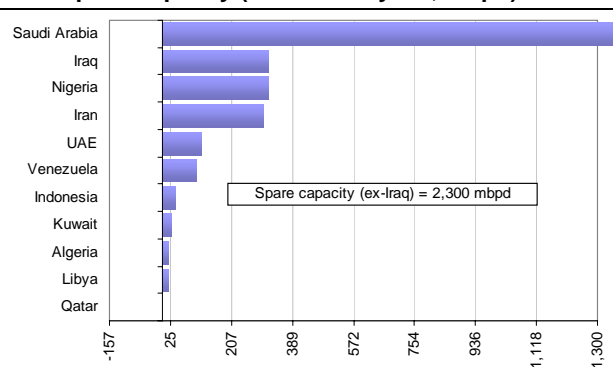
OPEC Compliance - February '06

(mmbpd)	Output Jan-06	Output Dec-05	Monthly Change	OPEC Ceiling	Est. Vs. Target
Saudi Arabia	9,450	9,490	-40	9,099	351
Iran	3,700	3,700	0	4,110	-410
Venezuela	2,600	2,580	20	3,223	-623
UAE	2,480	2,530	-50	2,444	36
Kuwait	2,520	2,520	0	2,247	273
Nigeria	2,280	2,360	-80	2,306	-26
Libya	1,680	1,680	0	1,500	180
Indonesia	920	920	0	1,451	-531
Algeria	1,380	1,380	0	894	486
Qatar	800	800	0	726	74
TOTAL ex Iraq	27,810	27,960	-150	28,000	-190
Iraq	1,880	1,530	350	--	--
TOTAL OPEC	29,690	29,490	200	--	--

Source: Bloomberg

Exhibit 22

OPEC Spare Capacity (a/o February '06, mbbpd)

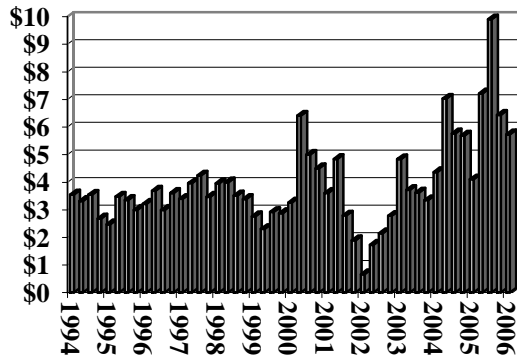


Note: capacity attainable within 30 days and sustainable for 90 days
Source: Bloomberg

Refining Margin Update

Exhibit 23

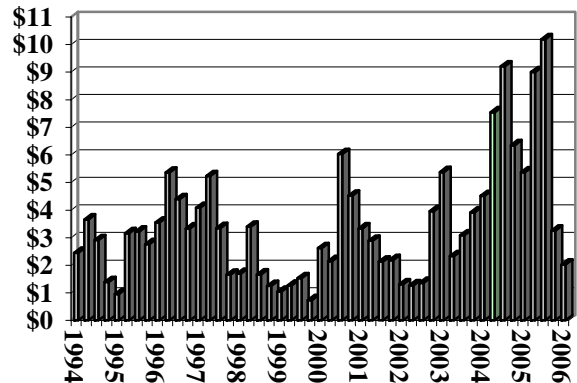
Rotterdam Refining Margin



Source: Morgan Stanley Equity Research

Exhibit 24

Singapore Refining Margin



Source: Morgan Stanley Equity Research

Exhibit 25

US Refining Margin

(\$/barrel)	3-2-1 East Coast	3-2-1 Mid-West	3-2-1 Gulf Coast	4-3-1 West Coast	Gulf Coast Upgrade Margin	Gulf Coast Coking Margin
This Week:	\$14.09	\$16.81	\$19.48	\$25.57	\$37.47	\$19.60
Last Week	\$12.72	\$15.50	\$15.95	\$23.66	\$34.30	\$18.50
<u>Quarterly Comparison</u>						
First Quarter	\$7.65	\$8.87	\$8.95	\$17.47	\$26.09	\$18.69
Fourth Quarter	\$9.15	\$11.76	\$10.36	\$14.30	\$29.58	\$16.01
Year-Ago Quarter	\$6.37	\$7.15	\$6.73	\$18.53	\$28.36	\$11.68
<u>Annual Averages</u>						
1996	\$3.85	\$4.04	\$2.88	\$7.18	\$9.11	\$5.60
1997	\$4.07	\$4.04	\$3.47	\$8.07	\$9.70	\$5.38
1998	\$2.95	\$3.31	\$2.65	\$6.93	\$7.41	\$3.56
1999	\$2.73	\$2.90	\$2.04	\$8.99	\$7.30	\$5.18
2000	\$5.81	\$5.84	\$4.53	\$12.22	\$14.11	\$7.77
2001	\$4.67	\$7.95	\$4.54	\$11.90	\$13.42	\$6.81
2002	\$3.55	\$5.02	\$3.45	\$6.89	\$8.84	\$7.61
2003	\$5.39	\$6.39	\$4.76	\$10.16	\$11.79	\$8.99
2004	\$7.06	\$7.52	\$6.67	\$15.69	\$23.42	\$9.57
2005	\$9.77	\$11.61	\$11.18	\$19.47	\$31.25	\$14.54
2006 YTD	\$8.11	\$9.44	\$9.70	\$18.05	\$26.90	\$18.76
Mid-Cycle Margin*	\$6.09	\$7.70	\$6.12	\$12.82	\$17.74	\$9.50

*Mid-Cycle reflects 2001-2005 average

Source: Morgan Stanley Equity Research

Natural Gas Update

Exhibit 26

Natural Gas Prices

(US\$/Mcf unless otherwise noted)	14-Apr-06	7-Apr-06	Last Year
NGW Composite Spot	\$6.18	\$6.57	\$6.87
Spot Delivered to Pipeline	\$6.34	\$6.79	\$7.04
NYMEX Front-Month	\$7.14	\$6.74	\$7.00
San Juan Basin	\$5.25	\$5.58	\$6.11
Rocky Mountain	\$5.13	\$5.58	\$6.26
NYMEX (Cal-06)	\$8.37	\$8.05	NA
5-Year NYMEX Strip*	\$8.85	\$8.67	\$6.80
12-Month Forward Strip	\$9.07	\$8.65	\$7.58
AECO (C\$/Mcf)	C\$6.04	C\$6.46	C\$7.68
NYMEX - AECO (US\$/Mcf)	\$1.88	\$1.12	\$0.85
Nov 1 Yr. AECO (C\$/Mcf)	C\$9.69	C\$9.31	C\$8.23

* Reflects average of 60-month forward curve
Source: Morgan Stanley Commodities Group, Natural Gas Week, Bloomberg

Exhibit 27

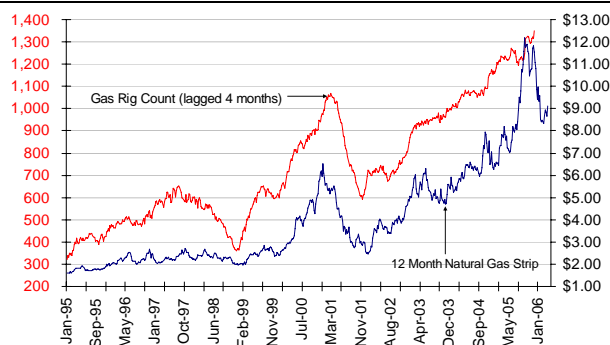
Morgan Stanley Rig Count Forecast (Oil + Gas)

	2006E				2007E			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
United States	1,534	1,590	1,646	1,702	1,762	1,821	1,879	1,937
Canada	651	296	494	572	684	311	519	601
North America	2,185	1,886	2,140	2,274	2,446	2,132	2,398	2,538
Gulf of Mexico	95	96	97	98	98	99	99	100
Europe	68	75	77	72	69	77	79	74
Middle East	257	262	267	272	277	280	283	286
Africa	55	58	61	63	66	68	70	72
Latin America	324	330	336	342	348	354	360	366
Asia/Pacific	242	243	244	250	257	264	268	272
Total Int'l	947	969	986	1,000	1,018	1,043	1,060	1,070

Source: Baker Hughes, Morgan Stanley Oil Services Research

Exhibit 28

Nat. Gas Price vs. US Nat Gas-Oriented Drilling Activity



Note: Rig count lagged four months
Source: Baker Hughes, FactSet

Exhibit 29

Heating/Cooling Degree Days

Period	2006	2005	Normal	Difference From 2005	Difference From Normal
HDD					
4/1/2006	104	107	122	3% Warmer	15% Warmer
4/8/2006	97	76	109	28% Colder	11% Warmer
4/15/2006	55	81	96	32% Warmer	43% Warmer
HDD Forecast:					
4/22/2006	64	53	82	21% Colder	22% Warmer

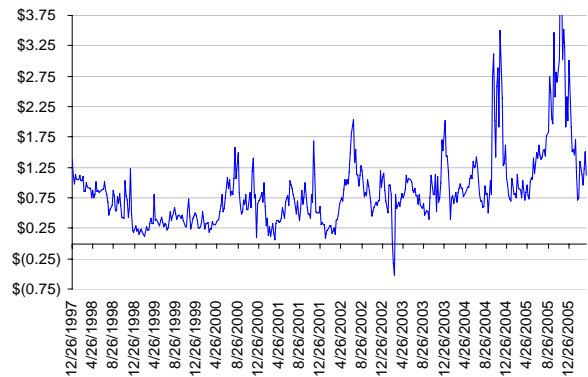
Key Regions for the Week Ending April 8, 2006 (CDD's)

New England	101	142	142	29% Warmer	29% Warmer
Middle Atlantic	74	115	123	36% Warmer	40% Warmer
E.N. Central	56	82	127	32% Warmer	56% Warmer
W.S. Central	10	22	26	55% Warmer	62% Warmer
Mountain	67	117	118	43% Warmer	43% Warmer
Pacific	71	85	69	16% Warmer	3% Colder

Source: National Oceanic and Atmospheric Administration

Exhibit 30

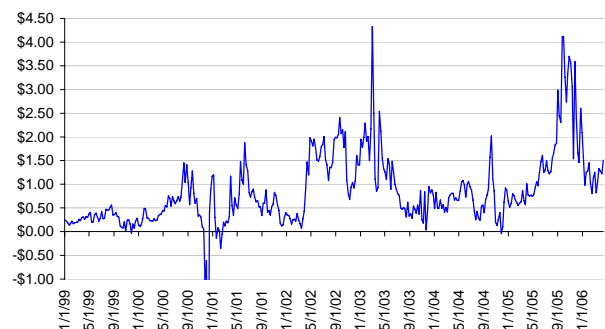
NYMEX - AECO Spot Differential (US\$/Mcf)



Source: Bloomberg

Exhibit 31

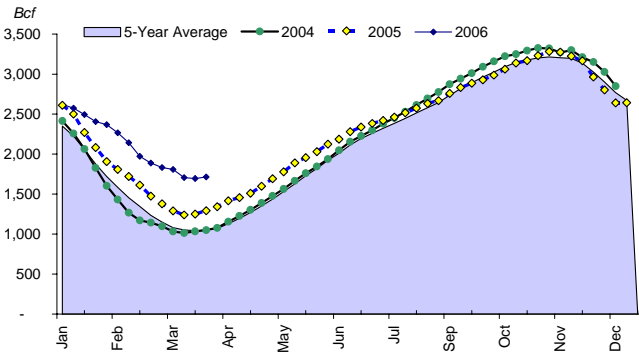
NYMEX - Rocky Mountain Differential (US\$/Mcf)



Note: reflects composite Rocky Mountain natural gas average price
Source: Bloomberg

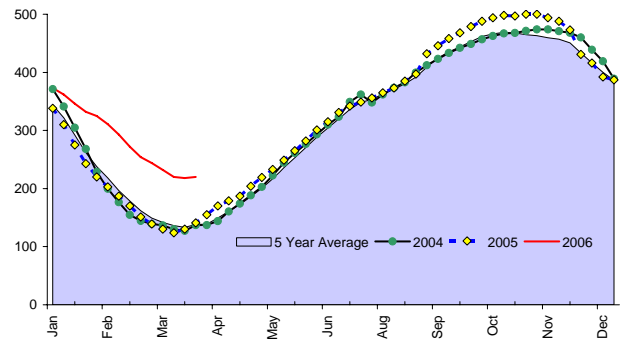
Natural Gas Storage Update

Exhibit 32
US Natural Gas Storage (Bcf)



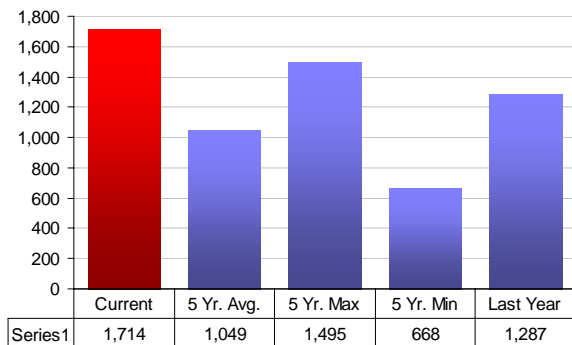
Source: Energy Information Administration

Exhibit 34
Canadian Natural Gas Storage (Bcf)



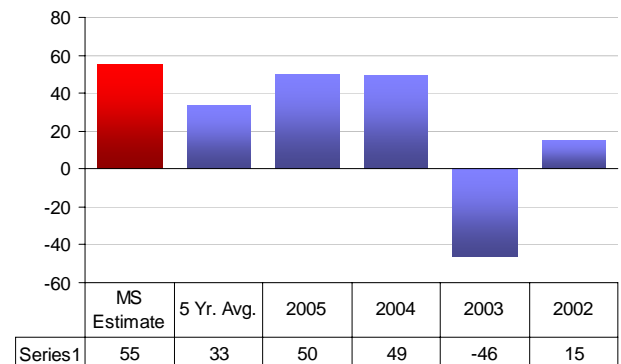
Source: Canadian Enerdata

Exhibit 33
US Natural Gas Storage (Bcf) (a/o 4/7/06)



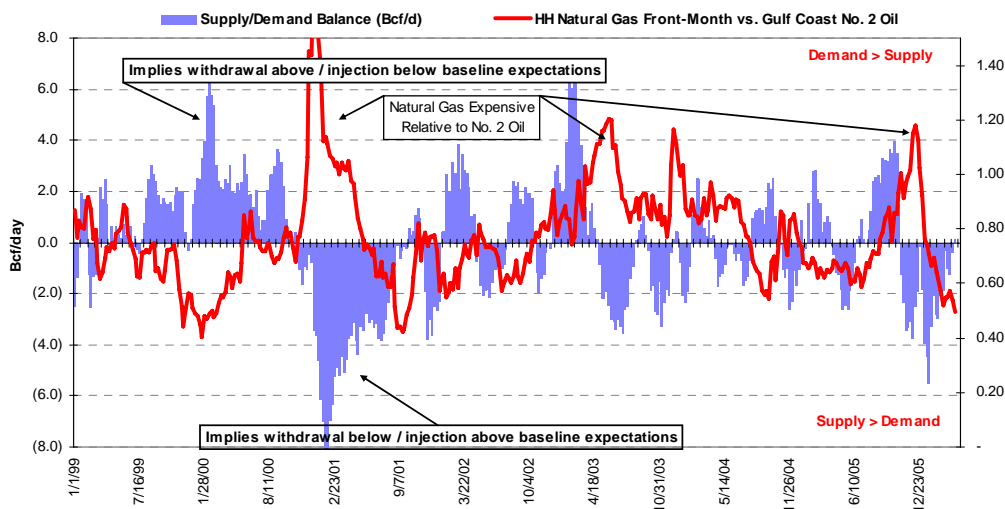
Source: Energy Information Administration

Exhibit 35
US Natural Gas Storage Estimate: Injection (Withdrawal)



Source: Energy Information Administration, Morgan Stanley Estimates

Exhibit 36
Supply/Demand Balance (4 wk. average)

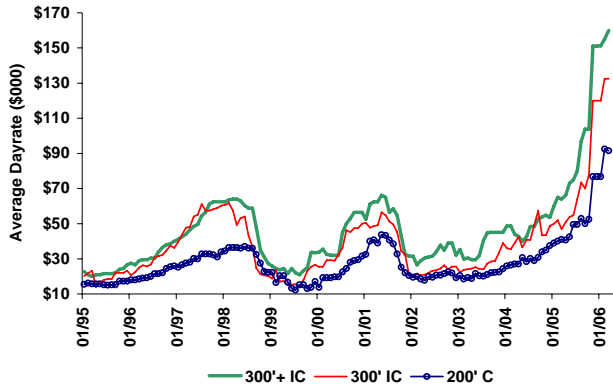


Source: Commodity Futures Trading Commission, FactSet

April 18, 2006
Exploration & Production

Exhibit 37

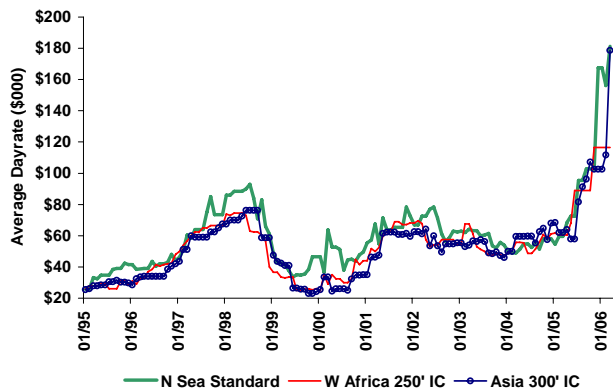
Average Monthly Gulf of Mexico Jackup Dayrates



Source: ODS-Petrodata

Exhibit 38

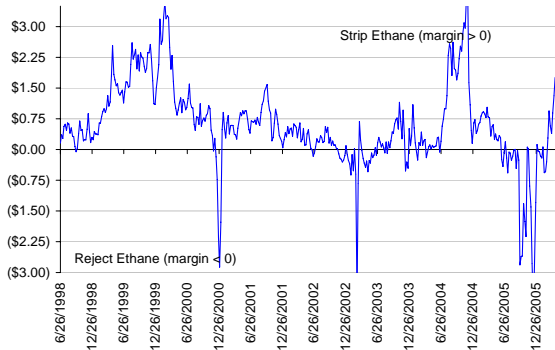
Average Monthly International Jackup Dayrates



Source: ODS-Petrodata

Exhibit 39

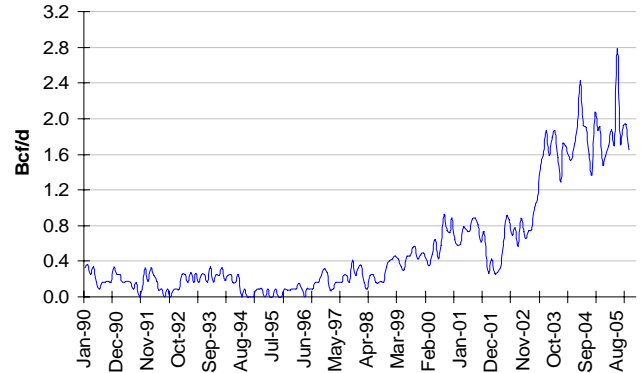
Ethane Margins (\$/MMbtu)



Source: Bloomberg

Exhibit 40

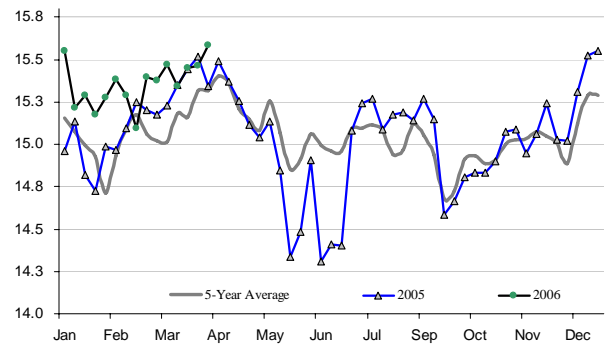
US LNG Imports (Bcf/d)



Source: Energy Information Administration (most recent month - Nov. '05)

Exhibit 41

Canadian Field Receipts (Weekly Average) (Bcf/d)



Source: GLJ Energy Publications Inc.

Exhibit 42

Morgan Stanley Economic Forecast: GDP Growth (%)

	2002	2003	2004	2005E	2006E	2007E
Global Economy	3.0	3.7	4.9	4.3	4.2	3.8
United States	1.9	2.7	4.2	3.5	3.5	3.2
Canada	3.4	2.0	2.9	2.9	3.1	2.8
Europe	1.0	1.0	2.1	1.6	2.2	1.8
Emerging Europe	4.1	5.2	6.2	5.2	5.3	5.0
Asia (ex Japan)	6.2	6.9	7.9	7.5	6.3	6.1
Japan	-0.3	1.8	2.3	2.7	3.2	2.3
China	8.3	10.0	10.1	9.9	7.8	7.5
India	4.7	7.3	7.4	8.0	7.0	6.7
Latin America	-0.2	2.1	5.7	4.2	4.2	3.8
Mexico	0.8	1.4	4.2	3.0	3.5	3.3
Brazil	1.9	0.5	4.9	2.3	3.5	4.0

Emerging Europe includes Czech Republic, Hungary, Israel, Poland, Russia, Turkey & South Africa

E = Morgan Stanley Research estimate

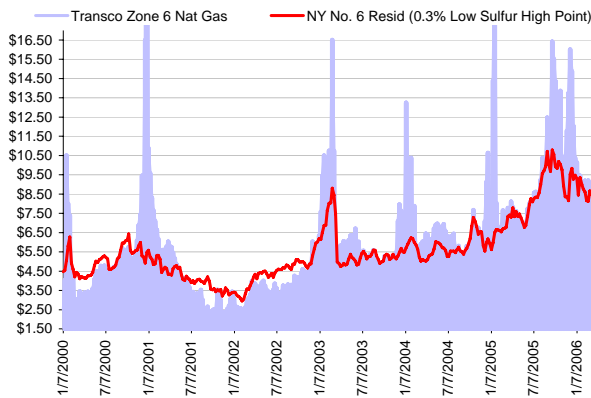
Source: Morgan Stanley Global Economics Team

Natural Gas Switching Economics

New York

Exhibit 43

Natural Gas (Transco Zone 6 Spot) vs.
Residual (New York No. 6, 0.3% Low Sulfur High Pour)

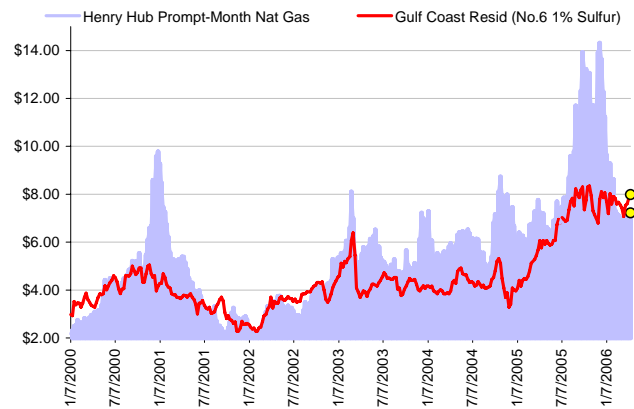


Source: Bloomberg, FactSet, Morgan Stanley Equity Research
Note: No. 6 Resid converted at 6.28 MMBtu/bbl and includes a \$3/bbl environmental premium

Gulf Coast

Exhibit 45

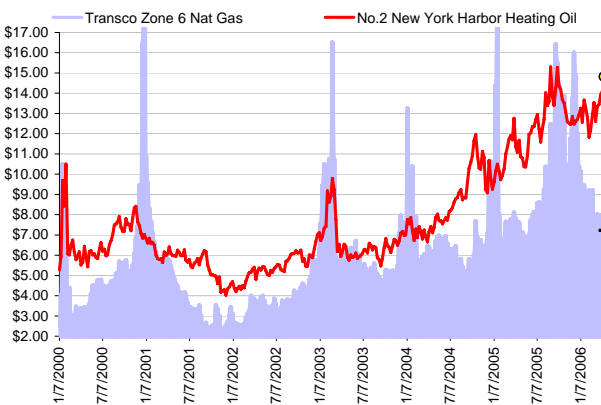
Natural Gas (Henry Hub Prompt-Month) vs.
Residual Fuel Oil (Gulf Coast, No. 6 1% Sulfur)



Source: Bloomberg, FactSet, Morgan Stanley Equity Research
Note: 1% Resid converted at 6.28 MMBtu/bbl

Exhibit 44

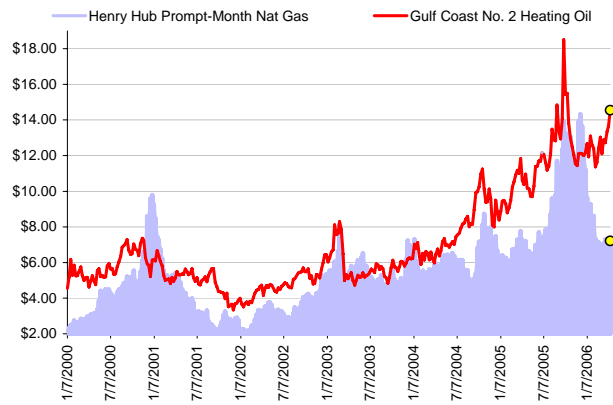
Natural Gas (Transco Zone 6 Spot) vs.
Heating Oil (New York Harbor No. 2)



Source: Bloomberg, FactSet, Morgan Stanley Equity Research
Note: 1 bbl heating oil = 5.670 MMBtu and includes a \$3/bbl environmental premium

Exhibit 46

Natural Gas (Henry Hub Prompt-Month) vs.
Heating Oil (Gulf Coast No. 2)



Source: Bloomberg, FactSet, Morgan Stanley Equity Research
Note: 1 bbl heating oil = 5.670 MMBtu

Coal Update

Exhibit 47

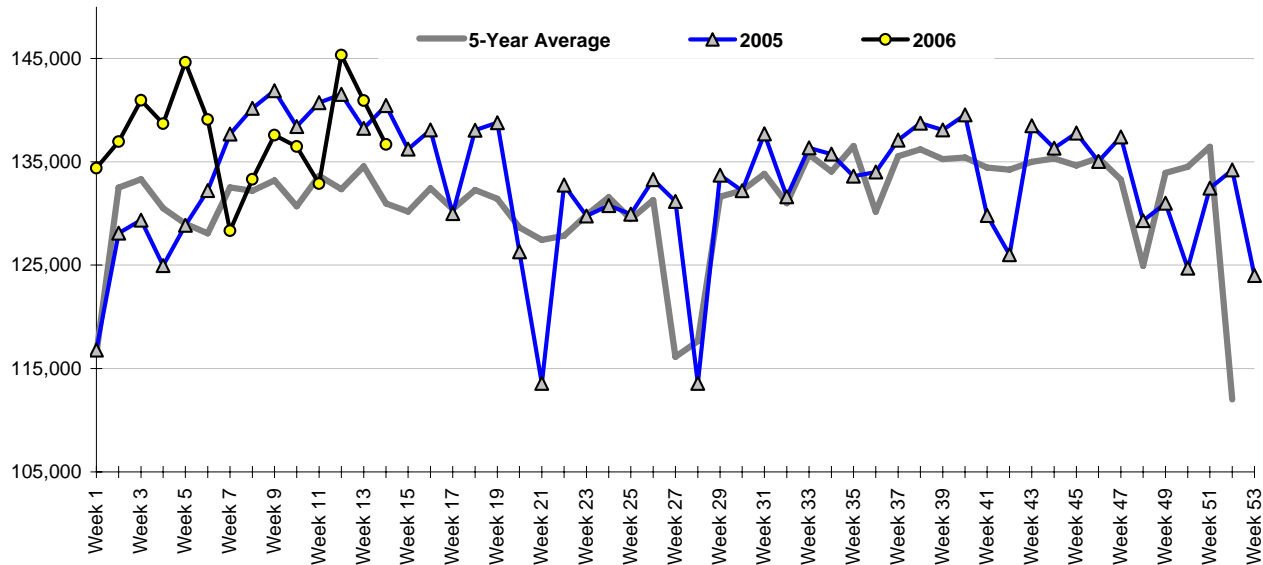
Coal vs. Natural Gas Power Generation Economics

	Economics @ Current Prices		Breakeven @ Current Coal	
	Central Appalachia	Comb. Cycle Nat Gas	Central Appalachia	Comb. Cycle Nat Gas
Btu Content (btus/lb)	12,000		12,000	
Fuel Price (coal \$/ton, gas \$/mcf)	\$54.50	\$6.76	\$54.50	\$4.88
Transportation (Cost/ton, Cost/Mcf)	\$15.00	\$1.09	\$15.00	\$0.25
Delivered Coal (Price/ton, Price/Mcf)	\$69.50	\$7.85	\$69.50	\$5.13
Delivered Cost (¢/mmbtu)	290¢	785¢	290¢	513¢
Sulfur Emission Cost (¢/mmbtu)	93¢	0¢	93¢	0¢
Emissions Adjusted Delivered Price	383¢	785¢	383¢	513¢
Heat Rate (conversion efficiency)	10,000	7,500	10,000	7,500
Fuel Cost (\$/Mwhr)	\$38.25	\$58.88	\$38.25	\$38.50
Incremental O&M (\$/Mwhr)	\$1.25	\$1.00	\$1.25	\$1.00
Total Dispatch price (\$/Mwhr)	\$39.50	\$59.88	\$39.50	\$39.50

Notes: * Henry Hub cash price used for gas fuel price, New York City Gate cash price used for gas delivered price; differential represents implied transportation cost
 * Central Appalachia transportation cost assumes shipment to Carolinas/Georgia area
 * Assumes SO2 emissions price of \$723/ton and NOx emissions price of \$2,340/ton (per Morgan Stanley Commodities Group)
 Source: RDI, Natural Gas Week, Bloomberg, Morgan Stanley Equity Research

Exhibit 48

Coal Railroad Traffic (Class I Originated Carloads)

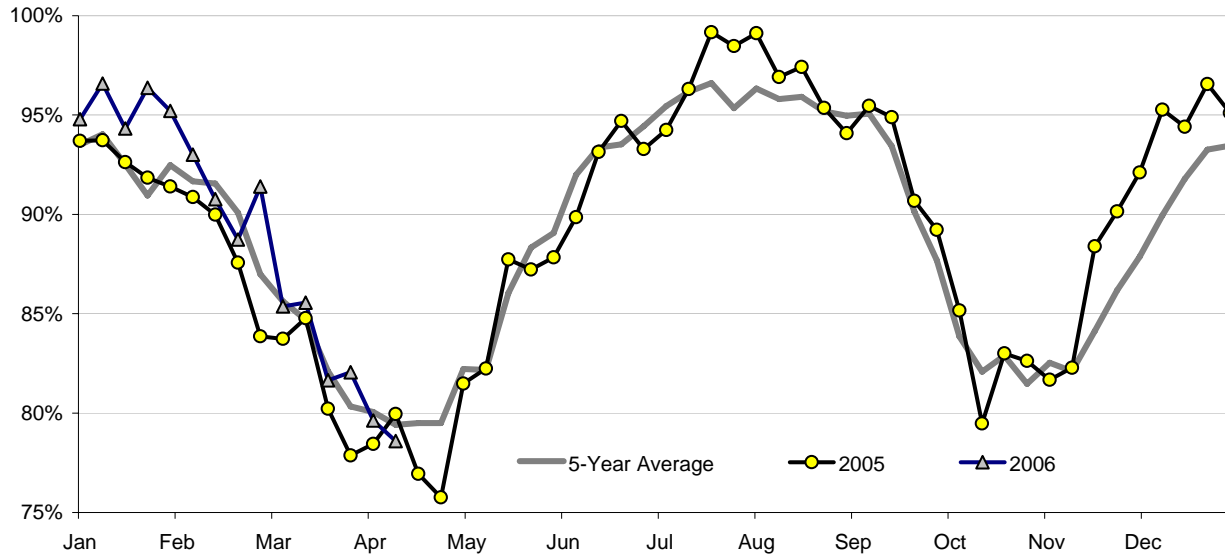


Source: Association of American Railroads

Nuclear Update

Exhibit 49

Total U.S. Nuclear Utilization

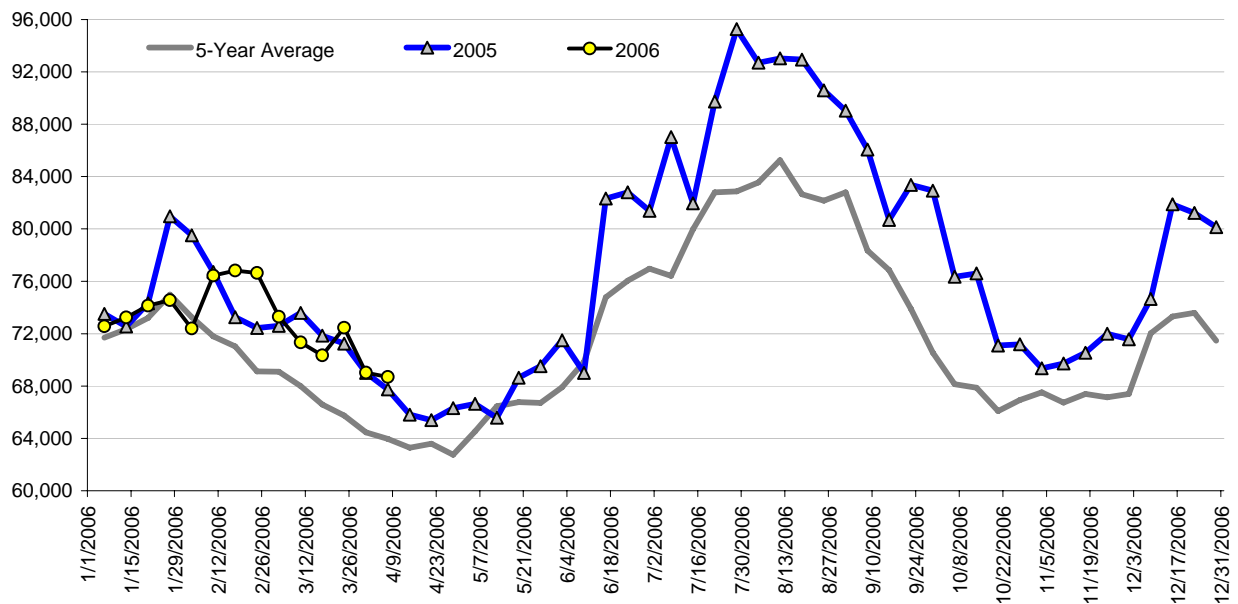


Source: Nuclear Regulatory Commission (via Bloomberg)

Electricity Update

Exhibit 50

Total U.S. Electricity Output (GWh)



Source: Edison Electric Institute

North American E&P: Hedge Update *(shading represents update from previous week)*

Exhibit 51

Natural Gas Hedges

<i>MMcf/d</i>	Time Period	Region	Collars Type	Volume Hedged	% of Region Hedged	Average Price
APA	2006E	North America	Collars	90	9%	\$5.50 - \$6.66
	2007E	North America	Collars	12	1%	\$5.87
				67	6%	\$5.25 - \$6.20
				5	0%	\$5.57
APC	2006E	United States	2 Way Collars	10	1%	\$4.00 - \$5.88
		Canada	Fixed	11	4%	\$2.87
	2007E	United States	2 Way Collars	6	0%	\$4.00 - \$6.02
		Canada	Fixed	5	1%	\$2.83
BBG	2006E	US	Aggregate	25	22%	\$4.75 - \$6.17
BR	1Q06E	North Sea	Collars	10	6%	\$8.75 - \$11.38
			Swaps	50	31%	\$8.72
	2006E	North America	Collars	174	9%	\$8.03 - \$10.14
			Swaps	4	0%	\$4.49
			Swaps	3	0%	\$4.11
2007E	North America	Swaps				
		Swaps				
		Swaps				
CHK	2006E	North America	Swaps	1048	71%	\$9.43
	2007E	North America	Swaps	567	36%	\$9.85
	2008E	North America	Swaps	360	22%	\$9.10
CNQ	2006E	North America	AECO Collar	982	66%	CAD \$6.11 - \$10.76
	1Q07E	North America	AECO Collar	700	49%	CAD \$7.50 - \$18.80
DVN	2006E	Canada	Fixed	39	6%	\$3.33
		International	Fixed	12	41%	\$2.15
ECA	2006E	US	Aggregate	696	53%	\$5.33
EOG	2006E	North America	Collars	29	3%	\$11.09 - \$13.66
			Swaps	110	10%	\$9.52
FST	2006E	North America	Swaps	10	7%	\$5.51
KMG	2006E	United States	Swaps	196	22%	\$7.53
			Costless Collars	537	61%	\$5.21 - \$7.44
			3-Way Collar	20	2%	\$3.04 - \$4 - \$6
			Swaps	265	28%	\$7.03
	2007E	United States	Costless Collars	265	28%	\$6 - \$9.03
NBL	2006E	United States	Collars	4	1%	\$5.00 - \$8.00
		United States	Swaps	170	31%	\$6.49
	2007E	United States	Swaps	170	30%	\$6.04
		United States	Swaps	170	29%	\$5.67
		United States	Swaps	170	29%	\$5.67
NFX	2006E	United States	Aggregate	251	47%	\$8.76
	1Q07E	United States	Aggregate	178	29%	\$9.13
NXY	Unhedged					
PPP	2006E	North America	Collars	105	32%	\$5.81 - \$12.05
	2007E	North America	Collars	75	22%	\$6.00 - \$12.25
PXD	2006E	North America	Swaps	74	19%	\$4.30
			Collars	131	34%	\$7.01 - \$14.61
	2007E	North America	Swaps	24	7%	\$4.30
			Collars	215	59%	\$6.70 - \$11.95
			Swaps	5	1%	\$5.40
SU	1Q06E	North America	Collars	25	12%	CAD \$10.76 - \$16.13
	2Q-3Q06E	North America	Collars	10	5%	CAD \$8.76 - \$13.38
	2006E	North America	Swaps	4	2%	CAD \$6.58
	2007E	North America	Swaps	4	2%	CAD \$6.11
TLM	Essentially unhedged					
XTO	1Q06E	United States	Swaps	300	27%	\$14.58
	2006E	United States	Swaps	260	23%	\$11.06

Exhibit 49

Crude Oil Hedges

<i>mbpd</i>	Time Period	Region	Hedge Type	Volume Hedged	% of Region Hedged	Average Price
APA	2006E	North America	Collars	12	5%	\$32.07 - \$40.66
			Swaps	5	2%	\$29.31
	2007E	North America	Collars	5	2%	\$33 - \$39.25
				0	0%	\$36.89
APC	2006E	United States	2 Way Collars	1	1%	\$22 - \$26.32
	2007E	United States	2 Way Collars	1	1%	\$22 - \$26.32
			3 Way Collars	7	7%	\$35 - \$50 - \$88.08
	2008E	United States	3 Way Collars	7	7%	\$35 - \$50 - \$86.26
			Algeria	3 Way Collars	7	9%
	2009E	United States	3 Way Collars	5	5%	\$35 - \$50 - \$85.58
			Algeria	3 Way Collars	7	9%
	2010E	United States	3 Way Collars	6	6%	\$35 - \$50 - \$85.65
Algeria			3 Way Collars	3	4%	\$33.75 - \$48.78 - \$84.20
BBG	Essentially unhedged					
BR	2006E	North America	Collars	11	18%	\$51.81 - \$66.42
CHK	2006E	North America	Swaps	13	63%	\$61.02
	2007E	North America	Swaps	5	22%	\$62.42
	2008E	North America	Swaps	3	14%	\$65.48
CNQ	2006E	Worldwide	Collars	250	71%	US\$40.40 - US\$57.71
			Oil Puts	53	15%	US\$42.50
			Collars	22	6%	C\$46.53 - C\$58.67
	2007E	Worldwide	Oil Puts	300	83%	US\$41.00
DVN	unhedged		Costless Collars	15	8%	\$22.87 - \$28.98
ECA	2005E	North America	Aggregate	122	58%	\$37.78
	2006E	North America	Aggregate	86	55%	\$34.56
EOG	unhedged					
FST	2006E	North America	Swaps	4	16%	\$31.58
			Collars	6	23%	\$46.73 - \$65.87
KMG	2006E	United States	3-Way Collars	2	2%	\$20.88 - \$25 - \$28.65
			Swaps (WTI)	19	22%	\$53.14
			Costless Collars	37	44%	\$35.82 - \$47.73
	2007E	United States	Costless Collars	18	19%	\$45 - \$61.42
			Swaps (WTI)	27	29%	\$51.44
NBL	2006E	United States	Collars	3	6%	\$37.73 - \$45.96
		United States	Swaps	17	39%	\$40.47
	2007E	United States	Swaps	17	38%	\$39.19
		Equatorial Guinea	Collars	7	25%	\$45.00 - \$70.63
	2008E	United States	Swaps	17	36%	\$38.23
		Equatorial Guinea	Collars	4	15%	\$45.00 - \$66.52
	2009E	Equatorial Guinea	Collars	3	12%	\$45.00 - \$63.04
NFX	2006E	United States	Fixed/Collars	15	79%	\$52.79
	2007E	United States	Fixed/Collars	13	62%	\$54.57
	2008E	United States	Collars	9	42%	\$33.00 - \$50.29
	2009E	United States	Collars	9	42%	\$33.33 - \$50.62
	2010E	United States	Collars	10	46%	\$34.90 - \$51.52

(continued on following page)

Exhibit 50

Crude Oil Hedges (continued)

<i>mbpd</i>	Time Period	Region	Hedge Type	Volume Hedged	% of Region Hedged	Average Price
NXY	2005E	North Sea	Puts	60	31%	\$43.17
	2006E	North Sea	Puts	60	30%	\$38.17
PPP	2006E		Collars	15	38%	\$50 - \$80.40
	2007E		Collars	15	37%	\$50 - \$76.68
PXD	2006E	Worldwide	Swaps	6	22%	\$35.00
			Collars	8	27%	\$43.11 - \$70.71
	2007E	Worldwide	Swaps	10	37%	\$30.96
			Collars	2	7%	\$50.00 - \$89.50
2008E	Worldwide	Swaps	10	36%	\$30.62	
SU	2006E	North America	Collars	25	9%	\$50 - \$91
	2007E	North America	Collars	25	9%	\$50 - \$91
TLM	Essentially unhedged					
XTO	2006E	United States	Swaps	15	35%	\$59.53

Source: Company Data, Morgan Stanley Equity Research

Global E&P Team

North American E&P

Lloyd Byrne	lloyd.byrne@morganstanley.com	(212) 761-8343
Eric Pipa, CFA	eric.pipa@morganstanley.com	(212) 761-6648
Bryn Harder	bryn.harder@morganstanley.com	(212) 761-4917
Stephen Richardson	stephen.i.richardson@morganstanley.com	(212) 761-3741

Australian E&P

Stuart Baker	stuart.baker@morganstanley.com	+61 3 9256-8929
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Recent Industry Publications

Integrated Oils and R&M: Raising Estimates; Maintain Constructive Outlook	April 13, 2006
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Exploration & Production: We'll Take the Other Side	March 17, 2006
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Oil & Gas: Raising Oil Price Forecasts	February 16, 2006
Integrated Oil: Raising Crude Oil Price Forecast R&M Updated	February 16, 2006
Exploration & Production: It's About Direction Now. When Will It Be About Level?	February 16, 2006
Questions We're Getting As We Head Into '06	December 12, 2005
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Valuation Methodology & Risks

Investment Risks for North American Exploration & Production Industry:

- Commodity price volatility. E&P companies are inherently "price takers" given their lack of operational integration within the commodity product cycle, and as a result, have significant exposure to commodity prices.
- Operational risk (i.e., failure of company to meet targeted production levels).
- Environmental risk.
- Political risk (particularly for companies with significant international operations).

Valuation Methodology for North American Exploration & Production Industry:

- Target price generally based on multi-year discounted cash flow analysis.
- Price objectives are further back-tested utilizing mid-cycle multiples on either normalized cash flow or EBITDA(X).
- We also utilize our reserve valuation models to quantify downside risk for individual stocks. Our reserve valuation approach assumes that current proved reserves are produced until fully depleted and sold at our mid-cycle (i.e. 2008 and beyond) commodity price estimates of \$50/bbl oil and \$7/Mcf gas, less applicable location/quality discounts. No value is attributed to exploration portfolio (i.e., undeveloped properties).

	4/14/2006 Price	Rating	Target Price	Price / Cash Flow			EV / EBITDA(X)			Company Specific Risks		
				2008E CFPS	Current Multiple	Target Multiple	2008E EBITDAX	Current Multiple	Target Multiple	2006E Production		
									% Liq's	% Gas	% NA Gas	
U.S. Large Cap (US\$)												
APA	\$68.61	O	\$88	\$14.42	4.8	6.1	5,823	3.5	4.6	51%	49%	34%
APC	\$107.15	E	--	\$19.70	5.4	--	5,441	4.9	--	49%	51%	51%
CHK	\$32.00	O-V	\$37	\$7.48	4.3	4.9	3,765	4.8	5.4	8%	92%	92%
DVN	\$61.41	E	--	\$12.90	4.8	--	7,003	4.0	--	37%	63%	62%
EOG	\$72.93	O	\$87	\$11.85	6.2	7.3	3,174	5.3	6.4	14%	86%	69%
KMG	\$102.02	E	--	\$23.26	4.4	--	3,009	3.5	--	41%	59%	59%
OXY	\$99.63	U	--	N/A	N/A	--	N/A	N/A	--	81%	19%	13%
XTO	\$45.80	O-V	\$54	\$7.33	6.2	7.4	3,202	5.3	6.3	22%	78%	78%
				ex OXY:	5.1	6.4	ex OXY:	4.5	5.7	32%	68%	64%
U.S. Mid and Small Cap (US\$)												
BBG	\$30.86	E-V	--	\$6.85	4.5	--	310	5.4	--	8%	92%	92%
FST	\$38.19	U	--	\$7.93	4.8	--	610	5.2	--	39%	61%	60%
NBL	\$45.73	O	\$56	\$10.84	4.2	5.2	2,350	3.6	4.4	43%	57%	40%
NFX	\$42.78	O-V	\$54	\$10.93	3.9	4.9	1,695	3.8	4.7	22%	78%	77%
PPP	\$51.94	U	--	\$15.56	3.3	--	1,134	3.5	--	45%	55%	55%
PXD	\$42.95	U	--	\$6.72	6.4	--	1,082	6.4	--	41%	59%	56%
PXP	\$39.87	O-V	\$53	\$6.20	6.4	8.5	562	6.4	8.3	84%	16%	16%
				ex. BBG:	4.9	6.2	ex. BBG:	4.8	5.8	46%	54%	51%
Canadian E&P (CAD\$ EXCEPT ECA)												
*CMT	C\$16.47	O-V	C\$24	C\$2.85	5.8	8.4	484	6.6	8.7	29%	71%	71%
*CNQ	C\$70.18	E	--	C\$11.49	6.1	--	6,983	6.0	--	58%	42%	41%
ECA	\$48.63	E	--	\$8.52	5.7	--	8,900	5.1	--	21%	79%	79%
*NXY	C\$67.81	O	C\$66	C\$18.01	3.8	3.7	5,276	3.8	3.7	81%	19%	16%
*SU	C\$97.10	O	C\$99	C\$9.82	9.9	10.1	5,127	9.0	9.2	89%	11%	11%
*TLM	C\$65.36	O	C\$73	C\$16.54	4.0	4.4	7,594	3.2	3.6	56%	44%	30%
*WTO	C\$37.39	U-V	--	C\$2.76	13.5	--	522	13.3	--	100%	0%	0%
				ex. SU, WTO:	5.1	5.5	ex. SU	5.0	5.4	49%	51%	47%

O = Overweight, E = Equal-Weight, U = Underweight, V = Volatility flag

Note: OXY estimates per Doug Terreson, MS Integrated Oils Analyst

Source: Company Data, FactSet, Morgan Stanley Equity Research ModelWare Estimates. ++ Rating and Price Target for this company have been removed from consideration in this report because, under applicable law and/or Morgan Stanley policy, Morgan Stanley may be precluded from issuing such information with respect to this company at this time.

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Global Stock Ratings Distribution

(as of March 31, 2006)

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Stock Rating Category	Coverage Universe		Investment Banking Clients (IBC)		
	Count	% of Total	Count	% of Total IBC	% of Rating Category
Overweight/Buy	721	36%	259	40%	36%
Equal-weight/Hold	879	44%	300	47%	34%
Underweight/Sell	378	19%	84	13%	22%
Total	1,978		643		

Data include common stock and ADRs currently assigned ratings. An investor's decision to buy or sell a stock should depend on individual circumstances (such as the investor's existing holdings) and other considerations. Investment Banking Clients are companies from whom Morgan Stanley or an affiliate received investment banking compensation in the last 12 months.

Analyst Stock Ratings

Overweight (O). The stock's total return is expected to exceed the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

Equal-weight (E). The stock's total return is expected to be in line with the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

Underweight (U). The stock's total return is expected to be below the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

More volatile (V). We estimate that this stock has more than a 25% chance of a price move (up or down) of more than 25% in a month, based on a quantitative assessment of historical data, or in the analyst's view, it is likely to become materially more volatile over the next 1-12 months compared with the past three years. Stocks with less than one year of trading history are automatically rated as more volatile (unless otherwise noted). We note that securities that we do not currently consider "more volatile" can still perform in that manner.

Unless otherwise specified, the time frame for price targets included in this report is 12 to 18 months.

Analyst Industry Views

Attractive (A): The analyst expects the performance of his or her industry coverage universe over the next 12-18 months to be attractive vs. the relevant broad market benchmark, as indicated below.

In-Line (I): The analyst expects the performance of his or her industry coverage universe over the next 12-18 months to be in line with the relevant broad market benchmark, as indicated below.

Cautious (C): The analyst views the performance of his or her industry coverage universe over the next 12-18 months with caution vs. the relevant broad market benchmark, as indicated below.

Benchmarks for each region are as follows: North America - S&P 500; Latin America - relevant MSCI country index; Europe - MSCI Europe; Japan - TOPIX; Asia - relevant MSCI country index.

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The Americas

1585 Broadway
New York, NY 10036-8293
United States
Tel: +1 (1) 212 761 4000

Europe

25 Cabot Square, Canary Wharf
London E14 4QA
United Kingdom
Tel: +44 (0) 20 7 425 8000

Japan

4-20-3 Ebisu, Shibuya-ku
Tokyo 150-6008
Japan
Tel: +81 (0) 3 5424 5000

Asia/Pacific

Three Exchange Square
Central
Hong Kong
Tel: +852 2848 5200

Industry Coverage: Exploration & Production

Company (Ticker)	Rating (as of)	Price (04/17/2006)
Lloyd Byrne		
Anadarko Petroleum Corp. (APC.N)	E (03/18/2002)	\$108.22
Apache Corp. (APA.N)	O (03/18/2002)	\$68.89
Canadian Natural Res Ltd. (CNQ.TO)	E (03/18/2002)	C\$69.75
Chesapeake Energy (CHK.N)	O-V (05/24/2002)	\$32.14
Devon Energy (DVN.N)	E (02/04/2005)	\$61.83
EOG Resources (EOG.N)	O (03/18/2005)	\$73.68
EnCana Corporation (ECA.N)	E (10/20/2003)	\$48.51
Kerr McGee Corp. (KMG.N)	E (03/18/2002)	\$102.00
Newfield Exploration (NFX.N)	O-V (10/08/2004)	\$43.25
Nexen Inc. (NXY.TO)	O (10/06/2003)	C\$68.17
Noble Energy (NBL.N)	O (02/07/2006)	\$45.80
Suncor (SU.TO)	O (05/16/2003)	C\$98.01
Talisman Energy Inc (TLM.TO)	O (03/18/2002)	C\$65.25
XTO Energy Inc. (XTO.N)	O-V (02/10/2003)	\$46.30
Eric Pipa, CFA		
Bill Barrett Corporation (BBG.N)	E-V (01/19/2005)	\$30.99
Compton Petroleum Corp. (CMT.TO)	O-V (11/23/2005)	C\$16.51
Forest Oil (FST.N)	U (01/20/2004)	\$38.72
Pioneer Natural Resources (PXD.N)	U (04/03/2006)	\$43.39
Plains Exploration & Production Co. (PXP.N)	O-V (10/18/2005)	\$40.16
Pogo Producing (PPP.N)	U (01/26/2005)	\$52.00
Western Oil Sands (WTO.TO)	U-V (11/23/2005)	C\$37.70

Stock Ratings are subject to change. Please see latest research for each company.