Meter Reader

A Weekly Analysis of Large Cap Oil and Gas Stocks

March 30, 2010

Lower ConocoPhillips NPV to $95 from $105

Symbol	COP		*Ebitda Next Twelve Months ending 3/31/11 (US$mm)*	25,600
Rating	Buy		*North American Natural Gas/Ebitda (%)*	8
Price (US$/sh)	51.15		*Natural Gas and Oil Production/Ebitda (%)*	84
Pricing Date	3/29/10		*Adjusted Reserves/Production NTM*	10.4
Shares (mm)	1501		*EV/Ebitda*	5.1
Market Capitalization (US$mm)	76,800		*PV/Ebitda*	7.6
Debt (US$mm)	53,000		*Undeveloped Reserves (%)*	31
Enterprise Value (EV) (US$mm)	130,000		*Natural Gas and Oil Ebitda (US$/boe)*	26.70
Present Value (PV) (US$mm)	196,000		*Present Value Proven Reserves(US$/boe)*	16.62
Net Present Value (US$/share)	95		*Present Value Proven Reserves(US$/mcfe)*	2.77
Debt/Present Value	0.27		*Earnings Next Twelve Months (US$/sh)*	5.61
McDep Ratio - EV/PV	0.66		*Price/Earnings Next Twelve Months*	9
Dividend Yield (%/year)	4.3		*Indicated Annual Dividend (US$/sh)*	2.20
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$75 a barrel and natural gas, $8 a million btu.				
For historical analysis of COP since 2002 see www.mcdep.com/2cocp.htm				

Summary and Recommendation

Measured by a low McDep Ratio of 0.66, buy-recommended **ConocoPhillips (COP)** continues to be one of our favorite stocks, though the margin of undervaluation shrinks some as we reduce estimated Net Present Value (NPV) to $95 a share from $105. Our estimate implies unlevered appreciation potential of 51% to a McDep Ratio of 1.0 where stock price would equal the new NPV estimate (see table on page 3, Functional Cash Flow and Present Value). Management's forecast of declining volume for the next few years, explained during a meeting in New York with analysts last week, affects our estimate adversely. Intentions to sell half of a 20% stake in Russian oil producer Lukoil and all of a 9% stake in Canadian oil producer Syncrude give us mixed feelings because we have buy recommendations on **Lukoil (LUKOY)** as well as **Canadian Oil Sands Trust (COSWF)** among other owners of Syncrude. Yet those sales also signal a creative response to the idea that COP looks like a takeover candidate. The "get bigger to compete globally" strategy for the last cycle of economic and energy growth won't do for the new cycle just begun. Instead, COP will work to "make shareholders richer" as it brings assets to the market in bite-size pieces to realize value and take the cash to reduce debt, buy back stock and increase dividends. Chief Executive Jim Mulva intends to get the stock price up and benefit shareholders over the next two years just as a takeover normally would.

Diversified Value in Resource Base

Natural gas in North America and Asia Pacific along with oil in Alaska and Europe as well as Canadian Bitumen are the likely largest sources of cash from proven reserves according to latest disclosures (see table on pages 3, Production and Reserves, 2009). The San Juan Basin of New Mexico, the natural gas jewel, has the lowest cost of more than 20 leading resource plays as explained by North American exploration and production chief Kevin Meyers. Overseas exploration and production chief Ryan Lance described how COP has taken San Juan Basin technology to Australia. The 50/50 joint venture with Origin Energy, Asia Pacific Liquefied Natural Gas, has the largest position in the new coal seam gas trend. In the the North Sea, yet another new project will extend the life of the Ekofisk offshore field, fifty years after discovery. Bitumen oil reserves support volume growth in Canada from the Foster Creek, Christina Lake and Surmont projects.

Resources in Syncrude would disappear from COP's base with the expected sale in 2010. Similarly the proportion now ascribed to Russia would decline as shares owned in Lukoil are reduced. COP is not short on resources, but rather on market recognition of the value in its resources.

Refining/Bitumen Venture Success

COP's joint venture with buy-recommended **Encana (ECA)**, now buy-recommended **Cenovus (CVE)**, illustrates how integration can smooth volatility. The two parties split the difference by valuing the upstream bitumen assets in Canada contributed by ECA equally with the downstream refining assets in the U.S. contributed by COP. As a result, the deal got done when other integrated combinations did not. In the first year, refining profits shot up to extraordinary levels making it look like ECA got the better of the deal. Since then refining profits vaporized and bitumen profits soared making it look like COP got the better of the deal. We think both parties are better off because the integrated structure provides a natural hedge against unpredictable prices.

Downstream chief Willie Chiang put last year's zero profit in refining in perspective as the low point in a cycle that saw a five year annual average return on capital employed of 16%. Looking back on refining, COP stock, or the economy the trend of the past few years has been down, undeniably. Looking ahead, we believe the trend can continue up from last year's low.

Oil and Stock Price Trend Up

We project rising cash flow in the next twelve months tied to futures prices for oil and natural gas (see table on page 4, Next Twelve Months Operating and Financial Estimates). Oil for the next six years is currently quoted at $86 a barrel, which is above the 40-week average of $84. Natural gas for the next six years is currently quoted at $5.77 a million Btu, which is below the 40-week average of $6.56 (see charts on page 5, Six-Year and One-Year Natural Gas and Oil Futures and Six-Year Commodity Price Meter). With our latest change in NPV, ConocoPhillips ranks closer to peer companies in the undervalued U.S. Integrated group (see Tables 1-3). Finally, along with most stocks, COP stock price trades above its 200-day average, signaling an uptrend by that measure.

Kurt H. Wulff, CFA

ConocoPhillips					
Functional Cash Flow and Present Value					
	NTM Ebitda (US$mm)	*Adjusted R/P*	*PV/ Ebitda*	*Present Value (US$mm)*	
North American Natural Gas	2,050	10.2	12.2	25,000	13%
Rest of World Natural Gas	1,920	11.7	10.4	20,000	10%
Oil	17,650	10.1	7.0	123,000	63%
Downstream	4,000		7.0	28,000	14%
	25,620	10.4	7.7	196,000	100%
Debt (US$mm)					53,000
Net Present Value (US$mm)					143,000
Shares (mm)					1,501
Net Present Value - Standard Estimate (US$/sh)					95
NPV Approximation by Cash Flow Multiple Depending on Reserve Life (US$/sh)					93

ConocoPhillips							
Production and Reserves, 2009							
	2009 Production (mmcfd or mbd)	*(bcf or mmb)*	*12/31/2009 Proven Reserves Developed (bcf or mmb)*	*Undeveloped (bcf or mmb)*	*Weighted (bcf or mmb)*	*Weighted Life Index (years)*	*NTM Adjusted R/P (years)*
North American Natural Gas							
Alaska	94	34	841	11	846	24.7	
Lower 48	1,927	739	6,633	1,329	7,298	9.9	
Canada	1,062	388	2,173	123	2,235	5.8	
Total	3,083	1,161	9,647	1,463	10,378	8.9	10.2
Rest of World Natural Gas							
Europe	876	337	1,772	237	1,891	5.6	
Russia	276	101	1,334	1,062	1,865	18.5	
Asia Pacific/Middle East	797	318	2,844	2,645	4,167	13.1	
Africa	121	46	889	61	920	20.0	
Other areas				56	28		
Total	2,070	802	6,839	4,061	8,870	11.1	11.7
Oil							
Alaska	252	93	1,130	90	1,175	12.6	
Lower 48	166	60	558	127	622	10.4	
Canada	40	15	77	4	79	5.3	
Europe	241	87	312	189	407	4.7	
Russia	442	166	1,213	391	1,409	8.5	
Asia Pacific/Middle East	132	48	221	217	330	6.9	
Africa	78	28	246	21	257	9.2	
Other areas	4			108	54		
Bitumen	50	17	140	993	637	37	
Syncrude	23	8	248		248	31	
Total	1,428	522	4,145	2,140	5,215	10.0	10.1
Total Oil Equivalent	2,287	849	6,893	3,061	8,423	9.9	10.4
Weighted Life Index counts undeveloped reserves at half stated value and is computed on latest calendar year volume.							
NTM Adjusted R/P also counts undeveloped reserves at half and is computed on next twelve months production.							
mmcfd = million cubic feet daily, mbd = thousand barrels daily, bcf = billion cubic feet, mmb = million barels							

ConocoPhillips
Next Twelve Months Operating and Financial Estimates

	Q1	*Q4*	***Year***	*Q1E*	*Q2E*	*Q3E*	*Q4E*	***Year***	***Next Twelve Months***
	3/31/09	*12/31/09*	***2009***	*3/31/10*	*6/30/10*	*9/30/10*	*12/31/10*	***2010E***	***3/31/11***
Volume									
Natural Gas (mmcfd)									
North America	3,185	2,776	**3,083**	2,776	2,776	2,776	2,776	**2,776**	**2,776**
Overseas	2,218	2,132	**2,074**	2,218	2,056	1,893	2,132	**2,074**	**2,074**
Total	5,403	4,908	**5,157**	4,994	4,832	4,669	4,908	**4,850**	**4,850**
Oil (mbd)	1,463	1,441	**1,428**	1,441	1,427	1,412	1,398	**1,419**	**1,409**
Total gas & oil (bcf)	1,276	1,247	**5,009**	1,228	1,219	1,209	1,223	**4,879**	**4,856**
Total gas & oil (mbd)	2,364	2,259	**2,287**	2,273	2,232	2,190	2,216	**2,228**	**2,217**
Price									
Natural gas ($/mcf)									
Henry Hub ($/mmbtu)	4.90	4.16	**3.99**	5.32	3.92	4.16	4.70	**4.53**	**4.46**
North America	3.92	4.02	**3.41**	5.14	3.79	4.02	4.54	**4.37**	**4.31**
Overseas	5.86	5.25	**5.10**	6.71	4.95	4.95	5.60	**5.58**	**5.40**
Total	4.72	4.56	**4.09**	5.84	4.29	4.40	5.00	**4.89**	**4.77**
Oil ($/bbl)									
WTI Cushing	42.96	76.09	**61.70**	78.64	82.38	83.31	83.89	**82.05**	**83.40**
Worldwide	39.52	67.83	**55.01**	69.10	72.39	73.20	73.71	**72.10**	**73.15**
Total gas & oil ($/mcf)	5.88	8.86	**7.26**	9.44	9.26	9.43	9.60	**9.43**	**9.47**
NY Harbor 3-2-1 ($/bbl)	9.18	5.22	**8.34**	7.13	11.07	9.80	6.36	**8.59**	**8.44**
Revenue ($mm)									
Natural Gas									
North America	1,125	1,027	**3,837**	1,284	958	1,027	1,161	**4,430**	**4,363**
Overseas	1,169	1,031	**3,859**	1,340	927	863	1,098	**4,228**	**4,085**
Total	2,294	2,058	**7,696**	2,625	1,885	1,890	2,258	**8,658**	**8,448**
Oil	5,204	8,992	**28,667**	8,962	9,397	9,512	9,482	**37,353**	**37,556**
Other	23,782	32,575	**116,477**	32,575	32,575	32,575	32,575	**130,300**	**130,300**
Total	31,280	43,625	**152,840**	44,162	43,857	43,976	44,316	**176,310**	**176,304**
Expense	27,227	37,427	**132,319**	37,806	37,494	37,538	37,847	**150,685**	**150,682**
Ebitda ($mm)									
Exploration and Production	3,132	5,881	**18,013**	5,446	5,302	5,359	5,518	**21,625**	**21,622**
Other	921	316	**2,508**	910	1,060	1,080	950	**4,000**	**4,000**
Total Ebitda	4,053	6,198	**20,521**	6,356	6,362	6,439	6,468	**25,625**	**25,622**
Exploration	225	328	**1,182**	400	400	400	400	**1,600**	**1,600**
Deprec., Deplet., & Amort.	2,230	2,391	**9,295**	2,391	2,391	2,391	2,391	**9,564**	**9,564**
Other non cash		425	**481**					**-**	**-**
Ebit	1,598	3,054	**9,563**	3,565	3,571	3,648	3,677	**14,461**	**14,458**
Interest	310	375	**1,289**	375	375	375	375	**1,500**	**1,500**
Ebt	1,288	2,679	**8,274**	3,190	3,196	3,273	3,302	**12,961**	**12,958**
Income Tax	451	938	**2,896**	1,116	1,119	1,145	1,156	**4,536**	**4,535**
Net Income ($mm)									
Exploration and Production	748	1,589	**5,267**					**-**	
Other	351	(64)	**598**					**-**	
Unallocated	(262)	216	**(487)**					**-**	
Total	837	1,741	**5,378**	2,073	2,078	2,127	2,146	**8,425**	**8,423**
Shares (millions)	1,495	1,501	**1,498**	1,501	1,501	1,501	1,501	**1,501**	**1,501**
Per share ($)	0.56	1.16	**3.59**	1.38	1.38	1.42	1.43	**5.61**	**5.61**
Ebitda Margin (E&P)	42%	53%	**50%**	47%	47%	47%	47%	**47%**	**47%**
Tax Rate	35%	35%	**35%**	35%	35%	35%	35%	**35%**	**35%**

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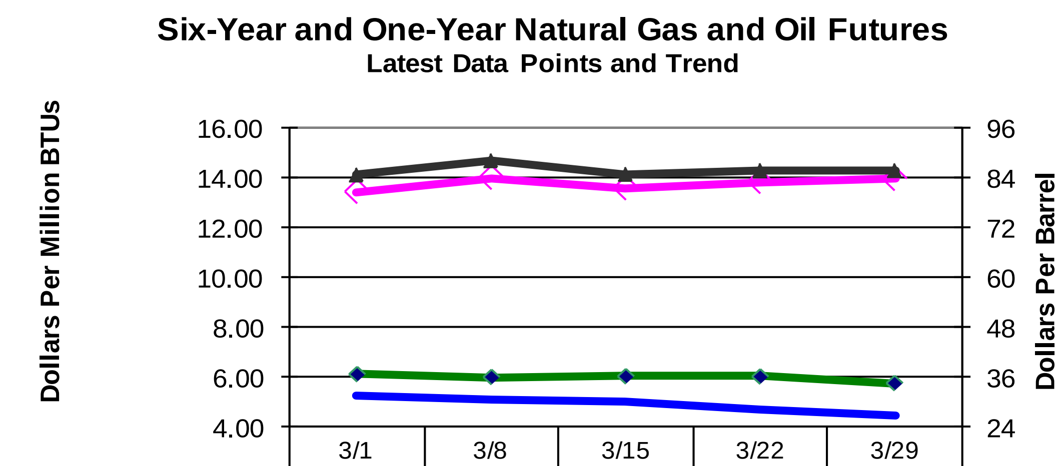

	3/1	3/8	3/15	3/22	3/29
12 Mo Natural Gas	5.29	5.13	5.01	4.75	4.51
72 Mo Natural Gas	6.15	6.03	6.06	6.05	5.77
12 Month Oil Strip	80.53	83.93	81.39	82.94	83.65
72 Month Oil Strip	84.67	88.00	84.82	85.72	85.69

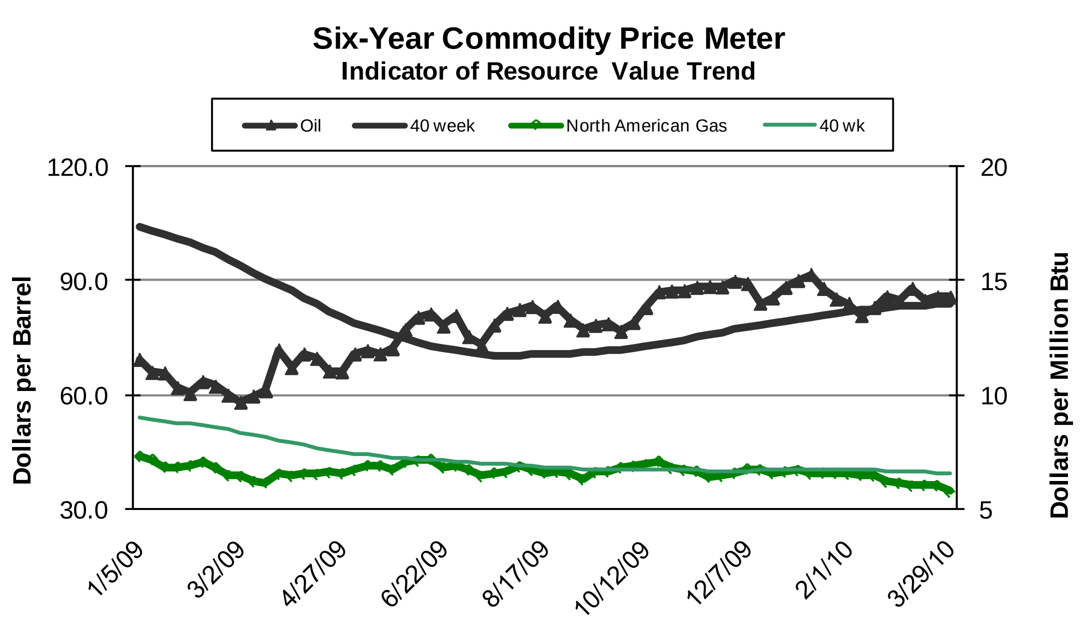

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Table 1

McDep Energy Portfolio

Geographic Domicile and Business Segments

						Present Value by Segment (%)				
	Symbol/Rating		Price (US$/sh) 29-Mar 2010	EV/ Market Cap	Enterprise Value ($mm)	North Amer. Natural Gas	Rest of World Natural Gas	Oil Prod'n	Down- stream	McDep Ratio
B = Buy, CB (see below)										
U.S. Integrated										
Exxon Mobil Corporation	XOM	CB	67.30	1.18	413,000	9	21	53	17	0.78
Chevron Corporation	CVX	B	75.23	1.20	181,000	4	10	72	14	0.72
Marathon Oil Corporation	MRO	B	31.46	1.54	34,400	7	3	64	26	0.69
ConocoPhillips	COP	B	51.15	1.69	130,000	13	10	63	14	0.66
*Total or Median **	*31%*	*9%*	*14%*		*758,000*					*0.71*
Europe										
BG Group	BRGXF	CB	17.03	1.14	66,200		22	47	31	0.80
Royal Dutch Shell plc	RDS-A	B	57.59	1.35	239,000	3	26	48	23	0.78
BP plc	BP	B	56.89	1.33	239,000	6	10	62	22	0.77
Statoil ASA (33%)	STO	B	23.13	1.42	34,600		49	51	-	0.74
Total S.A.	TOT	CB	57.53	1.27	163,000		19	59	22	0.69
*Total or Median **	*30%*	*11%*	*17%*		*742,000*					*0.77*
Australia/Brazil/China/Russia										
CNOOC Limited (34%)	CEO	B	166.48	1.01	25,600		11	89	-	1.23
Woodside Petroleum Ltd.	WOPEY	B	43.40	1.17	39,000		71	29	-	0.99
Petrobras	PBR	B	43.99	1.27	246,000		5	80	15	0.80
PetroChina Company Ltd (14%	PTR	CB	114.96	1.23	36,300		14	72	14	0.80
Lukoil Oil Company	LUKOY	B	56.85	1.14	54,700			68	32	0.45
Gazprom (50%)	OGZPY	CB	22.35	1.33	88,000		76	24	-	0.42
*Total or Median **	*20%*	*14%*	*21%*		*490,000*					*0.80*
U.S. Independent										
Anadarko Petroleum Corp.	APC	B	71.53	1.42	50,000	45		50	4	1.08
EOG Resources	EOG	B	92.96	1.13	26,400	69	5	27	-	1.01
Occidental Petroleum Corp.	OXY	B	84.14	1.07	73,500	10	1	82	7	0.89
Chesapeake Energy Corp.	CHK		23.28	1.95	28,500	89		11	-	0.81
Devon Energy Corporation	DVN	CB	64.57	1.05	30,500	57		43	-	0.67
*Total or Median **	*9%*	*11%*	*14%*		*209,000*					*0.89*
Canada										
Cenovus Energy Inc.	CVE	B	25.12	1.36	25,700	23		70	7	0.95
Canadian Natural Resources	CNQ	B	72.00	1.30	50,500	13		87	-	0.84
Imperial Oil Limited (30%)	IMO	B	38.15	1.09	10,600	5		81	15	0.81
EnCana Corporation	ECA	B	30.34	1.39	31,600	75		5	20	0.78
Canadian Oil Sands Trust	COSWF	B	28.69	1.10	15,300			100	-	0.77
Suncor Energy	SU	CB	31.29	1.38	67,800	5		84	11	0.72
*Total or Median **	*8%*	*14%*	*21%*		*202,000*					*0.80*
Income and Small Cap (see separate weekly analysis)										
	2%	*41%*	*14%*		*50,800*	*38*		*62*		*0.99*
Composite										
Enterprise Value Weighting	*100%*				*2,452,000*	*10*	*16*	*59*	*15*	*0.76*
Equal Weighting		*100%*				*31*	*8*	*54*	*7*	*0.86*
Equal Weighted Buys			*100%*			*23*	*12*	*55*	*10*	*0.79*

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

* Percentages in Symbol column refer to current market Enterprise Value weightings; Rating column, equal weightings.

* Percentages in Price column refer to equal weighted buys.

Table 2

McDep Energy Portfolio

Net Present Value and McDep Ratio

			Price			*Net*		
			(US$/sh)		*Market*	*Present*	*Debt/*	
	Symbol/Rating		*29-Mar*	*Shares*	*Cap*	*Value*	*Present*	*McDep*
B = Buy, CB (see below)			*2010*	*(mm)*	*(US$mm)*	*(US$/sh)*	*Value*	*Ratio*
U.S. Integrated								
Exxon Mobil Corporation	XOM	CB	67.30	5,215	351,000	89.00	0.12	0.78
Chevron Corporation	CVX	B	75.23	2,004	151,000	110.00	0.12	0.72
Marathon Oil Corporation	MRO	B	31.46	711	22,370	53.00	0.24	0.69
ConocoPhillips	COP	B	51.15	1,501	77,000	95.00	0.27	0.66
Total or Median					*601,000*		*0.18*	*0.71*
Europe								
BG Group plc	BRGXF	CB	17.03	3,397	57,900	22.00	0.10	0.80
Royal Dutch Shell plc	RDS-A	B	57.59	3,064	176,000	79.00	0.21	0.78
BP plc	BP	B	56.89	3,162	180,000	80.00	0.19	0.77
Statoil ASA (33%)	STO	B	23.13	1,050	24,300	35.00	0.22	0.74
Total S.A.	TOT	CB	57.53	2,241	129,000	90.00	0.15	0.69
Total or Median					*567,000*		*0.19*	*0.77*
Australia/Brazil/China/Russia								
CNOOC Limited (34%)	CEO	B	166.48	152	25,300	135.00	0.01	1.23
Woodside Petroleum Ltd.	WOPEY	B	43.40	763	33,100	44.00	0.14	0.99
Petrobras	PBR	B	43.99	4,387	193,000	58.00	0.17	0.80
PetroChina Company Ltd (14%)	PTR	CB	114.96	256	29,500	150.00	0.15	0.80
Lukoil Oil Company	LUKOY	B	56.85	847	48,200	135.00	0.05	0.45
Gazprom (50%)	OGZPY	CB	22.35	2,955	66,000	64.00	0.10	0.42
Total or Median					*395,000*		*0.12*	*0.80*
U.S. Independent								
Anadarko Petroleum Corp.	APC	B	71.53	494	35,300	64.00	0.32	1.08
EOG Resources	EOG	B	92.96	251	23,300	92.00	0.12	1.01
Occidental Petroleum Corp.	OXY	B	84.14	814	68,500	95.00	0.06	0.89
Chesapeake Energy Corp.	CHK		23.28	628	14,600	34.00	0.39	0.81
Devon Energy Corporation	DVN	CB	64.57	450	29,100	98.00	0.03	0.67
Total or Median					*170,800*		*0.12*	*0.89*
Canada								
Cenovus Energy Inc.	CVE	B	25.12	751	18,900	27.00	0.25	0.95
Canadian Natural Resources	CNQ	B	72.00	542	39,000	90.00	0.19	0.84
Imperial Oil Limited (30%)	IMO	B	38.15	256	9,800	48.00	0.07	0.81
EnCana Corporation	ECA	B	30.34	751	22,800	42.00	0.22	0.78
Canadian Oil Sands Trust	COSWF	B	28.69	484	13,900	38.00	0.07	0.77
Suncor Energy	SU	CB	31.29	1,566	49,000	48.00	0.20	0.72
Total or Median					*153,000*		*0.20*	*0.80*

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

McDep Ratio = **M**arket **c**ap and **De**bt to **p**resent value of oil and gas and other businesses

Estimated present value presumes a long-term price for oil of US$75 a barrel and natural gas, $8 a million btu.

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Table 3

McDep Energy Portfolio

Value Multiples and Distribution Yield

			Price (US$/sh) 29-Mar 2010	Adjustd Resrvs/ Prod NTM	PV/ Ebitda NTM	EV/ Ebitda NTM	P/E NTM	Divd or Distrib NTM (%)
	Symbol/Rating B = Buy, CB (see below)							
U.S. Integrated								
Exxon Mobil Corporation	XOM	CB	67.30	13.6	8.5	6.6	13	2.5
Marathon Oil Corporation	MRO	B	31.46	8.9	7.3	5.1	10	3.1
ConocoPhillips	COP	B	51.15	10.4	7.6	5.1	9	4.3
Chevron Corporation	CVX	B	75.23	9.0	6.5	4.7	9	3.6
Total or Median				*9.7*	*7.5*	*5.1*	*10*	*3.3*
Europe								
BG Group plc	BRGXF	CB	17.03	8.2	8.8	7.0	13	1.1
Royal Dutch Shell plc	RDS-A	B	57.59	8.9	6.6	5.1	10	5.8
BP plc	BP	B	56.89	9.5	6.6	5.1	9	5.9
Total S.A.	TOT	CB	57.53	9.3	7.0	4.9	9	5.3
Statoil ASA (33%)	STO	B	23.13	7.4	6.0	4.4	10	4.4
Total or Median				*8.9*	*6.6*	*5.1*	*10*	*5.3*
Australia/Brazil/China/Russia								
Woodside Petroleum Ltd.	WOPEY	B	43.40	17.8	11.8	11.7	20	2.3
Petrobras	PBR	B	43.99	8.9	8.6	6.9	11	3.1
PetroChina Company Ltd (14%)	PTR	CB	114.96	14.0	7.6	6.1	13	3.5
CNOOC Limited (34%)	CEO	B	166.48	6.3	4.4	5.5	9	3.1
Lukoil Oil Company	LUKOY	B	56.85	15.8	8.5	3.9	7	3.0
Gazprom (50%)	OGZPY	CB	22.35	24.6	8.3	3.5	4	0.2
Total or Median				*14.9*	*8.4*	*5.8*	*10*	*3.0*
U.S. Independent								
EOG Resources	EOG	B	92.96	10.8	9.9	10.0	51	0.7
Chesapeake Energy Corp.	CHK		23.28	11.8	12.5	10.1	23	1.3
Anadarko Petroleum Corp.	APC	B	71.53	9.2	7.9	8.5		0.5
Occidental Petroleum Corp.	OXY	B	84.14	12.1	7.5	6.7	15	1.6
Devon Energy Corporation	DVN	CB	64.57	10.4	8.8	5.9	14	1.0
Total or Median				*10.8*	*8.8*	*8.5*	*19*	*1.0*
Canada								
Canadian Natural Resources	CNQ	B	72.00	15.6	10.9	9.2	15	0.8
Imperial Oil Limited (30%)	IMO	B	38.15	19.7	11.2	9.0	17	1.0
EnCana Corporation	ECA	B	30.34	7.6	11.8	9.2	131	2.6
Canadian Oil Sands Trust	COSWF	B	28.69	31.1	11.3	8.7	15	4.8
Cenovus Energy Inc.	CVE	B	25.12	10.4	9.3	8.8	19	3.2
Suncor Energy	SU	CB	31.29	15.4	10.0	7.2	19	1.3
Total or Median				*15.5*	*11.1*	*8.9*	*18*	*1.9*

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 March 31, 2011; P/E = Stock Price to Earnings; PV = Present Value of oil and gas and other businesses

Meter Reader

A Weekly Analysis of Large Cap Oil and Gas Stocks

March 30, 2010

Index of Recent Research

Stock Ideas				
Date		*Symbol*	*Subject*	*Theme*
30-Mar		COP	ConocoPhillips	Lower NPV to $95 from $105 (Meter Reader)
26-Mar		PEYUF	Peyto Energy Trust	Raise NPV to US$15 from $13 (ISC Weekly)
26-Mar		PTR	PetroChina Company Limited	Gas Growth - Natural Gas and Gasoline
23-Mar		ECA	EnCana Corporation	Raise NPV to $42 from $35 on Contingent (MR)
22-Mar		HGT	Hugoton Royalty Trust	Monthly Volume Distortion
16-Mar		XOM	ExxonMobil Corporation	Upstream Growth (Meter Reader)
16-Mar		CVX	Chevron Corporation	Upstream Growth (Meter Reader)
12-Mar		HGT	Hugoton Royalty Trust	High Income from Cheap Clean Fuel (ISCW)
12-Mar		DVN	Devon Energy Corporation	Virtually Eliminates Debt
9-Mar		APC	Anadarko Petroleum Corporation	Upside in Oil and Gas Portfolio (Meter Reader)
5-Mar		SJT	San Juan Basin Royalty Trust	Raise NPV to $23 (ISC Weekly)
5-Mar		CNQ	Canadian Natural Resources	Raise NPV to US$90 a Share from $80
2-Mar	*	COSWF	Canadian Oil Sands Trust	Oil Growth of 70% to 2020 (Meter Reader)
26-Feb	*	DMLP	Dorchester Minerals, L.P.	Replaces Reserves and Pays 8% Income (ISCW)
25-Feb	*	WOPEY	Woodside Petroleum	Financing in Place for 2010
22-Feb	*	XTO, XOM	XTO Energy, ExxonMobil	Merger on Track for Second Quarter Completion
19-Feb	*	BIREF	Birchcliff Energy Ltd.	Raise NPV 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 Reserves Increase 19%
15-Feb	*	CVE	Cenovus Energy Inc.	Quadruple Bitumen by 2017
15-Feb	*	STO	Statoil ASA	Reposition Dividend for Growth
15-Feb	*	EOG	EOG Resources Inc.	Proven Reserves Increase 24%
12-Feb	*	TOT	Total S.A.	Secure Income at 5.5%
8-Feb	*	XEC	Cimarex Energy Company	Booming Production Estimated up 18% in 2010
5-Feb	*	BRGXF	BG Group	Natural Gas Growth in Australia
4-Feb	*	RDSA	Royal Dutch Shell plc	Cautious Outlook, Nice Dividend
3-Feb	*	IMO	Imperial Oil Limited	Horn River Shale Gas Explorer
3-Feb	*	CEO	CNOOC Ltd	Blockbuster Growth Forecast
3-Feb	*	MRO	Marathon Oil Corporation	Ready for Recovery in Demand for Diesel Fuel
2-Feb	*	SU	Suncor Energy	Reduce Net Present Value to US$48 a Share from US$52
2-Feb	*	BP	BP p.l.c.	Credibility Reestablished
1-Feb	*	OGZPY	Gazprom	European Natural Gas Sales Rebound
28-Jan	*	OXY	Occidental Petroleum Corporation	Volume Growth Supporting Appreciation Potential
27-Jan	*	COP	ConocoPhillips	Lowest Large Cap McDep Ratio
8-Dec	*	PBR	Petrobras	Buy for Long-Term Growth (Meter Reader)
8-Dec	*	LUKOY	Lukoil Oil Company	Reemphasizing Oil
Meter Reader				
30-Mar		COP	ConocoPhillips	Lower NPV to $95 from $105
23-Mar		ECA	EnCana Corporation	Raise NPV to $42 from $35 on Contingent Resources
16-Mar		CVX, XOM	ExxonMobil and Chevron	Upstream Growth
9-Mar	*	APC	Anadarko Petroleum Corporation	Upside in Anadarko's Oil and Gas Portfolio
Income and Small Cap Weekly				
26-Mar		PEYUF	Peyto Energy Trust	Raise NPV to US$15 from $13
19-Mar			Weekly	Price Pressure for Natural Gas
12-Mar		HGT	Hugoton Royalty Trust	High Income from Cheap Clean Fuel
5-Mar	*	SJT	San Juan Basin Royalty Trust	Raise Distribution, Net Present Value
	*	Archived on www.mcdep.com		

Disclaimer: This analysis was prepared by Kurt Wulff, Manager of McDep LLC. The firm used sources and data believed to be reliable, but makes no representation as to their accuracy or completeness. This analysis is intended for informational purposes and is not a solicitation to buy or sell a security. Past performance is no guarantee of future results.

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