

ExxonMobil Stock May Be Timely

Summary and Recommendation

Buy-recommended **ExxonMobil (XOM)** stock is the only one of twenty-four large cap buy recommendations not trading above its 200-day stock price average and its McDep Ratio of 0.80 is at a desirable buy level. Though trading below the 200-day indicates a downtrend, it also indicates a lagging stock price that may have catch up potential. Similarly the attractiveness of the 0.8 McDep Ratio takes on greater significance considering that most of the many years we have been analyzing XOM stock or its predecessor it has had near the highest McDep valuation. For example, seven years ago at another low point in the stock market cycle, XOM had a 0.98 McDep Ratio, at the top of its peers.

We know of no reason why XOM stock price should be lagging. Some investors may be concerned about higher future taxes, but that would affect most companies and most investors. Some owners of XOM stock may be concerned about future growth for a company that is already large. When we look at growth per share adjusted for debt and distributions we see that XOM continues to perform well. Finally, increasing natural gas exposure is also a plus for growth once we get past the next few weeks before winter weather starts alleviating the current supply/demand imbalance for the clean fuel. *Forbes* astutely picked up on the natural gas thrust in its August 24 feature, "Green Company of the Year: Exxon".

ExxonMobil's 25% concentration of value on "Rest of World" natural gas is the highest of the major companies with publicly traded enterprise value more than \$100 billion (see Table 1, McDep Energy Portfolio – Geographic Domicile and Business Segments). Debt is low whether measured by EV/Market Cap in Table 1 or Debt/Present Value (see Table 2, Net Present Value and McDep Ratio). Low debt reassures nervous investors at the same time it presents strategic investors an opportunity to own more stock for the same amount of financial risk in higher debt companies. Long reserve life, 12.4 years adjusted compared to a median 10, supports a higher cash flow multiple and higher stock price in our analysis than in current market quotes (see Table 3, Value Multiples and Distribution Yield).

Meanwhile, the oil price trend continues upward with the latest settlement prices for the average of futures for the next six years near \$80 a barrel compared to the 40-week average of \$71 (see charts Six-Year Commodity Price Meter and Six-Year and One-Year Natural Gas and Oil Futures, page 5). In the face of acute short-term pressure on the price of near-month deliveries, natural gas for the next six years remains remarkably stable at \$6.53 a million btu, just under the 40-week average of \$6.79. Similarly, the ratio of oil price to natural gas price is at an extreme for the average of futures for the next twelve months at 15 times, but less so for the average of futures for the next 72 months, or six years, at 12 times (see chart Oil/Natural Gas Futures Ratio, page 7).

Kurt H. Wulff, CFA



| | | | | Table 1 | | | | | | |
|---|--------|---------------------|----------------|----------|------------|---------|------------|------------|--------|--------------|
| | | N | IcDep | Energy | y Portfoli | 0 | | | | |
| | Geogr | aphic | Domic | cile and | d Busines | s Segn | nents | | | |
| | | | | | | Prasan | t Value by | Sagman | t (%) | |
| | | | Price | | | North | Rest | segment | (/0) | |
| | Cumbal | Dating | (US\$/sh) | EV/ | Enterprise | Amer. | of World | | | |
| | | - | , , | Market | Value | Natural | Natural | Oil | Down- | M.D. |
| | | 3 = Buy 1 = Hold | 31-Aug 2009 | Сар | (\$mm) | Gas | Gas | Prod'n | stream | McDe Rati |
| | | – Holu | 2009 | Сар | (\$mm) | Gas | Gas | r roa n | stream | Kan |
| U.S. Integrated | | | | | | | | | | |
| Exxon Mobil Corporation | XOM | В | 69.15 | 1.14 | 384,000 | 5 | 25 | 48 | 22 | 0.80 |
| Chevron Corporation | CVX | В | 69.94 | 1.23 | 172,000 | 4 | 10 | 70 | 16 | 0.76 |
| Marathon Oil Corporation | MRO | В | 30.87 | 1.52 | 33,500 | 8 | 5 | 61 | 26 | 0.70 |
| ConocoPhillips | COP | В | 45.03 | 1.77 | 119,000 | 12 | 9 | 64 | 14 | 0.57 |
| • | | | | 1.// | | 12 | 9 | 04 | 14 | |
| Total or Median * | 31% | 9% | 14% | | 709,000 | | | | | 0.72 |
| Europe | | | | | | | | | | |
| BP plc | BP | В | 51.45 | 1.40 | 227,000 | 7 | 9 | 60 | 24 | 0.78 |
| BG Group | BRGXF | В | 16.39 | 1.13 | 62,700 | | 23 | 45 | 32 | 0.77 |
| Royal Dutch Shell plc | RDS-A | В | 55.47 | 1.33 | 226,000 | 2 | 22 | 43 | 32 | 0.76 |
| StatoilHydro ASA (33%) | STO | В | 21.84 | 1.43 | 32,800 | | 52 | 48 | - | 0.70 |
| Total S.A. | TOT | В | 57.27 | 1.26 | 162,000 | | 19 | 59 | 22 | 0.69 |
| Total or Median * | 31% | 12% | 18% | 1.20 | 711,000 | | 17 | 37 | | 0.76 |
| | | | | | | | | | | |
| Brazil/China/Russia | | | | | | | | | | |
| CNOOC Limited (34%) | CEO | В | 130.65 | 1.01 | 20,100 | | 11 | 89 | - | 0.97 |
| PetroChina Company Ltd (14% | PTR | В | 109.75 | 1.09 | 30,700 | | 15 | 69 | 15 | 0.75 |
| Petrobras | PBR | В | 39.64 | 1.21 | 211,000 | | 7 | 77 | 16 | 0.72 |
| Lukoil Oil Company | LUKOY | В | 49.25 | 1.16 | 48,500 | | | 67 | 33 | 0.40 |
| Gazprom (50%) | OGZPY | В | 20.26 | 1.29 | 82,000 | | 80 | 20 | - | 0.37 |
| Total or Median * | 17% | 12% | 18% | | 392,000 | | | | | 0.72 |
| IIC I | | | | | | | | | | |
| U.S. Independent Anadarko Petroleum Corp. | A DC | В | 52.07 | 1.56 | 40,000 | 47 | | 10 | | 0.03 |
| XTO Energy Inc. | APC | | 52.87 | 1.56 | 40,900 | 75 | | 48 25 | 5 | 0.93 |
| | XTO | В | 38.60 | 1.50 | 33,500 | | 1 | | | 0.87 |
| Occidental Petroleum Corp. | OXY | В | 73.10 | 1.10 | 65,200 | 9 | 1 | 80 | 9 | 0.85 |
| Chesapeake Energy Corp. | CHK | - n | 22.84 | 2.04 | 28,400 | 85 | | 15 | - | 0.81 |
| EOG Resources | EOG | В | 72.00 | 1.15 | 20,600 | 72 | 4 | 24 | - | 0.80 |
| Devon Energy Corporation | DVN | В | 61.38 | 1.34 | 36,900 | 61 | | 39 | - | 0.69 |
| Total or Median * | 10% | 14% | 18% | | 226,000 | | | | | 0.83 |
| Canada | | | | | | | | | | |
| Encana Corporation | ECA | В | 51.99 | 1.33 | 51,700 | 65 | | 30 | 5 | 0.87 |
| Canadian Natural Resources | CNO | В | 57.23 | 1.39 | 43,200 | 20 | | 80 | - | 0.78 |
| Imperial Oil Limited (30%) | IMO | В | 35.86 | | 10,100 | - | | 83 | 17 | 0.76 |
| Suncor Energy | SU | В | 30.64 | 1.36 | 65,300 | 6 | | 86 | 7 | 0.66 |
| Canadian Oil Sands Trust | COSWF | В | 25.14 | | 13,600 | 3 | | 100 | | 0.62 |
| Total or Median * | 8% | 12% | 18% | 1.12 | 184,000 | | | 100 | | 0.76 |
| | | | | | | | | | | |
| Income and Small Cap (see se | | | | | 20.500 | 40 | | <i>C</i> 0 | | 0.00 |
| Composite | 2% | 42% | 14% | | 38,500 | 40 | | 60 | | 0.80 |
| | 100% | | | | 2,260,500 | 10 | 15 | 57 | 10 | 0.73 |
| Enterprise Value Weighting | 100% | 1000/ | | | 2,200,300 | | 15 | | 18 | 0.72 |
| Equal Weighting | | 100% | 1000/ | | | 32 | 7 | 53 | 7 | 0.76 |
| Equal Weighted Buys | | | 100% | | | 22 | 10 | 56 | 11 | 0.73 |
| | | | | | | | | | | |



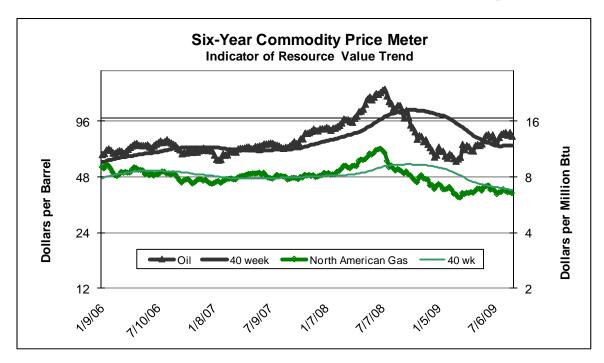
| BP plc BP B 51.45 3,155 162,000 72.00 0.22 BG Group plc BRGXF B 16.39 3,388 55,520 22.00 0.09 Royal Dutch Shell plc RDS-A B 55.47 3,065 170,000 79.00 0.19 StatoilHydro ASA (33%) STO B 21.84 1,051 22,950 35.00 0.21 Total S.A. TOT B 57.27 2,236 128,000 90.00 0.14 Total or Median S38,000 0.21 Brazil/China/Russia CNOOC Limited (34%) CEO B 130.65 152 19,880 135.00 0.01 Petrobras PBR B 109.75 256 28,120 150.00 0.06 Petrobras PBR B 39.64 4,387 173,900 58.00 0.13 Lukoil Oil Company LUKOY B 49.25 847 42,000 135.00 0.06 Gazprom (50%) OGZPY B 20.26 3,130 63,400 < | | | Table 2 | | | | | |
|---|------------------------------|-------------|---------------|------------|--------------|--------|-------|-------|
| Price Net Net Symbol/Rating (USS/sh) Market Present Debt/ | I | McDep | Energy | Portfol | lio | | | |
| Symbol/Rating (US\$/sh) Shares Cap Value Present Debt/ Value H = Hold 2009 (mm) (US\$mm) (US\$/sh) Value Valu | Net Pr | resent V | Value and | d McD | ep Ratio | | | |
| Symbol/Rating (US\$/sh) Shares Cap Value Present Debt/ Value H = Hold 2009 (mm) (US\$mm) (US\$/sh) Value Valu | | | Dwine | | | Not | | |
| B = Buy 31-Aug Shares Cap Value Present | Cum | nhol/Patin | | | Market | | Doht/ | |
| H = Hold 2009 | Sym | | | Charas | | | | McDep |
| Exxon Mobil Corporation XOM B 69.15 4.871 337,000 89.00 0.10 | | | | | | | | Ratio |
| Exxon Mobil Corporation XOM B 69.15 4.871 337,000 89.00 0.10 | | | | | | | | |
| Chevron Corporation | | | | | | | | |
| Marathon Oil Corporation MRO B 30.87 711 21,950 53.00 0.23 ConocoPhillips COP B 45.03 1,496 67,000 105.00 0.25 Europe BP B 45.03 1,496 67,000 105.00 0.25 BP plc BP B 51.45 3,155 162,000 72.00 0.22 BP plc BP B 51.45 3,155 162,000 72.00 0.22 Royal Dutch Shell plc RDS-A B 55.47 3,065 170,000 79.00 0.19 StatoilHydro ASA (33%) STO B 21.84 1,051 22,950 35.00 0.21 Total S.A. TOT B 57.27 2,236 128,000 90.00 0.14 Brazil/China/Russia CEO B 130.65 152 19,880 135.00 0.06 PetroChina Company Ltd (14%) PTR B 109.75 256 28,120 150.00 <td>Corporation XOI</td> <td>M B</td> <td>69.15</td> <td>4,871</td> <td>337,000</td> <td>89.00</td> <td>0.10</td> <td>0.80</td> | Corporation XOI | M B | 69.15 | 4,871 | 337,000 | 89.00 | 0.10 | 0.80 |
| COP B 45.03 1,496 67,000 105.00 0.25 | | X B | 69.94 | 1,992 | 139,000 | 97.00 | 0.14 | 0.76 |
| Total or Median BP | il Corporation MR | RO B | 30.87 | 711 | 21,950 | 53.00 | 0.23 | 0.68 |
| Detro Detr | | P B | 45.03 | 1,496 | 67,000 | 105.00 | 0.25 | 0.57 |
| BP plc BP B 51.45 3,155 162,000 72.00 0.22 BG Group plc BRGXF B 16.39 3,388 55,520 22.00 0.09 Royal Dutch Shell plc RDS-A B 55.47 3,065 170,000 79.00 0.19 StatoilHydro ASA (33%) STO B 21.84 1,051 22,950 35.00 0.21 Total S.A. TOT B 57.27 2,236 128,000 90.00 0.14 Total or Median S7.27 2,236 128,000 90.00 0.14 Total or Median S7.27 2,236 128,000 90.00 0.14 Errochia Company Lid (14%) PTR B 130.65 152 19,880 135.00 0.01 Petrobras PBR B 130.65 152 19,880 135.00 0.06 Petrobras PBR B 109.75 256 28,120 150.00 0.06 | _ | | | | 565,000 | | 0.19 | 0.72 |
| BP plc BP B 51.45 3,155 162,000 72.00 0.22 BG Group plc BRGXF B 16.39 3,388 55,520 22.00 0.09 Royal Dutch Shell plc RDS-A B 55.47 3,065 170,000 79.00 0.19 StatoilHydro ASA (33%) STO B 21.84 1,051 22,950 35.00 0.21 Total S.A. TOT B 57.27 2,236 128,000 90.00 0.14 Total or Median S7.27 2,236 128,000 90.00 0.14 Total or Median S7.27 2,236 128,000 90.00 0.14 Errochia Company Lid (14%) PTR B 130.65 152 19,880 135.00 0.01 Petrobras PBR B 130.65 152 19,880 135.00 0.06 Petrobras PBR B 109.75 256 28,120 150.00 0.06 | | | | | | | | |
| Brown Brow | מת | n | £1 AF | 2 155 | 162 000 | 72.00 | 0.22 | 0.78 |
| Royal Dutch Shell plc RDS-A B 55.47 3,065 170,000 79.00 0.19 StatoilHydro ASA (33%) STO B 21.84 1,051 22,950 35.00 0.21 Total S.A. | | | | | | | | |
| StatoilHydro ASA (33%) STO B 21.84 1,051 22,950 35.00 0.21 Total S.A. | | | | | | | | 0.77 |
| Total S.A. TOT B 57.27 2,236 128,000 90.00 0.14 | | | | _ | | | | 0.76 |
| Total or Median S38,000 0.19 | | | | | | | | 0.70 |
| CROOC Limited (34%) CEO B 130.65 152 19,880 135.00 0.01 | | Т В | 57.27 | 2,236 | | 90.00 | | 0.69 |
| CNOOC Limited (34%) CEO B 130.65 152 19,880 135.00 0.01 PetroChina Company Ltd (14%) PTR B 109.75 256 28,120 150.00 0.06 Petrobras PBR B 39.64 4,387 173,900 58.00 0.13 Lukoil Oil Company LUKOY B 49.25 847 42,000 135.00 0.06 Gazprom (50%) OGZPY B 20.26 3,130 63,400 64.00 0.08 Total or Median Section Median 327,000 0.06 US. Independent Section Median 327,000 0.08 Total or Median Section Median Section Median 32,000 59.00 0.33 Total or Median Section Median 1167,600 92.00 0.10 Canada Encana Corporation ECA B 51.99 751 39,000 62.00 | Total or Median | | | | 538,000 | | 0.19 | 0.76 |
| CNOOC Limited (34%) CEO B 130.65 152 19,880 135.00 0.01 PetroChina Company Ltd (14%) PTR B 109.75 256 28,120 150.00 0.06 Petrobras PBR B 39.64 4,387 173,900 58.00 0.13 Lukoil Oil Company LUKOY B 49.25 847 42,000 135.00 0.06 Gazprom (50%) OGZPY B 20.26 3,130 63,400 64.00 0.08 Total or Median Section Median 327,000 0.06 US. Independent Section Median 327,000 0.08 Total or Median Section Median Section Median 32,000 59.00 0.33 Total or Median Section Median 1167,600 92.00 0.10 Canada Encana Corporation ECA B 51.99 751 39,000 62.00 | a/Russia | | | | | | | |
| PetroChina Company Ltd (14%) PTR B 109.75 256 28,120 150.00 0.06 Petrobras PBR B 39.64 4,387 173,900 58.00 0.13 Lukoil Oil Company LUKOY B 49.25 847 42,000 135.00 0.06 Gazprom (50%) OGZPY B 20.26 3,130 63,400 64.00 0.08 Total or Median Jack Strain Stra | | O B | 130.65 | 152 | 19.880 | 135.00 | 0.01 | 0.97 |
| Petrobras | | | | | | | | 0.75 |
| Lukoil Oil Company LUKOY B 49.25 847 42,000 135.00 0.06 Gazprom (50%) OGZPY B 20.26 3,130 63,400 64.00 0.08 U.S. Independent Anadarko Petroleum Corp. APC B 52.87 495 26,200 59.00 0.33 XTO Energy Inc. XTO B 38.60 579 22,350 47.00 0.29 Occidental Petroleum Corp. OXY B 73.10 814 59,500 87.00 0.07 Ches apeake Energy Corp. CHK 22.84 610 13,930 34.00 0.41 EOG Resources EOG B 72.00 250 18,000 92.00 0.10 Devon Energy Corporation DVN B 61.38 450 27,600 98.00 0.17 Total or Median Interpretation of the color | | | | | | | | 0.72 |
| Gazprom (50%) OGZPY B 20.26 3,130 63,400 64.00 0.08 Total or Median 20.26 3,130 63,400 64.00 0.08 U.S. Independent A nadarko Petroleum Corp. APC B 52.87 495 26,200 59.00 0.33 XTO Energy Inc. XTO B 38.60 579 22,350 47.00 0.29 Occidental Petroleum Corp. OXY B 73.10 814 59,500 87.00 0.07 Ches apeake Energy Corp. CHK 22.84 610 13,930 34.00 0.41 EOG Resources EOG B 72.00 250 18,000 92.00 0.10 Devon Energy Corporation DVN B 61.38 450 27,600 98.00 0.17 Total or Median 167,600 98.00 0.23 Canada Encana Corporation ECA B 51.99 751 39,000 <t< td=""><td></td><td></td><td></td><td>_</td><td></td><td></td><td></td><td>0.40</td></t<> | | | | _ | | | | 0.40 |
| Canadian Natural Resources CNQ B 57.23 542 31,000 60.06 | | | | | | | | 0.37 |
| U.S. Independent APC B 52.87 495 26,200 59.00 0.33 XTO Energy Inc. XTO B 38.60 579 22,350 47.00 0.29 Occidental Petroleum Corp. OXY B 73.10 814 59,500 87.00 0.07 Ches apeake Energy Corp. CHK 22.84 610 13,930 34.00 0.41 EOG Resources EOG B 72.00 250 18,000 92.00 0.10 Devon Energy Corporation DVN B 61.38 450 27,600 98.00 0.17 Total or Median 167,600 0.23 Canada Encana Corporation ECA B 51.99 751 39,000 62.00 0.21 Canadian Natural Resources CNQ B 57.23 542 31,000 80.00 0.22 Imperial Oil Limited (30%) IMO B 35.86 256 9,200 48.00 0.06 | , | ZII B | 20.20 | 3,130 | | 04.00 | | 0.72 |
| Anadarko Petroleum Corp. APC B 52.87 495 26,200 59.00 0.33 XTO Energy Inc. XTO B 38.60 579 22,350 47.00 0.29 Occidental Petroleum Corp. OXY B 73.10 814 59,500 87.00 0.07 Chesapeake Energy Corp. CHK 22.84 610 13,930 34.00 0.41 EOG Resources EOG B 72.00 250 18,000 92.00 0.10 Devon Energy Corporation DVN B 61.38 450 27,600 98.00 0.17 Total or Median 167,600 9.20 0.23 Canada Encana Corporation ECA B 51.99 751 39,000 62.00 0.21 Canadian Natural Resources CNQ B 57.23 542 31,000 80.00 0.22 Imperial Oil Limited (30%) IMO B 35.86 256 9,200 48 | | | | | , | | | |
| XTO Energy Inc. XTO B 38.60 579 22,350 47.00 0.29 Occidental Petroleum Corp. OXY B 73.10 814 59,500 87.00 0.07 Ches apeake Energy Corp. CHK 22.84 610 13,930 34.00 0.41 EOG Resources EOG B 72.00 250 18,000 92.00 0.10 Devon Energy Corporation DVN B 61.38 450 27,600 98.00 0.17 Total or Median 167,600 0.23 Canada Encana Corporation ECA B 51.99 751 39,000 62.00 0.21 Canadian Natural Resources CNQ B 57.23 542 31,000 80.00 0.22 Imperial Oil Limited (30%) IMO B 35.86 256 9,200 48.00 0.06 | dent | | | | | | | |
| Occidental Petroleum Corp. OXY B 73.10 814 59,500 87.00 0.07 Chesapeake Energy Corp. CHK 22.84 610 13,930 34.00 0.41 EOG Resources EOG B 72.00 250 18,000 92.00 0.10 Devon Energy Corporation DVN B 61.38 450 27,600 98.00 0.17 Total or Median 167,600 0.23 Canada Encana Corporation ECA B 51.99 751 39,000 62.00 0.21 Canadian Natural Resources CNQ B 57.23 542 31,000 80.00 0.22 Imperial Oil Limited (30%) IMO B 35.86 256 9,200 48.00 0.06 | etroleum Corp. APC | C B | 52.87 | 495 | 26,200 | 59.00 | 0.33 | 0.93 |
| Chesapeake Energy Corp. CHK 22.84 610 13,930 34.00 0.41 EOG Resources EOG B 72.00 250 18,000 92.00 0.10 Devon Energy Corporation DVN B 61.38 450 27,600 98.00 0.17 Total or Median Interval of | Inc. XTO | O B | 38.60 | 579 | 22,350 | 47.00 | 0.29 | 0.87 |
| EOG Resources EOG B 72.00 250 18,000 92.00 0.10 Devon Energy Corporation DVN B 61.38 450 27,600 98.00 0.17 Total or Median 167,600 0.23 Canada Encana Corporation ECA B 51.99 751 39,000 62.00 0.21 Canadian Natural Resources CNQ B 57.23 542 31,000 80.00 0.22 Imperial Oil Limited (30%) IMO B 35.86 256 9,200 48.00 0.06 | etroleum Corp. OX | Y B | 73.10 | 814 | 59,500 | 87.00 | 0.07 | 0.85 |
| EOG Resources EOG B 72.00 250 18,000 92.00 0.10 Devon Energy Corporation DVN B 61.38 450 27,600 98.00 0.17 Total or Median 167,600 0.23 Canada Encana Corporation ECA B 51.99 751 39,000 62.00 0.21 Canadian Natural Resources CNQ B 57.23 542 31,000 80.00 0.22 Imperial Oil Limited (30%) IMO B 35.86 256 9,200 48.00 0.06 | Energy Corp. CHI | K | 22.84 | 610 | 13,930 | 34.00 | 0.41 | 0.81 |
| Canada Encana Corporation ECA B 51.99 751 39,000 62.00 0.21 Canadian Natural Resources CNQ B 57.23 542 31,000 80.00 0.22 Imperial Oil Limited (30%) IMO B 35.86 256 9,200 48.00 0.06 | 0, 1 | | | 250 | | | | 0.80 |
| Canada Encana Corporation ECA B 51.99 751 39,000 62.00 0.21 Canadian Natural Resources CNQ B 57.23 542 31,000 80.00 0.22 Imperial Oil Limited (30%) IMO B 35.86 256 9,200 48.00 0.06 | gy Corporation DVI | N B | 61.38 | 450 | 27,600 | 98.00 | 0.17 | 0.69 |
| Encana Corporation ECA B 51.99 751 39,000 62.00 0.21 Canadian Natural Resources CNQ B 57.23 542 31,000 80.00 0.22 Imperial Oil Limited (30%) IMO B 35.86 256 9,200 48.00 0.06 | | | | | | | | 0.83 |
| Encana Corporation ECA B 51.99 751 39,000 62.00 0.21 Canadian Natural Resources CNQ B 57.23 542 31,000 80.00 0.22 Imperial Oil Limited (30%) IMO B 35.86 256 9,200 48.00 0.06 | | | | | | | | |
| Canadian Natural Resources CNQ B 57.23 542 31,000 80.00 0.22 Imperial Oil Limited (30%) IMO B 35.86 256 9,200 48.00 0.06 | oration EC/ | Λ D | 51.00 | 751 | 30 000 | 62.00 | 0.21 | 0.87 |
| Imperial Oil Limited (30%) IMO B 35.86 256 9,200 48.00 0.06 | | | | | | | | |
| | | | | | | | | 0.78 |
| Suncor energy SU B 30.04 1,5/2 48,160 52.00 0.17 | | | | | | | | 0.76 |
| C 1 O'I C I T . COMME D OF 14 101 10 10 00 | <u> </u> | | | _ | | | | 0.66 |
| Canadian Oil Sands Trust COSWF B 25.14 484 12,170 42.00 0.07 | | SWF B | 25.14 | 484 | , | 42.00 | | 0.62 |
| Total or Median 140,000 0.17 | Total or Median | | | | 140,000 | | 0.17 | 0.76 |
| McDep Ratio = Market cap and Debt to present value of oil and gas and other businesses | 0 - Market can and Debt to 1 | nresent val | ue of oil and | gas and of | her husiness | es | | |

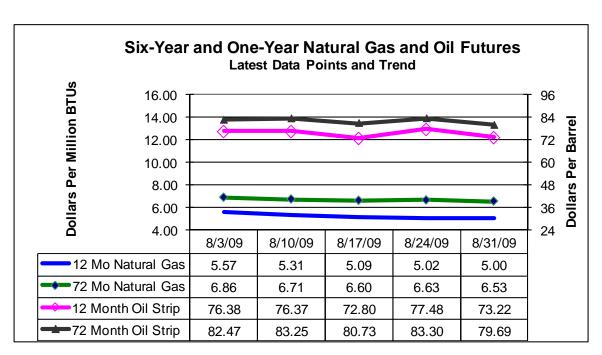


| | | | Table 3 | | | | | |
|--|-----------|------|-------------|---------------|--------------|--------|-----|---------|
| | McDe | ep I | Energy | Portfol | io | | | |
| Value | | - | and Di | | | ld | | |
| , 33-32-3 | | | | | | | | |
| | | | Price | Adjustd | | | | Divd o |
| S | ymbol/Rai | U | (US\$/sh) | Resrvs/ | PV/ | EV/ | | Distril |
| | B = | Buy | 31-Aug | Prod | Ebitda | Ebitda | P/E | NTN |
| | H = I | Iold | 2009 | NTM | NTM | NTM | NTM | (% |
| U.S. Integrated | | | | | | | | |
| Exxon Mobil Corporation | XOM | В | 69.15 | 12.4 | 8.6 | 6.9 | 13 | 2.4 |
| Chevron Corporation | CVX | В | 69.94 | 9.8 | 7.8 | 6.0 | 15 | 3.9 |
| ConocoPhillips | COP | В | 45.03 | 10.6 | 9.0 | 5.1 | 9 | 4.2 |
| Marathon Oil Corporation | MRO | В | 30.87 | 8.3 | 7.0 | 4.8 | 10 | 3.1 |
| Total or Median | | | | 10.2 | 8.2 | 5.6 | 11 | 3.5 |
| Europe | | | | | | | | |
| Europe BG Group plc | BRGXF | В | 16.39 | 8.8 | 9.1 | 7.0 | 14 | 1.2 |
| BP plc | BP | В | 51.45 | 9.6 | 7.9 | 6.1 | 12 | 6.5 |
| Royal Dutch Shell plc | RDS-A | В | 55.47 | 7.9 | 7.6 | 5.8 | 12 | 6.1 |
| Total S.A. | TOT | В | 57.27 | 9.7 | 8.4 | 5.8 | 11 | 5.7 |
| StatoilHydro ASA (33%) | STO | В | 21.84 | 7.5 | 7.2 | 5.1 | 16 | 5.5 |
| Total or Median | 310 | ь | 21.04 | 8.8 | 7.9 | 5.8 | 12 | 5.7 |
| Total of Mealan | | | | 0.0 | 7.5 | 5.0 | 12 | 3.7 |
| Brazil/China/Russia | | | | | | | | |
| Petrobras | PBR | В | 39.64 | 9.4 | 11.4 | 8.2 | 14 | 4.2 |
| PetroChina Company Ltd (14%) | PTR | В | 109.75 | 14.2 | 8.5 | 6.4 | 17 | 3.6 |
| CNOOC Limited (34%) | CEO | В | 130.65 | 7.6 | 6.4 | 6.2 | 11 | 3.9 |
| Lukoil Oil Company | LUKOY | В | 49.25 | 16.3 | 9.3 | 3.7 | 7 | 2.4 |
| Gazprom (50%) | OGZPY | В | 20.26 | 24.6 | 9.1 | 3.4 | 4 | 1.7 |
| Total or Median | | | | 14.2 | 9.1 | 6.2 | 11 | 3.6 |
| U.S. Independent | | | | | | | | |
| XTO Energy Inc. | XTO | В | 38.60 | 11.0 | 12.0 | 10.5 | 29 | 1.5 |
| Chesapeake Energy Corp. | CHK | | 22.84 | 11.3 | 12.6 | 10.1 | 16 | 1.3 |
| EOG Resources | EOG | В | 72.00 | 10.1 | 10.9 | 8.8 | 23 | 0.8 |
| Anadarko Petroleum Corp. | APC | В | 52.87 | 9.2 | 9.2 | 8.6 | | 0.7 |
| Occidental Petroleum Corp. | OXY | В | 73.10 | 11.0 | 8.0 | 6.8 | 15 | 1.8 |
| Devon Energy Corporation | DVN | В | 61.38 | 8.4 | 8.8 | 6.1 | 13 | 1.0 |
| Total or Median | | | | 10.5 | 10.1 | 8.7 | 16 | 1.2 |
| Canada | | | | | | | | |
| Imperial Oil Limited (30%) | IMO | В | 35.86 | 18.5 | 14.7 | 11.2 | 22 | 1.0 |
| Encana Corporation | ECA | В | 51.99 | 9.1 | 10.4 | 9.1 | 17 | 0.8 |
| Canadian Oil Sands Trust | COSWF | В | 25.14 | 22.2 | 14.0 | 8.7 | 14 | 7.1 |
| Canadian Natural Resources | CNQ | В | 57.23 | 7.7 | 10.0 | 7.8 | 14 | 0.6 |
| Suncor Energy | SU | В | 30.64 | 12.5 | 10.6 | 7.0 | 70 | 0.6 |
| Total or Median | 30 | | 20.01 | 12.5 | 10.6 | 8.7 | 17 | 0.8 |
| 10.00 0.1.1200001 | | | | 12.0 | 13.0 | 0.7 | 1, | 0.0 |
| EV = Enterprise Value = Market Cap and | | | | | | | | |
| and amortization; NTM = Next Twelve I | Months Er | ided | June 30, 20 | 10: $P/E = S$ | tock Price t | 0 | | |



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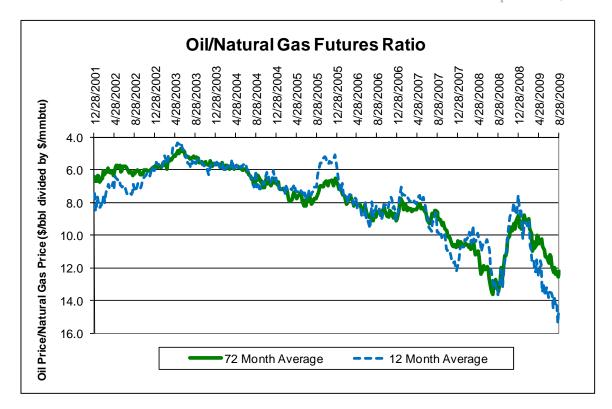


| | | | Index of Reco | ent Resea | ırch | | | |
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| | | | | | | | | |
| Stock | [a. | 200 | | | | | | |
| | Lac | | 0.11 | Til | | | | |
| <u>Date</u> | H | <u>Symbol</u> | <u>Subject</u> | <u>Theme</u> | | | | |
| 30-Aug | H | LUKOY | Lukoil Oil Company | | ting to Russia | | ; | |
| 30-Aug | H | PTR | PetroChina Company Limited | | Giant in Clean | | | |
| 26-Aug | H | CEO | CNOOC Ltd | | ent Valuation, | | rospects | |
| 26-Aug | H | OGZPY | Gazprom | | as Giant Reer | | | (70 0077) |
| 14-Aug | H | BIR.TO | Birchcliff Energy Ltd. | | Small Cap Can | | as Produce | r (ISCW) |
| 12-Aug | H | PWE | Penn West Energy Trust | | PV on Volum | | | |
| 11-Aug | L | DMLP | Dorchester Minerals, L.P. | | Competitive wi | | | |
| 7-Aug | L | XEC | Cimarex Energy Company | | le Working W | | | |
| 7-Aug | L | EOG | EOG Resources Inc. | | t Natural Gas | | | |
| 6-Aug | L | CNQ | Canadian Natural Resources | First Cas | h from Horizo | n | | |
| 5-Aug | L | BRY | Berry Petroleum | Back on 7 | | | | |
| 5-Aug | L | XTO | XTO Energy Inc. | | Edge Natural C | | r | |
| 5-Aug | L | DVN | Devon Energy Corporation | Stock Pri | ce Moves to I | Jptrend | | |
| 4-Aug | | APC | Anadarko Petroleum Corporation | Frontier I | Exploration Of | f West Afric | ca | |
| 4-Aug | L | STO | StatoilHydro ASA | Natural C | as Growth wi | th Dividend | s | |
| 3-Aug | * | MRO | Marathon Oil Corporation | Favorable | e Trends for F | uture Profit | | |
| 31-Jul | * | CVX | Chevron Corporation | Strength | in Tough Tim | es | | |
| 31-Jul | * | TOT | Total S.A. | Real Retu | ırn and Secure | e Income | | |
| 30-Jul | * | IMO | Imperial Oil Limited | Downstro | eam Hiccup | | | |
| 30-Jul | * | PCZ | Petro-Canada | Good By | e Petro-Canad | a, Hello Sur | ncor | |
| 30-Jul | * | XOM | Exxon Mobil Corporation | Upstrean | n Volume Grov | ving | | |
| 30-Jul | * | RDSA | Royal Dutch Shell plc | Gaining I | Efficiency in E | xploration a | nd Product | ion |
| 29-Jul | * | BRGXF | BG Group | Progress | ing in Pre-Salt | Brazil | | |
| 29-Jul | * | EAC | Encore Acquisition Company | Tertiary I | Recovery Proj | ect Announ | ced | |
| 29-Jul | * | COP | ConocoPhillips | | d for Recover | | | |
| 28-Jul | * | BP | BP p.l.c. | Trending | Up | | | |
| 27-Jul | * | COSWF | Canadian Oil Sands Trust | Quarterly | Distribution | Raised to C | \$0.25 a Unit | t |
| 23-Jul | * | OXY | Occidental Petroleum Corporation | | Discovery M | | | |
| 23-Jul | * | ECA | EnCana Corporation | | Helping in 200 | - | | |
| 22-Jul | * | SU | Suncor Energy | | ith Petro-Can | | fective Au | gust 1 |
| 10-Jul | _ | SJT | San Juan Basin Royalty Trust | | g the Bend (In | | | _ |
| 10-Jul | * | HGT | Hugoton Royalty Trust | | g the Bend (In | | | |
| 5-May | * | PBR | Petrobras | | on Oil Growt | | | J , |
| Meter | R | eader | | - 12 11 = 117 | | _ | | |
| 1-Sep | Т | | Weekly | | | | | |
| 11-Aug | * | | Weekly | North Ar | nerican Natura | al Gas Buys | | |
| 4-Aug | * | | Weekly | | ality Energy Ir | | | |
| 28-Jul | * | | Chevron Corporation (CVX) | Restore I | | , , , , | | |
| Incom | e a | nd Small | Cap Weekly | 110510101 | | | | |
| 14-Aug | T | | Birchcliff Energy Ltd. | Spirited S | Small Cap Can | adian Natur | al Gas Prod | ucer |
| 7-Aug | * | | Weekly | | Geographic Di | | | |
| 31-Jul | * | | MTR | | the Trend at | | | acurar Oa |
| 24-Jul | * | | Weekly | Trend Se | | csa Roya | ny musi | |
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| Indust | ∟y * | lueas | Procentation | Molsin = N | Monovin Oil | and Coa Sta | alea | |
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| | * | Archived | on www.mcdep.com | | | | | |
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A Weekly Analysis of Large Cap Oil and Gas Stocks September 1, 2009



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