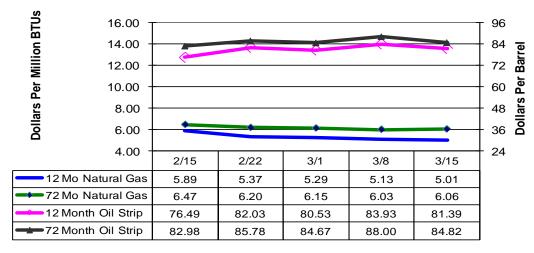
ExxonMobil and Chevron See Upstream Growth

Summary and Recommendation

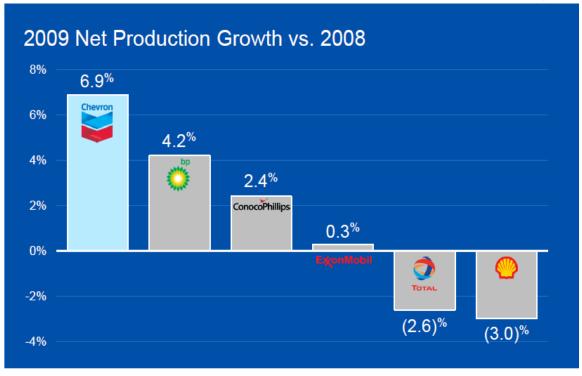
Meeting separately with analysts in New York last week, managements of buy-recommendations ExxonMobil (XOM) and Chevron (CVX) projected moderate growth in oil and gas production and cautioned that better downstream profitability may take a few years. Chevron exploration and production chief George Kirkland savored last year's 7% volume gain for a moment before disclosing a less exciting, nearly flat outlook for the next few years until reacceleration (see slide 2009 Net Production Growth). ExxonMobil's Andy Swiger sees accelerated growth of 3-4% in 2009 and a trend of 2-3% a year through 2013 (see slide Total Production Outlook). ExxonMobil has also demonstrated how large, mature companies can use share repurchase to overcome the natural limits of growth. The strategy boosted historical production gains to 6% a year (see slide Production per Share). On the downstream side, Chevron's new chairman, John Watson, makes a virtue of Chevron's diminishing representation in the cyclically depressed business (see slide Global Refining Capacity). While recognizing that downstream is cyclical, ExxonMobil's Don Humphreys proudly points to a high average return (see slide Downstream Return). Looking at Mr. Humphrey's chart a pessimist might be moan that another peak could be five years away, judging by the last cycle. An optimist could say we are now at the bottom and each succeeding year from here may be better. We put more weight on the latter view and believe that both Chevron and ExxonMobil are likely to be rewarding long-term investments with low financial risk. Finally, long-term oil, currently quoted at \$85 a barrel, is above the 40-week average of \$84 (see chart below, Six-Year and One-Year Natural Gas and Oil Futures and on page 4, Six-Year Commodity Price Meter).

Kurt H. Wulff, CFA

Six-Year and One-Year Natural Gas and Oil Futures Latest Data Points and Trend

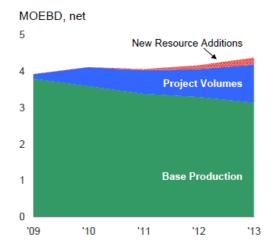


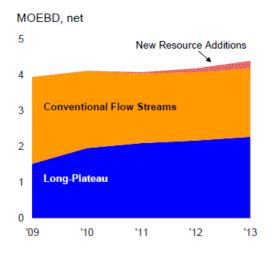




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Total Production Outlook

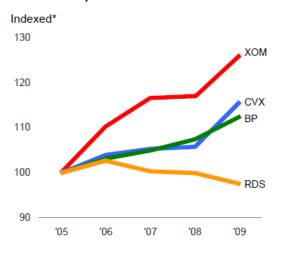




ExonMobil

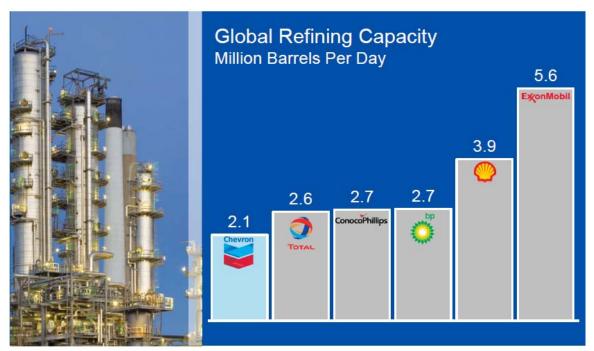


Production per Share



- Significantly enhanced share value over 5-year period
- Annual average per share increase:
 - Production 6%
 - · Reserves 8%**
- Underpinned by superior and consistent reserves replacement
- Competitor data estimated on a consistent basis with ExxonMobil, and based on public information.
 Reserves based on SEC pricing bases, including oil sands and equity companies; 2008 reserves data used for competitors as 2009 data not yet available

ExonMobil



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Source: Companies' 2008 Annual Reports and Fact Books. §

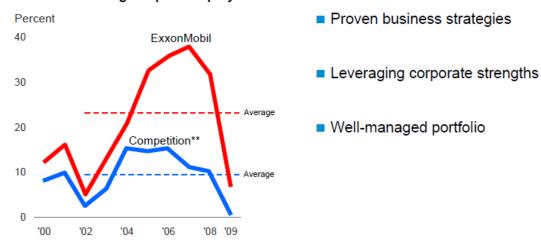


CDEP Meter Reader

A Weekly Analysis of Large Cap Oil and Gas Stocks March 16, 2010

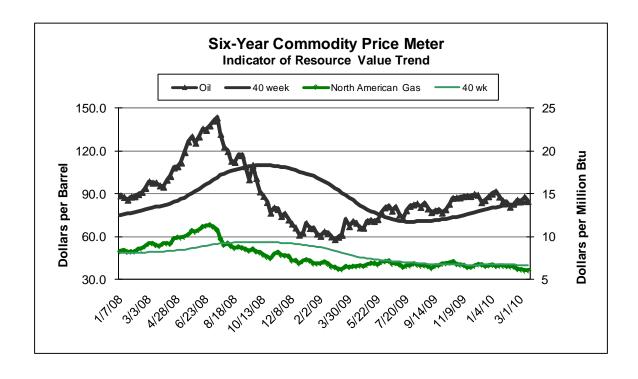
Downstream Return on Capital Employed

Return on Average Capital Employed*



* Competitor data estimated on a consistent basis with ExxonMobil, and based on public information ** BP, RDS and CVX

ExonMobil





DEP Meter Reader

				Table						
		N	IcDep	Energy	y Portfoli	0				
	Geogr	aphic	Domic	cile and	d Busines	s Segn	nents			
						Preser	it Value by	Segment	(%)	
			Price			North	Rest			
			(US\$/sh)	EV/	Enterprise	Amer.	of World			
	Symbol/	Rating	15-Mar	Market	Value	Natural	Natural	Oil	Down-	McDep
	ıy, CB (see	below)	2010	Сар	(\$mm)	Gas	Gas	Prod'n	stream	Ratio
U.S. Integrated										
Exxon Mobil Corporation	XOM	CB	66.30	1.18	407,000	9	21	53	17	0.77
Chevron Corporation	CVX	В	73.57	1.20	178,000	4	10	72	14	0.71
Marathon Oil Corporation	MRO	CB	31.23	1.54	34,200	7	3	64	26	0.69
ConocoPhillips	COP	В	51.65	1.68	130,000	12	10	64	13	0.62
Total or Median *	31%	9%	14%		749,000					0.70
Europe										
BG Group	BRGXF	В	17.75	1.14	68,600		22	47	31	0.83
Royal Dutch Shell plc	RDS-A	В	57.93	1.35	240,000	3	26	48	23	0.79
BP plc	BP	В	56.58	1.33	238,000	6	9	63	22	0.76
Statoil ASA (33%)	STO	В	22.75	1.44	34,400		49	51	-	0.73
Total S.A.	TOT	CB	58.05	1.27	165,000		19	59	22	0.70
Total or Median *	30%	11%	17%		746,000					0.76
Australia/Brazil/China/Russ	ia									
CNOOC Limited (34%)	CEO	В	165.54	1.01	25,400		11	89	-	1.22
Woodside Petroleum Ltd.	WOPEY	В	41.17	1.18	37,000		71	29	-	0.94
Petrobras	PBR	В	46.63	1.26	257,000		5	80	15	0.84
PetroChina Company Ltd (14%	PTR	В	117.37	1.09	32,700		15	69	15	0.80
Lukoil Oil Company	LUKOY	В	53.90	1.12	51,300			66	34	0.43
Gazprom (50%)	OGZPY	В	23.00	1.32	90,000		76	24	-	0.43
Total or Median *	20%	14%	21%		493,000					0.82
U.S. Independent										
Anadarko Petroleum Corp.	APC	В	71.30	1.42	49,900	45		50	4	1.08
EOG Resources	EOG	В	96.89	1.13	27,500	69	5	27	-	1.05
Occidental Petroleum Corp.	OXY	В	81.06	1.08	71,000	10	1	82	7	0.86
Chesapeake Energy Corp.	CHK		25.42	1.87	29,800	89		11	-	0.85
Devon Energy Corporation	DVN	В	68.73	1.04	32,400	57		43	-	0.71
Total or Median *	9%	11%	14%		211,000					0.86
Canada										
EnCana Corporation	ECA	В	33.25	1.35	33,800	93		7	-	0.96
Cenovus Energy Inc.	CVE	В	25.43	1.36	26,000	23		70	7	0.96
Canadian Natural Resources	CNQ	В	71.84	1.30	50,500	13		87	-	0.84
Imperial Oil Limited (30%)	IMO	В	38.92	1.09	10,800	5		81	15	0.82
Canadian Oil Sands Trust	COSWF	В	27.32	1.10	14,600			100	-	0.74
Suncor Energy	SU	CB	30.43	1.40	66,300	5		84	11	0.71
Total or Median *	8%	14%	21%		202,000					0.83
Income and Small Cap (see se	parate wee	kly ana								
• `	2%	41%	14%		51,700	38		62		1.00
Composite										
Enterprise Value Weighting	100%				2,453,000	10	16	59	15	0.76
Equal Weighting		100%				31	8	54	6	0.88
Equal Weighted Buys			100%			24	12	55	10	0.80
	a may ba	n down	trend com	pared to 20	0-day average	,				



			Table 2				March	10, 201
	McI	en l	Energy	Portfol	io			
Net					ep Ratio			
140	, I I CSC	IIL V	aruc ari	I WICD	р кано			
			Price			Net		
			(US\$/sh)		Market	Present	Debt/	
	Symbol/R	ating	15-Mar	Shares	Сар	Value	Present	McDep
B = Buy	, CB (see b		2010	(mm)	(US\$mm)		Value	Ratio
TIG T.								
U.S. Integrated	7707.6	GD.		5.015	245,000	00.00	0.10	0.77
Exxon Mobil Corporation	XOM	CB	66.30	5,215	346,000	89.00	0.12	0.77
Chevron Corporation	CVX	В	73.57	2,004	147,000	110.00	0.12	0.71
Marathon Oil Corporation	MRO	CB	31.23	711	22,200	53.00	0.24	0.69
ConocoPhillips	COP	В	51.65	1,501	78,000	105.00	0.25	0.62
Total or Median					593,000		0.18	0.70
Europe								
BG Group plc	BRGXF	В	17.75	3,397	60,300	22.00	0.10	0.83
Royal Dutch Shell plc	RDS-A	В	57.93	3,064	178,000	79.00	0.21	0.79
BP plc	BP	В	56.58	3,162	179,000	80.00	0.19	0.76
Statoil ASA (33%)	STO	В	22.75	1,050	23,900	35.00	0.22	0.73
Total S.A.	TOT	СВ	58.05	2,241	130,000	90.00	0.15	0.70
Total or Median					571,000	7 0 0 0	0.19	0.76
A								
Australia/Brazil/China/Russia	OTTO.	-	1 < 7 7 4	1.50	27.200	125.00	0.01	1.00
CNOOC Limited (34%)	CEO	В	165.54	152	25,200	135.00	0.01	1.22
Woodside Petroleum Ltd.	WOPEY	В	41.17	763	31,400	44.00	0.14	0.94
Petrobras	PBR	В	46.63	4,387	204,600	58.00	0.17	0.84
PetroChina Company Ltd (14%)	PTR	В	117.37	256	30,100	150.00	0.06	0.80
Lukoil Oil Company	LUKOY	В	53.90	847	45,700	135.00	0.05	0.43
Gazprom (50%)	OGZPY	В	23.00	2,955	68,000	64.00	0.10	0.43
Total or Median					405,000		0.08	0.82
U.S. Independent								
Anadarko Petroleum Corp.	APC	В	71.30	494	35,200	64.00	0.32	1.08
EOG Resources	EOG	В	96.89	252	24,400	92.00	0.12	1.05
Occidental Petroleum Corp.	OXY	В	81.06	814	65,900	95.00	0.06	0.86
Chesapeake Energy Corp.	CHK	_	25.42	628	16,000	34.00	0.39	0.85
Devon Energy Corporation	DVN	В	68.73	450	31,000	98.00	0.03	0.71
Total or Median			00170		172,500	7 0.00	0.12	0.86
Canada					,,,,,,,			
EnCana Corporation	ECA	В	33.25	751	25,000	35.00	0.25	0.96
Cenovus Energy Inc.	CVE	В	25.43	751	19,100	27.00	0.25	0.96
Canadian Natural Resources	CNQ	В	71.84	542	38,900	90.00	0.19	0.84
Imperial Oil Limited (30%)	IMO	В	38.92	256	10,000	48.00	0.07	0.82
Canadian Oil Sands Trust	COSWF	В	27.32	484	13,200	38.00	0.07	0.74
Suncor Energy	SU	СВ	30.43	1,562	47,500	48.00	0.20	0.71
Total or Median				, -	154,000		0.20	0.83
CB=Contrarian Buy, Stock Price may	in downt	rend c	ompared to	200-day av				
McDep Ratio = \mathbf{M} arket \mathbf{c} ap and \mathbf{D} eb						es		
Estimated present value presumes a							nillion btu	



			Table 3				March	16, 2010
	McDe	n F	inergy l	Partfali	0			
Volue		_						
value	Multip	ies	and Di	stributi	on Yield	1		
			Price	Adjustd				Divd or
			(US\$/sh)	Resrvs/	PV/	EV/		Distrib
S	ymbol/Rai	tina	15-Маr	Prod	Ebitda	Ebitda	P/E	NTM
B = Buy, G	·	-	2010	NTM	NTM	NTM	NTM	(%)
D – Duy, C	(see be	low)	2010	1 1 1 1 1 1	141111	14 1141	1 1 1 1 1 1	(70)
U.S. Integrated								
Exxon Mobil Corporation	XOM	СВ	66.30	13.6	8.4	6.5	12	2.5
Marathon Oil Corporation	MRO	СВ	31.23	8.8	7.5	5.1	11	3.1
ConocoPhillips	COP	В	51.65	14.2	8.2	5.1	9	3.9
Chevron Corporation	CVX	В	73.57	9.0	6.6	4.7	9	3.7
Total or Median	0 111		70107	11.3	7.8	5.1	10	3.4
100000111200001				1110	7.10	0.12	10	
Europe								
BG Group plc	BRGXF	В	17.75	8.3	9.0	7.5	14	1.0
Royal Dutch Shell plc	RDS-A	В	57.93	7.8	6.6	5.2	10	5.8
BP plc	BP	В	56.58	9.5	6.8	5.2	9	5.9
Total S.A.	TOT	СВ	58.05	9.3	7.2	5.0	10	5.4
Statoil ASA (33%)	STO	В	22.75	7.4	6.2	4.5	11	4.5
Total or Median				8.3	6.8	5.2	10	5.4
Australia/Brazil/China/Russia								
Woodside Petroleum Ltd.	WOPEY	В	41.17	17.8	12.0	11.3	19	2.4
Petrobras	PBR	В	46.63	9.1	9.1	7.6	13	2.9
CNOOC Limited (34%)	CEO	В	165.54	6.5	5.5	6.7	12	3.1
PetroChina Company Ltd (14%)	PTR	В	117.37	13.9	7.5	6.0	15	3.4
Lukoil Oil Company	LUKOY	В	53.90	15.6	8.6	3.7	7	2.4
Gazprom (50%)	OGZPY	В	23.00	24.6	8.3	3.5	4	0.2
Total or Median				14.8	8.5	6.4	12	2.7
U.S. Independent								
EOG Resources	EOG	В	96.89	10.8	9.7	10.1	48	0.6
Chesapeake Energy Corp.	CHK		25.42	11.8	11.6	9.8	21	1.2
Anadarko Petroleum Corp.	APC	В	71.30	9.2	7.7	8.3	110	0.5
Occidental Petroleum Corp.	OXY	В	81.06	10.9	7.6	6.6	15	1.6
Devon Energy Corporation	DVN	В	68.73	10.4	8.4	6.0	14	0.9
Total or Median				10.8	8.4	8.3	21	0.9
Canada								
Canadian Oil Sands Trust	COSWF	В	27.32	23.1	13.7	10.1	21	5.0
EnCana Corporation	ECA	В	33.25	9.1	10.1	9.7	98	2.4
Imperial Oil Limited (30%)	IMO	В	38.92	20.1	11.6	9.6	19	1.0
Canadian Natural Resources	CNQ	В	71.84	15.9	11.3	9.5	15	0.8
Cenovus Energy Inc.	CVE	В	25.43	10.2	9.2	8.8	18	3.1
Suncor Energy	SU	CB	30.43	14.3	10.2	7.2	21	1.3
Total or Median				15.1	10.8	9.5	20	1.8
CB=Contrarian Buy, Stock Price may be i								
EV = Enterprise Value = Market Cap and								
and amortization; NTM = Next Twelve M	onths End	led I	December 31	, 2010; P/E	E = Stock Pr	ce to		
Earnings; PV = Present Value of oil and g	as and otl	ner b	usinesses					



			Index of Rece	ent Resea	rch			
	Т		IIIdeA of Ree	THE INCOME				
Stock 1	[de	eas						
<u>Date</u>		<u>Symbol</u>	<u>Subject</u>	<u>Theme</u>				
2-Mar		HGT	Hugoton Royalty Trust	High Inco	ome from Ch	eap Clean Fu	el (ISCW)	
2-Mar		DVN	Devon Energy Corporation	Virtually	Eliminates D	ebt		
9-Mar		APC	Anadarko Petroleum Corporation	Upside in	Oil and Gas	Portfolio (M	eter Reader))
5-Mar		SJT	San Juan Basin Royalty Trust	Raise NP	V to \$23 (ISC	CWeekly)		
5-Mar		CNQ	Canadian Natural Resources	Raise NP	V to US\$90 ខ	Share from	\$80	
2-Mar		COSWF	Canadian Oil Sands Trust	Oil Growt	h of 70% to	2020 (Meter	Reader)	
26-Feb		DMLP	Dorchester Minerals, L.P.	Replaces	Reserves an	nd Pays 8% I	ncome (ISCV	V)
25-Feb		WOPEY	Woodside Petroleum	Financing	g in Place for	2010		
22-Feb		XTO, XOM	XTO Energy, ExxonMobil	Merger o	n Track for S	Second Quar	er Completio	on
19-Feb		BIREF	Birchcliff Energy Ltd.	Raise NP	V to US\$11 a	Share from	US\$9	
19-Feb	*	XEC	Cimarex Energy Company	On a Roll	- Raise NPV	to \$65 (ISC)	Weekly)	
18-Feb		DVN	Devon Energy Corporation	Proven R	eserves Incr	ease 19%		
15-Feb	*	CVE	Cenovus Energy Inc.	Quadrupl	e Bitumen b	y 2017		
15-Feb	*	STO	Statoil ASA	Repositio	n Dividend	for Growth		
15-Feb	*	EOG	EOG Resources Inc.		eserves Incr			
12-Feb	*	TOT	Total S.A.	Secure In	come at 5.59	6		
12-Feb	*	ECA	EnCana Corporation	Best Larg	e Cap Clean	Energy Inve	stment	
9-Feb	*	PTR	PetroChina Company Limited	Change E	Buy to Contr	arian Buy (M	eter Reader))
3-Feb	*	XEC	Cimarex Energy Company	Booming	Production	Estimated up	18% in 2010)
5-Feb	*	BRGXF	BG Group	Natural G	as Growth ir	n Australia		
1-Feb	*	RDSA	Royal Dutch Shell plc	Cautious	Outlook, Ni	ce Dividend		
3-Feb	*	IMO	Imperial Oil Limited	Horn Rive	er Shale Gas	Explorer		
3-Feb	*	CEO	CNOOC Ltd	Blockbus	ter Growth I	Forecast		
3-Feb	*	MRO	Marathon Oil Corporation	Ready for	Recovery i	n Demand fo	r Diesel Fuel	
2-Feb	*	SU	Suncor Energy	Reduce N	let Present V	alue to US\$4	8 a Share fro	om US\$52
2-Feb	*	BP	BP p.l.c.	Credibility	y Reestablis	hed		
1-Feb	*	XOM	ExxonMobil Corporation	Modify to	o Contrarian	Buy from Bu	ıy	
l-Feb	*	OGZPY	Gazprom	European	Natural Gas	Sales Rebou	ınd	
29-Jan	*	CVX	Chevron Corporation	Raise Net	Present Val	ue to \$110 a	Share from \$	102
28-Jan	*	OXY	Occidental Petroleum Corporation	Volume C	rowth Supp	orting Appre	ciation Pote	ntial
27-Jan	*	COP	ConocoPhillips	Lowest L	arge Cap Mo	Dep Ratio		
3-Dec	*	PBR	Petrobras	Buy for L	ong-Term G	rowth (Meter	Reader)	
3-Dec	*	LUKOY	Lukoil Oil Company	Reempha	sizing Oil			
Meter	R	eader						
l6-Mar			Weekly					
9-Mar		APC	Anadarko Petroleum Corporation	Upside in	Anadarko's	Oil and Gas	Portfolio	
2-Mar		COSWF	Canadian Oil Sands Trust	Oil Growt	h of 70% to	2020 for COS	SWF	
23-Feb	*		Weekly	Cheap Oi	l			
Income	a	nd Small (Cap Weekly					
12-Mar		HGT	Hugoton Royalty Trust	High Inco	ome from Ch	eap Clean Fu	el	
5-Mar		SJT	San Juan Basin Royalty Trust	Raise Dis	tribution, No	et Present Va	lue	
26-Feb		DMLP	Dorchester Minerals, L.P.			d Pays 8% I		
19-Feb	*	XEC	Cimarex Energy Company		- Raise NPV			



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