



# Meter Reader

A Weekly Analysis of Large Cap Oil and Gas Stocks

November 20, 2012

## Marathon Oil (MRO) Raise NPV to \$60 from \$54 on Volume

<i>Symbol</i>	MRO	<i>Ebitda Next Twelve Months ending 9/30/13 (US\$mm)</i>	6,900
<i>Rating</i>	Buy	<i>North American Natural Gas/Ebitda (%)</i>	5
<i>Price (US\$/sh)</i>	31.13	<i>Natural Gas and Oil Production/Ebitda (%)</i>	100
<i>Pricing Date</i>	11/19/12	<i>Adjusted Reserves/Production NTM</i>	8.7
<i>Shares (mm)</i>	709	<i>EV/Ebitda</i>	4.7
<i>Market Capitalization (US\$mm)</i>	22,100	<i>PV/Ebitda</i>	7.6
<i>Debt (US\$mm)</i>	10,300	<i>Undeveloped Reserves (%)</i>	22
<i>Enterprise Value (EV) (US\$mm)</i>	32,300	<i>Natural Gas and Oil Ebitda (US\$/boe)</i>	37.70
<i>Present Value (PV) (US\$mm)</i>	52,800	<i>Present Value Proven Reserves(US\$/boe)</i>	29.30
<i>Net Present Value (US\$/share)</i>	60	<i>Present Value Proven Reserves(US\$/mcf)</i>	4.88
<i>Debt/Present Value</i>	0.19	<i>Earnings Next Twelve Months (US\$/sh)</i>	3.36
<i>McDep Ratio - EV/PV</i>	0.61	<i>Price/Earnings Next Twelve Months</i>	9
<i>Dividend Yield (%/year)</i>	2.2	<i>Indicated Annual Dividend (US\$/sh)</i>	0.68
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 research on Marathon since 2001 see <a href="http://www.mcdep.com/3mro.htm">http://www.mcdep.com/3mro.htm</a>			

### Summary and Recommendation

Buy recommended **Marathon Oil (MRO)** has become a more exciting company since its 2011 repositioning as an innovative independent producer separate from the oil refiner spinoff that is also doing well on its own. Reported on November 6, quarterly volumes beat our expectation for the second straight quarter, causing us to raise our estimate of Net Present Value (NPV) to \$60 a share from \$54 (see tables Next Twelve Months Operating and Financial Estimates on page 2 and Functional Cash Flow and Present Value on page 3). Drilling and acquisition results also prompted management to raise its 2013 target for Lower 48 onshore oil and gas production to 150 thousand barrels equivalent daily (mboed) from 125 (see slide Lower 48 on page 3). Eagle Ford would contribute 85 mboed and Bakken 33 (see slide U.S. Resource Plays on page 4). Freely emulating **EOG Resources (EOG)**, MRO has its own monster well that tested 6 mboed (see slide Eagle Ford Shale on page 4). Cautious about Bakken initially, MRO has multiplied its expectations for North Dakota oil as it watched others and experienced its own successes over the past four years (see slide Bakken Shale Production Profile on page 5). Among international projects, Marathon plans to drill in mid-2013 the high-potential Sverdrup well, named for the giant oil field in the immediate vicinity discovered by **Statoil (STO)** and its partner, Lundin (see slide Norway Exploration on page 5). While high reward may also mean high risk, Marathon has a long record of profit-making in Norway, the source of about 20% of the company's global production. Finally, the examples we cite and our analysis indicate Marathon appears to be succeeding as a competitive, profit-seeking company that can be a rewarding investment thereby contributing to global growth.

Kurt H. Wulff, CFA



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Marathon Oil Corporation									
Next Twelve Months Operating and Financial Estimates									
									<i>Next Twelve Months</i>
	<i>Q3</i>	<i>Q2</i>	<i>Q3</i>	<i>Q4E</i>	<i>Year</i>	<i>Q1E</i>	<i>Q2E</i>	<i>Q3E</i>	<i>9/30/13</i>
	<i>9/30/11</i>	<i>6/30/12</i>	<i>9/30/12</i>	<i>12/31/12</i>	<i>2012E</i>	<i>3/31/13</i>	<i>6/30/13</i>	<i>9/30/13</i>	<i>9/30/13</i>
<b>Volume</b>									
Natural Gas (mmcf)									
U.S. (or North America)	296	319	366	366	<b>349</b>	366	366	366	<b>366</b>
Overseas (or Int'l)	532	501	585	585	<b>548</b>	585	585	585	<b>585</b>
Total	828	820	951	951	<b>897</b>	951	951	951	<b>951</b>
Days	92	91	92	92	<b>366</b>	90	91	92	<b>365</b>
Oil (mmb)	24	29	32	32	<b>118</b>	31	31	32	<b>126</b>
Oil (mbd)	261	314	346	346	<b>322</b>	346	346	346	<b>346</b>
Total gas & oil (mbd))	399	451	505	505	<b>472</b>	505	505	505	<b>505</b>
<b>Price</b>									
Natural gas (\$/mcf)									
Henry Hub (\$/mmbtu)	4.19	2.21	2.80	3.40	<b>2.79</b>	3.84	3.83	3.92	<b>3.75</b>
U.S. (or North America)	4.85	3.42	3.61	4.37	<b>3.90</b>	4.94	4.93	5.04	<b>4.82</b>
Overseas (or Int'l)	1.67	2.25	2.25	2.25	<b>2.24</b>	2.25	2.25	2.25	<b>2.25</b>
Total	2.81	2.71	2.77	3.07	<b>2.88</b>	3.29	3.28	3.33	<b>3.24</b>
Oil (\$/bbl)									
WTI Cushing	89.76	93.32	92.22	87.92	<b>94.10</b>	89.92	91.29	91.90	<b>90.26</b>
Worldwide	96.95	95.22	94.91	90.48	<b>95.71</b>	92.54	93.95	94.58	<b>92.89</b>
Total gas & oil (\$/mcf)	11.54	11.88	11.72	11.31	<b>11.81</b>	11.61	11.77	11.86	<b>11.64</b>
<b>Revenue (\$mm)</b>									
Natural Gas									
U.S. (or North America)	132	99	122	147	<b>497</b>	163	164	170	<b>644</b>
Overseas (or Int'l)	82	103	121	121	<b>449</b>	118	120	121	<b>480</b>
Total	214	202	243	268	<b>946</b>	281	284	291	<b>1,125</b>
Oil	2,328	2,721	3,021	2,880	<b>11,293</b>	2,882	2,958	3,011	<b>11,731</b>
Other	1,257	861	897		<b>2,895</b>				
Total	3,799	3,784	4,161	3,149	<b>15,134</b>	3,163	3,242	3,302	<b>12,856</b>
<b>Expense</b>	2,123	2,330	2,609	1,448	<b>8,930</b>	1,455	1,492	1,519	<b>5,914</b>
<b>Ebitda (\$mm)</b>	1,676	1,454	1,552	1,700	<b>6,204</b>	1,708	1,751	1,783	<b>6,942</b>
Exploration	129	173	176	176	<b>667</b>	125	125	125	<b>551</b>
Deprec., Deplet., & Amort.	517	580	625	625	<b>2,404</b>	625	625	635	<b>2,510</b>
<b>Ebit</b>	1,030	701	751	899	<b>3,133</b>	958	1,001	1,023	<b>3,881</b>
Interest	30	57	53	53	<b>213</b>	53	53	53	<b>212</b>
<b>Ebt</b>	1,000	644	698	846	<b>2,920</b>	905	948	970	<b>3,669</b>
Income Tax	350	225	244	296	<b>1,022</b>	317	332	339	<b>1,284</b>
<b>Net Income (\$mm)</b>	650	418	454	550	<b>1,898</b>	588	616	630	<b>2,385</b>
<b>Shares (millions)</b>	714	709	709	709	<b>709</b>	709	709	709	<b>709</b>
Per share (\$)	0.91	0.59	0.64	0.78	<b>2.68</b>	0.83	0.87	0.89	<b>3.36</b>
Ebitda Margin (E&P)	66%	50%	48%	54%	<b>51%</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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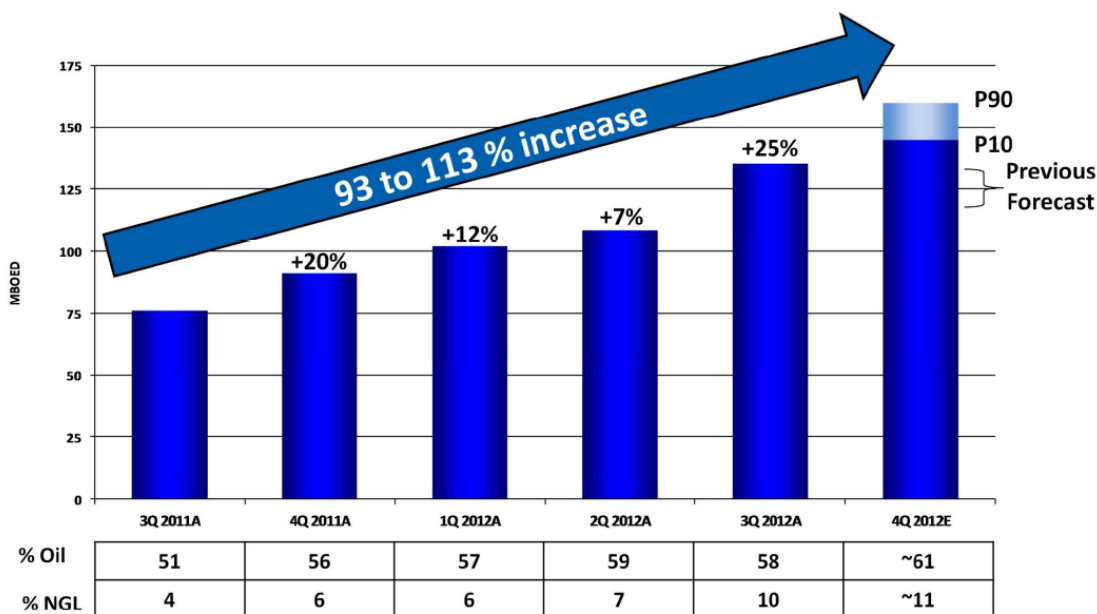
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Functional Cash Flow and Present Value					
	<i>NTM</i>	<i>Adjusted</i>	<i>PV/</i>	<i>Present</i>	
	<i>Ebitda</i>	<i>R/P</i>	<i>Ebitda</i>	<i>Value</i>	
North American Natural Gas	350	5.3	11.4	4,000	8%
Rest of World Natural Gas	260	7.1	5.8	1,500	3%
Oil	6,330	9.6	7.5	47,300	90%
	6,940	8.7	7.6	52,800	100%
Debt					10,300
Net Present Value (\$mm)					42,500
Shares					709
Net Present Value - Standard Estimate (US\$/sh)					60
NPV Approximation by Cash Flow Multiple Depending on Reserve Life (US\$/sh)					67

## Lower 48 Onshore Production Forecast

Available for Sale



MarathonOil

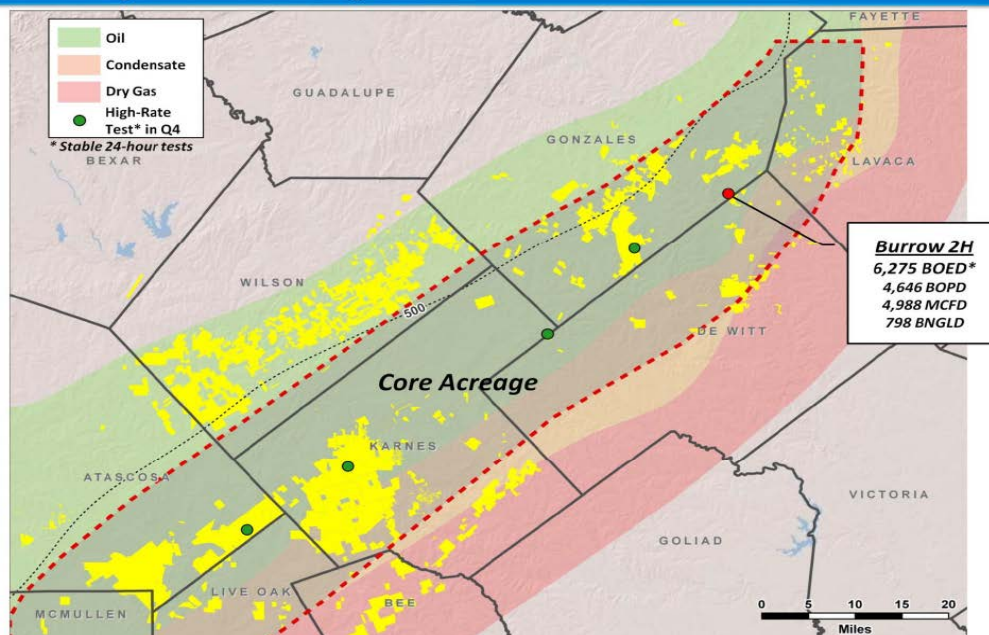
## U.S. Resource Plays – Game Changers

Raising resource and production forecasts

- **Eagle Ford - ~230,000 core net acres**
  - Currently producing ~60,000 net BOED
  - Projected 2012 exit >65,000 net BOED
  - Raising 2013 target from 70,000 net BOED to ~85,000 net BOED
- **Bakken - ~410,000 net acres**
  - Currently producing >30,000 net BOED
  - Raising 2013 target from 30,000 net BOED to ~33,000 net BOED
- **Oklahoma Resource Basin - ~220,000 net acres**
  - Currently producing ~12,000 net BOED from Anadarko Woodford
  - Will ramp up rig count and production with improved NGL and gas prices

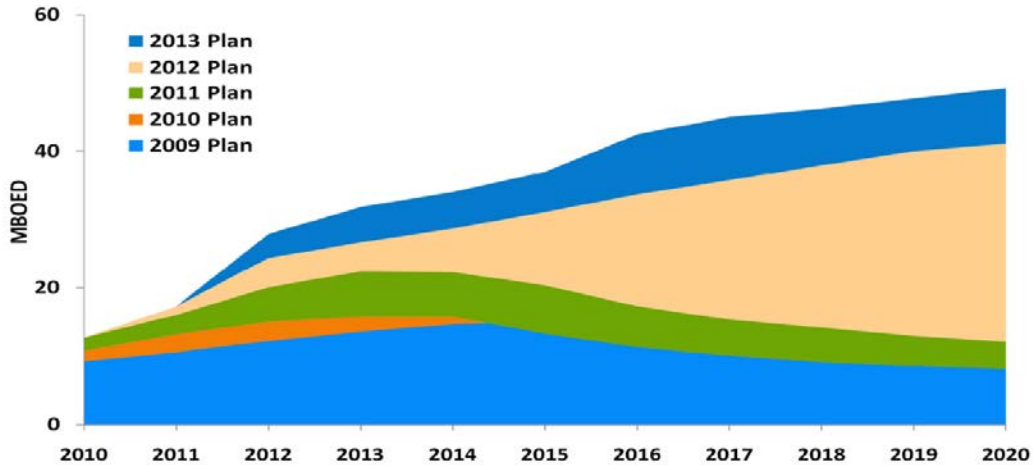
## Eagle Ford Shale

Experimenting with choke management



## Bakken Shale Production Profile

*Proven Track Record – Big Fields get Bigger*



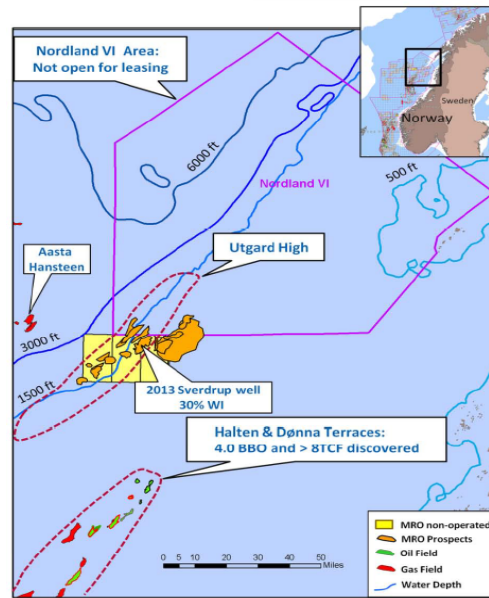
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## Norway Exploration

*Utgard High Trend*

- Potential new high impact play area
  - Utgard High is adjacent to, and an analog of the proven and prolific Halten and Donna Terraces
    - 4.0 BBO and > 8 TCF discovered
  - Known working hydrocarbon system: Jurassic source – oil shows on trend
  - Multiple large prospects in Jurassic and Cretaceous targets, upside in Miocene
  - Aasta Hansteen area development progressing
  - 1,500 ft water depths
- 3 Block area (MRO 30% WI)
  - 315,000 gross acres, approximately 130 miles to shore
  - > 2 BBOE gross resource potential on 3 block acreage
  - Multiple 3 and 4-way faulted traps
  - Sverdrup prospect to be drilled in 2013
    - 200-600 MMBOE gross resource potential
  - Positioned for anticipated future opening of Nordland VI area



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						<i>Present Value by Segment (%)</i>						
		<i>Price</i>					<i>North</i>	<i>Rest</i>				
		<i>(US\$/sh)</i>	<i>EV/</i>	<i>Enterprise</i>		<i>Amer.</i>	<i>of World</i>					
<i>Symbol/Rating</i>		<i>19-Nov</i>	<i>Market</i>	<i>Value</i>		<i>Natural</i>	<i>Natural</i>			<i>Oil</i>	<i>Down-</i>	<i>McDep</i>
B = Buy, CB (see below)		<i>2012</i>	<i>Cap</i>	<i>(\$mm)</i>		<i>Gas</i>	<i>Gas</i>	<i>Prod'n</i>	<i>stream</i>			<i>Ratio</i>
<b>U.S. and Europe Integrated</b>												
Exxon Mobil Corporation	XOM	B	87.67	1.17	473,000	7	19	57	16			0.82
BG Group	BRGY		16.20	1.35	74,800		25	41	34			0.82
Royal Dutch Shell plc	RDS-A	CB	66.24	1.29	269,000	3	22	56	18			0.71
Statoil ASA (33%)	STO	CB	24.36	1.52	38,900		36	64	-			0.65
Chevron Corporation	CVX	CB	104.35	1.14	233,000	3	11	76	10			0.64
BP plc	BP		41.23	1.66	218,000	4	8	63	25			0.62
Total S.A.	TOT	CB	48.94	1.38	153,000		19	67	14			0.57
<i>Total or Median</i>					<i>1,460,000</i>			<i>63</i>				<i>0.65</i>
<b>Brazil/Russia/Australia/China</b>												
CNOOC Limited (36%)	CEO		209.14	1.01	34,200		9	91	-			0.84
Woodside Petroleum Ltd.	WOPEY		35.16	1.26	36,000		66	34	-			0.82
PetroChina Company Ltd (14%)	PTR	CB	133.58	1.41	48,100		14	77	8			0.71
Petrobras	PBR	CB	19.10	1.62	202,000		6	81	13			0.55
Lukoil Oil Company	LUKOY	B	60.53	1.06	50,100			71	29			0.42
Gazprom (50%)	OGZPY	CB	9.03	1.40	73,000		11	12	77			0.40
<i>Total or Median</i>					<i>443,000</i>			<i>74</i>				<i>0.63</i>
<b>U.S. Independent</b>												
Southwestern Energy Company	SWN		36.09	1.15	14,400	100			-			0.91
EOG Resources, Inc.	EOG	B	118.61	1.19	38,400	31	5	64	-			0.84
Chesapeake Energy Corp.	CHK		17.47	2.74	36,000	58		42	-			0.83
Anadarko Petroleum Corp.	APC		72.12	1.47	53,100	35		63	3			0.74
ConocoPhillips	COP	B	55.73	1.58	107,000	14	12	74	-			0.69
Occidental Petroleum Corp.	OXY	CB	75.46	1.15	70,300	8	1	81	10			0.66
Marathon Oil Corporation	MRO	B	31.13	1.47	32,300	8	3	90	-			0.61
Devon Energy Corporation	DVN	CB	53.49	1.41	30,600	48		52	-			0.61
<i>Total or Median</i>					<i>382,000</i>			<i>64</i>				<i>0.71</i>
<b>Canada</b>												
Cenovus Energy Inc.	CVE	CB	33.12	1.30	32,600	10		72	18			0.74
Imperial Oil Limited (30%)	IMO	CB	43.94	1.18	13,300	2		84	14			0.74
Penn West Exploration	PWE		10.68	1.90	9,600	18		82	-			0.68
EnCana Corporation	ECA	B	21.12	1.61	25,000	89		11	-			0.68
Suncor Energy	SU	B	32.71	1.28	64,300	2		79	19			0.57
Canadian Oil Sands Limited	COSWF	B	21.10	1.23	12,600			100	-			0.52
<i>Total or Median</i>					<i>157,000</i>			<i>81</i>				<i>0.68</i>
<b>Composite</b>					<i>2,442,000</i>	<i>8</i>	<i>13</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>								
			<i>Price</i>			<i>Net</i>		
			<i>(US\$/sh)</i>		<i>Market</i>	<i>Present</i>	<i>Debt/</i>	
	<i>Symbol/Rating</i>		<i>19-Nov</i>	<i>Shares</i>	<i>Cap</i>	<i>Value</i>	<i>Present</i>	<i>McDep</i>
	B = Buy, CB (see below)		<i>2012</i>	<i>(mm)</i>	<i>(US\$mm)</i>	<i>(US\$/sh)</i>	<i>Value</i>	<i>Ratio</i>
<b>U.S. and Europe Integrated</b>								
Exxon Mobil Corporation	XOM	B	87.67	4,597	403,000	110.00	0.12	0.82
BG Group plc	BRGYY		16.20	3,417	55,400	21.00	0.21	0.82
Royal Dutch Shell plc	RDS-A	CB	66.24	3,137	208,000	102.00	0.16	0.71
Statoil ASA (33%)	STO	CB	24.36	1,050	25,600	44.00	0.22	0.65
Chevron Corporation	CVX	CB	104.35	1,960	205,000	170.00	0.08	0.64
BP plc	BP		41.23	3,190	132,000	84.00	0.24	0.62
Total S.A.	TOT	CB	48.94	2,261	111,000	100.00	0.16	0.57
	<i>Total or Median</i>				<i>1,140,000</i>		<i>0.16</i>	<i>0.65</i>
<b>Brazil/Russia/Australia/China</b>								
CNOOC Limited (36%)	CEO		209.14	161	33,700	250.00	0.01	0.84
Woodside Petroleum Ltd.	WOPEY		35.16	808	28,400	45.00	0.17	0.82
PetroChina Company Ltd (14%)	PTR	CB	133.58	256	34,200	210.00	0.21	0.71
Petrobras	PBR	CB	19.10	6,522	124,600	45.00	0.21	0.55
Lukoil Oil Company	LUKOY	B	60.53	780	47,200	150.00	0.02	0.42
Gazprom (50%)	OGZPY	CB	9.03	5,735	51,800	28.00	0.12	0.40
	<i>Total or Median</i>				<i>320,000</i>		<i>0.14</i>	<i>0.63</i>
<b>U.S. Independent</b>								
Southwestern Energy Company	SWN		36.09	349	12,600	40.00	0.12	0.91
EOG Resources, Inc.	EOG	B	118.61	271	32,100	145.00	0.14	0.84
Chesapeake Energy Corp.	CHK		17.47	751	13,100	27.00	0.53	0.83
Anadarko Petroleum Corp.	APC		72.12	502	36,200	110.00	0.23	0.74
ConocoPhillips	COP	B	55.73	1,214	68,000	96.00	0.25	0.69
Occidental Petroleum Corp.	OXY	CB	75.46	810	61,100	120.00	0.09	0.66
Marathon Oil Corporation	MRO	B	31.13	709	22,070	60.00	0.19	0.61
Devon Energy Corporation	DVN	CB	53.49	405	21,700	102.00	0.18	0.61
	<i>Total or Median</i>				<i>266,900</i>		<i>0.19</i>	<i>0.71</i>
<b>Canada</b>								
Cenovus Energy Inc.	CVE	CB	33.12	758	25,100	48.00	0.17	0.74
Imperial Oil Limited (30%)	IMO	CB	43.94	255	11,200	62.00	0.12	0.74
Penn West Exploration	PWE		10.68	477	5,100	20.00	0.32	0.68
EnCana Corporation	ECA	B	21.12	736	15,500	37.00	0.26	0.68
Suncor Energy	SU	B	32.71	1,538	50,300	64.00	0.12	0.57
Canadian Oil Sands Limited	COSWF	B	21.10	485	10,200	45.00	0.10	0.52
	<i>Total or Median</i>				<i>117,000</i>		<i>0.15</i>	<i>0.68</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		19-Nov	Prod	Ebitda	Ebitda	P/E	NTM
	B = Buy, CB (see below)		2012	NTM	NTM	NTM	NTM	(%)
<b>U.S. and Europe Integrated</b>								
Exxon Mobil Corporation	XOM	B	87.67	13.6	8.5	7.0	12	2.6
BG Group plc	BRGY		16.20	9.8	8.2	6.7	11	1.5
BP plc	BP		41.23	11.5	8.8	5.4	8	4.7
Chevron Corporation	CVX	CB	104.35	9.5	7.9	5.1	10	3.4
Royal Dutch Shell plc	RDS-A	CB	66.24	10.1	6.8	4.8	9	5.2
Total S.A.	TOT	CB	48.94	10.3	8.0	4.5	8	6.2
Statoil ASA (33%)	STO	CB	24.36	6.3	6.5	4.2	8	4.5
	<i>Median</i>			<i>10.1</i>	<i>8.0</i>	<i>5.1</i>	<i>9</i>	<i>4.5</i>
<b>Brazil/Russia/Australia/China</b>								
Woodside Petroleum Ltd.	WOPEY		35.16	13.0	9.0	7.4	12	3.7
PetroChina Company Ltd (14%)	PTR	CB	133.58	12.9	7.9	5.6	11	3.8
Petrobras	PBR	CB	19.10	13.4	9.1	5.0	6	5.4
CNOOC Limited (36%)	CEO		209.14	6.6	5.8	4.9	10	2.7
Lukoil Oil Company	LUKOY	B	60.53	16.5	6.3	2.6	5	3.9
Gazprom (50%)	OGZPY	CB	9.03	31.2	6.2	2.5	3	6.3
	<i>Median</i>			<i>13.2</i>	<i>7.1</i>	<i>4.9</i>	<i>8</i>	<i>3.9</i>
<b>U.S. Independent</b>								
Southwestern Energy Company	SWN		36.09	7.2	13.0	11.8	29	-
Chesapeake Energy Corp.	CHK		17.47	9.8	10.7	8.9	78	2.0
Devon Energy Corporation	DVN	CB	53.49	10.7	10.4	6.3	15	1.5
EOG Resources, Inc.	EOG	B	118.61	8.7	7.5	6.3	20	0.6
Anadarko Petroleum Corp.	APC		72.12	8.2	8.4	6.2	20	0.5
ConocoPhillips	COP	B	55.73	12.7	8.5	5.8	10	4.7
Occidental Petroleum Corp.	OXY	CB	75.46	9.9	8.1	5.3	12	2.9
Marathon Oil Corporation	MRO	B	31.13	8.7	7.6	4.7	9	2.2
	<i>Median</i>			<i>9.3</i>	<i>8.4</i>	<i>6.3</i>	<i>17</i>	<i>1.7</i>
<b>Canada</b>								
EnCana Corporation	ECA	B	21.12	8.6	18.5	12.6		3.8
Imperial Oil Limited (30%)	IMO	CB	43.94	19.6	11.4	8.5	11	1.1
Cenovus Energy Inc.	CVE	CB	33.12	12.5	9.5	7.0	16	2.7
Penn West Exploration	PWE		10.68	7.7	10.2	7.0	49	10.1
Canadian Oil Sands Limited	COSWF	B	21.10	20.7	12.2	6.3	10	6.7
Suncor Energy	SU	B	32.71	17.4	10.1	5.8	10	1.6
	<i>Median</i>			<i>15.0</i>	<i>10.8</i>	<i>7.0</i>	<i>11</i>	<i>3.2</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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	Symbol	Rating	Price	Enterprise Value/				McDep
			(\$/sh)	52Wk	52Wk	50 Day	200 Day	
			19-Nov	High	Low	Avg.	Avg.	Ratio
			2012					
<b>U.S. and Europe Integrated</b>								
Exxon Mobil Corporation	XOM	B	87.67	0.94	1.15	0.97	1.01	0.82
Total S.A.	TOT	CB	48.94	0.89	1.12	0.98	1.00	0.57
BP plc	BP		41.23	0.91	1.08	0.99	0.98	0.62
Statoil ASA (33%)	STO	CB	24.36	0.89	1.07	0.97	0.97	0.65
Chevron Corporation	CVX	CB	104.35	0.89	1.11	0.93	0.97	0.64
Royal Dutch Shell plc	RDS-A	CB	66.24	0.91	1.07	0.96	0.97	0.71
BG Group plc	BRGY		16.20	0.72	1.02	0.86	0.82	0.82
	<i>Median</i>			<i>0.89</i>	<i>1.08</i>	<i>0.97</i>	<i>0.97</i>	<i>0.65</i>
<b>Brazil/Russia/Australia/China</b>								
CNOOC Limited (36%)	CEO		209.14	0.90	1.22	1.03	1.03	0.84
Lukoil Oil Company	LUKOY	B	60.53	0.91	1.21	0.98	1.02	0.42
Woodside Petroleum Ltd.	WOPEY		35.16	0.88	1.14	1.00	1.00	0.82
PetroChina Company Ltd (14%)	PTR	CB	133.58	0.90	1.11	1.01	1.00	0.71
Gazprom (50%)	OGZPY	CB	9.03	0.73	1.04	0.94	0.89	0.40
Petrobras	PBR	CB	19.10	0.70	1.06	0.91	0.89	0.55
	<i>Median</i>			<i>0.89</i>	<i>1.13</i>	<i>0.99</i>	<i>1.00</i>	<i>0.63</i>
<b>U.S. Independent</b>								
Southwestern Energy Company	SWN		36.09	0.93	1.34	1.03	1.11	0.91
EOG Resources, Inc.	EOG	B	118.61	0.96	1.34	1.04	1.09	0.84
Marathon Oil Corporation	MRO	B	31.13	0.91	1.21	1.03	1.05	0.61
Anadarko Petroleum Corp.	APC		72.12	0.86	1.17	1.02	1.00	0.74
ConocoPhillips	COP	B	55.73	0.96	1.06	0.99	1.00	0.69
Chesapeake Energy Corp.	CHK		17.47	0.85	1.09	0.96	0.96	0.83
Devon Energy Corporation	DVN	CB	53.49	0.77	1.02	0.93	0.89	0.61
Occidental Petroleum Corp.	OXY	CB	75.46	0.74	1.04	0.92	0.87	0.66
	<i>Median</i>			<i>0.89</i>	<i>1.13</i>	<i>1.00</i>	<i>1.00</i>	<i>0.71</i>
<b>Canada</b>								
Suncor Energy	SU	B	32.71	0.90	1.19	0.98	1.02	0.57
EnCana Corporation	ECA	B	21.12	0.91	1.13	0.97	1.01	0.68
Canadian Oil Sands Limited	COSWF	B	21.07	0.86	1.15	0.99	1.00	0.52
Imperial Oil Limited (30%)	IMO	CB	43.94	0.90	1.15	0.96	0.99	0.74
Cenovus Energy Inc.	CVE	CB	33.12	0.87	1.12	0.97	0.98	0.74
Penn West Exploration	PWE		10.68	0.63	1.02	0.87	0.80	0.68
	<i>Median</i>			<i>0.88</i>	<i>1.14</i>	<i>0.97</i>	<i>0.99</i>	<i>0.68</i>

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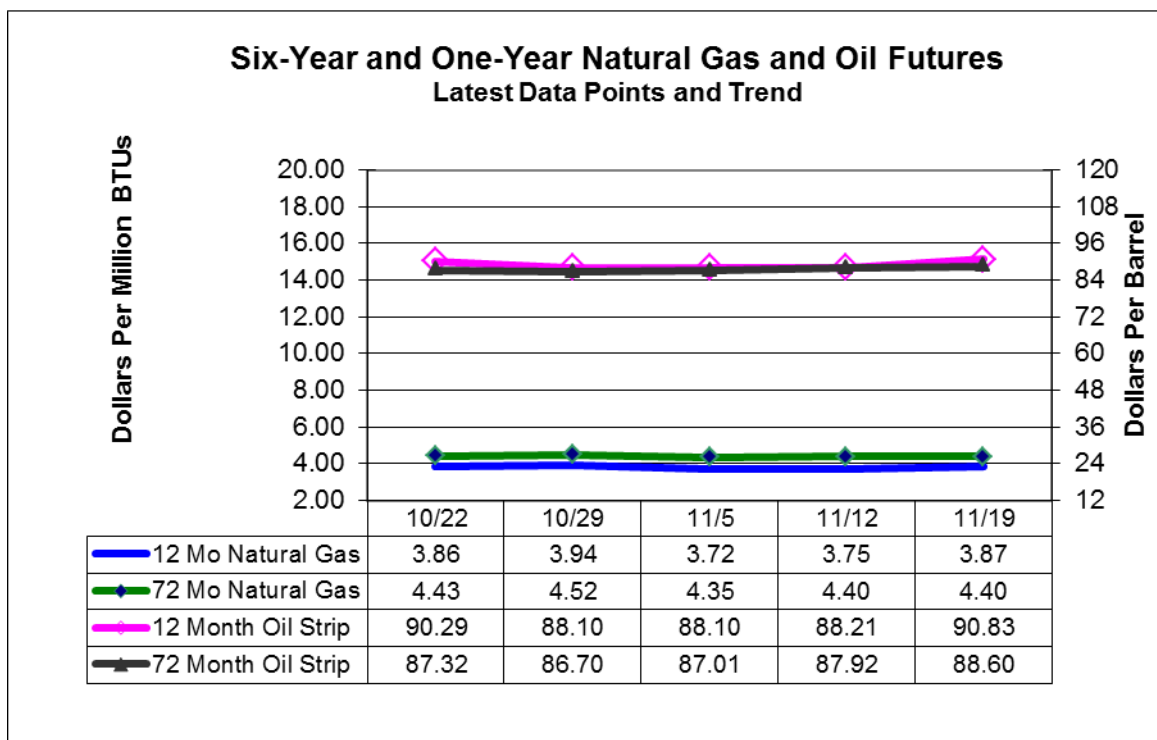
<b>Index of Recent Research</b>			
<b>Stock Ideas</b>			
<u>Date</u>	<u>Symbol</u>	<u>Subject</u>	<u>Theme</u>
16-Nov	ERF	Enerplus Corporation	Bakken Sleeper (Income and Small Cap Weekly)
15-Nov	BIREF	Birchcliff Energy	Record Production, Raise Guidance
13-Nov	EOG	EOG Resources	Raise NPV to \$145 from \$130 on Eagle Ford Monster Wells (MR)
9-Nov	HK	Halcón Resources	Growing at Hawk Speed (Income and Small Cap Weekly)
6-Nov	HGT	Hugoton Royalty Trust	Interim Legal Ruling in Favor of Trust
6-Nov	ECA	Encana Corporation	Stock Trending with Natural Gas Price (Meter Reader)
2-Nov	RRC	Range Resources	Natural Gas Comeback Amplifies Volume Growth (ISCW)
30-Oct	COSWF	Canadian Oil Sands Limited	Discounted Pure Play on North American Oil with Income (MR)
23-Oct	PBR	Petrobras	Stock Price Recovering (Meter Reader)
19-Oct	DMLP	Dorchester Minerals, L.P.	Top Line Core (Income and Small Cap Weekly)
16-Oct	RDS	Royal Dutch Shell	Clean Energy for Global Growth (Meter Reader)
12-Oct	CLR	Continental Resources	New Buy on Bakken Growth (ISCW)
9-Oct	IMO	Imperial Oil	Kearl, Downstream and Syncrude (Meter Reader)
2-Oct	CVX	Chevron	Top Performer Shows Further Promise (Meter Reader)
25-Sep	COP	ConocoPhillips	Thriving Shale Oil, Potential Shale Gas (Meter Reader)
21-Sep	WLL	Whiting Petroleum	Growing, Secure, Price-Sensitive, Light Oil (Inc and Small Cap Wkly)
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)
21-Aug	TOT	Total	Buy \$100 NPV for \$50 Stock Price (Meter Reader)
14-Aug	APC	Anadarko Petroleum	Raise NPV to \$100 as Growth Trumps Legal Issues (Meter Reader)
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)
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	BRGY	BG Group	Lower NPV to \$21 (6/12/12 Meter Reader, page 2)
5-Jun	WOPEY	Woodside Petroleum Ltd.	Pluto LNG Delivering (Meter Reader)
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>			
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<b>Income and Small Cap Weekly</b>			
16-Nov	ERF	Enerplus Corporation	Bakken Sleeper
9-Nov	HK	Halcón Resources	Growing at Hawk Speed
2-Nov	RRC	Range Resources	Natural Gas Comeback Amplifies Volume Growth
26-Oct		Royalty Trust Fund	RTF Distributions Turn Up
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