



# Meter Reader

A Weekly Analysis of Large Cap Oil and Gas Stocks

September 25, 2012

## ConocoPhillips (COP) Thriving Shale Oil, Potential Shale Gas

<i>Symbol</i>	COP	<i>Ebitda Next Twelve Months ending 9/30/13 (US\$m)</i>	18,600
<i>Rating</i>	Buy	<i>North American Natural Gas/Ebitda (%)</i>	8
<i>Price (US\$/sh)</i>	57.96	<i>Natural Gas and Oil Production/Ebitda (%)</i>	100
<i>Pricing Date</i>	9/24/12	<i>Adjusted Reserves/Production NTM</i>	12.7
<i>Shares (mm)</i>	1230	<i>EV/Ebitda</i>	5.9
<i>Market Capitalization (US\$m)</i>	71,300	<i>PV/Ebitda</i>	8.5
<i>Debt (US\$m)</i>	39,000	<i>Undeveloped Reserves (%)</i>	29
<i>Enterprise Value (EV) (US\$m)</i>	110,000	<i>Natural Gas and Oil Ebitda (US\$/boe)</i>	33.00
<i>Present Value (PV) (US\$m)</i>	157,000	<i>Present Value Proven Reserves(US\$/boe)</i>	18.72
<i>Net Present Value (US\$/share)</i>	96	<i>Present Value Proven Reserves(US\$/mcf)</i>	3.12
<i>Debt/Present Value</i>	0.25	<i>Earnings Next Twelve Months (US\$/sh)</i>	5.11
<i>McDep Ratio - EV/PV</i>	0.70	<i>Price/Earnings Next Twelve Months</i>	11
<i>Dividend Yield (%/year)</i>	4.6	<i>Indicated Annual Dividend (US\$/sh)</i>	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, \$6 a million btu.			
For historical analysis of COP since 2002 see <a href="http://www.mcdep.com/2cocp.htm">www.mcdep.com/2cocp.htm</a>			

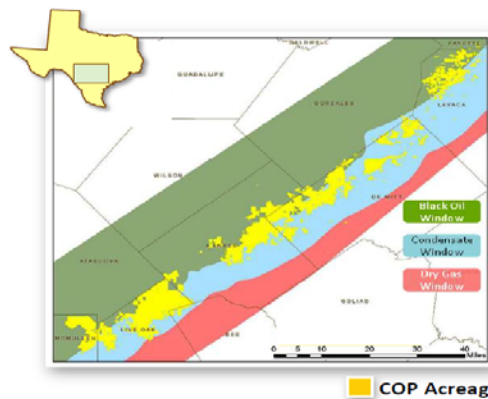
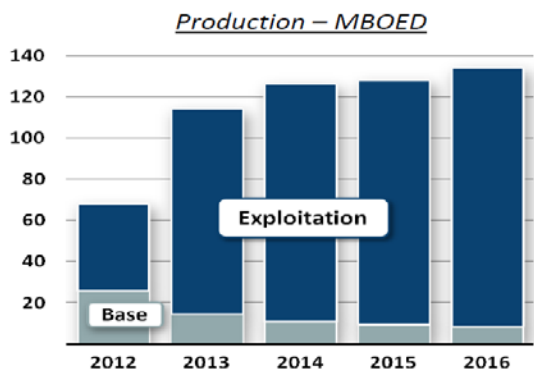
### Summary and Recommendation

We recommend the common stock of independent oil and gas producer **ConocoPhillips (COP)** for unlevered appreciation potential of 42% to estimated net present value (NPV) of \$96 a share. Active drilling on company lands in each of the top three shale oil plays, Eagle Ford, Bakken and Permian, promises 70% of 300,000 barrels equivalent daily of COP worldwide production growth expected by 2016 (see slides [Eagle Ford](#) and [Permian](#) on page 2). We are intrigued that the traditionally valuable San Juan Basin may attract new enthusiasm as COP applies breakthrough fracking to the Mancos shale, a rich formation historically not willing to give up its natural gas as readily as the Mesa Verde, Dakota, and Fruitland which are the main contributors of current production. Other sources of growth that chief executive Ryan Lance emphasizes include Canada, the North Sea, Australia and Malaysia. Recent press reports allude to a \$6 billion deal with oil companies from India, which would buy into the company's deep oil sands resources in Canada (see slide [Canada SAGD](#) on page 3). Oil dominates NPV at 74% while natural gas is nearly half of volume (see tables [Functional Cash Flow and Present Value](#) on page 3 and [Next Twelve Months Operating and Financial Estimates](#) on page 4). In an optimistic sign for future value, natural gas for the next six years, priced recently at \$4.24 a million Btu, trades at its highest weekly level since mid-January when the warm winter price collapse began (chart [Natural Gas Futures](#) on page 10). The history-making, for its size, separation of the predecessor integrated company into an independent producer, COP, and an independent refiner/petrochemical company, Phillips 66 (PSX), appears to have been well-timed for stockholder success, especially evident in PSX's 35% stock price advance.

Kurt H. Wulff, CFA

## Eagle Ford – Best Position in Best Play

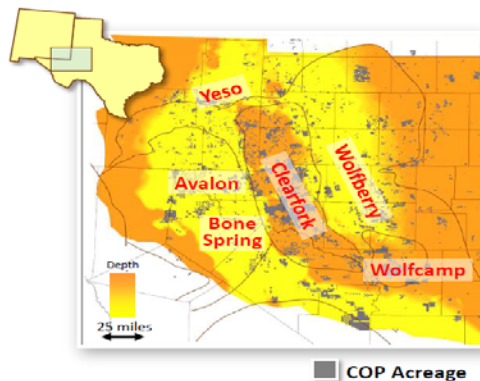
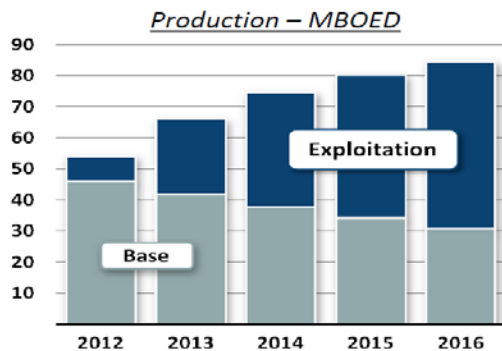
- 228 M net acres in liquids-rich play (77% liquids) with 1.8 BBOE resources
- 2012 program: over 180 wells with 16 rigs; \$2.5 B investment; 50%+ return<sup>1</sup>
- Wells lead industry performance with \$37/BBL breakeven WTI<sup>2</sup>



<sup>1</sup> Project returns use internal forecast numbers. Price assumptions vary depending on project startup.  
<sup>2</sup> Source: ITG IR (Ross Smith Energy Group), September 2011.

## Permian – Emerging Liquids Growth

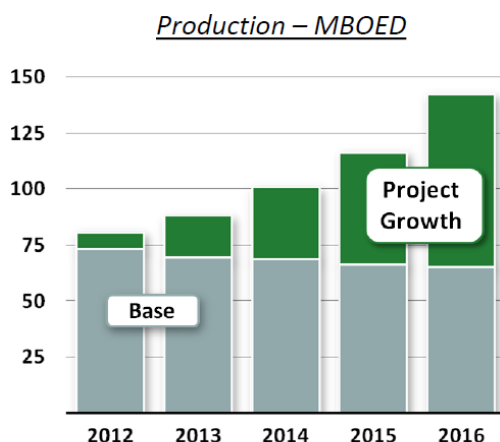
- 1.1 MM net acres in liquids-rich play (60% liquids) with 1.1 BBOE resources
- 2012 program: over 300 gross wells; \$0.6 B investment; 40%+ return<sup>1</sup>
- Exposure in every play; over 7,000 gross identified well locations
- Promising early results in Avalon and Wolfcamp plays



<sup>1</sup> Project returns use internal forecast numbers. Price assumptions vary depending on project startup.

## Canada SAGD – World-Class Assets

- 2012 program: \$2.3 B investment; average project returns of 13%+<sup>1</sup>
- Repeatable manufacturing improves capital efficiency and time to first oil
- Opportunity to unlock additional 8.6 BBOE resources with technology



Surmont 1 Central Processing Facility



<sup>1</sup> Project returns use internal forecast numbers. Price assumptions vary depending on project startup.

ConocoPhillips					
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	1,420	13.4	14.8	21,000	13%
Rest of World Natural Gas	2,850	11.4	7.0	20,000	13%
Oil	14,290	12.9	8.1	116,000	74%
	18,560	12.7	8.5	157,000	100%
Debt (US\$mm)					39,000
Net Present Value (US\$mm)					118,000
Shares (mm)					1,230
Net Present Value - Standard Estimate (US\$/sh)					96
NPV Approximation by Cash Flow Multiple Depending on Reserve Life (US\$/sh)					107



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ConocoPhillips									
Next Twelve Months Operating and Financial Estimates									
	Q3	Q2	Q3E	Q4E	Year	Q1E	Q2E	Q3E	Next Twelve Months
	9/30/11	6/30/12	9/30/12	12/31/12	2012E	3/31/13	6/30/13	9/30/13	9/30/13
<b>Volume</b>									
Natural Gas (mmcf)									
North America	2,546	2,376	2,376	2,376	<b>2,388</b>	2,376	2,376	2,376	<b>2,376</b>
Overseas	1,851	1,777	1,851	1,950	<b>1,894</b>	1,998	1,777	1,851	<b>1,894</b>
Total	4,397	4,153	4,227	4,326	<b>4,282</b>	4,374	4,153	4,227	<b>4,270</b>
Oil (mbd)	805	850	842	833	<b>856</b>	833	833	825	<b>831</b>
Total gas & oil (bcf)	849	842	853	858	<b>3,447</b>	844	833	844	<b>3,378</b>
Total gas & oil (mbd)	1,538	1,542	1,546	1,554	<b>1,570</b>	1,562	1,525	1,529	<b>1,543</b>
<b>Price</b>									
Natural gas (\$/mcf)									
Henry Hub (\$/mmbtu)	4.19	2.21	2.80	3.07	<b>2.70</b>	3.50	3.54	3.64	<b>3.44</b>
North America	3.95	1.96	2.49	2.72	<b>2.41</b>	3.11	3.14	3.23	<b>3.05</b>
Overseas	7.52	7.68	7.68	7.68	<b>7.67</b>	7.68	7.68	7.68	<b>7.68</b>
Total	5.45	4.41	4.76	4.96	<b>4.74</b>	5.20	5.08	5.18	<b>5.10</b>
Oil (\$/bbl)									
WTI Cushing	89.76	93.32	92.24	92.04	<b>95.13</b>	92.98	93.55	93.20	<b>92.94</b>
Worldwide	94.13	88.72	87.69	87.50	<b>90.52</b>	87.39	87.93	87.60	<b>87.47</b>
Total gas & oil (\$/mcf)	10.81	10.13	10.13	10.12	<b>10.38</b>	10.19	10.31	10.26	<b>10.22</b>
<b>Revenue (\$mm)</b>									
Natural Gas									
North America	925	425	544	595	<b>2,106</b>	665	680	707	<b>2,647</b>
Overseas	1,280	1,242	1,308	1,378	<b>5,317</b>	1,381	1,242	1,308	<b>5,308</b>
Total	2,205	1,667	1,852	1,973	<b>7,423</b>	2,046	1,921	2,015	<b>7,955</b>
Oil	6,971	6,862	6,789	6,706	<b>28,362</b>	6,552	6,666	6,647	<b>26,571</b>
Other	54,453	6,637			<b>55,055</b>				
Total	63,629	15,166	8,641	8,679	<b>90,840</b>	8,598	8,588	8,662	<b>34,526</b>
<b>Expense (\$mm)</b>									
Exploration and Production	5,009	4,181	4,645	4,666	<b>18,767</b>	4,622	4,617	4,657	<b>18,561</b>
Other	2,670	273			<b>1,742</b>				
Total Ebitda	7,679	4,454	4,645	4,666	<b>20,509</b>	4,622	4,617	4,657	<b>18,561</b>
Exploration	266	270	200	200	<b>1,349</b>	300	200	200	<b>900</b>
Deprec., Deplet., & Amort.	1,870	1,626	1,700	1,700	<b>6,864</b>	1,700	1,700	1,700	<b>6,800</b>
<b>Ebit (\$mm)</b>									
Ebit	5,543	2,558	2,745	2,766	<b>12,296</b>	2,622	2,717	2,757	<b>10,861</b>
Interest	235	197	300	300	<b>1,006</b>	300	300	300	<b>1,200</b>
<b>Ebt (\$mm)</b>									
Ebt	5,308	2,361	2,445	2,466	<b>11,290</b>	2,322	2,417	2,457	<b>9,661</b>
Income Tax	1,858	826	856	863	<b>3,952</b>	813	846	860	<b>3,381</b>
<b>Net Income (\$mm)</b>									
Exploration and Production	2,192	-			<b>2,131</b>				
Other	1,530	-			<b>755</b>				
Unallocated	(272)	1,535			<b>1,261</b>				
Total	3,450	1,535	1,589	1,603	<b>7,339</b>	1,509	1,571	1,597	<b>6,280</b>
<b>Shares (millions)</b>									
Per share (\$)	1,369	1,258	1,245	1,233	<b>1,262</b>	1,233	1,233	1,221	<b>1,230</b>
Ebitda Margin (E&P)	2.52	1.22	1.28	1.30	<b>5.82</b>	1.22	1.27	1.31	<b>5.11</b>
Ebitda Margin (E&P)	55%	49%	54%	54%	<b>52%</b>	54%	54%	54%	<b>54%</b>
Tax Rate	35%	35%	35%	35%	<b>35%</b>	35%	35%	35%	<b>35%</b>



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**Table 1**

## McDep Large Cap Energy Stocks Geographic Domicile and Business Segments

										<i>Present Value by Segment (%)</i>				
										<i>North</i>	<i>Rest</i>			
										<i>Amer.</i>	<i>of World</i>			
										<i>Natural</i>	<i>Natural</i>	<i>Oil</i>	<i>Down-</i>	<i>McDep</i>
										<i>Gas</i>	<i>Gas</i>	<i>Prod'n</i>	<i>stream</i>	<i>Ratio</i>
<i>Symbol/Rating</i>	<i>Price</i>	<i>EV/</i>	<i>Enterprise</i>											
<i>B = Buy, CB (see below)</i>	<i>(US\$/sh)</i>	<i>24-Sep</i>	<i>Market</i>	<i>Value</i>										
	<i>2012</i>	<i>Cap</i>	<i>(\$mm)</i>											
<b>U.S. and Europe Integrated</b>														
BG Group	BRGYY		20.45	1.23	86,200			24	42	34	0.98			
Exxon Mobil Corporation	XOM	B	91.88	1.16	497,000		7	20	56	16	0.85			
Royal Dutch Shell plc	RDS-A	B	71.37	1.26	282,000		3	22	56	19	0.75			
Chevron Corporation	CVX	B	117.78	1.12	259,000		3	11	76	10	0.72			
Statoil ASA (33%)	STO	B	26.59	1.48	41,200			34	66	-	0.69			
BP plc	BP		43.26	1.62	226,000		4	8	63	25	0.63			
Total S.A.	TOT	B	52.35	1.37	162,000			22	64	14	0.60			
<i>Total or Median</i>					<i>1,553,000</i>				<i>63</i>		<i>0.72</i>			
<b>Brazil/Russia/Australia/China</b>														
Woodside Petroleum Ltd.	WOPEY		35.20	1.26	36,000			68	32	-	0.82			
CNOOC Limited (36%)	CEO		201.24	1.01	32,900			9	91	-	0.81			
PetroChina Company Ltd (14%)	PTR	CB	130.25	1.36	45,500			15	77	8	0.69			
Petrobras	PBR	CB	23.26	1.50	228,000			5	81	14	0.62			
Lukoil Oil Company	LUKOY	B	62.82	1.06	51,900				71	29	0.43			
Gazprom (50%)	OGZPY	CB	10.40	1.28	76,000			11	13	76	0.43			
<i>Total or Median</i>					<i>470,000</i>				<i>74</i>		<i>0.65</i>			
<b>U.S. Independent</b>														
EOG Resources, Inc.	EOG	B	113.21	1.19	36,400		32	4	64	-	0.89			
Chesapeake Energy Corp.	CHK		19.38	2.42	35,200		56		44	-	0.86			
Southwestern Energy Company	SWN		33.43	1.15	13,400	100				-	0.85			
Anadarko Petroleum Corp.	APC		70.17	1.48	51,900		34		63	3	0.78			
Occidental Petroleum Corp.	OXY	CB	86.81	1.13	79,400		8	1	81	10	0.75			
ConocoPhillips	COP	B	57.96	1.55	110,000		13	13	74	-	0.70			
Devon Energy Corporation	DVN	CB	60.24	1.35	32,800		46		54	-	0.66			
Marathon Oil Corporation	MRO	B	30.34	1.41	30,400		7	3	90	-	0.64			
<i>Total or Median</i>					<i>390,000</i>				<i>64</i>		<i>0.76</i>			
<b>Canada</b>														
Penn West Exploration	PWE		15.16	1.61	11,600		18		82	-	0.84			
Imperial Oil Limited (30%)	IMO	B	47.15	1.17	14,100		2		84	14	0.79			
Cenovus Energy Inc.	CVE	B	35.22	1.28	34,100		11		73	16	0.78			
EnCana Corporation	ECA	B	22.36	1.51	24,900		86		14	-	0.70			
Suncor Energy	SU	B	33.47	1.27	66,400		2		80	18	0.58			
Canadian Oil Sands Limited	COSWF	B	21.65	1.23	12,900				100	-	0.53			
<i>Total or Median</i>					<i>164,000</i>				<i>81</i>		<i>0.74</i>			
<b>Composite</b>					<b>2,577,000</b>		<b>7</b>	<b>14</b>	<b>63</b>	<b>16</b>	<b>0.70</b>			

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



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Table 2								
McDep Large Cap Energy Stocks								
Net Present Value and McDep Ratio								
			Price (US\$/sh)	Shares	Market Cap (US\$mm)	Net Present Value (US\$/sh)	Debt/ Present Value	McDep Ratio
	Symbol/Rating		24-Sep 2012	(mm)				
B = Buy, CB (see below)								
<b>U.S. and Europe Integrated</b>								
BG Group plc	BRGY		20.45	3,415	69,800	21.00	0.19	0.98
Exxon Mobil Corporation	XOM	B	91.88	4,657	428,000	110.00	0.12	0.85
Royal Dutch Shell plc	RDS-A	B	71.37	3,133	224,000	102.00	0.15	0.75
Chevron Corporation	CVX	B	117.78	1,968	232,000	170.00	0.07	0.72
Statoil ASA (33%)	STO	B	26.59	1,050	27,900	44.00	0.22	0.69
BP plc	BP		43.26	3,214	139,000	84.00	0.24	0.63
Total S.A.	TOT	B	52.35	2,264	119,000	100.00	0.16	0.60
<i>Total or Median</i>					<i>1,240,000</i>		<i>0.16</i>	<i>0.72</i>
<b>Brazil/Russia/Australia/China</b>								
Woodside Petroleum Ltd.	WOPEY		35.20	808	28,500	45.00	0.17	0.82
CNOOC Limited (36%)	CEO		201.24	161	32,500	250.00	0.01	0.81
PetroChina Company Ltd (14%)	PTR	CB	130.25	256	33,400	210.00	0.18	0.69
Petrobras	PBR	CB	23.26	6,522	151,700	45.00	0.21	0.62
Lukoil Oil Company	LUKOY	B	62.82	780	49,000	150.00	0.02	0.43
Gazprom (50%)	OGZPY	CB	10.40	5,735	59,600	28.00	0.09	0.43
<i>Total or Median</i>					<i>355,000</i>		<i>0.13</i>	<i>0.65</i>
<b>U.S. Independent</b>								
EOG Resources, Inc.	EOG	B	113.21	270	30,600	130.00	0.14	0.89
Chesapeake Energy Corp.	CHK		19.38	751	14,600	27.00	0.50	0.86
Southwestern Energy Company	SWN		33.43	348	11,600	40.00	0.11	0.85
Anadarko Petroleum Corp.	APC		70.17	500	35,100	100.00	0.25	0.78
Occidental Petroleum Corp.	OXY	CB	86.81	811	70,400	120.00	0.08	0.75
ConocoPhillips	COP	B	57.96	1,230	71,000	96.00	0.25	0.70
Devon Energy Corporation	DVN	CB	60.24	405	24,400	102.00	0.17	0.66
Marathon Oil Corporation	MRO	B	30.34	709	21,510	54.00	0.19	0.64
<i>Total or Median</i>					<i>279,200</i>		<i>0.18</i>	<i>0.76</i>
<b>Canada</b>								
Penn West Exploration	PWE		15.16	474	7,200	20.00	0.32	0.84
Imperial Oil Limited (30%)	IMO	B	47.15	256	12,100	62.00	0.12	0.79
Cenovus Energy Inc.	CVE	B	35.22	758	26,700	48.00	0.17	0.78
EnCana Corporation	ECA	B	22.36	736	16,500	37.00	0.24	0.70
Suncor Energy	SU	B	33.47	1,558	52,200	64.00	0.13	0.58
Canadian Oil Sands Limited	COSWF	B	21.65	485	10,500	45.00	0.10	0.53
<i>Total or Median</i>					<i>125,000</i>		<i>0.15</i>	<i>0.74</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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Table 3								
McDep Large Cap Energy Stocks								
Value Multiples and Dividend Yield								
			Price	Adjustd				
			(US\$/sh)	Resrvs/	PV/	EV/	Dividend	
Symbol/Rating		24-Sep	Prod	Ebitda	Ebitda	P/E	NTM	
B = Buy, CB (see below)		2012	NTM	NTM	NTM	NTM	(%)	
<b>U.S. and Europe Integrated</b>								
BG Group plc	BRGYY		20.45	8.6	7.6	7.5	13	1.2
Exxon Mobil Corporation	XOM	B	91.88	13.1	8.0	6.8	12	2.5
Royal Dutch Shell plc	RDS-A	B	71.37	10.1	7.1	5.3	10	4.8
BP plc	BP		43.26	11.4	8.4	5.3	8	4.4
Chevron Corporation	CVX	B	117.78	9.2	7.4	5.3	11	3.1
Total S.A.	TOT	B	52.35	10.2	8.0	4.8	8	5.8
Statoil ASA (33%)	STO	B	26.59	6.3	6.4	4.5	9	4.1
	<i>Median</i>			<i>10.1</i>	<i>7.6</i>	<i>5.3</i>	<i>10</i>	<i>4.1</i>
<b>Brazil/Russia/Australia/China</b>								
Woodside Petroleum Ltd.	WOPEY		35.20	12.7	9.1	7.5	12	3.7
Petrobras	PBR	CB	23.26	13.1	8.4	5.2	8	4.5
PetroChina Company Ltd (14%)	PTR	CB	130.25	13.0	7.1	4.9	9	3.9
CNOOC Limited (36%)	CEO		201.24	6.6	5.4	4.4	8	2.8
Lukoil Oil Company	LUKOY	B	62.82	16.5	6.2	2.7	5	3.8
Gazprom (50%)	OGZPY	CB	10.40	31.2	5.5	2.4	3	5.5
	<i>Median</i>			<i>13.0</i>	<i>6.6</i>	<i>4.6</i>	<i>8</i>	<i>3.8</i>
<b>U.S. Independent</b>								
Southwestern Energy Company	SWN		33.43	7.2	14.2	12.2	28	-
Chesapeake Energy Corp.	CHK		19.38	10.0	11.8	10.1	30	1.8
EOG Resources, Inc.	EOG	B	113.21	9.3	7.6	6.8	27	0.6
Anadarko Petroleum Corp.	APC		70.17	8.3	7.9	6.1	21	0.5
ConocoPhillips	COP	B	57.96	12.7	8.5	5.9	11	4.6
Occidental Petroleum Corp.	OXY	CB	86.81	10.0	7.8	5.8	12	2.5
Devon Energy Corporation	DVN	CB	60.24	9.7	8.6	5.6	17	1.3
Marathon Oil Corporation	MRO	B	30.34	9.7	7.0	4.5	10	2.2
	<i>Median</i>			<i>9.7</i>	<i>8.2</i>	<i>6.0</i>	<i>19</i>	<i>1.6</i>
<b>Canada</b>								
EnCana Corporation	ECA	B	22.36	8.4	14.0	9.8		3.6
Imperial Oil Limited (30%)	IMO	B	47.15	19.3	11.2	8.9	12	1.0
Penn West Exploration	PWE		15.16	7.5	9.4	7.9	14	7.3
Cenovus Energy Inc.	CVE	B	35.22	12.8	9.0	7.0	17	2.5
Canadian Oil Sands Limited	COSWF	B	21.65	19.0	11.5	6.1	9	6.6
Suncor Energy	SU	B	33.47	17.1	9.6	5.6	16	1.6
	<i>Median</i>			<i>15.0</i>	<i>10.4</i>	<i>7.5</i>	<i>14</i>	<i>3.1</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 September 30, 2013; P/E = Stock Price to Earnings; PV = Present Value of oil and gas and other businesses								



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Table 4									
McDep Large Cap Energy Stocks									
Rank by Enterprise Value to 200 Day Average									
			Price (\$/sh)	Enterprise Value/					
	Symbol	Rating	24-Sep 2012	52Wk High	52Wk Low	50 Day Avg.	200 Day Avg.	McDep Ratio	
<b>U.S. and Europe Integrated</b>									
	Chevron Corporation	CVX	B	117.78	0.99	1.31	1.05	1.09	0.72
	Exxon Mobil Corporation	XOM	B	91.88	0.99	1.27	1.04	1.07	0.85
	Total S.A.	TOT	B	52.35	0.94	1.18	1.05	1.05	0.60
	Statoil ASA (33%)	STO	B	26.59	0.94	1.19	1.04	1.03	0.69
	Royal Dutch Shell plc	RDS-A	B	71.37	0.97	1.18	1.01	1.02	0.75
	BP plc	BP		43.26	0.93	1.16	1.02	1.01	0.63
	BG Group plc	BRGY		20.45	0.86	1.13	1.00	0.96	0.98
	<i>Median</i>				<i>0.94</i>	<i>1.18</i>	<i>1.04</i>	<i>1.03</i>	<i>0.72</i>
<b>Brazil/Russia/Australia/China</b>									
	Lukoil Oil Company	LUKOY	B	62.82	0.95	1.33	1.07	1.08	0.43
	Woodside Petroleum Ltd.	WOPEY		35.20	0.88	1.16	0.99	1.01	0.82
	CNOOC Limited (36%)	CEO		201.24	0.86	1.42	1.02	1.01	0.81
	Petrobras	PBR	CB	23.26	0.79	1.21	1.06	0.98	0.62
	PetroChina Company Ltd (14%)	PTR	CB	130.25	0.88	1.11	1.04	0.98	0.69
	Gazprom (50%)	OGZPY	CB	10.40	0.80	1.16	1.05	0.97	0.43
	<i>Median</i>				<i>0.87</i>	<i>1.18</i>	<i>1.04</i>	<i>0.99</i>	<i>0.65</i>
<b>U.S. Independent</b>									
	EOG Resources, Inc.	EOG	B	113.21	0.95	1.52	1.05	1.07	0.89
	Southwestern Energy Company	SWN		33.43	0.78	1.25	1.03	1.05	0.85
	Marathon Oil Corporation	MRO	B	30.34	0.89	1.35	1.07	1.04	0.64
	ConocoPhillips	COP	B	57.96	0.98	1.17	1.02	1.03	0.70
	Chesapeake Energy Corp.	CHK		19.38	0.82	1.15	1.01	0.98	0.86
	Anadarko Petroleum Corp.	APC		70.17	0.85	1.15	1.00	0.97	0.78
	Devon Energy Corporation	DVN	CB	60.24	0.83	1.13	1.01	0.96	0.66
	Occidental Petroleum Corp.	OXY	CB	86.81	0.83	1.26	0.99	0.96	0.75
	<i>Median</i>				<i>0.84</i>	<i>1.21</i>	<i>1.02</i>	<i>1.00</i>	<i>0.76</i>
<b>Canada</b>									
	EnCana Corporation	ECA	B	22.36	0.96	1.19	1.02	1.07	0.70
	Suncor Energy	SU	B	33.47	0.92	1.34	1.04	1.06	0.58
	Imperial Oil Limited (30%)	IMO	B	47.15	0.95	1.37	1.03	1.05	0.79
	Cenovus Energy Inc.	CVE	B	35.22	0.91	1.22	1.05	1.03	0.78
	Canadian Oil Sands Limited	COSWF	B	21.64	0.88	1.21	1.02	1.01	0.53
	Penn West Exploration	PWE		15.16	0.78	1.14	1.04	0.93	0.84
	<i>Median</i>				<i>0.91</i>	<i>1.21</i>	<i>1.04</i>	<i>1.04</i>	<i>0.74</i>
CB=Contrarian Buy, Stock Price may be in downtrend compared to 200-day average.									





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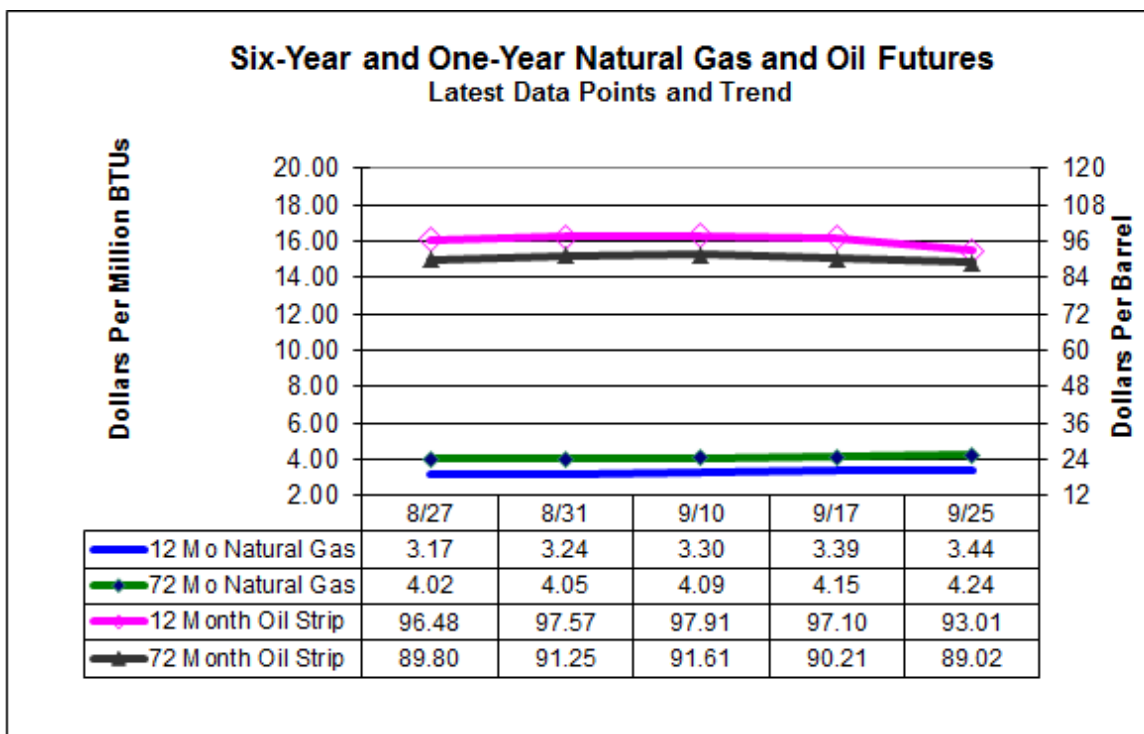
<b>Index of Recent Research</b>			
<b>Stock Ideas</b>			
<i>Date</i>	<i>Symbol</i>	<i>Subject</i>	<i>Theme</i>
21-Sep	WLL	Whiting Petroleum	Growing, Secure, Price-Sensitive, Light Oil (Inc and Small Cap Wk
18-Sep	DVN	Devon Energy	Barnett Shale to Permian and Beyond (Meter Reader)
14-Sep	SJT	SJT and Royalty Trusts	Estimated Distributions Jump (Income and Small Cap Weekly)
7-Sep	PEYUF	Peyto Exploration and Development	Canada Deep Basin Fracker (Income and Small Cap Weekly)
4-Sep	LUKOY	Lukoil	Proven Competitor, Uncommon Value (Meter Reader)
28-Aug	PTR	PetroChina	Pent-Up Profits (Meter Reader)
24-Aug	HGT	Hugoton Royalty Trust	Highest Return for the Next Year (Income and Small Cap Weekly)
21-Aug	TOT	Total	Buy \$100 NPV for \$50 Stock Price (Meter Reader)
17-Aug	HK	Halcón Resources	Billion Barrel Resource Potential (Income and Small Cap Weekly)
14-Aug	APC	Anadarko Petroleum	Raise NPV to \$100 as Growth Trumps Legal Issues (Meter Reader)
10-Aug	CLR	Continental Resources	Bakken Billions (ISCW)
7-Aug	SU	Suncor Energy	New CEO, New Focus on Shareholder Return (Meter Reader)
3-Aug	XEC	Cimarex Energy	West Texas Wolfcamp Shale Oil (ISCW)
31-Jul	OXY	Occidental Petroleum	California Oil Growth Accelerates (Meter Reader)
30-Jul	COSWF	Canadian Oil Sands Limited	Robust Volume Outlook
27-Jul	RRC	Range Resources	Oil-Enhanced Natural Gas Growth (ISCW)
24-Jul	CEO	CNOOC Ltd.	60% Premium in \$21 Billion Deal (Meter Reader)
20-Jul	BRY	Berry Petroleum	Momentum Resuming (Income and Small Cap Weekly)
17-Jul	XOM	Exxon Mobil	Low U.S. Energy Price Outperformer (Meter Reader)
10-Jul	MRO	Marathon Oil	Shale Growth, Dollar Hedge (Meter Reader)
3-Jul	OGZPY	Gazprom	Dividend Double Approved (Meter Reader)
26-Jun	STO	Statoil	Financially Strong Norse Explorers (Meter Reader)
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
5-Jun	WOPEY	Woodside Petroleum Ltd.	Pluto LNG Delivering (Meter Reader)
25-May	HGT	Hugoton Royalty Trust	HGT Bargain (Income and Small Cap Weekly)
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)
1-May	RDS	Royal Dutch Shell	LNG and GTL Profit Gains (Meter Reader)
17-Apr	COP	ConocoPhillips	Largest North American Independent Producer Debut (MR)
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>			
18-Sep	DVN	Devon Energy	Barnett Shale to Permian and Beyond
11-Sep			Thrive and Survive in Oil and Gas Investments
4-Sep	LUKOY	Lukoil	Proven Competitor, Uncommon Value
28-Aug	PTR	PetroChina	Pent-Up Profits
For earlier editions, go to <a href="http://mcdep.com">mcdep.com</a> , click on <a href="#">Meter Reader</a> .			
<b>Income and Small Cap Weekly</b>			
21-Sep	WLL	Whiting Petroleum	Growing, Secure, Price-Sensitive, Light Oil
14-Sep	SJT	SJT and Royalty Trusts	Estimated Distributions Jump
7-Sep	PEYUF	Peyto Exploration and Development	Canada Deep Basin Fracker
31-Aug			Royalty Trust McDep Opportunities
For earlier editions, go to <a href="http://mcdep.com">mcdep.com</a> , click on <a href="#">Energy Income</a> .			



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