

## Royal Dutch Shell plc (RDSA) Ben's Growth Strategy

<i>Symbol</i>	RDS-A	<i>Ebitda Next Twelve Months ending 6/30/15 (US\$m)</i>	54,400
<i>Rating</i>		<i>North American Natural Gas/Ebitda (%)</i>	3
<i>Price (US\$/sh)</i>	77.69	<i>Natural Gas and Oil Production/Ebitda (%)</i>	78
<i>Pricing Date</i>	9/15/14	<i>Adjusted Reserves/Production NTM</i>	10.2
<i>Shares (mm)</i>	3162	<i>EV/Ebitda</i>	6.0
<i>Market Capitalization (US\$m)</i>	246,000	<i>PV/Ebitda</i>	7.0
<i>Debt (US\$m)</i>	81,000	<i>Undeveloped Reserves (%)</i>	33
<i>Enterprise Value (EV) (US\$m)</i>	327,000	<i>Natural Gas and Oil Ebitda (US\$/boe)</i>	37.90
<i>Present Value (PV) (US\$m)</i>	381,000	<i>Present Value Proven Reserves(US\$/boe)</i>	21.70
<i>Net Present Value (US\$/share)</i>	95	<i>Present Value Proven Reserves(US\$/mcf)</i>	3.62
<i>Debt/Present Value</i>	0.21	<i>Earnings Next Twelve Months (US\$/sh)</i>	6.04
<i>McDep Ratio - EV/PV</i>	0.86	<i>Price/Earnings Next Twelve Months</i>	13
<i>Dividend Yield (%/year)</i>	4.8	<i>Indicated Annual Dividend (US\$/sh)</i>	3.76
Note: Estimated cash flow and earnings tied to one-year futures prices for oil and natural gas.			
Reported results may vary widely from estimates. Estimated present value per share revised only infrequently.			
Estimated present value presumes a long-term price for oil of US\$90 a barrel and natural gas, \$6 a million btu.			
For historical analysis of RDS since 2001 see <a href="http://www.mcdep.com/1rd.htm">www.mcdep.com/1rd.htm</a>			

### Summary and Recommendation

Shares of global integrated oil and gas producer **Royal Dutch Shell (RDSA)** have appreciation potential to Net Present Value (NPV) of \$95 a share (see table [Present Value](#) on page 2). In his first Investor Day in New York on September 5, chief executive Ben van Beurden detailed his strategy to grow dividend per share by growing free cash flow from higher profit projects and selling lower profit properties. Currently delivering a yield of 4.8% a year, Royal Dutch Shell's dividend may grow faster than the 2.3% a year for the past five years toward the 5.8% a year for the past ten years. Promising oil projects include 300 thousand net acres of drillable land in the Delaware basin in west Texas and a premier position in the Duvernay play in Alberta (see slide [Permian](#) on page 2). Natural gas supply became more enormous in Pennsylvania with Shell's recent disclosure of well results that extend the Utica natural gas play to the northeast (see slide [North America Resources Plays](#) on page 3). Appalachian natural gas will likely be exported through a Shell facility on Elba Island, Georgia. Not currently profitable, merchant refining looks like a candidate for divestiture (see slide [Downstream Portfolio](#) on page 3). In the first two quarters under the new CEO, reported results are showing higher cash flow (Ebitda) margin upstream (see table [Operating and Financial Estimates](#) on page 4). Meanwhile, Enterprise Value of more than \$300 billion moderates the impact of changes in any one area or business (see [Table 1](#) on page 5). Financial position is strong with debt at a modest ratio of 0.21 to present value (see [Table 2](#) on page 6). Cash flow multiple is low at 6.0 times (see [Table 3](#) on page 7). Finally, stock price momentum is positive (see [Table 4](#) on page 8). We like the stock as a component of the Global Integrated Group in the diversified McDep portfolio.

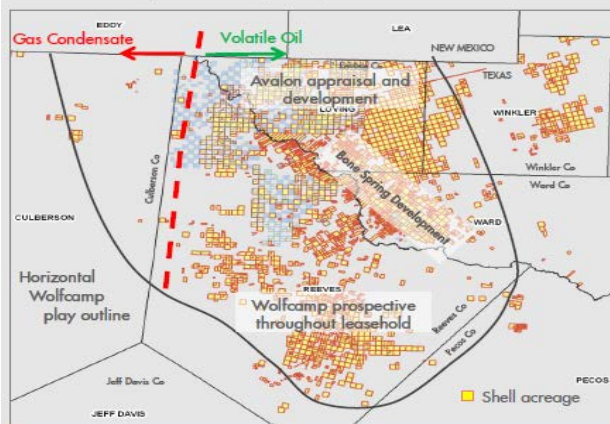
Kurt H. Wulff, CFA

Royal Dutch Shell plc					
Functional Cash Flow and Present Value					
	<i>NTM Ebitda</i>	<i>Adjusted</i>	<i>PV/</i>	<i>Present</i>	
	<i>(US\$mm)</i>	<i>R/P</i>	<i>Ebitda</i>	<i>Value</i>	
				<i>(US\$mm)</i>	
North American Natural Gas	1,540	5.1	10.4	16,000	4%
Rest of World Natural Gas	11,580	11.8	7.2	83,000	22%
Oil	29,290	9.7	7.4	217,000	57%
Downstream	12,000		5.4	65,000	17%
	54,410	10.2	7.0	381,000	100%
Debt (US\$mm)					81,000
Net Present Value (US\$mm)					300,000
Shares (mm)					3,162
Net Present Value - Standard Estimate (US\$/sh)					95
NPV Approximation by Cash Flow Multiple Depending on Reserve Life (US\$/sh)					97

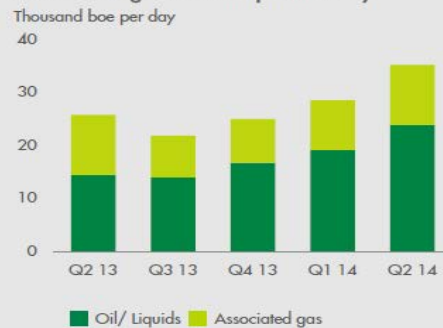
## PERMIAN LIQUIDS GROWTH BASIN



### Low cost, early Wolfcamp entry





### Production growth and profitability

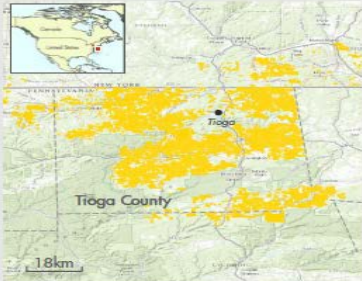


- ~300,000 net acres – focus area
- >3500' stacked pay thickness with large resource potential in Wolfcamp
- >5700 potential wells – mostly Wolfcamp
- 70% liquids

## NORTH AMERICA RESOURCES PLAYS APPRAISING NEW POTENTIAL

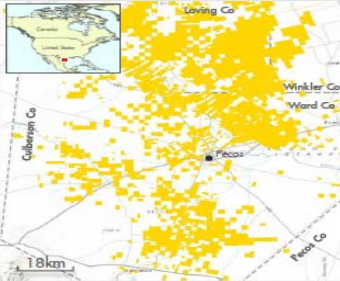



### Appalachia Utica




- New Utica sweetspot in Tioga County
- 11-26 mmscf/day IP rates
- ~275k net acres + ~1500 well locations
- Additional ~155k net acres once Pinedale swap complete

### Permian



- Multiple stacked pays
- ~70% liquids
- Wolfcamp exploration potential
- ~300k net acres + ~5700 well locations
- 50/50 JV with Anadarko



### Western Canada



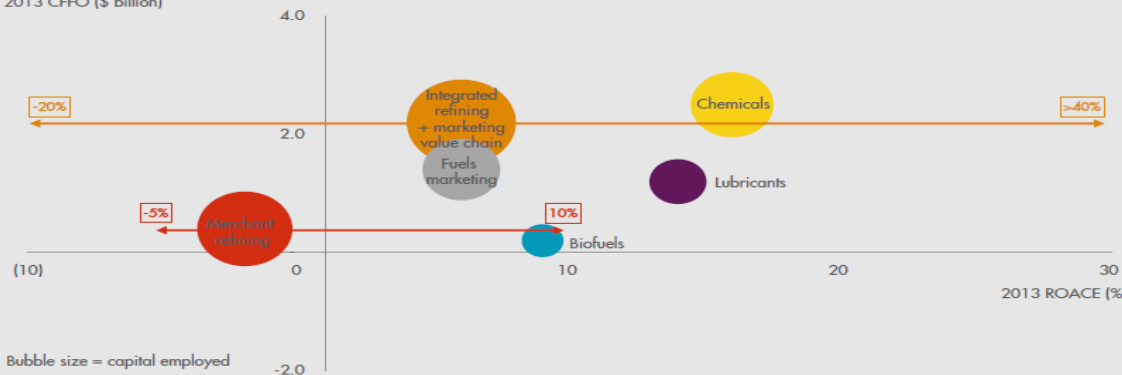
- Premier position in Duvernay play
- Oil + gas condensate window
- ~365k net acres + ~2400 well locations
- Integration potential with heavy oil

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## DOWNSTREAM PORTFOLIO SEGMENTATION + PERFORMANCE

### Downstream businesses 2013 CFO (\$ billion)



Bubble size = capital employed

- Segmentation into performance units
- Action plans to improve returns + CFO or exit
- Focus on cost efficiency
- Targeted investment

ROACE based on CCS earnings excluding identified earnings  
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A Weekly Analysis of Oil and Gas Stocks

September 16, 2014

Royal Dutch/Shell										
Next Twelve Months Operating and Financial Estimates										
	Q3	Year	Q1	Q2	Q3E	Q4E	Year	Q1E	Q2E	Next
	9/30/13	2013E	3/31/14	6/30/14	9/30/14	12/31/14	2014E	3/31/15	6/30/15	Twelve
										Months
										6/30/15
<b>Volume</b>										
Natural Gas (mmcf)										
Americas	1,644	<b>1,750</b>	1,685	1,691	1,644	1,682	<b>1,675</b>	1,685	1,691	<b>1,675</b>
Rest of World	6,739	<b>7,866</b>	8,542	7,462	6,739	8,243	<b>7,743</b>	8,542	7,462	<b>7,743</b>
Total	8,383	<b>9,616</b>	10,227	9,153	8,383	9,925	<b>9,418</b>	10,227	9,153	<b>9,418</b>
Oil (mbd)	1,485	<b>1,541</b>	1,481	1,499	1,499	1,499	<b>1,495</b>	1,499	1,499	<b>1,499</b>
Total gas & oil (mmb)	265	<b>1,147</b>	287	275	266	290	<b>1,118</b>	288	275	<b>1,120</b>
Total gas & oil (mbd)	2,882	<b>3,144</b>	3,186	3,025	2,896	3,153	<b>3,064</b>	3,204	3,025	<b>3,069</b>
<b>Price</b>										
Natural gas (\$/mcf)										
Henry Hub (\$/mmbtu)	3.58	<b>3.65</b>	4.95	4.67	4.07	4.00	<b>4.42</b>	4.12	3.84	<b>4.01</b>
Americas	3.37	<b>3.69</b>	5.27	4.82	4.20	4.13	<b>4.60</b>	4.29	3.99	<b>4.15</b>
Rest of World	7.25	<b>7.83</b>	8.23	6.75	6.75	6.75	<b>7.15</b>	6.75	6.75	<b>6.75</b>
Total	6.49	<b>7.07</b>	7.74	6.39	6.25	6.30	<b>6.70</b>	6.34	6.24	<b>6.28</b>
Oil (\$/bbl)										
WTI Cushing	105.83	<b>97.98</b>	98.74	102.98	97.19	91.99	<b>97.72</b>	90.72	90.34	<b>92.56</b>
Worldwide	100.38	<b>99.56</b>	96.89	98.08	92.56	87.61	<b>93.75</b>	86.40	86.04	<b>88.17</b>
Total gas & oil (\$/bbl)	70.60	<b>70.44</b>	69.90	67.95	65.99	61.49	<b>66.30</b>	60.67	61.52	<b>62.36</b>
NY Harbor 3-2-1 (\$/bbl)	17.57	<b>22.00</b>	19.04	21.12	19.03	16.10	<b>18.82</b>	16.63	22.25	<b>18.50</b>
<b>Revenue (\$mm)</b>										
Natural Gas										
Americas	510	<b>2,360</b>	799	742	635	639	<b>2,814</b>	650	614	<b>2,538</b>
Rest of World	4,496	<b>22,469</b>	6,325	4,581	4,182	5,116	<b>20,204</b>	5,186	4,581	<b>19,065</b>
Total	5,005	<b>24,828</b>	7,124	5,322	4,817	5,754	<b>23,018</b>	5,836	5,195	<b>21,602</b>
Oil	13,714	<b>55,999</b>	12,914	13,379	12,765	12,082	<b>51,141</b>	11,656	11,737	<b>48,240</b>
Other	97,794	<b>370,427</b>	89,619	92,521	92,521	92,521	<b>367,181</b>	92,521	92,521	<b>370,083</b>
Total	116,513	<b>451,255</b>	109,658	111,222	110,103	110,357	<b>441,340</b>	110,013	109,453	<b>439,925</b>
<b>Expense</b>	<b>103,480</b>	<b>395,853</b>	<b>92,431</b>	<b>95,523</b>	<b>96,427</b>	<b>96,527</b>	<b>380,907</b>	<b>96,392</b>	<b>96,172</b>	<b>385,517</b>
<b>Ebitda (\$mm)</b>										
Exploration and Production	10,660	<b>43,681</b>	13,471	12,783	10,676	10,830	<b>47,760</b>	10,621	10,281	<b>42,409</b>
Other	2,373	<b>11,721</b>	3,756	2,916	3,000	3,000	<b>12,672</b>	3,000	3,000	<b>12,000</b>
Total Ebitda	13,033	<b>55,402</b>	17,227	15,699	13,676	13,830	<b>60,433</b>	13,621	13,281	<b>54,409</b>
Exploration	1,636	<b>5,278</b>	927	1,128	1,128	1,128	<b>4,311</b>	1,128	1,128	<b>4,512</b>
Deprec., Deplet., & Amort.	4,153	<b>18,535</b>	4,528	4,630	4,630	4,630	<b>18,419</b>	4,630	4,630	<b>18,522</b>
Other non cash	-	-	-	-	-	-	-	-	-	-
<b>Ebit</b>	<b>7,244</b>	<b>31,589</b>	<b>11,772</b>	<b>9,941</b>	<b>7,917</b>	<b>8,072</b>	<b>37,702</b>	<b>7,863</b>	<b>7,523</b>	<b>31,375</b>
Interest	392	<b>1,642</b>	452	505	505	505	<b>1,967</b>	505	505	<b>2,020</b>
<b>Ebt</b>	<b>6,852</b>	<b>29,947</b>	<b>11,320</b>	<b>9,436</b>	<b>7,412</b>	<b>7,567</b>	<b>35,735</b>	<b>7,358</b>	<b>7,018</b>	<b>29,355</b>
Income Tax	2,398	<b>10,481</b>	3,962	3,303	2,594	2,648	<b>12,507</b>	2,575	2,456	<b>10,274</b>
<b>Net Income (\$mm)</b>										
Exploration and Production	3,466	<b>15,117</b>	5,710	4,722						
Other	892	<b>4,466</b>	1,575	1,347						
Unallocated	96	<b>(118)</b>	73	64						
Total	4,454	<b>19,465</b>	7,358	6,133	4,818	4,918	<b>23,228</b>	4,783	4,561	<b>19,081</b>
<b>Shares (millions)</b>	<b>3,137</b>	<b>3,150</b>	<b>3,145</b>	<b>3,162</b>	<b>3,162</b>	<b>3,162</b>	<b>3,156</b>	<b>3,162</b>	<b>3,162</b>	<b>3,162</b>
Per share (\$)	1.42	<b>6.18</b>	2.34	1.94	1.52	1.56	<b>7.36</b>	1.51	1.44	<b>6.04</b>
Ebitda Margin (E&P)	57%	<b>54%</b>	67%	68%	61%	61%	<b>64%</b>	61%	61%	<b>61%</b>



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September 16, 2014

						Present Value by Segment (%)					
		Price (US\$/sh)	EV/ Market	Enterprise Value	North Amer.	Rest of World			Dist. Yield		
Symbol/Rating	15-Sep	2014	Cap	(\$mm)	Natural Gas	Natural Gas	Oil Prod'n	Down- stream	NTM (%)	McDep Ratio	
B = Buy, CB (see below)											
<b>Global Integrated</b>											
Exxon Mobil Corporation	XOM	CB	96.29	1.18	489,000	7	16	61	17	2.9	0.95
Royal Dutch Shell plc	RDS-A		77.69	1.33	327,000	4	22	57	17	4.8	0.86
Chevron Corporation	CVX		124.24	1.19	281,000	3	11	73	13	3.4	0.85
Total S.A.	TOT		64.30	1.38	203,000		22	59	18	4.9	0.85
Lukoil Oil Company	LUKOY	CB	56.68	1.18	52,000			76	24	5.5	0.46
<i>Total or Median</i>				<i>1.19</i>	<i>1,352,000</i>			<i>61</i>	<i>17</i>	<i>4.8</i>	<i>0.85</i>
<b>U.S. Independent</b>											
EOG Resources, Inc.	EOG		101.91	1.11	62,300	16	4	80		0.7	0.93
ConocoPhillips	COP		79.40	1.34	133,000	13	14	72		3.7	0.84
Occidental Petroleum Corp.	OXY		98.29	1.14	87,600	7	1	84	9	2.9	0.84
Marathon Oil Corporation	MRO	B	39.83	1.28	34,700	9	3	88		2.1	0.83
Devon Energy Corporation	DVN	B	70.27	1.60	46,300	27		65	8	1.4	0.79
<i>Total or Median</i>				<i>1.28</i>	<i>364,000</i>	<i>13</i>		<i>80</i>		<i>2.1</i>	<i>0.84</i>
<b>Canada/Australia</b>											
Woodside Petroleum Ltd.	WOPEY		38.04	1.14	36,000		70	30		5.8	1.05
Imperial Oil Limited (30%)	IMO		50.53	1.23	15,800	2		79	19	0.9	0.98
EnCana Corporation	ECA	B	22.67	1.47	24,600	80		20		1.2	0.82
Cenovus Energy Inc.	CVE		30.32	1.30	29,800	9		78	13	3.2	0.77
Canadian Oil Sands Limited	COSWF	CB	19.70	1.27	12,100			100		7.8	0.64
<i>Total or Median</i>				<i>1.27</i>	<i>118,000</i>			<i>78</i>		<i>3.2</i>	<i>0.82</i>
<b>Small Cap Independent Producers</b>											
Continental Resources (32%)	CLR	B	73.48	1.22	10,600	16		84		-	0.98
Cimarex Energy Company	XEC	B	135.04	1.16	13,600	41		59		0.5	0.97
Whiting Petroleum Corporation	WLL	B	83.86	1.31	13,200	9		91		-	0.95
WPX Energy Inc.	WPX		25.31	1.48	7,600	61		39		-	0.93
Halcón Resources	HK		4.66	2.97	5,700	6		94		-	0.85
Birchcliff Energy Ltd.	BIREF	B	11.11	1.32	2,300	73		27		-	0.83
Peyto Exploration and Developr	PEYUF		32.74	1.18	5,900	83		17		3.3	0.81
PDC Energy	PDCE		54.30	1.42	2,800	26		74		-	0.79
Range Resources	RRC	CB	72.80	1.30	15,400	61		39		0.2	0.78
<i>Total or Median</i>				<i>1.31</i>	<i>77,000</i>	<i>41</i>		<i>59</i>		<i>-</i>	<i>0.85</i>
<b>RIF Cash Payers</b>											
Mesa RoyaltyTrust	MTR		30.61	1.00	60	71		29		8.0	1.09
Dorchester Minerals, L.P.	DMLP	B	30.00	1.00	920	40		60		6.1	0.94
San Juan Basin Royalty Trust	SJT	B	19.00	1.00	890	100		-		6.3	0.91
Enduro Royalty Trust	NDRO		12.12	1.00	400	37		63		6.6	0.87
Freehold Royalties Ltd.	FRHLF		22.07	1.10	1,780	18		82		6.9	0.86
Sabine Royalty Trust	SBR		54.00	1.00	790	44		56		7.4	0.84
Permian Basin RT	PBT		14.04	1.00	650	20		80		8.2	0.78
Cross Timbers Royalty Trust	CRT		31.18	1.00	190	64		36		7.6	0.74
Hugoton RoyaltyTrust	HGT		9.57	1.00	380	87		13		7.7	0.74
<i>Total or Median</i>				<i>1.00</i>	<i>6,100</i>	<i>44</i>		<i>56</i>		<i>7.4</i>	<i>0.86</i>

CB=Contrarian Buy, Stock Price may be in downtrend compared to 200-day average.  
 Estimated present value presumes a long-term price for oil of US\$90 a barrel and natural gas, \$6 a million btu.  
 McDep Ratio = Market cap and Debt to present value of oil and gas and other businesses



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			<i>Price (US\$/sh)</i>	<i>Shares</i>	<i>Market Cap (US\$m)</i>	<i>Net Present Value (US\$/sh)</i>	<i>Debt/ Present Value</i>	<i>McDep Ratio</i>
	<i>Symbol/Rating</i>		<i>15-Sep 2014</i>	<i>(mm)</i>				
	<i>B = Buy, CB (see below)</i>							
<b>Global Integrated</b>								
Exxon Mobil Corporation	XOM	CB	96.29	4,297	414,000	102.00	0.15	0.95
Royal Dutch Shell plc	RDS-A		77.69	3,162	246,000	95.00	0.21	0.86
Chevron Corporation	CVX		124.24	1,902	236,000	150.00	0.13	0.85
Total S.A.	TOT		64.30	2,281	147,000	80.00	0.24	0.85
Lukoil Oil Company	LUKOY	CB	56.68	776	44,000	135.00	0.07	0.46
	<i>Total or Median</i>				<i>1,087,000</i>		<i>0.15</i>	<i>0.85</i>
<b>U.S. Independent</b>								
EOG Resources, Inc.	EOG		101.91	549	56,000	110.00	0.10	0.93
ConocoPhillips	COP		79.40	1,245	99,000	100.00	0.21	0.84
Occidental Petroleum Corp.	OXY		98.29	783	77,000	120.00	0.10	0.84
Marathon Oil Corporation	MRO	B	39.83	679	27,040	50.00	0.18	0.83
Devon Energy Corporation	DVN	B	70.27	411	28,900	100.00	0.30	0.79
	<i>Total or Median</i>				<i>287,900</i>		<i>0.18</i>	<i>0.84</i>
<b>Canada/Australia</b>								
Woodside Petroleum Ltd.	WOPEY		38.04	823	31,300	36.00	0.13	1.05
Imperial Oil Limited (30%)	IMO		50.53	255	12,900	52.00	0.18	0.98
EnCana Corporation	ECA	B	22.67	736	16,700	30.00	0.26	0.82
Cenovus Energy Inc.	CVE		30.32	758	23,000	42.00	0.18	0.77
Canadian Oil Sands Limited	COSWF	CB	19.70	485	9,600	34.00	0.14	0.64
	<i>Total or Median</i>				<i>94,000</i>		<i>0.18</i>	<i>0.82</i>
<b>Small Cap Independent Producers</b>								
Continental Resources (32%)	CLR	B	73.48	118	8,700	75.00	0.18	0.98
Cimarex Energy Company	XEC	B	135.04	87	11,800	140.00	0.13	0.97
Whiting Petroleum Corporation	WLL	B	83.86	120	10,100	90.00	0.22	0.95
WPX Energy Inc.	WPX		25.31	203	5,100	28.00	0.30	0.93
Halcón Resources	HK		4.66	415	1,900	7.00	0.57	0.85
Birchcliff Energy Ltd.	BIREF	B	11.11	158	1,800	14.00	0.20	0.83
Peyto Exploration and Development Corp.	PEYUF		32.74	154	5,000	42.00	0.12	0.81
PDC Energy	PDCE		54.30	36	2,000	75.00	0.23	0.79
Range Resources	RRC	CB	72.80	163	11,900	100.00	0.18	0.78
	<i>Total or Median</i>				<i>58,000</i>		<i>0.20</i>	<i>0.85</i>
<b>RTF Cash Payers</b>								
Mesa RoyaltyTrust	MTR		30.61	2	60	28.00	-	1.09
Dorchester Minerals, L.P.	DMLP	B	30.00	31	920	32.00	-	0.94
San Juan Basin Royalty Trust	SJT	B	19.00	47	890	21.00	-	0.91
Enduro Royalty Trust	NDRO		12.12	33	400	14.00	-	0.87
Freehold Royalties Ltd.	FRHLF		22.07	73	1,620	26.00	0.08	0.86
Sabine Royalty Trust	SBR		54.00	15	790	64.00	-	0.84
Permian Basin RT	PBT		14.04	47	650	18.00	-	0.78
Cross Timbers Royalty Trust	CRT		31.18	6	190	42.00	-	0.74
Hugoton RoyaltyTrust	HGT		9.57	40	380	13.00	-	0.74
	<i>Total or Median</i>				<i>5,900</i>		<i>-</i>	<i>0.86</i>

CB=Contrarian Buy, Stock Price may be in downtrend compared to 200-day average.  
 Estimated present value presumes a long-term price for oil of US\$90 a barrel and natural gas, \$6 a million btu.  
 McDep Ratio = Market cap and Debt to present value of oil and gas and other businesses



# Meter Reader

A Weekly Analysis of Oil and Gas Stocks

September 16, 2014

Table 3									
McDep Energy Stocks									
Value Multiples and Dividend									
Ranked by EV/Ebitda									
			Price (US\$/sh)	Adjustd Resrvs/ Prod	PV/ Ebitda	EV/ Ebitda	P/E	Dividend	
	Symbol/Rating		15-Sep 2014	NTM	NTM	NTM	NTM	NTM	
	B = Buy, CB (see below)							(\$/sh)	
<b>Global Integrated</b>									
	Exxon Mobil Corporation	XOM	CB	96.29	14.5	7.7	7.3	14	2.76
	Total S.A.	TOT		64.30	11.0	7.4	6.3	12	3.16
	Chevron Corporation	CVX		124.24	9.3	7.1	6.0	13	4.28
	Royal Dutch Shell plc	RDS-A		77.69	10.2	7.0	6.0	13	3.76
	Lukoil Oil Company	LUKOY	CB	56.68	14.6	5.7	2.6	6	3.14
	<i>Median</i>				11.0	7.1	6.0	13	
<b>U.S. Independent</b>									
	Devon Energy Corporation	DVN	B	70.27	10.2	9.0	7.2	16	0.96
	EOG Resources, Inc.	EOG		101.91	7.5	7.4	6.9	20	0.67
	Occidental Petroleum Corp.	OXY		98.29	10.6	7.6	6.4	15	2.88
	ConocoPhillips	COP		79.40	11.3	7.6	6.4	14	2.92
	Marathon Oil Corporation	MRO	B	39.83	11.5	6.6	5.5	15	0.84
	<i>Median</i>				10.6	7.6	6.4	15	
<b>Canada/Australia</b>									
	Imperial Oil Limited (30%)	IMO		50.53	24.7	10.7	10.5	14	0.47
	EnCana Corporation	ECA	B	22.67	7.6	9.7	8.0	16	0.28
	Woodside Petroleum Ltd.	WOPEY		38.04	9.9	6.8	7.1	15	2.22
	Cenovus Energy Inc.	CVE		30.32	14.3	8.7	6.7	15	0.96
	Canadian Oil Sands Limited	COSWF	CB	19.70	17.2	9.9	6.3	9	1.54
	<i>Median</i>				14.3	9.7	7.1	15	
<b>Small Cap Independent Producers</b>									
	Range Resources	RRC	CB	72.80	12.4	14.6	11.3	68	0.16
	Peyto Exploration and Development Corp.	PEYUF		32.74	10.0	11.2	9.1	23	1.08
	Continental Resources (32%)	CLR	B	73.48	11.4	8.6	8.4	10	-
	PDC Energy	PDCE		54.30	16.0	10.3	8.1	47	-
	WPX Energy Inc.	WPX		25.31	8.4	8.5	7.9		-
	Birchcliff Energy Ltd.	BIREF	B	11.11	13.8	9.4	7.9	22	-
	Cimarex Energy Company	XEC	B	135.04	6.4	7.9	7.6	22	0.64
	Halcón Resources	HK		4.66	5.9	8.2	7.0	14	-
	Whiting Petroleum Corporation	WLL	B	83.86	7.4	5.6	5.3	17	-
	<i>Median</i>				10.0	8.6	7.9	22	
<b>RTF Cash Payers</b>									
	San Juan Basin Royalty Trust	SJT	B	19.00	10.5	16.1	14.6	16	1.19
	Sabine Royalty Trust	SBR		54.00	10.0	15.9	13.4	13	4.02
	Dorchester Minerals, L.P.	DMLP	B	30.00	7.5	14.1	13.2	21	1.82
	Hugoton Royalty Trust	HGT		9.57	14.3	15.2	11.2	13	0.73
	Mesa Royalty Trust	MTR		30.61	6.7	10.2	11.2	13	2.44
	Cross Timbers Royalty Trust	CRT		31.18	12.2	14.8	11.0	13	2.38
	Freehold Royalties Ltd.	FRHLF		22.07	5.2	12.0	10.4	20	1.52
	Permian Basin RT	PBT		14.04	9.8	11.3	8.8	12	1.15
	Enduro Royalty Trust	NDRO		12.12	8.4	9.1	7.9	15	0.80
	<i>Median</i>				9.8	14.1	11.2	13	

CB=Contrarian Buy, Stock Price may be in downtrend compared to 200-day average.

EV = Enterprise Value = Market Cap and Debt; Ebitda = Earnings before interest, tax, depreciation and amortization; NTM = Next Twelve Months Ended June 30, 2015; P/E = Stock Price to Earnings; PV = Present Value of oil and gas and other businesses



# Meter Reader

A Weekly Analysis of Oil and Gas Stocks

September 16, 2014

<b>Table 4</b>									
<b>McDep Energy Stocks</b>									
<b>Total Return and Enterprise Value Momentum</b>									
<b>Ranked by EV/200-Day Average</b>									
				Equity					
			Price	Total					
			(\$/sh)	Return	Enterprise Value/				
	Symbol		15-Sep	YTD	52Wk	52Wk	50 Day	200 Day	McDep
		Rating	2014	(%)	High	Low	Avg.	Avg.	Ratio
<b>Global Integrated</b>									
	RDS-A		77.69	13	0.95	1.16	0.97	1.02	0.86
	CVX		124.24	2	0.93	1.11	0.97	1.01	0.85
	LUKOY	CB	56.68	(8)	0.87	1.13	1.00	0.99	0.46
	TOT		64.30	8	0.90	1.10	0.98	0.99	0.85
	XOM	CB	96.29	(3)	0.93	1.11	0.97	0.98	0.95
	<i>Median</i>			2	0.93	1.11	0.97	0.99	0.85
<b>U.S. Independent</b>									
	MRO	B	39.83	15	0.96	1.19	1.00	1.07	0.83
	COP		79.40	16	0.93	1.19	0.97	1.04	0.84
	EOG		101.91	22	0.87	1.27	0.93	1.03	0.93
	DVN	B	70.27	15	0.92	1.13	0.96	1.01	0.79
	OXY		98.29	6	0.94	1.12	0.98	1.01	0.84
	<i>Median</i>			15	0.93	1.19	0.97	1.03	0.84
<b>Canada/Australia</b>									
	ECA	B	22.67	27	0.94	1.21	1.02	1.05	0.82
	IMO		50.53	15	0.95	1.20	0.98	1.05	0.98
	CVE		30.32	9	0.94	1.14	0.98	1.03	0.77
	WOPEY		38.04	16	0.93	1.15	0.97	1.03	1.05
	COSWF	CB	19.70	10	0.89	1.08	0.94	0.97	0.64
	<i>Median</i>			15	0.94	1.15	0.98	1.03	0.82
<b>Small Cap Independent Producers</b>									
	WPX		25.31	24	0.96	1.29	1.06	1.14	0.93
	WLL	B	83.86	36	0.92	1.40	0.98	1.12	0.95
	CLR	B	73.48	31	0.92	1.35	0.98	1.10	0.98
	XEC	B	135.04	29	0.91	1.41	0.97	1.10	0.97
	BIREF	B	11.11	62	0.85	1.44	1.01	1.08	0.83
	PEYUF		32.74	9	0.87	1.13	0.97	0.98	0.81
	HK		4.66	21	0.83	1.12	0.92	0.98	0.85
	PDCE		54.30	2	0.80	1.14	0.97	0.95	0.79
	RRC	CB	72.80	(14)	0.81	1.01	0.95	0.89	0.78
	<i>Median</i>			24	0.87	1.29	0.97	1.08	0.85
<b>RTF Cash Payers</b>									
	MTR		30.61	57	0.81	1.52	1.05	1.15	1.09
	DMLP	B	30.00	22	0.84	1.27	0.90	1.07	0.94
	SJT	B	19.00	19	0.94	1.23	1.03	1.05	0.91
	HGT		9.57	38	0.80	1.37	0.96	1.04	0.74
	PBT		14.04	16	0.86	1.16	1.00	1.03	0.78
	SBR		54.00	13	0.84	1.13	0.94	1.00	0.84
	FRHLF		22.07	11	0.86	1.12	0.94	1.00	0.86
	CRT		31.18	12	0.82	1.10	0.97	0.98	0.74
	NDRO		12.12	5	0.78	1.07	0.90	0.94	0.87
	<i>Median</i>			16	0.84	1.16	0.96	1.03	0.86

CB=Contrarian Buy, Stock Price may be in downtrend compared to 200-day average.

Source: Bloomberg, Yahoo, McDep LLC





# Meter Reader

A Weekly Analysis of Oil and Gas Stocks  
September 16, 2014

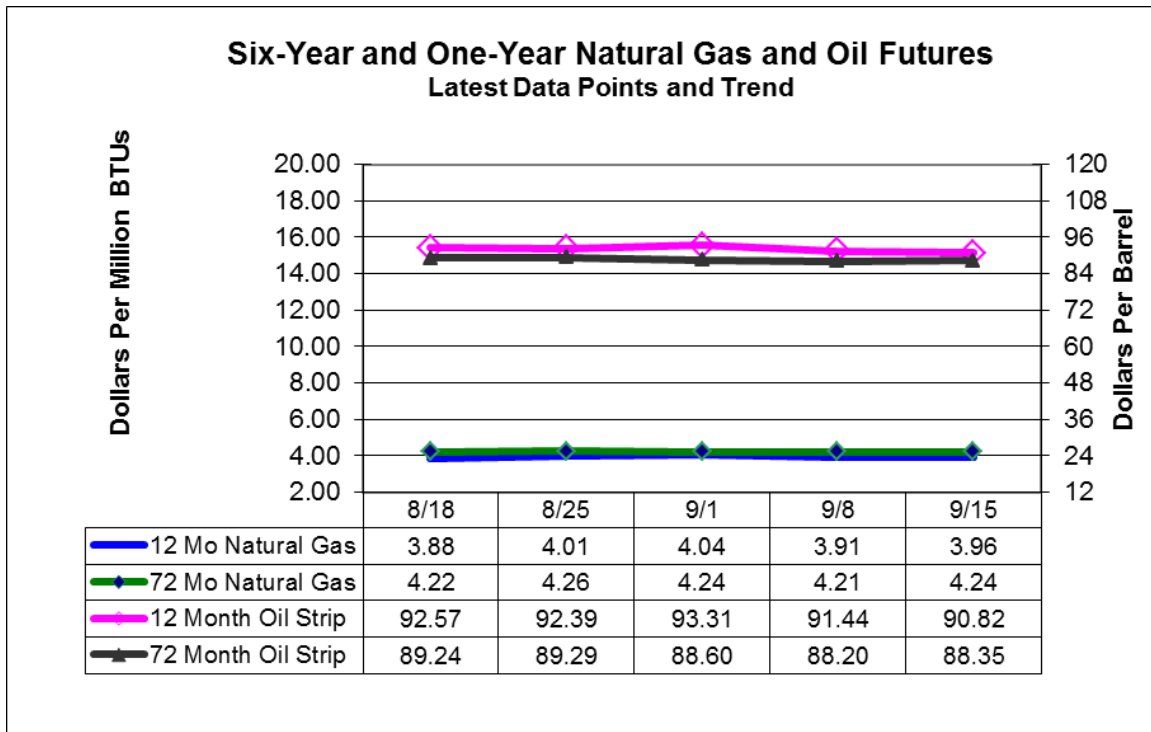
Index of Recent Research			
<b>Stock Ideas</b>			
<u>Date</u>	<u>Symbol</u>	<u>Subject</u>	<u>Theme</u>
9-Sep	EOG	EOG Resources	Mr. Shale (Meter Reader)
2-Sep	LUKOY	Lukoil	Oil under Uncertainty (Meter Reader)
26-Aug	SJT	San Juan Basin Royalty Trust	Income and Shale (Meter Reader)
19-Aug	TOT	Total	Diversified Political Risk (Meter Reader)
14-Aug	BIREF	Birchcliff Energy	Healthy Volume, Seasonal Price
12-Aug	CLR	Continental Resources	Raise NPV to \$150 on Fraccing Growth (Meter Reader)
8-Aug	DMLP	Dorchester Minerals, L.P.	Robust Bakken and Permian Oil Growth
5-Aug	XOM	Exxon Mobil	Shale Oil Minerals (Meter Reader)
30-Jul	RRC	Range Resources	Transportation and Processing Lagging Fraccing
22-Jul	MRO	Marathon Oil	Frac Shale Oil, Sell Norway (Meter Reader)
15-Jul	WLL	Whiting Petroleum	Agrees to Acquire Kodiak Oil & Gas (Meter Reader)
8-Jul	DVN	Devon Energy	Five Core Focus (Meter Reader)
1-Jul	COSWF	Canadian Oil Sands Ltd.	Returning to Favor (Meter Reader)
24-Jun	FRHLF	Freehold Royalties Ltd	Raise NPV to \$26 on Minerals (Meter Reader)
17-Jun	PEYUF	Peyto Exploration	Raise NPV to \$42 on More Energy Growth (Meter Reader)
10-Jun	OXY	Occidental Petroleum	Raise NPV to \$120, Spinoff Filed (Meter Reader)
3-Jun	ECA	Encana Corporation	Hidden Value Surfaces (Meter Reader)
27-May	CVX	Chevron	Oil Price Turns Up (Meter Reader)
13-May	XEC	Cimarex Energy	Raise NPV to \$140 on Cana Double (Meter Reader)
23-Apr	HGT	Hugoton Royalty Trust	Positive Arbitration Ruling
21-Apr	MTR	Mesa Royalty Trust	Underpayment Uncovered, Upside Commodity Leverage
15-Apr	COP	ConocoPhillips	Shale Upside, Exploration Promise, Dividend Strength (Meter Reader)
25-Mar	CVE	Cenovus Energy	Oil Growth Slowed by Transit States (Meter Reader)
18-Mar	PBT	Permian Basin Royalty Trust	Rising Oil Production, Understated Income (Meter Reader)
21-Feb	PDCE	PDC Energy	Raise NPV to \$75 on More Shale Oil
21-Jan	RDSA	Royal Dutch Shell plc	Lower NPV to \$95 on Profit Warning (Meter Reader)
4-Oct	NDRO	Enduro Royalty Trust	Worth Another Look after Stock Price Decline
27-Sep	WPX	WPX Energy	San Juan Basin Innovator (Income and Small Cap Weekly)
13-Sep	CRT	Cross Timbers Royalty Trust	Fracking Upside in Permian and Scoop (Income and Small Cap Weekly)
For historical research by stock, go to <a href="http://mcdep.com">mcdep.com</a> , click on <a href="#">Stock Ideas</a> , click on stock by name.			
<b>Meter Reader</b>			
9-Sep	EOG	EOG Resources	Mr. Shale
2-Sep	LUKOY	Lukoil	Oil under Uncertainty
26-Aug	SJT	San Juan Basin Royalty Trust	Income and Shale
19-Aug	TOT	Total	Diversified Political Risk
12-Aug	CLR	Continental Resources	Raise NPV to \$150 on Fraccing Growth
5-Aug	XOM	Exxon Mobil	Shale Oil Minerals
29-Jul			Investment Strategy August 2014 - Oil and Gas in Safe Areas
22-Jul	MRO	Marathon Oil	Frac Shale Oil, Sell Norway
15-Jul	WLL	Whiting Petroleum	Agrees to Acquire Kodiak Oil & Gas
8-Jul	DVN	Devon Energy	Five Core Focus
1-Jul	COSWF	Canadian Oil Sands Ltd.	Returning to Favor
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<b>Industry Ideas</b>			
July			Oil and Gas Investor: In Royalty We Trust
24-Jun	DMLP, FRHLF, PBT, CRT, NDRO		Raise NPV, Trustee Approved, Permian Wells
4-Jun	PBT, CRT	Permian BRT, Cross Timbers RT	Vote Your Proxy
17-Apr	PBT, SBR, CRT, HGT		Proxy Voting Underway



# Meter Reader

A Weekly Analysis of Oil and Gas Stocks

September 16, 2014



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