McDep LLC

Meter Reader

A Weekly Analysis of Large Cap Oil and Gas Stocks

April 12, 2011

ConocoPhillips (COP)
Bad Government Actions Good for Oil Profits

Symbol	COP	*Ebitda Next Twelve Months ending 3/31/12 (US$mm)*	29,800
Rating	Buy	*North American Natural Gas/Ebitda (%)*	7
Price (US$/sh)	80.12	*Natural Gas and Oil Production/Ebitda (%)*	80
Pricing Date	4/11/11	*Adjusted Reserves/Production NTM*	11.6
Shares (mm)	1454	*EV/Ebitda*	5.3
Market Capitalization (US$mm)	116,500	*PV/Ebitda*	7.2
Debt (US$mm)	41,000	*Undeveloped Reserves (%)*	27
Enterprise Value (EV) (US$mm)	157,000	*Natural Gas and Oil Ebitda (US$/boe)*	38.90
Present Value (PV) (US$mm)	214,000	*Present Value Proven Reserves(US$/boe)*	20.76
Net Present Value (US$/share)	119	*Present Value Proven Reserves(US$/mcfe)*	3.46
Debt/Present Value	0.19	*Earnings Next Twelve Months (US$/sh)*	8.12
McDep Ratio - EV/PV	0.74	*Price/Earnings Next Twelve Months*	10
Dividend Yield (%/year)	3.3	*Indicated Annual Dividend (US$/sh)*	2.64
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$100 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

Buy-rated **ConocoPhillips (COP)** offers unlevered appreciation potential of 36% to a McDep Ratio of 1.0 where stock price would equal Net Present Value (NPV) of $119 a share. The value of the stock is sensitive to oil price (64%), U.S. natural gas price (14%), global natural gas price (9%) and refining and chemical margins (13%) (see table Functional Cash Flow and Present Value on page 2). Spurred by government policies that have the effect of boosting oil demand and curbing oil supply, oil price is in an uptrend with the latest quote for the next six years at $111 a barrel compared to the 40-week average of $92 (see table Six-Year and One-Year Natural Gas and Oil Futures on page 9). In one specific case, former Governor Palin's punitive oil tax helped drive up global price and chase investment from Alaska. Governor Parnell's potential reversal of the economically destructive tax could create investment opportunity for COP in Alaska. As it stands now, the company reports hardly any undeveloped reserves in its largest oil producing area (see table Production and Reserves on page 2). In contrast, low current price understates the long-term value of North American natural gas where COP may be among the top three producers. The company is taking its natural gas producing technology learned in North America overseas to Australia where it has an innovative project to turn gas from coal seams to liquefied natural gas (LNG) for export. In high demand after the Japanese nuclear tragedy, LNG sells at an oil-linked price. Finally, President Obama's curtailment of drilling in the Gulf of Mexico and pipeline transportation from onshore oil discoveries has created wide profit margins for COP's inland U.S. refineries that also appear to be increasing cash flow (see table Next Twelve Months Operating and Financial Estimates on page 3). Positive current trends in oil, overseas natural gas and downstream combined with long-term potential in North American natural gas are good for COP and related buys (see Tables 1-4 on pages 4-7).

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	2,120	12.8	14.2	30,000	14%
Rest of World Natural Gas	2,440	12.3	8.2	20,000	9%
Oil	19,240	10.9	7.1	136,000	64%
Downstream	6,000		4.7	28,000	13%
	29,800	11.6	7.2	214,000	100%
Debt (US$mm)					41,000
Net Present Value (US$mm)					173,000
Shares (mm)					1,454
Net Present Value - Standard Estimate (US$/sh)					119
NPV Approximation by Cash Flow Multiple Depending on Reserve Life (US$/sh)					116

ConocoPhillips Production and Reserves, 2010							
	2010 Production		*12/31/2010 Proven Reserves*			*Weighted*	*NTM Adjusted*
	(mmcfd or mbd)	*(bcf or mmb)*	*Developed (bcf or mmb)*	*Undeveloped (bcf or mmb)*	*Weighted (bcf or mmb)*	*Life Index (years)*	*R/P (years)*
North American Natural Gas							
Alaska	82	101	2,785	77	2,824	28.0	
Lower 48	1,695	663	6,399	1,218	7,008	10.6	
Canada	984	358	2,134	171	2,220	6.2	
Total	2,761	1,122	11,318	1,466	12,051	10.7	12.8
Rest of World Natural Gas							
Europe	815	323	1,529	332	1,695	5.2	
Asia Pacific/Middle East	881	354	5,250	822	5,661	16.0	
Africa	149	60	865	61	896	14.9	
Other areas				56	28		
Total	1,845	737	7,644	1,271	8,280	11.2	12.3
Oil							
Alaska	230	84	1,155	130	1,220	14.5	
Lower 48	160	55	534	115	592	10.8	
Canada	38	14	75	5	78	5.5	
Europe	211	78	290	179	380	4.9	
Asia Pacific/Middle East	143	52	374	82	415	8.0	
Africa	79	28	251	19	261	9.3	
Other areas				108	54		
Bitumen	59	22	176	1,123	738	34	
Total	920	333	2,855	1,761	3,736	11.2	10.9
Total Oil Equivalent	1,688	643	6,015	2,217	7,124	11.1	11.6

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									
									Next
	Excludes Lukoil after 6/30/10								***Twelve***
	Q3	*Q4*	*Q1E*	*Q2E*	*Q3E*	*Q4E*	***Year***	*Q1E*	***Months***
	9/30/10	*12/31/10*	*3/31/11*	*6/30/11*	*9/30/11*	*12/31/11*	***2011E***	*3/31/12*	***3/31/12***
Volume									
Natural Gas (mmcfd)									
North America	2,794	2,571	2,571	2,571	2,571	2,571	**2,571**	2,571	**2,571**
Overseas	1,771	2,020	1,906	1,676	1,771	2,020	**1,843**	1,906	**1,843**
Total	4,565	4,591	4,477	4,247	4,342	4,591	**4,414**	4,477	**4,414**
Oil (mbd)	956	964	964	954	945	935	**950**	935	**942**
Total gas & oil (bcf)	948	955	923	908	921	939	**3,691**	908	**3,675**
Total gas & oil (mbd)	1,717	1,729	1,710	1,662	1,668	1,701	**1,685**	1,682	**1,678**
Price									
Natural gas ($/mcf)									
Henry Hub ($/mmbtu)	4.38	3.80	4.11	4.12	4.22	4.52	**4.24**	4.17	**4.26**
North America	3.82	3.66	3.96	3.98	4.07	4.36	**4.09**	4.02	**4.11**
Overseas	5.60	6.59	6.59	6.59	6.59	6.59	**6.59**	6.59	**6.59**
Total	4.51	4.95	5.08	5.01	5.10	5.34	**5.13**	5.12	**5.14**
Oil ($/bbl)									
WTI Cushing	76.08	85.10	94.10	112.84	114.01	114.17	**108.78**	113.65	**113.67**
Worldwide	68.34	77.24	84.42	101.23	102.27	102.42	**97.58**	100.95	**101.65**
Total gas & oil ($/mcf)	8.34	9.37	10.15	11.82	11.86	11.79	**11.40**	11.63	**11.78**
NY Harbor 3-2-1 ($/bbl)	8.31	11.15	17.69	23.10	22.08	16.81	**19.92**	17.31	**19.83**
Revenue ($mm)									
Natural Gas									
North America	981	867	917	930	964	1,030	**3,841**	931	**3,855**
Overseas	912	1,224	1,130	1,005	1,073	1,224	**4,432**	1,130	**4,432**
Total	1,892	2,091	2,047	1,935	2,037	2,254	**8,273**	2,061	**8,287**
Oil	6,011	6,851	7,324	8,791	8,890	8,813	**33,818**	8,499	**34,993**
Other	41,646	44,276	44,276	44,276	44,276	44,276	**177,103**	44,276	**177,103**
Total	49,549	53,217	53,646	55,002	55,202	55,343	**219,194**	54,835	**220,383**
Expense	44,012	47,468	47,355	47,316	47,527	47,846	**190,044**	47,890	**190,579**
Ebitda ($mm)									
Exploration and Production	4,426	4,735	5,154	5,899	6,010	6,087	**23,150**	5,808	**23,804**
Other	1,110	1,013	1,138	1,786	1,665	1,410	**6,000**	1,138	**6,000**
Total Ebitda	5,537	5,749	6,292	7,686	7,675	7,498	**29,150**	6,946	**29,804**
Exploration	252	307	400	400	400	400	**1,600**	400	**1,600**
Deprec., Deplet., & Amort.	2,246	2,216	2,216	2,216	2,216	2,216	**8,864**	2,216	**8,864**
Other non cash	(671)	-					**-**		**-**
Ebit	3,709	3,226	3,676	5,070	5,059	4,882	**18,686**	4,330	**19,340**
Interest	264	273	273	273	300	300	**1,146**	300	**1,173**
Ebt	3,445	2,953	3,403	4,797	4,759	4,582	**17,540**	4,030	**18,167**
Income Tax	1,206	1,033	1,191	1,679	1,666	1,604	**6,139**	1,410	**6,358**
Net Income ($mm)									
Exploration and Production	1,506	1,688					**-**		
Other	477	416					**-**		
Unallocated	257	(185)					**-**		
Total	2,240	1,919	2,212	3,118	3,093	2,978	**11,401**	2,619	**11,809**
Shares (millions)	1,493	1,454	1,454	1,454	1,454	1,454	**1,454**	1,454	**1,454**
Per share ($)	1.50	1.32	1.52	2.14	2.13	2.05	**7.84**	1.80	**8.12**
Ebitda Margin (E&P)	56%	53%	55%	55%	55%	55%	**55%**	55%	**55%**
Tax Rate	35%	35%	35%	35%	35%	35%	**35%**	35%	**35%**

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Table 1

McDep Large Cap Energy Portfolio

Geographic Domicile and Business Segments

						Present Value by Segment (%)				
			Price (US$/sh)	*EV/*	*Enterprise*	*North Amer.*	*Rest of World*			
	Symbol/Rating		*11-Apr*	*Market*	*Value*	*Natural*	*Natural*	*Oil*	*Down-*	*McDep*
B = Buy, CB (see below)			*2011*	*Cap*	*($mm)*	*Gas*	*Gas*	*Prod'n*	*stream*	*Ratio*
U.S. Integrated										
Marathon Oil Corporation	MRO	B	51.77	1.30	48,000	7	3	69	22	0.81
Exxon Mobil Corporation	XOM	B	85.16	1.16	495,000	10	17	57	16	0.79
ConocoPhillips	COP	B	80.12	1.35	157,000	14	9	64	13	0.74
Chevron Corporation	CVX	B	107.78	1.09	236,000	3	10	77	10	0.72
Total or Median					*936,000*			*66*		*0.76*
Europe										
BG Group	BRGXF		25.13	1.14	97,900		26	46	28	1.00
Royal Dutch Shell plc	RDS-A	B	74.48	1.30	297,000	3	22	53	21	0.82
Statoil ASA (33%)	STO	B	28.86	1.44	43,500		36	64	-	0.73
Total S.A.	TOT	B	61.84	1.28	178,000		17	69	14	0.62
BP plc	BP		46.67	1.61	239,000	5	9	67	19	0.62
Total or Median					*855,000*			*64*		*0.73*
Brazil/Russia/Australia/China										
CNOOC Limited (34%)	CEO		258.51	1.04	40,800		8	92	-	1.17
Woodside Petroleum Ltd.	WOPEY	B	50.99	1.16	46,000		67	33	-	1.03
PetroChina Company Ltd (14%)	PTR	B	156.44	1.24	49,600		14	68	18	0.78
Petrobras	PBR	B	39.83	1.21	316,000		2	83	15	0.69
Gazprom (50%)	OGZPY	B	34.40	1.19	118,000		81	19	-	0.65
Lukoil Oil Company	LUKOY	B	72.05	1.10	62,100			67	33	0.50
Total or Median					*633,000*			*67*		*0.73*
U.S. Independent										
Anadarko Petroleum Corp.	APC		81.11	1.52	61,400	37		60	3	1.03
Chesapeake Energy Corp.	CHK		33.34	1.65	41,000	83		17	-	1.01
Southwestern Energy Company	SWN		39.60	1.10	15,200	100			-	0.95
EOG Resources, Inc.	EOG	B	112.67	1.20	33,900	47	4	49	-	0.89
Occidental Petroleum Corp.	OXY	B	100.42	1.06	86,700	8	1	86	6	0.83
Devon Energy Corporation	DVN	B	89.24	1.10	42,700	55		45	-	0.81
Total or Median					*281,000*			*47*		*0.92*
Canada										
Penn West Exploration	PWE		27.28	1.32	16,200	17		83	-	0.93
Imperial Oil Limited (30%)	IMO	B	53.17	1.09	14,800	3		86	11	0.87
Cenovus Energy Inc.	CVE	B	39.10	1.25	36,900	18		77	5	0.83
Canadian Natural Resources Lin	CNQ		47.59	1.23	63,800	13		87	-	0.75
Suncor Energy	SU	B	45.53	1.23	88,100	4		88	9	0.75
EnCana Corporation	ECA	B	33.31	1.40	34,200	93		7	-	0.72
Canadian Oil Sands Limited	COSWF	B	33.90	1.10	18,000			100	-	0.67
Total or Median					*272,000*			*87*		*0.75*
Composite					*2,977,000*	*9*	*14*	*63*	*13*	*0.74*
CB=Contrarian Buy, Stock Price may be in downtrend compared to 200-day average.										

Table 2

McDep Large Cap Energy Portfolio

Net Present Value and McDep Ratio

	Symbol/Rating		*Price (US$/sh) 11-Apr 2011*	*Shares (mm)*	*Market Cap (US$mm)*	*Net Present Value (US$/sh)*	*Debt/ Present Value*	*McDep Ratio*
B = Buy, CB (see below)								
U.S. Integrated								
Marathon Oil Corporation	MRO	B	51.77	713	36,910	68.00	0.19	0.81
Exxon Mobil Corporation	XOM	B	85.16	5,031	428,000	112.00	0.11	0.79
ConocoPhillips	COP	B	80.12	1,454	117,000	119.00	0.19	0.74
Chevron Corporation	CVX	B	107.78	2,009	217,000	154.00	0.06	0.72
Total or Median					*799,000*		*0.15*	*0.76*
Europe								
BG Group plc	BRGXF		25.13	3,407	85,600	25.00	0.13	1.00
Royal Dutch Shell plc	RDS-A	B	74.48	3,074	229,000	96.00	0.19	0.82
Statoil ASA (33%)	STO	B	28.86	1,050	30,300	44.00	0.22	0.73
Total S.A.	TOT	B	61.84	2,248	139,000	111.00	0.14	0.62
BP plc	BP		46.67	3,168	148,000	93.00	0.24	0.62
Total or Median					*632,000*		*0.19*	*0.73*
Brazil/Russia/Australia/China								
CNOOC Limited (34%)	CEO		258.51	152	39,400	220.00	0.04	1.17
Woodside Petroleum Ltd.	WOPEY	B	50.99	774	39,500	49.00	0.14	1.03
PetroChina Company Ltd (14%)	PTR	B	156.44	256	40,100	210.00	0.15	0.78
Petrobras	PBR	B	39.83	6,544	260,700	62.00	0.12	0.69
Gazprom (50%)	OGZPY	B	34.40	2,875	98,900	56.00	0.11	0.65
Lukoil Oil Company	LUKOY	B	72.05	781	56,300	150.00	0.05	0.50
Total or Median					*535,000*		*0.11*	*0.73*
U.S. Independent								
Anadarko Petroleum Corp.	APC		81.11	498	40,400	78.00	0.35	1.03
Chesapeake Energy Corp.	CHK		33.34	746	24,900	33.00	0.40	1.01
Southwestern Energy Company	SWN		39.60	349	13,800	42.00	0.09	0.95
EOG Resources, Inc.	EOG	B	112.67	251	28,300	130.00	0.15	0.89
Occidental Petroleum Corp.	OXY	B	100.42	814	81,700	123.00	0.05	0.83
Devon Energy Corporation	DVN	B	89.24	434	38,700	112.00	0.08	0.81
Total or Median					*227,800*		*0.12*	*0.92*
Canada								
Penn West Exploration	PWE		27.28	440	12,300	31.00	0.22	0.93
Imperial Oil Limited (30%)	IMO	B	53.17	256	13,600	62.00	0.07	0.87
Cenovus Energy Inc.	CVE	B	39.10	753	29,400	49.00	0.17	0.83
Canadian Natural Resources Limitec	CNQ		47.59	1,089	51,800	67.00	0.14	0.75
Suncor Energy	SU	B	45.53	1,575	71,700	64.00	0.14	0.75
EnCana Corporation	ECA	B	33.31	736	24,500	51.00	0.21	0.72
Canadian Oil Sands Limited	COSWF	B	33.90	484	16,400	52.00	0.06	0.67
Total or Median					*220,000*		*0.14*	*0.75*

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$100 a barrel and natural gas, $8 a million btu.

Table 3

McDep Large Cap Energy Portfolio

Value Multiples and Distribution Yield

			Price	Adjustd				Divd or
			(US$/sh)	Resrvs/	PV/	EV/		Distrib
	Symbol/Rating		11-Apr	Prod	Ebitda	Ebitda	P/E	NTM
B = Buy, CB (see below)			2011	NTM	NTM	NTM	NTM	(%)
U.S. Integrated								
Exxon Mobil Corporation	XOM	B	85.16	13.5	6.9	5.4	9	2.1
ConocoPhillips	COP	B	80.12	11.6	7.2	5.3	10	3.3
Marathon Oil Corporation	MRO	B	51.77	8.6	5.7	4.6	9	1.9
Chevron Corporation	CVX	B	107.78	8.3	5.6	4.0	8	2.7
Total or Median				*10.1*	*6.3*	*4.9*	*9*	*2.4*
Europe								
BG Group plc	BRGXF		25.13	13.8	8.5	8.5	16	0.9
Royal Dutch Shell plc	RDS-A	B	74.48	8.4	6.0	4.9	8	4.5
BP plc	BP		46.67	10.4	6.6	4.1	5	3.6
Statoil ASA (33%)	STO	B	28.86	6.7	5.5	4.0	7	4.0
Total S.A.	TOT	B	61.84	9.4	6.2	3.8	8	5.3
Total or Median				*9.4*	*6.2*	*4.1*	*8*	*4.0*
Brazil/Russia/Australia/China								
Woodside Petroleum Ltd.	WOPEY	B	50.99	15.1	9.9	10.2	17	2.1
Petrobras	PBR	B	39.83	13.3	9.7	6.6	11	3.0
PetroChina Company Ltd (14%)	PTR	B	156.44	13.6	7.0	5.5	9	3.4
CNOOC Limited (34%)	CEO		258.51	5.6	4.7	5.4	9	2.1
Gazprom (50%)	OGZPY	B	34.40	30.2	6.9	4.5	6	1.0
Lukoil Oil Company	LUKOY	B	72.05	15.9	5.7	2.9	4	2.6
Total or Median				*14.3*	*7.0*	*5.5*	*9*	*2.3*
U.S. Independent								
Chesapeake Energy Corp.	CHK		33.34	12.3	11.8	11.9	22	0.9
Southwestern Energy Company	SWN		39.60	8.3	12.2	11.6	25	-
Anadarko Petroleum Corp.	APC		81.11	8.8	7.6	7.8		0.4
Devon Energy Corporation	DVN	B	89.24	10.9	9.0	7.3	14	0.8
EOG Resources, Inc.	EOG	B	112.67	8.7	7.3	6.5	20	0.6
Occidental Petroleum Corp.	OXY	B	100.42	10.9	7.2	5.9	11	1.8
Total or Median				*9.8*	*8.3*	*7.5*	*20*	*0.7*
Canada								
EnCana Corporation	ECA	B	33.31	12.5	14.2	10.3	30	2.4
Cenovus Energy Inc.	CVE	B	39.10	21.0	11.3	9.4	24	2.1
Imperial Oil Limited (30%)	IMO	B	53.17	21.0	10.5	9.1	15	0.9
Penn West Exploration	PWE		27.28	8.8	9.2	8.5	27	4.1
Canadian Natural Resources Limited	CNQ		47.59	21.0	10.4	7.8	18	0.8
Suncor Energy	SU	B	45.53	21.1	9.3	7.0	14	0.9
Canadian Oil Sands Limited	COSWF	B	33.90	29.0	8.8	5.9	9	2.5
Total or Median				*21.0*	*10.4*	*8.5*	*18*	*2.1*

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, 2012; P/E = Stock Price to Earnings; PV = Present Value of oil and gas and other businesses

Table 4

McDep Large Cap Energy Portfolio

Rank by Enterprise Value to 200 Day Average

			Price					
			($/sh)	*Enterprise Value/*				
	Symbol		*11-Apr*	*52Wk*	*52Wk*	*50 Day*	*200 Day*	*McDep*
		Rating	*2011*	*High*	*Low*	*Avg.*	*Avg.*	*Ratio*
U.S. Integrated								
Marathon Oil Corporation	MRO	B	51.77	0.97	1.51	1.05	1.26	0.81
Chevron Corporation	CVX	B	107.78	0.98	1.53	1.07	1.23	0.72
ConocoPhillips	COP	B	80.12	0.98	1.42	1.05	1.19	0.74
Exxon Mobil Corporation	XOM	B	85.16	0.97	1.42	1.02	1.18	0.79
Median				*0.98*	*1.47*	*1.05*	*1.21*	*0.76*
Europe								
BG Group plc	BRGXF		125.65	0.99	1.64	1.05	1.24	1.00
Statoil ASA (33%)	STO	B	28.86	0.99	1.34	1.08	1.18	0.73
Royal Dutch Shell plc	RDS-A	B	74.48	1.00	1.35	1.04	1.14	0.82
Total S.A.	TOT	B	61.84	0.99	1.31	1.03	1.12	0.62
BP plc	BP		46.67	0.84	1.36	1.00	1.07	0.62
Median				*0.99*	*1.36*	*1.04*	*1.16*	*0.75*
Brazil/Russia/Australia/China								
Gazprom (50%)	OGZPY	B	34.40	1.02	1.67	1.14	1.34	0.65
CNOOC Limited (34%)	CEO		258.51	0.96	1.71	1.12	1.24	1.17
Lukoil Oil Company	LUKOY	B	72.05	0.95	1.53	1.05	1.19	0.50
PetroChina Company Ltd (14%)	PTR	B	156.44	1.00	1.42	1.10	1.19	0.78
Woodside Petroleum Ltd.	WOPEY	B	50.99	1.00	1.44	1.14	1.19	1.03
Petrobras	PBR	B	39.83	0.88	1.22	1.02	1.08	0.69
Median				*0.98*	*1.49*	*1.11*	*1.19*	*0.73*
U.S. Independent								
Devon Energy Corporation	DVN	B	89.24	0.96	1.45	1.00	1.20	0.81
Chesapeake Energy Corp.	CHK		33.34	0.95	1.33	1.02	1.18	1.01
Anadarko Petroleum Corp.	APC		81.11	0.98	1.61	1.02	1.17	1.03
Occidental Petroleum Corp.	OXY	B	100.42	0.94	1.36	1.00	1.13	0.83
EOG Resources, Inc.	EOG	B	112.67	0.94	1.25	1.03	1.11	0.89
Southwestern Energy Company	SWN		50.75	0.89	1.26	1.01	1.07	0.95
Median				*0.95*	*1.35*	*1.01*	*1.15*	*0.92*
Canada								
Imperial Oil Limited (30%)	IMO	B	53.17	0.96	1.44	1.08	1.27	0.87
Canadian Oil Sands Limited	COSWF	B	33.85	0.97	1.44	1.11	1.23	0.67
Cenovus Energy Inc.	CVE	B	39.10	0.97	1.45	1.06	1.20	0.83
Suncor Energy	SU	B	45.53	0.95	1.47	1.04	1.20	0.75
Canadian Natural Resources	CNQ		47.59	0.93	1.43	1.01	1.16	0.75
Penn West Exploration	PWE		27.28	0.97	1.48	1.02	1.17	0.93
EnCana Corporation	ECA	B	33.31	0.96	1.19	1.02	1.07	0.72
Median				*0.96*	*1.44*	*1.04*	*1.20*	*0.75*

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

Meter Reader

A Weekly Analysis of Large Cap Oil and Gas Stocks

April 12, 2011

Index of Recent Research

Stock Ideas

Date	*Symbol*	*Subject*	*Theme*
8-Apr	RRC	Range Resources	Raise NPV to $60 a Share from $50 (Income and Small Cap)
4-Apr	COSWF	Canadian Oil Sands Limited	Outperforming 10% on Oil Volume, 50% on Price
1-Apr	SJT	San Juan Basin Royalty Trust	Remove Buy at McDep Ratio of 1.10 (ISCW)
29-Mar	XOM	Exxon Mobil	Natural Gas Enhanced by Nuclear (Meter Reader)
22-Mar	PTR	PetroChina	Overlooked Oil in PTR Stock (Meter Reader)
18-Mar	BIREF	Birchcliff Energy Ltd.	Long-Term Natural Gas Resource for Asia
15-Mar	LUKOY	Lukoil	Lukoil and Russia Ride the Rise of Oil (Meter Reader)
11-Mar	HGT	Hugoton Royalty Trust	Contrarian Commodity Income (Income and SC Weekly)
8-Mar	CNQ	Canadian Natural Resources	End Buy (Meter Reader)
1-Mar	CVE	Cenovus Energy	High Growth in Deep Oil Sands (Meter Reader)
25-Feb	DMLP	Dorchester Minerals, L.P.	Profitable Production amid Unstable Politics (ISCW)
23-Feb	WOPEY	Woodside Petroleum Ltd.	Double LNG Late 2011
22-Feb	OGZPY	Gazprom	Nearer Accord on Natural Gas to China (Meter Reader)
18-Feb	PEYUF	Peyto Exploration	Raise NPV to $24 a Share from $20 (Income and Small Cap)
16-Feb	XEC	Cimarex Energy	Raise NPV to $120 on Oil Reserves
10-Feb	ECA	Encana	$C5.4 Billion Joint Venture Highlights Undervaluation
4-Feb	HK	Petrohawk	Raise NPV to $24 a Share from $20 (Income and Small Cap)
1-Feb	COP	ConocoPhilllips	Rising Trends (Meter Reader)
1-Feb	CVX	Chevron Corporation	Rising Trends (Meter Reader)
1-Feb	XOM	ExxonMobil	Rising Trends (Meter Reader)
26-Jan	OXY	Occidental Petroleum	Growing U.S. Oil Production
18-Jan	MRO	Marathon Oil	Refining/Marketing Spinoff May Boost Value 27% (MR)
11-Jan	IMO	Imperial Oil	Accelerating Growth (Meter Reader)
7-Jan	WLL	Whiting Petroleum	Raise NPV to $150 on North Dakota Oil (ISCW)
4-Jan	PBR	Petrobras	Restore Buy on Oil Growth (Meter Reader)
21-Dec	CHK	Chesapeake Energy	Carl Icahn Owns 5.8% (Meter Reader)
26-Nov	SBR	Sabine Royalty Trust	Raise NPV on Proven Performance (Income and SC Weekly)

For historical research by stock, go to mcdep.com, click on Stock Ideas, click on stock by name.

Meter Reader

29-Mar	XOM	Exxon Mobil	Natural Gas Enhanced by Nuclear
22-Mar	PTR	PetroChina	Overlooked Oil in PTR Stock
15-Mar	LUKOY	Lukoil	Lukoil and Russia Ride the Rise of Oil
8-Mar	COSWF, CNQ	Cdn Oil Sands, Cdn Natural Res	Favor COSWF, End Buy on CNQ

For earlier editions, go to mcdep.com, click on Meter Reader.

Income and Small Cap Weekly

8-Apr	RRC	Range Resources	Raise NPV to $60 from $50 a Share
1-Apr	SJT	San Juan Basin Royalty Trust	Remove Buy at McDep Ratio of 1.10
25-Mar			On Course to $200 a Barrel by November 2012
18-Mar			Natural Gas Price Breakout on Nuclear Tragedy

For earlier editions, go to mcdep.com, click on Energy Income.

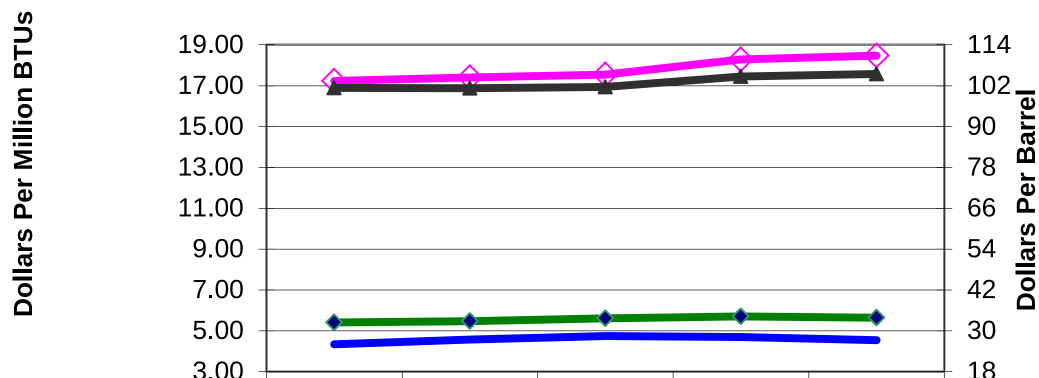
McDEP LLC

Meter Reader

A Weekly Analysis of Large Cap Oil and Gas Stocks

April 12, 2011

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



	3/14	3/21	3/28	4/4	4/11
12 Mo Natural Gas	4.34	4.57	4.74	4.69	4.54
72 Mo Natural Gas	5.40	5.47	5.61	5.70	5.63
12 Month Oil Strip	103.42	104.39	105.25	109.71	110.88
72 Month Oil Strip	101.36	101.23	101.62	104.71	105.47

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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