



# Meter Reader

A Weekly Analysis of Large Cap Oil and Gas Stocks

July 3, 2012

## Gazprom (OGZPY - Contrarian Buy) Dividend Double Approved

<i>Symbol</i>	OGZPY	<i>Ebitda Next Twelve Months ending 6/30/13 (US\$mm)</i>	62,000
<i>Rating</i>	Contrarian Buy	<i>North American Natural Gas/Ebitda (%)</i>	0
<i>Price (US\$/sh)</i>	9.52	<i>Natural Gas and Oil Production/Ebitda (%)</i>	19
<i>Pricing Date</i>	7/2/12	<i>Adjusted Reserves/Production NTM</i>	31.2
<i>Shares (mm)</i>	11,500	<i>EV/Ebitda</i>	2.4
<i>Market Capitalization (US\$mm)</i>	109,000	<i>PV/Ebitda</i>	5.8
<i>Debt (US\$mm)</i>	37,000	<i>Undeveloped Reserves (%)</i>	50
<i>Enterprise Value (EV) (US\$mm)</i>	146,000	<i>Natural Gas and Oil Ebitda (US\$/boe)</i>	18.34
<i>Present Value (PV) (US\$mm)</i>	359,000	<i>Present Value Proven Reserves(US\$/boe)</i>	0.54
<i>Net Present Value (US\$/share)</i>	28	<i>Present Value Proven Reserves(US\$/mcf)</i>	0.09
<i>Debt/Present Value</i>	0.10	<i>Earnings Next Twelve Months (US\$/sh)</i>	3.22
<i>McDep Ratio - EV/PV</i>	0.41	<i>Price/Earnings Next Twelve Months</i>	3
<i>Dividend Yield (%/year)</i>	5.8	<i>Indicated Annual Dividend (US\$/sh)</i>	0.55
Note: The Russian government owns about 50% of the equity.			
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, \$6 a million btu.			
For historical analysis of Gazprom since 2005 see <a href="http://www.mcdep.com/2ogz.htm">www.mcdep.com/2ogz.htm</a>			

### Summary and Recommendation

Contrarian Buy **Gazprom (OGZPY)** boosts its credibility and investment appeal with shareholder approval on June 30 of a more than doubling of the annual dividend to 8.91 Russian Rubles a share from 3.85. American Depositary Shares (ADRs) symbolized by OGZPY are equivalent to two underlying shares that are traded in Russia and are the basis for reporting financial results. Adjusting for the share ratio and assuming a currency value at the latest quote of one U.S. dollar for 32.59 Russian rubles means the payment by early September to OGZPY holders would be \$0.55 a share. Annual yield would be 5.8% on current stock price.

Appreciation potential is more than 100% to estimated Net Present Value (NPV) of \$28 a share (see table Functional Cash Flow and Present Value on page 2). The higher dividend is in keeping with our change last year to allocate most of NPV to “Downstream”, which for Gazprom is primarily the regulated utility type business of natural gas transmission and storage. Regardless, the estimate of NPV is lower than what we estimate for most stocks considering present value cash flow multiples (PV/Ebitda).

Among the uncertainties covered by the valuation estimate is the recent economic slowing in Europe. Gazprom is making some price concessions in 2012 to customers who have contributed most to revenues in 2010-2011 (see table Natural Gas Sales on page 3). Nominally, we project next twelve months results near the most recent reported level through 2011 (see table Operating and Financial Results on page 4).



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Strategically, the company has made successful moves on the production side in developing a major oil business in Russia and on the marketing side developing a power business to add value to natural gas in the regulated Russian market. Yet an opportunity to sell natural gas to China remains mired in disagreement over price and the Shtokman liquefied natural gas project remains delayed.

Politically, with the return of Mr. Putin to the presidency there appear to be more tangible efforts to encourage international investment in Russian companies and resources. The Gazprom dividend increase is a move in that direction as are plans to open more Russian companies to publicly traded ownership. The Russian leadership is promoting a closer relationship with ExxonMobil (XOM) in oil through partnership with government controlled Rosneft both in Russia and internationally.

Meanwhile, a 24% decline in Gazprom's stock in the past three months seems excessive, but the spirit of gloom gripping global investors generally may be beneficial to attitudes of political cooperation to achieve common objectives. We believe that worries of further stock price decline are outweighed by the prospects for gains from the new level with better chances for gain in the fourth quarter than in the current quarter judging by past seasonal patterns.

Kurt H. Wulff, CFA

<b>Gazprom</b>					
<b>Functional Cash Flow and Present Value</b>					
	<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>	
Natural Gas	4,900	31.2	8.2	40,000	11%
Oil	6,700	26.3	6.7	45,000	13%
Downstream	50,400		5.4	274,000	76%
	62,000	30.7	5.8	359,000	100%
Debt (US\$mm)					37,000
Net Present Value (US\$mm)					322,000
Shares (mm)					11,500
Net Present Value - Standard Estimate (US\$/sh)					28
NPV Approximation by Cash Flow Multiple Depending on Reserve Life (US\$/sh)					38



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<b>Gazprom</b>									
<b>Natural Gas Sales</b>									
	<i>Q2</i>	<i>Q3</i>	<i>Q4</i>	<i>Year</i>	<i>Q1</i>	<i>Q2</i>	<i>Q3</i>	<i>Q4</i>	<i>Year</i>
	<i>6/30/10</i>	<i>9/30/10</i>	<i>12/31/10</i>	<i>2010</i>	<i>3/31/11</i>	<i>6/30/11</i>	<i>9/30/11</i>	<i>12/31/11</i>	<i>2011</i>
<b>Volume</b> (billion cubic meters)									
Europe	34.3	30.8	40.3	<b>148</b>	46.6	40.0	28.2	41.8	<b>157</b>
Former Soviet Union	14.6	15.3	23.3	<b>70</b>	29.2	17.6	15.7	19.2	<b>82</b>
Russia	48.2	40.7	85.9	<b>277</b>	102.5	51.7	40.3	86.2	<b>281</b>
Total (bcm)	97.1	86.8	149.5	<b>496</b>	178.3	109.3	84.2	147.2	<b>519</b>
Total (bcf)	3,428	3,064	5,277	<b>17,495</b>	6,294	3,858	2,972	5,196	<b>18,321</b>
Daily (bcfd)	37.7	33.3	57.4	<b>47.9</b>	69.9	42.4	32.3	56.5	<b>50.2</b>
<b>Price</b> (Russian Rubles/cubic meter)									
Europe	7.00	8.02	8.09	<b>7.42</b>	8.56	8.58	10.07	9.88	<b>9.19</b>
FSU	6.44	6.67	6.87	<b>6.41</b>	7.02	7.16	8.15	9.27	<b>7.80</b>
Russia	2.30	2.29	2.33	<b>2.30</b>	2.60	2.57	2.56	2.75	<b>2.63</b>
Total (RR/cm)	4.58	5.09	4.59	<b>4.41</b>	4.88	5.51	6.12	5.63	<b>5.42</b>
Rubles/Dollar	30.32	30.60	30.71	<b>30.37</b>	29.23	27.99	29.17	31.22	<b>29.40</b>
Total (\$/mcf)	4.28	4.71	4.23	<b>4.12</b>	4.73	5.57	5.94	5.10	<b>5.23</b>
Henry Hub (\$/mmbtu)	4.09	4.38	3.80	<b>4.40</b>	4.11	4.32	4.19	3.55	<b>4.04</b>
<b>Revenue</b> (RUB billion)									
Europe	240	247	326	<b>1,099</b>	399	343	284	413	<b>1,439</b>
FSU	94	102	160	<b>450</b>	205	126	128	178	<b>637</b>
Russia	111	93	200	<b>637</b>	266	133	103	237	<b>739</b>
Total Natural Gas	445	442	686	<b>2,186</b>	870	602	515	828	<b>2,815</b>



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<b>Gazprom</b>									
<b>Operating and Financial Results</b>									
									<i>Next Twelve Months</i>
	<i>Q1</i>	<i>Q4</i>	<i>Year</i>	<i>Q1E</i>	<i>Q2E</i>	<i>Q3E</i>	<i>Q4E</i>	<i>Year</i>	<i>2012E</i>
	<i>3/31/11</i>	<i>12/31/11</i>	<i>2011</i>	<i>3/31/12</i>	<i>6/30/12</i>	<i>9/30/12</i>	<i>12/31/12</i>	<i>2012E</i>	<i>6/30/13</i>
<b>Volume</b>									
Natural gas (bcf)	5,034	4,833	<b>18,116</b>	5,034	4,540	3,710	4,833	<b>18,116</b>	<b>18,116</b>
Natural Gas (bcfd)	55.9	52.5	<b>49.6</b>	55.9	49.9	40.3	52.5	<b>49.5</b>	<b>49.6</b>
Days	90	92	<b>365</b>	91	91	92	92	<b>366</b>	<b>365</b>
Oil (mmb)	81.7	87.2	<b>315</b>	86.2	86.2	87.2	87.2	<b>347</b>	<b>346</b>
Oil (mbd)	908	947	<b>863</b>	947	947	947	947	<b>947</b>	<b>947</b>
Total gas & oil (bcf)	5,524	5,355	<b>20,007</b>	5,551	5,057	4,233	5,355	<b>20,196</b>	<b>20,191</b>
Total gas & oil (mbd))	10,230	9,702	<b>9,136</b>	10,269	9,262	7,668	9,702	<b>9,197</b>	<b>9,219</b>
<b>Price</b>									
Henry Hub (\$/mmbtu)	4.11	3.55	<b>4.04</b>	2.73	2.21	2.80	3.11	<b>2.71</b>	<b>3.22</b>
Natural gas (RR/cm)	4.88	5.63	<b>5.49</b>	5.03	6.11	6.83	5.87	<b>5.96</b>	<b>6.08</b>
Rubles/Dollar	29.23	31.22	<b>29.40</b>	30.16	31.07	32.57	32.57	<b>31.59</b>	<b>32.57</b>
Natural gas (\$/cm)	167	180	<b>188</b>	167	197	210	180	<b>188</b>	<b>188</b>
Natural gas (\$/mcf)	4.73	5.10	<b>5.34</b>	4.73	5.57	5.94	5.10	<b>5.34</b>	<b>5.34</b>
Oil (\$/bbl)									
WTI Cushing	94.10	94.06	<b>95.12</b>	102.93	93.32	83.70	84.79	<b>86.68</b>	<b>85.30</b>
Urals c.i.f. Med	102.67	108.55	<b>109.20</b>	117.02	106.09	95.16	96.40	<b>98.55</b>	<b>96.97</b>
Total gas & oil (\$/mcf)	5.83	6.37	<b>6.51</b>	6.11	6.81	7.17	6.17	<b>26</b>	<b>6.41</b>
<b>Revenue (RUB billion)</b>									
Natural Gas	696	770	<b>2,817</b>	718	786	718	803	<b>3,055</b>	<b>3,121</b>
Oil	245	295	<b>1,012</b>	304	284	270	274	<b>1,080</b>	<b>1,092</b>
Other	376	275	<b>808</b>	275	275	275	275	<b>1,098</b>	<b>1,098</b>
Total	1,317	1,340	<b>4,637</b>	1,297	1,345	1,263	1,352	<b>5,256</b>	<b>5,312</b>
<b>Expense</b>									
	751	736	<b>2,662</b>	712	873	923	742	<b>3,251</b>	<b>3,301</b>
<b>Ebitda (RUB billion)</b>									
Exploration and Production	73	91	<b>339</b>	91	95	88	96	<b>370</b>	<b>375</b>
Other	493	514	<b>1,636</b>	493	377	251	514	<b>1,636</b>	<b>1,636</b>
Total Ebitda	566	604	<b>1,975</b>	584	472	339	609	<b>2,005</b>	<b>2,010</b>
Deprec., Deplet., & Amort.	116	116	<b>460</b>	116	116	116	116	<b>464</b>	<b>464</b>
Other non cash	(132)		<b>(132)</b>					<b>-</b>	<b>-</b>
<b>Ebit</b>									
	582	488	<b>1,647</b>	468	356	223	493	<b>1,541</b>	<b>1,546</b>
<b>Interest</b>									
<b>Ebt</b>									
	582	488	<b>1,647</b>	468	356	223	493	<b>1,541</b>	<b>1,546</b>
Income Tax	113	104	<b>337</b>	103	78	49	108	<b>338</b>	<b>339</b>
<b>Net Income (RUB billion)</b>									
	469	384	<b>1,310</b>	366	278	174	385	<b>1,203</b>	<b>1,207</b>
<b>Shares (billions)</b>									
	23.0	23.0	<b>23.0</b>	23.0	23.0	23.0	23.0	<b>23.0</b>	<b>23.0</b>
Per share (RUB)	20.39	16.71	<b>56.95</b>	15.90	12.09	7.58	16.75	<b>52.32</b>	<b>52.49</b>
Ebitda Margin (E&P)	8%	9%	<b>9%</b>	9%	9%	9%	9%	<b>9%</b>	<b>9%</b>
Tax Rate	19%	21%	<b>20%</b>	22%	22%	22%	22%	<b>22%</b>	<b>22%</b>



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										<i>Present Value by Segment (%)</i>	
		<i>Price</i>	<i>EV/</i>	<i>Enterprise</i>	<i>North</i>	<i>Rest</i>					
		<i>(US\$/sh)</i>	<i>Market</i>	<i>Value</i>	<i>Amer.</i>	<i>of World</i>					
<i>Symbol/Rating</i>		<i>2-Jul</i>	<i>Cap</i>	<i>(\$mm)</i>	<i>Natural</i>	<i>Natural</i>	<i>Oil</i>	<i>Down-</i>	<i>McDep</i>		
<i>B = Buy, CB (see below)</i>		<i>2012</i>			<i>Gas</i>	<i>Gas</i>	<i>Prod'n</i>	<i>stream</i>	<i>Ratio</i>		
<b>U.S. and Europe Integrated</b>											
BG Group	BRGYY	20.96	1.26	89,900		23	41	36	1.00		
Exxon Mobil Corporation	XOM B	85.34	1.19	479,000	8	19	57	16	0.80		
Royal Dutch Shell plc	RDS-A CB	67.79	1.29	273,000	3	22	56	18	0.72		
Chevron Corporation	CVX B	105.86	1.14	238,000	3	11	76	10	0.65		
Statoil ASA (33%)	STO CB	24.26	1.51	38,400		35	65	-	0.65		
BP plc	BP	40.69	1.65	215,000	4	9	62	25	0.61		
Total S.A.	TOT CB	45.50	1.39	143,000		23	63	14	0.54		
<i>Total or Median</i>				<i>1,476,000</i>			<i>62</i>		<i>0.65</i>		
<b>Brazil/Russia/Australia/China</b>											
CNOOC Limited (36%)	CEO	202.35	1.02	33,200		9	91	-	0.81		
Woodside Petroleum Ltd.	WOPEY	32.65	1.29	34,000		60	40	-	0.77		
PetroChina Company Ltd (14%)	PTR CB	129.29	1.37	45,300		15	70	14	0.69		
Petrobras	PBR CB	19.07	1.61	199,000		6	81	14	0.54		
Gazprom (50%)	OGZPY CB	9.52	1.34	73,000		11	13	76	0.41		
Lukoil Oil Company	LUKOY CB	55.75	1.01	44,800			71	29	0.37		
<i>Total or Median</i>				<i>429,000</i>			<i>71</i>		<i>0.61</i>		
<b>U.S. Independent</b>											
Chesapeake Energy Corp.	CHK	18.73	2.48	35,000	64		36	-	0.85		
Anadarko Petroleum Corp.	APC	65.66	1.53	50,500	33		64	3	0.83		
Southwestern Energy Company	SWN	31.90	1.15	12,900	100			-	0.82		
Occidental Petroleum Corp.	OXY CB	85.94	1.11	77,500	9	1	80	10	0.74		
EOG Resources, Inc.	EOG CB	88.94	1.24	29,900	29	4	67	-	0.73		
ConocoPhillips	COP CB	55.73	1.48	105,000	13	13	74	-	0.67		
Devon Energy Corporation	DVN CB	57.13	1.35	31,200	49		51	-	0.63		
Marathon Oil Corporation	MRO CB	25.30	1.48	26,600	7	3	90	-	0.57		
<i>Total or Median</i>				<i>369,000</i>			<i>67</i>		<i>0.73</i>		
<b>Canada</b>											
Penn West Exploration	PWE	13.81	1.71	10,900	18		82	-	0.78		
Cenovus Energy Inc.	CVE CB	32.42	1.29	31,700	11		75	13	0.73		
Imperial Oil Limited (30%)	IMO CB	42.58	1.17	12,800	2		84	14	0.72		
EnCana Corporation	ECA B	20.47	1.60	24,100	90		10	-	0.67		
Suncor Energy	SU CB	28.96	1.30	58,800	2		83	15	0.52		
Canadian Oil Sands Limited	COSWF CB	19.44	1.20	11,400			100	-	0.42		
<i>Total or Median</i>				<i>150,000</i>			<i>83</i>		<i>0.69</i>		
<b>Composite</b>				<i>2,424,000</i>	<i>8</i>	<i>14</i>	<i>63</i>	<i>16</i>	<i>0.66</i>		

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



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<b>McDep Large Cap Energy Stocks</b>								
<b>Net Present Value and McDep Ratio</b>								
			Price (US\$/sh)	Shares	Market Cap (US\$mm)	Net Present Value (US\$/sh)	Debt/ Present Value	McDep Ratio
	Symbol/Rating		2-Jul 2012	(mm)				
B = Buy, CB (see below)								
<b>U.S. and Europe Integrated</b>								
BG Group plc	BRGYY		20.96	3,416	71,600	21.00	0.20	1.00
Exxon Mobil Corporation	XOM	B	85.34	4,716	403,000	110.00	0.13	0.80
Royal Dutch Shell plc	RDS-A	CB	67.79	3,120	212,000	102.00	0.16	0.72
Chevron Corporation	CVX	B	105.86	1,979	210,000	170.00	0.08	0.65
Statoil ASA (33%)	STO	CB	24.26	1,050	25,500	44.00	0.22	0.65
BP plc	BP		40.69	3,207	131,000	84.00	0.24	0.61
Total S.A.	TOT	CB	45.50	2,265	103,000	100.00	0.15	0.54
	<i>Total or Median</i>				<i>1,156,000</i>		<i>0.16</i>	<i>0.65</i>
<b>Brazil/Russia/Australia/China</b>								
CNOOC Limited (36%)	CEO		202.35	161	32,600	250.00	0.02	0.81
Woodside Petroleum Ltd.	WOPEY		32.65	797	26,000	45.00	0.17	0.77
PetroChina Company Ltd (14%)	PTR	CB	129.29	256	33,100	210.00	0.18	0.69
Petrobras	PBR	CB	19.07	6,489	123,700	45.00	0.20	0.54
Gazprom (50%)	OGZPY	CB	9.52	5,750	54,700	28.00	0.10	0.41
Lukoil Oil Company	LUKOY	CB	55.75	794	44,300	150.00	0.00	0.37
	<i>Total or Median</i>				<i>314,000</i>		<i>0.14</i>	<i>0.61</i>
<b>U.S. Independent</b>								
Chesapeake Energy Corp.	CHK		18.73	753	14,100	27.00	0.51	0.85
Anadarko Petroleum Corp.	APC		65.66	501	32,900	86.00	0.29	0.83
Southwestern Energy Company	SWN		31.90	350	11,200	40.00	0.11	0.82
Occidental Petroleum Corp.	OXY	CB	85.94	811	69,700	120.00	0.07	0.74
EOG Resources, Inc.	EOG	CB	88.94	270	24,000	130.00	0.14	0.73
ConocoPhillips	COP	CB	55.73	1,270	71,000	96.00	0.22	0.67
Devon Energy Corporation	DVN	CB	57.13	405	23,100	102.00	0.16	0.63
Marathon Oil Corporation	MRO	CB	25.30	710	17,960	54.00	0.18	0.57
	<i>Total or Median</i>				<i>264,000</i>		<i>0.17</i>	<i>0.73</i>
<b>Canada</b>								
Penn West Exploration	PWE		13.81	473	6,400	20.00	0.32	0.78
Cenovus Energy Inc.	CVE	CB	32.42	760	24,600	48.00	0.16	0.73
Imperial Oil Limited (30%)	IMO	CB	42.58	256	10,900	62.00	0.11	0.72
EnCana Corporation	ECA	B	20.47	736	15,100	37.00	0.25	0.67
Suncor Energy	SU	CB	28.96	1,567	45,400	64.00	0.12	0.52
Canadian Oil Sands Limited	COSWF	CB	19.44	485	9,400	52.00	0.07	0.42
	<i>Total or Median</i>				<i>112,000</i>		<i>0.14</i>	<i>0.69</i>
CB=Contrarian Buy, Stock Price may in downtrend compared to 200-day average.								
McDep Ratio = Market cap and Debt to present 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, \$6 a million btu.								



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			<i>Price</i> <i>(US\$/sh)</i>	<i>Adjustd</i> <i>Resrvs/</i>	<i>PV/</i>	<i>EV/</i>		<i>Dividend</i>
	<i>Symbol/Rating</i>		<i>2-Jul</i>	<i>Prod</i>	<i>Ebitda</i>	<i>Ebitda</i>	<i>P/E</i>	<i>NTM</i>
	B = Buy, CB (see below)		<i>2012</i>	<i>NTM</i>	<i>NTM</i>	<i>NTM</i>	<i>NTM</i>	<i>(%)</i>
<b>U.S. and Europe Integrated</b>								
BG Group plc	BRGY		20.96	8.6	7.9	7.9	14	1.1
Exxon Mobil Corporation	XOM	B	85.34	13.0	8.4	6.7	12	2.7
Royal Dutch Shell plc	RDS-A	CB	67.79	10.0	7.3	5.3	10	5.1
Chevron Corporation	CVX	B	105.86	9.2	7.9	5.2	10	3.4
BP plc	BP		40.69	11.0	8.3	5.1	7	4.1
Statoil ASA (33%)	STO	CB	24.26	6.2	6.7	4.3	8	4.3
Total S.A.	TOT	CB	45.50	10.1	7.9	4.2	7	6.3
	<i>Median</i>			<i>10.0</i>	<i>7.9</i>	<i>5.2</i>	<i>10</i>	<i>4.1</i>
<b>Brazil/Russia/Australia/China</b>								
Woodside Petroleum Ltd.	WOPEY		32.65	13.2	8.9	6.9	10	3.4
PetroChina Company Ltd (14%)	PTR	CB	129.29	13.0	7.6	5.2	11	4.0
CNOOC Limited (36%)	CEO		202.35	6.9	6.2	5.0	10	3.4
Petrobras	PBR	CB	19.07	12.6	8.6	4.7	6	5.5
Gazprom (50%)	OGZPY	CB	9.52	31.2	5.8	2.4	3	5.8
Lukoil Oil Company	LUKOY	CB	55.75	16.3	6.0	2.3	4	4.1
	<i>Median</i>			<i>13.1</i>	<i>6.9</i>	<i>4.8</i>	<i>8</i>	<i>4.1</i>
<b>U.S. Independent</b>								
Southwestern Energy Company	SWN		31.90	7.9	14.7	12.1	22	-
Chesapeake Energy Corp.	CHK		18.73	9.8	11.2	9.5	17	1.9
Anadarko Petroleum Corp.	APC		65.66	8.4	8.1	6.7	25	0.5
Occidental Petroleum Corp.	OXY	CB	85.94	10.1	7.8	5.8	12	2.5
EOG Resources, Inc.	EOG	CB	88.94	9.0	7.6	5.6	20	0.8
ConocoPhillips	COP	CB	55.73	12.2	8.3	5.6	11	4.7
Devon Energy Corporation	DVN	CB	57.13	9.9	8.7	5.5	11	1.4
Marathon Oil Corporation	MRO	CB	25.30	10.3	7.6	4.3	10	2.7
	<i>Median</i>			<i>9.8</i>	<i>8.2</i>	<i>5.7</i>	<i>15</i>	<i>1.6</i>
<b>Canada</b>								
EnCana Corporation	ECA	B	20.47	8.4	14.4	9.6		3.9
Imperial Oil Limited (30%)	IMO	CB	42.58	36.9	11.8	8.5	11	1.1
Penn West Exploration	PWE		13.81	7.3	9.8	7.6	22	7.7
Cenovus Energy Inc.	CVE	CB	32.42	12.5	9.7	7.0	14	2.7
Canadian Oil Sands Limited	COSWF	CB	19.44	19.3	13.1	5.5	8	7.1
Suncor Energy	SU	CB	28.96	16.7	10.6	5.5	10	1.5
	<i>Median</i>			<i>14.6</i>	<i>11.2</i>	<i>7.3</i>	<i>11</i>	<i>3.3</i>
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, 2013; P/E = Stock Price to Earnings; PV = Present Value of oil and gas and other businesses								



# Meter Reader

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July 3, 2012

Table 4								
McDep Large Cap Energy Stocks								
Rank by Enterprise Value to 200 Day Average								
			Price					
	Symbol		(\$/sh)	Enterprise Value/				
			2-Jul	52Wk	52Wk	50 Day	200 Day	McDep
		Rating	2012	High	Low	Avg.	Avg.	Ratio
<b>U.S. and Europe Integrated</b>								
Exxon Mobil Corporation	XOM	B	85.34	0.98	1.22	1.03	1.03	0.80
Chevron Corporation	CVX	B	105.86	0.95	1.19	1.04	1.02	0.65
Royal Dutch Shell plc	RDS-A	CB	67.79	0.92	1.13	1.02	0.99	0.72
BP plc	BP		40.69	0.90	1.12	1.02	0.98	0.61
BG Group plc	BRGY		20.96	0.88	1.15	1.02	0.98	1.00
Statoil ASA (33%)	STO	CB	24.26	0.89	1.13	1.00	0.97	0.65
Total S.A.	TOT	CB	45.50	0.83	1.10	1.01	0.94	0.54
	<i>Median</i>			<i>0.90</i>	<i>1.13</i>	<i>1.02</i>	<i>0.98</i>	<i>0.65</i>
<b>Brazil/Russia/Australia/China</b>								
CNOOC Limited (36%)	CEO		202.35	0.85	1.42	1.05	1.04	0.81
Lukoil Oil Company	LUKOY	CB	55.75	0.82	1.20	1.02	0.98	0.37
PetroChina Company Ltd (14%)	PTR	CB	129.29	0.88	1.11	0.97	0.97	0.69
Woodside Petroleum Ltd.	WOPEY		32.65	0.78	1.09	0.99	0.95	0.77
Gazprom (50%)	OGZPY	CB	9.52	0.70	1.08	0.98	0.89	0.41
Petrobras	PBR	CB	19.07	0.66	1.06	0.96	0.83	0.54
	<i>Median</i>			<i>0.80</i>	<i>1.10</i>	<i>0.99</i>	<i>0.96</i>	<i>0.61</i>
<b>U.S. Independent</b>								
Southwestern Energy Company	SWN		31.90	0.68	1.21	1.09	0.96	0.82
Occidental Petroleum Corp.	OXY	CB	85.94	0.81	1.26	1.02	0.95	0.74
Marathon Oil Corporation	MRO	CB	25.30	0.79	1.20	0.99	0.93	0.57
Chesapeake Energy Corp.	CHK		18.73	0.73	1.13	1.04	0.92	0.85
Anadarko Petroleum Corp.	APC		65.66	0.81	1.10	1.00	0.91	0.83
Devon Energy Corporation	DVN	CB	57.13	0.74	1.09	0.95	0.91	0.63
EOG Resources, Inc.	EOG	CB	88.94	0.78	1.25	0.92	0.91	0.73
ConocoPhillips	COP	CB	55.73					0.67
	<i>Median</i>			<i>0.78</i>	<i>1.20</i>	<i>1.00</i>	<i>0.92</i>	<i>0.73</i>
<b>Canada</b>								
EnCana Corporation	ECA	B	20.47	0.74	1.12	1.01	1.02	0.67
Imperial Oil Limited (30%)	IMO	CB	42.58	0.88	1.26	1.01	0.99	0.72
Cenovus Energy Inc.	CVE	CB	32.42	0.84	1.14	1.01	0.97	0.73
Suncor Energy	SU	CB	28.96	0.74	1.21	1.00	0.96	0.52
Canadian Oil Sands Limited	COSWF	CB	19.39	0.69	1.11	0.97	0.92	0.42
Penn West Exploration	PWE		13.81	0.69	1.05	0.96	0.84	0.78
	<i>Median</i>			<i>0.74</i>	<i>1.13</i>	<i>1.00</i>	<i>0.96</i>	<i>0.69</i>

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



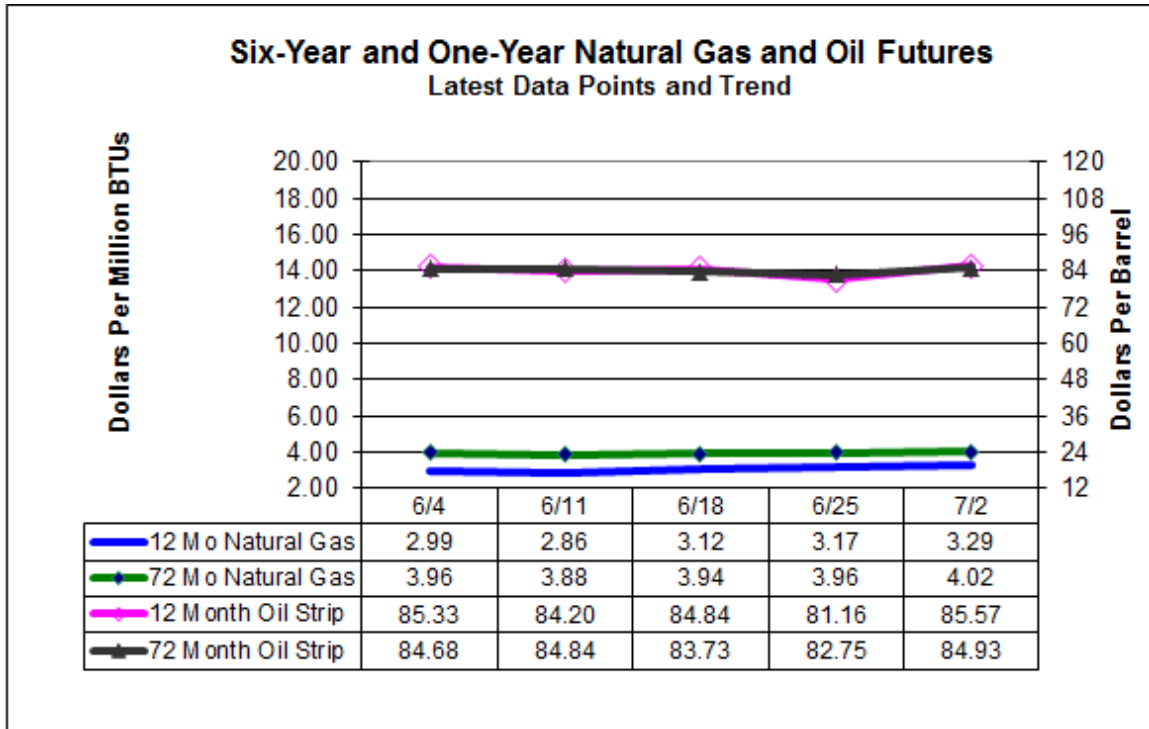
<b>Index of Recent Research</b>			
<b>Stock Ideas</b>			
<u>Date</u>	<u>Symbol</u>	<u>Subject</u>	<u>Theme</u>
26-Jun	STO	Statoil	Financially Strong Norse Explorers (Meter Reader)
22-Jun	CLR, HK	Continental, Halcon Resources	Great Energy Entrepreneurs - Hamm (CLR), Wilson (HK) - (ISCW)
19-Jun	CVE	Cenovus	Deep Oil Sands Growth at Lower Price (Meter Reader)
12-Jun	PBR	Petrobras	Deep Water Oil Growth, Lower NPV to \$45 (Meter Reader)
12-Jun	BRGYY	BG Group	Lower NPV to \$21 (6/12/12 Meter Reader, page 2)
13-Jun	ERF	Enerplus Corporation	Dividend Reduced by Half
8-Jun	SJT	San Juan Basin Royalty Trust	Price Decline Action in SJT and Royalty Trusts (ISCW)
5-Jun	WOPEY	Woodside Petroleum Ltd.	Pluto LNG Delivering (Meter Reader)
25-May	HGT	Hugoton Royalty Trust	HGT Bargain (Income and Small Cap Weekly)
22-May	HGT	Hugoton Royalty Trust	Panic Selling on Possible Legal Settlement
18-May	BIREF	Birchcliff Energy	Contrarian Buy at Lower NPV (Income and Small Cap Weekly)
15-May	EOG	EOG Resources	Raise NPV to \$130 a Share on Oil Volume (Meter Reader)
11-May	DMLP	Dorchester Minerals, L.P.	Rising Oil Production (Income and Small Cap Wkly)
8-May	ECA	Encana	Long-Term Natural Gas Appeal (Meter Reader)
4-May	WLL	Whiting Petroleum	Oil Price Discount Narrows (Income and Small Cap Weekly)
1-May	COSWF	Canadian Oil Sands Limited	Dividend Raised 17%
1-May	RDS	Royal Dutch Shell	LNG and GTL Profit Gains (Meter Reader)
27-Apr	RRC	Range Resources	Shale Strength (Income and Small Cap Weekly)
17-Apr	COP	ConocoPhillips	Largest North American Independent Producer Debut (MR)
10-Apr	DVN	Devon Energy	Shale Oil Excitement at a Favorite Value Stock (Meter Reader)
3-Apr	PTR	PetroChina	Global Growth in Oil and Gas (Meter Reader)
20-Mar	CVX	Chevron	Investing in Australian LNG for Growth (Meter Reader)
13-Mar	XOM	Exxon Mobil	Renewable Energy Cash Flow (Meter Reader)
6-Mar	IMO	Imperial Oil	Kearl Startup Late This Year (Meter Reader)
20-Feb	OGZPY	Gazprom	Dividend Double Expected (Meter Reader)
17-Feb	XEC	Cimarex Energy	Permian Payoff (ISCW)
13-Feb	TOT	Total	Sharpening Competitive Edge (Meter Reader)
3-Feb	CRT	Cross Timbers Royalty Trust	Firm Oil Balances Soft Natural Gas (ISCW)
31-Jan	OXY	Occidental Petroleum	Delivering U.S. Oil Results (Meter Reader)
27-Jan	PEID	PDC Energy	Raise NPV to \$40 from \$36 on Reserves and Production (ISCW)
24-Jan	SU	Suncor Energy	Oil as a Political Weapon against Canada (Meter Reader)
17-Jan	MRO	Marathon Oil	Oil Resources and Shale Growth (Meter Reader)
For historical research by stock, go to <a href="http://mcdep.com">mcdep.com</a> , click on <b>Stock Ideas</b> , click on stock by name.			
<b>Meter Reader</b>			
26-Jun	STO	Statoil	Financially Strong Norse Explorers
19-Jun	CVE	Cenovus	Deep Oil Sands Growth at Lower Price
12-Jun	PBR	Petrobras	Deep Water Oil Growth at Deeply Depressed Stock
5-Jun	WOPEY	Woodside Petroleum Ltd.	Pluto LNG Delivering
29-May			<i>No <b>Meter Reader</b> as we were traveling in Australia</i>
For earlier editions, go to <a href="http://mcdep.com">mcdep.com</a> , click on <b>Meter Reader</b> .			
<b>Income and Small Cap Weekly</b>			
29-Jun			Natural Gas Rising from the Price Gloom
22-Jun	CLR, HK	Continental, Halcon Resources	Two Great Energy Entrepreneurs - Hamm (CLR), Wilson (HK)
15-Jun	ERF, HGT	Enerplus, Hugoton Royalty Trust	Energy Price Action and Income Hysteria
8-Jun	SJT	San Juan Basin Royalty Trust	Price Decline Action in SJT and Royalty Trusts
1-Jun			<i>No <b>Income and Small Cap Weekly</b> (traveling in Australia)</i>
For earlier editions, go to <a href="http://mcdep.com">mcdep.com</a> , click on <b>Energy Income</b> .			



# Meter Reader

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