



# Independent Stock Idea

Intraday June 6, 2017

## Marathon Oil (MRO) A Fourth Shale Focus

<i>Symbol</i>	MRO	<i>Ebitda Next Twelve Months ending 6/30/18 (US\$mm)</i>	1,840
<i>Rating</i>	Buy	<i>North American Natural Gas/Ebitda (%)</i>	10
<i>Price (US\$/sh)</i>	12.86	<i>Natural Gas and Oil Production/Ebitda (%)</i>	100
<i>Pricing Date</i>	6/6/17	<i>Adjusted Reserves/Production NTM</i>	8.4
<i>Shares (mm)</i>	849	<i>EV/Ebitda</i>	9.8
<i>Market Capitalization (US\$mm)</i>	10,900	<i>PV/Ebitda</i>	12.6
<i>Debt (US\$mm)</i>	7,100	<i>Undeveloped Reserves (%)</i>	39
<i>Enterprise Value (EV) (US\$mm)</i>	18,000	<i>Natural Gas and Oil Ebitda (US\$/boe)</i>	13.60
<i>Present Value (PV) (US\$mm)</i>	23,200	<i>Present Value Proven Reserves(US\$/boe)</i>	16.50
<i>Net Present Value (US\$/share)</i>	19	<i>Present Value Proven Reserves(US\$/mcfe)</i>	2.75
<i>Debt/Present Value</i>	0.31	<i>Earnings Next Twelve Months (US\$/sh)</i>	-0.45
<i>McDep Ratio - EV/PV</i>	0.78	<i>Price/Earnings Next Twelve Months</i>	-28
<i>Dividend Yield (%/year)</i>	1.6	<i>Indicated Annual Dividend (US\$/sh)</i>	0.20
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 capped by unlevered cash flow multiple.			
For historical research on Marathon since 2001 see <a href="http://www.mcdep.com/3mro.htm">http://www.mcdep.com/3mro.htm</a>			

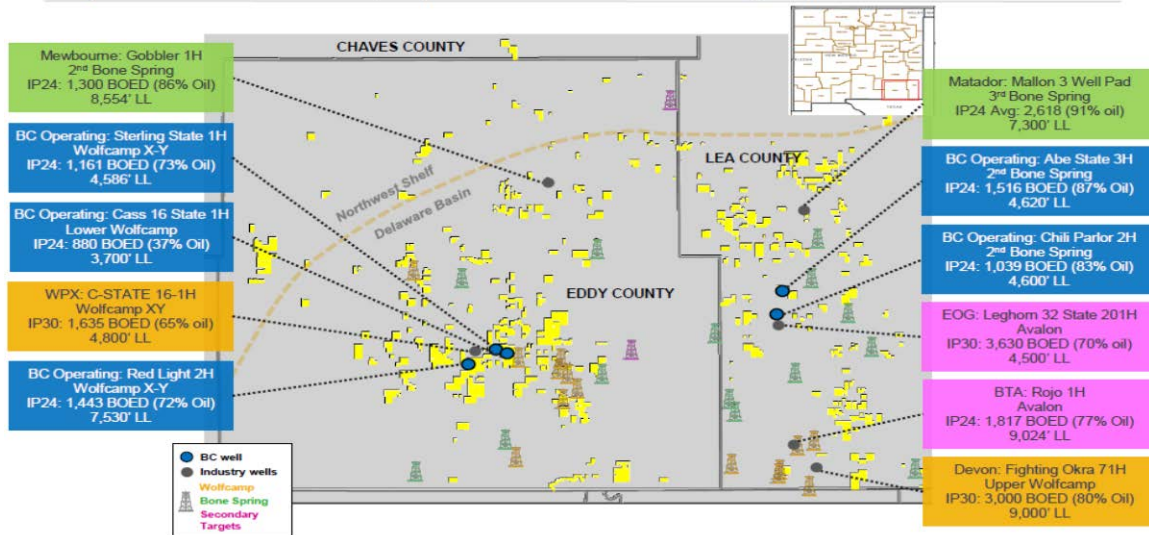
### Summary and Recommendation

Buy-recommended **Marathon Oil (MRO)** adds a fourth shale focus with the recent closings of \$1.8 billion of acquisitions financed by a \$2.5 billion divestiture of oil sands in Canada. The new purchases in the Northern Delaware portion of the Permian add to previous emphasis on SCOOP/STACK, Eagle Ford and Dakota Bakken (see maps on pages 2-3). Since May 1, Marathon has owned BC Operating, featured on the Northern Delaware slide. The second of two Northern Delaware deals closed on June 1 and the Alberta deal closed on May 31. The four focus plays currently produce about 200 thousand barrels oil equivalent daily of 340 mboed global output (see table Operating and Financial Estimates on page 4). Taking account of the transactions, we change Net Present Value (NPV) to \$19 from \$20 mainly to reflect \$700 million of net cash proceeds applied to reduce debt (see table Present Value on page 5). Otherwise, we presume the present value of assets sold equals that of assets bought. We like the simplification and sharper focus of the reshaped company. We recommend low McDep Ratio stocks like Marathon in the Large Independent group (see Tables 1-4 on pages 6-9). Yet, we acknowledge that differences may be slight among closely ranked producers in our coverage. MRO's financial leverage is high, but manageable, we believe. A dollar invested in MRO stock has twice the debt associated with it as measured by Enterprise Value to Market Cap of 1.72 compared to a median 1.36 for peer companies. Historical operating leverage looks high for MRO at 1.96 for percent change in Ebitda vs. percent change in oil and gas price. The current number may be lower for the new mix of the company's resources. Finally, MRO stock has been the second worst performer among peers during 2017. Optimistically, that could be an indicator of potentially stronger performance with firming oil price and smooth execution of refocused operations.

Kurt H. Wulff, CFA

## Northern Delaware Well Performance

Play extension continues; impressive well results being reported



9

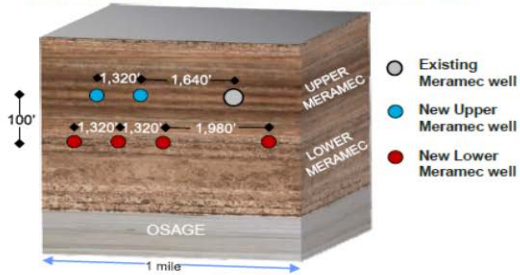
IPs shown are 24 hr and 30 day (includes oil and gas)



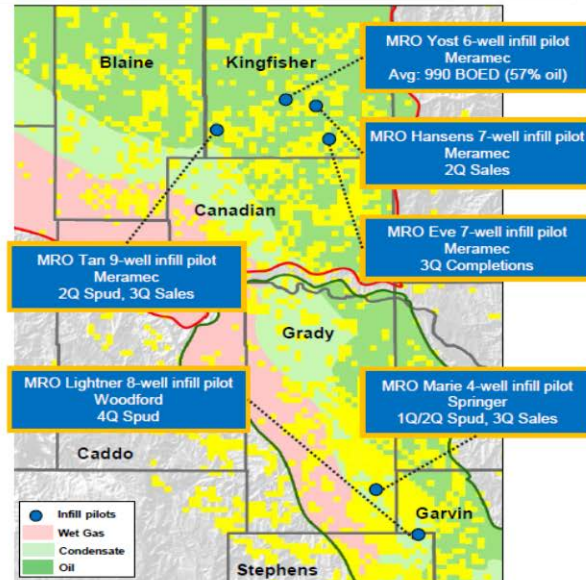
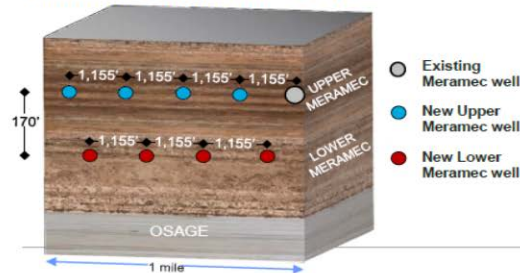
## STACK & SCOOP Infill Spacing Pilots

Significant component of 2017 activity – preparing for full field development

Hansens Black Oil Infill Pilot – 2Q wells to sales



Tan Volatile Oil Infill Pilot – 2Q Spud



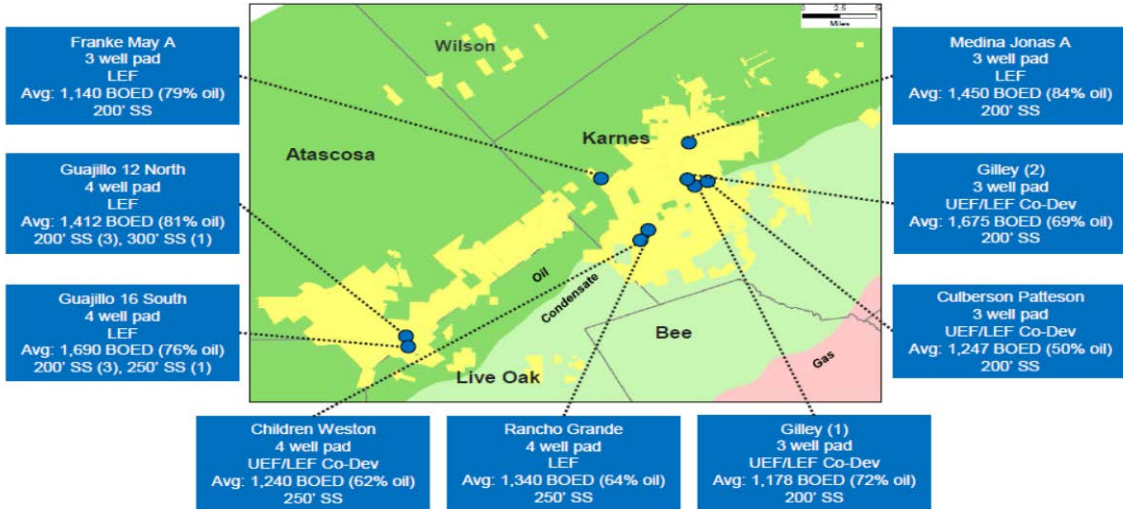
11

IPs shown are 30 day (includes oil, NGL and gas)



## Eagle Ford 1Q Activity Overview

Excellent performance from southeast Atascosa County



13

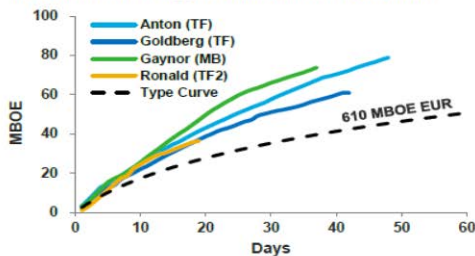
IPs shown are 30 day (includes oil, NGL and gas)



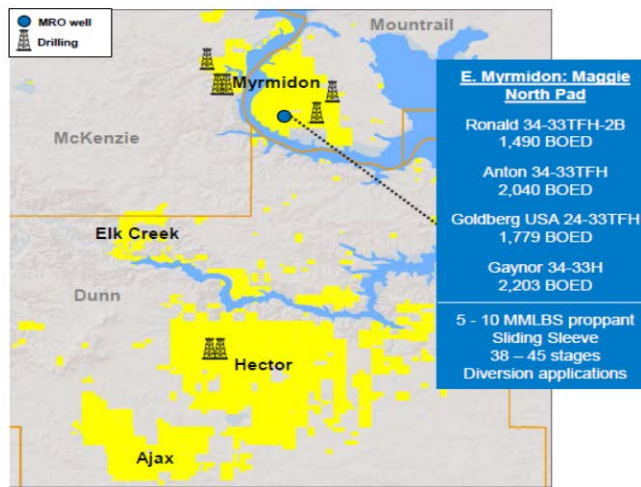
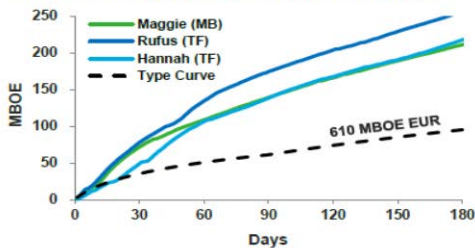
## Bakken East Myrmidon Well Performance

Latest Maggie North pad exceeding expectations

1Q 2017 Pad: Maggie North Cum Production



3Q 2016 Pad: Maggie South Cum Production



15

IPs shown are 30 day (includes oil, NGL and gas)







# Independent Stock Idea

Intraday June 6, 2017

Marathon Oil Corporation										
Next Twelve Months Operating and Financial Estimates										
	Q2	Year	Q1	Q2E	Q3E	Q4E	Year	Q1E	Q2E	Next Twelve Months
	6/30/16	2016	3/31/17	6/30/17	9/30/17	12/31/17	2017	3/31/18	6/30/18	6/30/18
<b>Volume</b>										
Natural Gas (mmcf)										
U.S. (or North America)	310	<b>314</b>	304	308	321	335	<b>317</b>	335	349	<b>335</b>
Overseas (or Int'l)	457	<b>453</b>	461	466	487	507	<b>481</b>	507	529	<b>508</b>
Total	767	<b>766</b>	765	774	807	842	<b>797</b>	842	878	<b>842</b>
Days	91	<b>366</b>	90	91	92	92	<b>365</b>	90	91	<b>365</b>
Oil (mmb)	24	<b>101</b>	19	19	20	21	<b>79</b>	21	22	<b>84</b>
Oil (mbd)	266	<b>276</b>	208	211	220	230	<b>217</b>	230	239	<b>230</b>
Total gas & oil (bcf)	215	<b>886</b>	181	186	196	204	<b>767</b>	200	211	<b>810</b>
Total gas & oil (mbd)	394	<b>404</b>	336	340	355	370	<b>350</b>	370	386	<b>370</b>
<b>Price</b>										
Natural gas (\$/mcf)										
Henry Hub (\$/mmbtu)	1.95	<b>2.46</b>	3.32	3.18	3.02	3.15	<b>3.17</b>	3.31	2.86	<b>3.09</b>
U.S. (or North America)	1.96	<b>2.38</b>	3.02	2.90	2.75	2.86	<b>2.88</b>	3.01	2.61	<b>2.81</b>
Overseas (or Int'l)	0.53	<b>0.53</b>	0.55	0.55	0.55	0.55	<b>0.55</b>	0.55	0.55	<b>0.55</b>
Total	1.11	<b>1.29</b>	1.53	1.48	1.43	1.47	<b>1.48</b>	1.53	1.37	<b>1.45</b>
Oil (\$/bbl)										
WTI Cushing	45.66	<b>43.31</b>	51.92	49.08	47.86	48.36	<b>49.30</b>	48.67	48.67	<b>48.39</b>
Worldwide	35.65	<b>33.65</b>	40.53	38.31	36.85	37.24	<b>38.18</b>	37.68	37.69	<b>37.37</b>
Total gas & oil (\$/mcf)	4.37	<b>4.24</b>	4.77	4.53	4.35	4.41	<b>4.51</b>	4.48	4.42	<b>4.41</b>
<b>Revenue (\$mm)</b>										
Natural Gas										
U.S. (or North America)	55	<b>274</b>	83	81	81	88	<b>333</b>	91	83	<b>343</b>
Overseas (or Int'l)	22	<b>87</b>	23	23	25	26	<b>96</b>	25	26	<b>102</b>
Total	77	<b>361</b>	105	104	106	114	<b>430</b>	116	109	<b>445</b>
Oil	863	<b>3,396</b>	759	736	746	786	<b>3,027</b>	778	821	<b>3,132</b>
Other	362	<b>893</b>	208	208	208	208	<b>831</b>	208	208	<b>831</b>
Total	1,302	<b>4,650</b>	1,072	1,048	1,060	1,108	<b>4,288</b>	1,102	1,138	<b>4,408</b>
<b>Expense</b>	978	<b>3,369</b>	596	605	627	645	<b>2,473</b>	636	659	<b>2,567</b>
<b>Ebitda (\$mm)</b>	324	<b>1,281</b>	476	443	433	463	<b>1,814</b>	467	479	<b>1,841</b>
Exploration	189	<b>330</b>	28	28	28	28	<b>112</b>	100	100	<b>256</b>
Deprec., Deplet., & Amort.	561	<b>2,395</b>	556	556	556	556	<b>2,224</b>	556	556	<b>2,224</b>
Other non cash	(212)	<b>(722)</b>	(94)	(90)	(90)	(90)	<b>(364)</b>	(90)	(90)	<b>(360)</b>
<b>Ebit</b>	(214)	<b>(722)</b>	(13)	(51)	(61)	(31)	<b>(157)</b>	(99)	(87)	<b>(279)</b>
Interest	86	<b>335</b>	78	78	78	78	<b>312</b>	78	78	<b>312</b>
<b>Ebt</b>	(300)	<b>(1,057)</b>	(91)	(129)	(139)	(109)	<b>(469)</b>	(177)	(165)	<b>(591)</b>
Income Tax	(105)	<b>(370)</b>	(32)	(45)	(49)	(38)	<b>(164)</b>	(62)	(58)	<b>(207)</b>
<b>Net Income (\$mm)</b>	(195)	<b>(687)</b>	(59)	(84)	(91)	(71)	<b>(305)</b>	(115)	(107)	<b>(384)</b>
<b>Shares (millions)</b>	848	<b>789</b>	849	849	849	849	<b>849</b>	849	849	<b>849</b>
Per share (\$)	(0.23)	<b>(0.87)</b>	(0.07)	(0.10)	(0.11)	(0.08)	<b>(0.36)</b>	(0.14)	(0.13)	<b>(0.45)</b>
Ebitda Margin (E&P)	34%	<b>34%</b>	55%	53%	51%	51%	<b>52%</b>	52%	52%	<b>51%</b>
Tax Rate	35%	<b>35%</b>	35%	35%	35%	35%	<b>35%</b>	35%	35%	<b>35%</b>



# Independent Stock Idea

Intraday June 6, 2017

<b>Marathon Oil Corporation</b>					
<b>Functional Cash Flow and Present Value</b>					
	<i>NTM</i>	<i>Adjusted</i>	<i>PV/</i>	<i>Present</i>	
	<u><i>Ebitda</i></u>	<u><i>R/P</i></u>	<u><i>Ebitda</i></u>	<u><i>Value</i></u>	
North American Natural Gas	180	7.9	14.4	2,600	11%
Rest of World Natural Gas	200	5.9	11.0	2,200	9%
Oil	1,460	9.3	12.6	18,400	79%
	1,840	8.4	12.6	23,200	100%
Debt					7,100
Net Present Value (\$mm)					16,100
Shares					849
Net Present Value - Standard Estimate (US\$/sh)					19
NPV Approximation by Cash Flow Multiple Depending on Reserve Life (US\$/sh)					17



# Independent Stock Idea

Intraday June 6, 2017

**Table 1**  
**McDep Energy Stocks**  
**Ranked by McDep Ratio**

		Price	Market	Enterprise	EV/	EV/	PV/	Oil	Dist.	
	Symbol/Rating	(US\$/sh)	Cap	Value	Market	Ebitda	Ebitda	Prod'n/	Yield	McDep
		6-Jun	(US\$mm)	(\$mm)	Cap	NTM	NTM	PV	NTM	Ratio
		2017						(%)	(%)	(EV/PV)
<b>Global Integrated</b>										
Exxon Mobil Corporation	XOM	81.10	343,000	436,000	1.27	10.0	11.9	49	3.8	0.85
Chevron Corporation	CVX	103.81	197,000	265,000	1.35	9.1	11.1	60	4.2	0.82
Royal Dutch Shell	RDS-A	B 54.19	223,000	354,000	1.59	7.3	9.5	51	6.9	0.77
Total S.A.	TOT	B 51.73	127,000	183,000	1.44	6.2	9.5	53	5.4	0.66
	<i>Total or Median</i>		890,000	1,238,000	1.39	8.2	10.3	52	4.8	0.79
<b>Large Independent</b>										
Pioneer Natural Resources	PXD	166.47	28,300	29,900	1.06	12.4	11.3	87	0.0	1.10
EOG Resources, Inc.	EOG	90.02	52,100	59,300	1.14	12.3	11.7	86	0.7	1.05
Occidental Petroleum Corp.	OXY	60.67	46,400	59,600	1.28	9.8	11.5	81	5.0	0.84
Devon Energy Corporation	DVN	33.61	17,700	25,700	1.45	12.0	14.8	62	0.7	0.81
Marathon Oil Corporation	MRO	B 12.86	10,920	18,000	1.65	9.8	12.6	79	1.6	0.78
ConocoPhillips	COP	B 44.20	55,000	79,000	1.43	8.5	11.8	70	2.4	0.73
	<i>Total or Median</i>		210,400	272,000	1.36	10.9	11.7	80	1.1	0.83
<b>Small Independent</b>										
Cimarex Energy Company	XEC	103.22	9,800	11,200	1.14	10.3	11.8	63	0.3	0.88
California Resources	CRC	10.55	500	6,500	14.3	12.6	15.9	89	-	0.79
Continental Resources (32%)	CLR	B 36.54	4,400	6,500	1.48	10.0	13.6	74	-	0.74
Whiting Petroleum Corporation	WLL	6.73	2,400	6,000	2.44	6.7	11.3	92	-	0.59
Range Resources	RRC	B 22.31	5,500	9,800	1.79	9.2	16.9	31	0.4	0.54
	<i>Total or Median</i>		23,000	40,000	1.79	10.0	13.6	74	-	0.74
<b>Income</b>										
San Juan Basin Royalty Trust	SJT	7.26	340	340	1.00	11.5	12.7	-	8.5	0.91
Permian Basin RT	PBT	9.81	460	460	1.00	13.6	15.2	78	7.0	0.89
Dorchester Minerals, L.P.	DMLP	15.80	490	490	1.00	12.5	19.0	70	7.8	0.66
Sabine Royalty Trust	SBR	B 37.55	550	550	1.00	15.0	24.0	59	6.7	0.63
Cross Timbers Royalty Trust	CRT	B 15.62	90	90	1.00	9.8	18.2	28	8.1	0.54
	<i>Total or Median</i>		1,900	1,900	1.00	12.5	18.2	59	7.8	0.66
<b>Canada</b>										
EnCana Corporation	ECA	9.75	9,500	16,000	1.68	9.4	10.7	56	0.6	0.88
Imperial Oil Limited (30%)	IMO	28.06	7,200	9,000	1.26	8.0	10.2	67	1.6	0.78
Suncor Energy	SU	B 31.32	52,100	68,600	1.32	9.0	11.8	84	3.0	0.76
Cenovus Energy Inc.	CVE	8.55	10,400	22,600	2.17	7.7	13.2	84	1.7	0.58
Birchcliff Energy Ltd.	BIREF	B 4.69	1,300	1,900	1.45	7.6	13.5	36	1.6	0.56
	<i>Total or Median</i>		81,000	118,000	1.45	8.0	11.8	67	1.6	0.76

EV = Enterprise Value = Market Cap and Debt; Ebitda = Earnings before interest, tax, depreciation, amort.  
 Estimated Ebitda (cash flow) tied to NTM futures prices for oil and natural gas. NTM = Next Twelve Months ending 3/31/18.  
 Estimated Present Value (PV) presumes a long-term price for oil of US\$70 a barrel and natural gas, \$4.00 a million btu.  
 McDep Ratio = Market cap and Debt to present value of oil and gas and other businesses. For historical research see [www.mcdep.com](http://www.mcdep.com)



# Independent Stock Idea

Intraday June 6, 2017

Table 2											
McDep Energy Stocks											
Production Operating Leverage											
Ranked by McDep Ratio											
				Price		Oil	Operating				
				(US\$/sh)		Equiv.	Expense	Ebitda	Ebitda	Oper Lev	
	Symbol/Rating	6-Jun	Volume	Price	Price	Fixed	Var.	NTM	NTM	Ebitda chg/	
	B = Buy	2017	(mmboe)	(\$/boe)	(\$/boe)	(%)	(\$/boe)	(\$mm)	Price chg/	McDep	
<b>Global Integrated (excl. Downstream)</b>											
	XOM	81.10	1,487	37.51	7	35	17.40	25,870	1.40	0.85	
	CVX	103.81	854	36.51	8	22	20.50	17,501	1.39	0.82	
	RDS-A	54.19	1,324	34.60	2	26	23.60	31,239	1.08	0.77	
	TOT	51.73	930	36.05	0	41	21.10	19,622	1.00	0.66	
	<i>Total or Median</i>									<i>1.24</i>	<i>0.79</i>
<b>Large Independent</b>											
	PXD	166.47	114	34.04	9	12	21.10	2,403	1.43	1.10	
	EOG	90.02	223	33.40	10	5	21.60	4,815	1.46	1.05	
	OXY	60.67	297	34.51	8	17	20.60	6,113	1.39	0.84	
	DVN	33.61	167	24.17	9	10	12.80	2,142	1.70	0.81	
	MRO	12.86	135	26.49	13	0	13.60	1,841	1.96	0.78	
	COP	44.20	463	33.77	6	23	20.00	9,270	1.30	0.73	
	<i>Total or Median</i>									<i>1.44</i>	<i>0.83</i>
<b>Small Independent</b>											
	XEC	103.22	70	25.51	6	16	15.50	1,086	1.39	0.88	
	CRC	10.55	44	38.13	15	30	11.60	512	2.29	0.79	
	CLR	36.54	28	30.30	3	14	23.00	646	1.13	0.74	
	WLL	6.73	50	32.07	9	16	17.80	886	1.51	0.59	
	RRC	22.31	137	16.83	8	6	7.80	1,068	2.03	0.54	
	<i>Total or Median</i>									<i>1.51</i>	<i>0.74</i>
<b>Income</b>											
	SJT	7.26	3	16.91	5	14	9.48	29	1.53	0.91	
	PBT	9.81	1	33.20	10	2	22.52	34	1.44	0.89	
	DMLP	15.80	2	30.37	7	11	20.08	39	1.35	0.66	
	SBR	37.55	1	30.53	2	10	25.41	37	1.08	0.63	
	CRT	15.62	0	33.59	8	10	22.36	10	1.36	0.54	
	<i>Total or Median</i>									<i>1.36</i>	<i>0.66</i>
<b>Canada (excl. Downstream)</b>											
	ECA	9.75	120	27.04	11	7	14.04	1,692	1.78	0.88	
	IMO	28.06	71	33.62	14	11	15.80	1,128	1.89	0.78	
	SU	31.32	350	43.97	18	10	21.73	7,596	1.83	0.76	
	CVE	8.55	215	25.37	11	3	13.70	2,945	1.80	0.58	
	BIREF	4.69	23	17.78	1	32	11.10	256	1.09	0.56	
	<i>Total or Median</i>									<i>1.80</i>	<i>0.76</i>
For historical research see <a href="http://www.mcdep.com">www.mcdep.com</a>											



# Independent Stock Idea

Intraday June 6, 2017

Table 3											
McDep Energy Stocks											
Net Present Value Per Share											
Ranked by Reserve Life (Adjustd Resrvs/Prod NTM)											
			Price					Down-	Proven	Adjustd	Net
	Symbol/Rating		(US\$/sh)	Shares	Debt	Dividend	P/E	stream/	Undev.	Resrvs/	Present
	B = Buy		2017	(mm)	(\$mm)	(\$/sh)	NTM	PV	Resrvs	Prod	Value
								(%)	(%)	NTM	(US\$/sh)
<b>Global Integrated</b>											
Exxon Mobil Corporation	XOM		81.10	4,223	93,323	3.08	22	27	31	11.3	100.00
Total S.A.	TOT	B	51.73	2,457	55,616	2.79	12	23	42	9.2	90.00
Chevron Corporation	CVX		103.81	1,895	68,305	4.32	26	19	32	9.2	135.00
Royal Dutch Shell	RDS-A	B	54.19	4,112	131,054	3.76	21	24	25	8.6	80.00
	<i>Median</i>									9.2	
<b>Large Independent</b>											
ConocoPhillips	COP	B	44.20	1,249	24,000	1.06		-	20	9.8	68.00
Devon Energy Corporation	DVN		33.61	528	8,002	0.24	72	9	20	9.0	45.00
Occidental Petroleum Corp.	OXY		60.67	765	13,200	3.04	45	13	23	9.0	75.00
Marathon Oil Corporation	MRO	B	12.86	849	7,100	0.20		-	39	8.4	19.00
EOG Resources, Inc.	EOG		90.02	579	7,202	0.67		-	30	7.2	85.00
Pioneer Natural Resources	PXD		166.47	170	1,600	0.08	61	-	7	6.1	150.00
	<i>Median</i>									8.7	
<b>Small Independent</b>											
Range Resources	RRC	B	22.31	245	4,345	0.08	41	-	44	11.4	56.00
Continental Resources (32%)	CLR	B	36.54	119	2,095	-		-	59	11.4	56.00
California Resources	CRC		10.55	43	6,000	-		-	29	11.1	50.00
Whiting Petroleum Corporation	WLL		6.73	363	3,517	-		-	53	9.1	18.00
Cimarex Energy Company	XEC		103.22	95	1,362	0.32	27	-	21	6.2	120.00
	<i>Median</i>									11.1	
<b>Income</b>											
Sabine Royalty Trust	SBR	B	37.55	15	-	2.51	15	-	4	11.6	60.00
San Juan Basin Royalty Trust	SJT		7.26	47	-	0.62	12	-	-	10.1	8.00
Permian Basin RT	PBT		9.81	47	-	0.69	14	-	13	9.4	11.00
Cross Timbers Royalty Trust	CRT	B	15.62	6	-	1.26	12	-	-	7.7	29.00
Dorchester Minerals, L.P.	DMLP		15.80	31	-	1.24	17	-	-	7.2	24.00
	<i>Median</i>									9.4	
<b>Canada</b>											
Suncor Energy	SU	B	31.32	1,665	16,426	0.95	25	16	44	15.1	44.00
Cenovus Energy Inc.	CVE		8.55	1,217	12,228	0.15		4	55	12.9	22.00
Birchcliff Energy Ltd.	BIREF	B	4.69	284	601	0.07	30	-	69	12.5	10.00
Imperial Oil Limited (30%)	IMO		28.06	255	1,853	0.44	13	32	23	9.8	38.00
EnCana Corporation	ECA		9.75	973	6,461	0.06		-	43	5.1	12.00
	<i>Median</i>									12.5	
P/E = Stock Price to Earnings. For historical research see <a href="http://www.mcdep.com">www.mcdep.com</a> .											





# Independent Stock Idea

Intraday June 6, 2017

Table 4										
McDep Energy Stocks										
Total Return Year-to-Date 2017										
Ranked by Unlevered Total Return										
			Price	Price			Equity	Unlevered		
	Symbol/Rati		(\$/sh)	(\$/sh)	Price	Cash	Total	Debt	Total	McDep
			6-Jun	30-Dec	Change	Distrib.	Return	Return	Return	Ratio
			2017	2016	(%)	(%)	(%)	(\$/sh)	(%)	
<b>Global Integrated</b>										
	RDS-A	B	54.19	54.38	(0)	3	3	32	2	0.77
	TOT	B	51.73	50.97	1	1	3	23	2	0.66
	XOM		81.10	90.26	(10)	2	(8)	22	(7)	0.85
	CVX		103.81	117.70	(12)	2	(10)	36	(8)	0.82
	<i>Median</i>				(5)		(3)		(2)	0.79
<b>Large Independent</b>										
	PXD		166.47	180.00	(8)	0	(8)	9	(7)	1.10
	COP	B	44.20	50.14	(12)	1	(11)	19	(8)	0.73
	EOG		90.02	101.10	(11)	0	(11)	12	(9)	1.05
	OXY		60.67	71.23	(15)	1	(14)	17	(11)	0.84
	MRO	B	12.86	17.31	(26)	1	(25)	8	(17)	0.78
	DVN		33.61	45.67	(26)	0	(26)	15	(20)	0.81
	<i>Median</i>				(13)		(12)		(10)	0.83
<b>Small Independent</b>										
	CRC		10.55	21.29	(50)	-	(50)	141	(7)	0.79
	XEC		103.22	135.90	(24)	0	(24)	14	(22)	0.88
	CLR	B	36.54	51.54	(29)	-	(29)	18	(22)	0.74
	RRC	B	22.31	34.36	(35)	0	(35)	18	(23)	0.54
	WLL		6.73	12.02	(44)	-	(44)	10	(24)	0.59
	<i>Median</i>				(35)		(35)		(22)	0.74
<b>Income</b>										
	PBT		9.81	7.71	27	4	31	-	31	0.89
	SJT		7.26	6.62	10	4	14	-	14	0.91
	SBR	B	37.55	35.15	7	3	10	-	10	0.63
	DMLP		15.80	17.55	(10)	3	(7)	-	(7)	0.66
	CRT	B	15.62	17.97	(13)	2	(11)	-	(11)	0.54
	<i>Median</i>				7		10		10	0.66
<b>Canada</b>										
	SU	B	31.32	32.69	(4)	1	(3)	10	(3)	0.76
	ECA		9.75	11.74	(17)	0	(17)	7	(11)	0.88
	IMO		28.06	34.76	(19)	0	(19)	7	(16)	0.78
	BIREF	B	4.69	7.01	(33)	0	(33)	2	(25)	0.56
	CVE		8.55	15.13	(43)	0	(43)	10	(26)	0.58
	<i>Median</i>				(19)		(19)		(16)	0.76
	<i>Grand Median</i>				(13)		(11)		(9)	0.78
	<b>Natural Gas (\$/mmbtu)</b>		3.04	3.74	(19)					
	<b>Oil - West Texas Intermediate (\$/bbl)</b>		47.91	53.72	(11)					
	Total Stock Market - U.S.	VTI	124.97	115.32	8					
	Developed Markets - ex US	VEA	41.89	36.54	15					
	Emerging Markets	VWO	41.16	35.78	15					

Source: McDep LLC, Yahoo, CME Group, Bloomberg

For historical research see [www.mcdep.com](http://www.mcdep.com)



# Independent Stock Idea

Intraday June 6, 2017

**Disclaimer:** This analysis was prepared by Kurt Wulff, Manager of McDep LLC. The firm used sources and data believed to be reliable, but makes no representation as to their accuracy or completeness. This analysis is intended for informational purposes and is not a solicitation to buy or sell a security. Past performance is no guarantee of future results.

McDep or its employees may take positions in stocks the firm covers for research purposes. No trades in a subject stock shall be made within a week before or after a change in recommendation.

**Certification:** I, Kurt H. Wulff, certify that the views expressed in this research analysis accurately reflect my personal views about the subject securities and issuers. No part of my compensation was, is, or will be directly or indirectly related to the specific recommendations or views contained in this research analysis.

**Research Methodology/Ratings Description:** McDep LLC is an independent research originator focused on oil and gas stocks exclusively. The firm applies the forty years of experience of its analyst to estimate a present value of the oil and gas resources and other businesses of covered companies. That value is compared with a company's stock market capitalization and debt. Stocks with low market cap and debt relative to present value tend to outperform stocks with high market cap and debt relative to present value. Buy recommendations are expected to deliver a total return better than 7% per year above inflation. Hold recommendations assume the attributes of the underlying business are reflected in the current price of the stock. Sell recommendations are expected to deliver a total return less than inflation.