



Meter Reader

A Weekly Analysis of Large Cap Oil and Gas Stocks

August 30, 2011

PetroChina (PTR – Contrarian Buy) China Growth at Low Stock Market Value

Summary and Recommendation

Contrarian-buy recommended **PetroChina (PTR)** offers unlevered appreciation potential of 53% to a McDep Ratio 1.0 as the company contributes to the rapid economic growth of its home country. During the ten years we have covered the stock, PTR has achieved 15% a year growth in natural gas production largely as a result of completing two 2500 mile long pipelines from the company's natural gas fields in the west to markets in the east. Oil production has beat expectations by growing 2% a year and profits have grown faster as new oil supply becomes increasingly expensive. A 25% increase in oil production revenue in the second quarter reported on August 25 was dampened by higher production taxes while downstream (Other) cash flow declined because of government regulations that delay price increases to consumers (see table Next Twelve Months Operating and Financial Estimates on page 2). As the opportunity loss is likely to be recovered in future quarters, PTR stock may do better. At the same time, stocks of companies in rapidly growing countries have underperformed stocks in slower growth countries in recent months. A likely reversal of that trend could also add differential performance for PTR stock. Unlevered cash flow multiple (EV/Ebitda) under five times gives little recognition to the natural gas growth and oil profitability (see table of valuation measures on page 3). Cash flow expectations help take our estimate of Net Present Value (NPV) to \$210 a share compared to current stock price under \$124 (see table Functional Cash Flow and Present Value on page 3). To cushion the wait, dividends imply an income yield of 4.4% for the next twelve months.

4% PTR Weighting in McDep Portfolio of Buy Recommendations

PTR's growth prospects fit well in a portfolio of 19 large cap and 7 small cap McDep buys. In that context a 4% position in PTR could readily be justified, we believe. All buy recommended stocks score high appreciation potential measured by low McDep Ratios and low cash flow multiples (see Tables 1-3 on pages 4-6). Most buys are trading below 200-day averages (see Table 4 on page 7). Finally, oil price for the next six years is a profitable \$93 a barrel compared to the 40-week average of \$98 (see chart Six-Year and One-Year Natural Gas and Oil Futures on page 9).

Kurt H. Wulff, CFA



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PetroChina Company Limited									
Next Twelve Months Operating and Financial Estimates									
	<i>Q2</i>	<i>Q1</i>	<i>Q2</i>	<i>Q3E</i>	<i>Q4E</i>	<i>Year</i>	<i>Q1E</i>	<i>Q2E</i>	<i>Twelve</i>
	<i>6/30/10</i>	<i>3/31/11</i>	<i>6/30/11</i>	<i>9/30/11</i>	<i>12/31/11</i>	<i>2011E</i>	<i>3/31/12</i>	<i>6/30/12</i>	<i>Months E</i>
									<i>6/30/12</i>
Volume									
Natural gas (bcf)	540	639	547	588	590	2,364	609	711	2,498
Natural Gas (mmcf)	5,935	7,103	6,008	6,391	6,415	6,477	6,693	7,814	6,826
Days	91	90	91	92	92	365	91	91	366
Oil (mmb)	215	219	227	229	229	905	227	227	913
Oil (mbd)	2,362	2,434	2,493	2,493	2,493	2,479	2,493	2,493	2,493
Total gas & oil (mmb)	305	326	318	327	328	1,299	328	345	1,329
Total gas & oil (mbd)	3,351	3,618	3,495	3,559	3,563	3,558	3,609	3,796	3,631
Price									
Natural gas (\$/mcf)									
Henry Hub (\$/mmbtu)	4.09	4.11	4.32	4.19	3.99	4.15	4.29	4.28	4.19
Company	3.73	4.43	4.79	4.79	4.79	4.70	4.79	4.79	4.79
Oil (\$/bbl)									
WTI Cushing	77.85	94.10	102.55	90.26	87.51	93.60	88.57	89.70	89.01
Company	74.74	91.85	111.01	97.71	94.74	98.87	95.88	97.11	96.36
Total gas & oil (\$/bbl)	59.28	70.49	87.45	77.07	74.94	77.43	75.14	73.66	75.18
NY Harbor 3-2-1 (\$/bbl)	12.13	17.69	27.68	33.30	31.54	27.55	30.20	31.60	31.66
Revenue (\$mm)									
Natural Gas	2,015	2,832	2,621	2,819	2,830	11,102	2,921	3,409	11,979
Oil	16,061	20,124	25,189	22,414	21,732	89,460	21,756	22,034	87,936
Total	18,076	22,956	27,811	25,233	24,562	100,562	24,677	25,444	99,915
RMB/\$US	6.82	6.58	6.50	6.38	6.38	6.46	6.38	6.38	6.38
Total Upstream (RMB)	123,278	151,053	180,769	160,909	156,627	649,359	157,361	162,253	637,150
Other (Downstream)	242,724	294,927	325,498	325,498	325,498	1,271,420	325,498	325,498	1,301,992
Total Revenue (RMB)	366,002	445,980	506,267	486,407	482,125	1,920,779	482,858	487,751	1,939,141
Expense	285,923	355,212	417,380	380,953	378,811	1,532,356	384,178	386,624	1,530,567
Ebitda (RMB)									
Exploration and Production		71,455	82,341	80,455	78,313	312,564	78,680	81,126	318,575
Other		19,313	6,546	25,000	25,000	75,859	20,000	20,000	90,000
Total	80,079	90,768	88,887	105,455	103,313	388,423	98,680	101,126	408,575
Exploration	8,555	7,685	10,403	10,403	10,403	38,894	10,403	10,403	41,612
Deprec., Deplet., & Amort.	28,406	31,265	35,237	35,237	35,237	136,976	35,237	35,237	140,948
Other non cash	(485)					-			-
Ebit	43,603	51,818	43,247	59,815	57,673	212,553	53,040	55,486	226,015
Interest	1,157	1,917	2,311	2,311	2,311	8,850	2,311	2,311	9,244
Ebt	42,446	49,901	40,936	57,504	55,362	203,703	50,729	53,175	216,771
Income Tax	9,058	12,898	11,656	17,251	16,609	58,414	15,219	15,953	65,031
Net Income (RMB)									
Exploration and Production		45,865	57,819						
Other		10,877	(7,546)						
Unallocated		(19,739)	(20,993)						
Total	33,388	37,003	29,280	40,253	38,754	145,289	35,510	37,223	151,740
Shares (millions)	1,830	1,830	1,830	1,830	1,830	1,830	1,830	1,830	1,830
Earnings per share (RMB)	18	20	16	22	21	79	19	20	83
Ebitda Margin (E&P)		47%	46%	50%	50%	48%	50%	50%	50%
Tax Rate	21%	26%	28%	30%	30%	29%	30%	30%	30%



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<i>Symbol</i>	PTR	<i>Ebitda Next Twelve Months ending 6/30/12 (US\$mm)</i>	64,000
<i>Rating</i>	Contrarian Buy	<i>North American Natural Gas/Ebitda (%)</i>	0
<i>Price (US\$/sh)</i>	123.77	<i>Natural Gas and Oil Production/Ebitda (%)</i>	78
<i>Pricing Date</i>	8/29/11	<i>Adjusted Reserves/Production NTM</i>	13.2
<i>Shares (mm)</i>	1830	<i>EV/Ebitda</i>	4.6
<i>Market Capitalization (US\$mm)</i>	226,000	<i>PV/Ebitda</i>	7.1
<i>Debt (US\$mm)</i>	71,000	<i>Undeveloped Reserves (%)</i>	42
<i>Enterprise Value (EV) (US\$mm)</i>	298,000	<i>Natural Gas and Oil Ebitda (US\$/boe)</i>	37.59
<i>Present Value (PV) (US\$mm)</i>	455,000	<i>Present Value Proven Reserves(US\$/boe)</i>	15.98
<i>Net Present Value (US\$/share)</i>	210	<i>Present Value Proven Reserves(US\$/mcfe)</i>	2.66
<i>Debt/Present Value</i>	0.16	<i>Earnings Next Twelve Months (US\$/sh)</i>	13.00
<i>McDep Ratio - EV/PV</i>	0.65	<i>Price/Earnings Next Twelve Months</i>	10
<i>Dividend Yield (%/year)</i>	4.4	<i>Indicated Annual Dividend (US\$/sh)</i>	5.42
Note: Estimated cash flow and earnings tied to one-year futures prices for oil.			
Reported results may vary widely from estimates. Estimated present value per share revised only infrequently.			
The Peoples Republic of China holds 86% of the outstanding shares.			
Estimated present value presumes a long-term price for oil of US\$100 a barrel.			
For historical analysis of PTR since 2001 see www.mcdep.com/3ptr.htm			

PetroChina					
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>	
Natural Gas	6,000	19.3	10.8	65,000	14%
Oil	44,000	10.3	7.2	315,000	69%
Downstream	14,100		5.3	75,000	16%
	64,100	13.2	7.1	455,000	100%
Debt (US\$mm)					71,000
Net Present Value (US\$mm)					384,000
Shares (mm)					1,830
Net Present Value - Standard Estimate (US\$/sh)					210
NPV Approximation by Cash Flow Multiple Depending on Reserve Life (US\$/sh)					219



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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>Symbol/Rating</i>		<i>Price</i>	<i>EV/</i>	<i>Enterprise</i>	<i>Value</i>	<i>Natural</i>	<i>Natural</i>	<i>Oil</i>	<i>Down-</i>	<i>McDep</i>
<i>B = Buy, CB (see below)</i>		<i>(US\$/sh)</i>	<i>Market</i>	<i>Value</i>	<i>Gas</i>	<i>Gas</i>	<i>Prod'n</i>	<i>stream</i>	<i>Ratio</i>	
		<i>29-Aug</i>	<i>Cap</i>	<i>(\$mm)</i>						
		<i>2011</i>								
U.S. Integrated										
Exxon Mobil Corporation	XOM	CB	74.12	1.20	435,000	9	19	56	16	0.70
ConocoPhillips	COP	CB	67.78	1.44	136,000	14	11	59	16	0.66
Chevron Corporation	CVX	B	98.74	1.14	226,000	3	10	78	9	0.61
<i>Total or Median</i>					<i>797,000</i>			<i>59</i>		<i>0.66</i>
Europe										
BG Group	BRGXF		20.76	1.21	85,500		34	45	21	0.86
Royal Dutch Shell plc	RDS-A	CB	65.33	1.31	267,000	3	22	54	21	0.74
Statoil ASA (33%)	STO	CB	24.04	1.50	37,900		34	66	-	0.64
Total S.A.	TOT	CB	48.67	1.41	155,000		20	67	13	0.57
BP plc	BP		39.25	1.70	212,000	5	9	67	20	0.55
<i>Total or Median</i>					<i>757,000</i>			<i>66</i>		<i>0.64</i>
Brazil/Russia/Australia/China										
Woodside Petroleum Ltd.	WOPEY		39.08	1.20	36,000		63	37	-	0.89
CNOOC Limited (36%)	CEO		195.58	1.06	33,200		9	91	-	0.79
PetroChina Company Ltd (14%)	PTR	CB	123.77	1.31	41,700		14	69	16	0.65
Petrobras	PBR	CB	28.57	1.33	247,000		2	83	15	0.53
Gazprom (50%)	OGZPY	CB	12.31	1.28	90,000		80	20	-	0.50
Lukoil Oil Company	LUKOY	CB	60.15	1.11	52,500			67	33	0.43
<i>Total or Median</i>					<i>500,000</i>			<i>69</i>		<i>0.59</i>
U.S. Independent										
Chesapeake Energy Corp.	CHK		31.77	1.65	39,300	83		17	-	0.98
Southwestern Energy Company	SWN		37.98	1.11	14,800	100			-	0.91
Anadarko Petroleum Corp.	APC		71.75	1.58	56,900	36		61	3	0.86
EOG Resources, Inc.	EOG	CB	91.55	1.22	28,000	43	4	53	-	0.74
Occidental Petroleum Corp.	OXY	CB	85.06	1.11	77,100	8	1	85	6	0.71
Devon Energy Corporation	DVN	CB	66.01	1.19	33,300	55		45	-	0.63
Marathon Oil Corporation	MRO	CB	26.41	1.27	24,000	7	4	89	-	0.55
<i>Total or Median</i>					<i>273,000</i>			<i>61</i>		<i>0.74</i>
Canada										
Cenovus Energy Inc.	CVE	CB	34.61	1.26	33,100	16		75	9	0.75
Imperial Oil Limited (30%)	IMO	CB	39.95	1.15	11,800	3		86	11	0.68
Penn West Exploration	PWE		18.36	1.52	11,700	17		83	-	0.67
EnCana Corporation	ECA	CB	24.65	1.61	29,200	90		10	-	0.60
Suncor Energy	SU	CB	31.28	1.27	63,200	3		81	17	0.55
Canadian Oil Sands Limited	COSWF	CB	23.29	1.13	12,700			100	-	0.48
<i>Total or Median</i>					<i>162,000</i>			<i>82</i>		<i>0.63</i>
Composite					<i>2,489,000</i>	<i>9</i>	<i>15</i>	<i>62</i>	<i>13</i>	<i>0.63</i>

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



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McDep Large Cap Energy Stocks								
Net Present Value and McDep Ratio								
			<i>Price</i>			<i>Net</i>		
			<i>(US\$/sh)</i>		<i>Market</i>	<i>Present</i>	<i>Debt/</i>	
	<i>Symbol/Rating</i>		<i>29-Aug</i>	<i>Shares</i>	<i>Cap</i>	<i>Value</i>	<i>Present</i>	<i>McDep</i>
	B = Buy, CB (see below)		<i>2011</i>	<i>(mm)</i>	<i>(US\$mm)</i>	<i>(US\$/sh)</i>	<i>Value</i>	<i>Ratio</i>
U.S. Integrated								
Exxon Mobil Corporation	XOM	CB	74.12	4,912	364,000	112.00	0.11	0.70
ConocoPhillips	COP	CB	67.78	1,388	94,000	119.00	0.20	0.66
Chevron Corporation	CVX	B	98.74	2,009	198,000	170.00	0.07	0.61
<i>Total or Median</i>					<i>656,000</i>		<i>0.11</i>	<i>0.66</i>
Europe								
BG Group plc	BRGXF		20.76	3,410	70,800	25.00	0.15	0.86
Royal Dutch Shell plc	RDS-A	CB	65.33	3,114	203,000	96.00	0.18	0.74
Statoil ASA (33%)	STO	CB	24.04	1,050	25,300	44.00	0.21	0.64
Total S.A.	TOT	CB	48.67	2,256	110,000	100.00	0.17	0.57
BP plc	BP		39.25	3,186	125,000	93.00	0.23	0.55
<i>Total or Median</i>					<i>534,000</i>		<i>0.18</i>	<i>0.64</i>
Brazil/Russia/Australia/China								
Woodside Petroleum Ltd.	WOPEY		39.08	774	30,300	45.00	0.15	0.89
CNOOC Limited (36%)	CEO		195.58	161	31,500	250.00	0.04	0.79
PetroChina Company Ltd (14%)	PTR	CB	123.77	256	31,700	210.00	0.16	0.65
Petrobras	PBR	CB	28.57	6,513	186,100	62.00	0.13	0.53
Gazprom (50%)	OGZPY	CB	12.31	5,750	70,800	28.00	0.11	0.50
Lukoil Oil Company	LUKOY	CB	60.15	786	47,300	150.00	0.04	0.43
<i>Total or Median</i>					<i>398,000</i>		<i>0.12</i>	<i>0.59</i>
U.S. Independent								
Chesapeake Energy Corp.	CHK		31.77	751	23,900	33.00	0.38	0.98
Southwestern Energy Company	SWN		37.98	350	13,300	42.00	0.09	0.91
Anadarko Petroleum Corp.	APC		71.75	500	35,900	90.00	0.32	0.86
EOG Resources, Inc.	EOG	CB	91.55	250	22,900	130.00	0.13	0.74
Occidental Petroleum Corp.	OXY	CB	85.06	813	69,200	123.00	0.07	0.71
Devon Energy Corporation	DVN	CB	66.01	423	27,900	112.00	0.10	0.63
Marathon Oil Corporation	MRO	CB	26.41	717	18,940	54.00	0.12	0.55
<i>Total or Median</i>					<i>212,000</i>		<i>0.12</i>	<i>0.74</i>
Canada								
Cenovus Energy Inc.	CVE	CB	34.61	758	26,200	49.00	0.16	0.75
Imperial Oil Limited (30%)	IMO	CB	39.95	256	10,200	62.00	0.09	0.68
Penn West Exploration	PWE		18.36	440	7,700	31.00	0.23	0.67
EnCana Corporation	ECA	CB	24.65	739	18,200	51.00	0.23	0.60
Suncor Energy	SU	CB	31.28	1,587	49,600	64.00	0.12	0.55
Canadian Oil Sands Limited	COSWF	CB	23.29	485	11,300	52.00	0.05	0.48
<i>Total or Median</i>					<i>123,000</i>		<i>0.14</i>	<i>0.63</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, \$8 a million btu.



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Table 3									
McDep Large Cap Energy Stocks									
Value Multiples and Distribution Yield									
			Price	Adjustd				Divd or	
			(US\$/sh)	Resrvs/	PV/	EV/		Distrib	
	Symbol/Rating		29-Aug	Prod	Ebitda	Ebitda	P/E	NTM	
	B = Buy, CB (see below)		2011	NTM	NTM	NTM	NTM	(%)	
U.S. Integrated									
	Exxon Mobil Corporation	XOM	CB	74.12	14.1	7.8	5.5	9	2.5
	ConocoPhillips	COP	CB	67.78	12.0	7.9	5.2	9	3.9
	Chevron Corporation	CVX	B	98.74	8.5	7.0	4.3	8	3.2
	<i>Total or Median</i>				12.0	7.8	5.2	9	3.2
Europe									
	BG Group plc	BRGXF		20.76	17.1	9.8	8.4	16	1.1
	Royal Dutch Shell plc	RDS-A	CB	65.33	9.0	7.0	5.1	8	5.1
	Statoil ASA (33%)	STO	CB	24.04	6.8	7.0	4.5	9	4.8
	Total S.A.	TOT	CB	48.67	9.9	7.7	4.4	7	6.8
	BP plc	BP		39.25	11.1	7.7	4.2	6	4.3
	<i>Total or Median</i>				9.9	7.7	4.5	8	4.8
Brazil/Russia/Australia/China									
	Woodside Petroleum Ltd.	WOPEY		39.08	22.5	13.7	12.2	22	2.7
	Petrobras	PBR	CB	28.57	13.5	11.4	6.1	10	4.4
	PetroChina Company Ltd (14%)	PTR	CB	123.77	13.2	7.1	4.6	10	4.4
	CNOOC Limited (36%)	CEO		195.58	6.5	5.8	4.6	8	3.0
	Gazprom (50%)	OGZPY	CB	12.31	30.2	7.1	3.5	6	2.7
	Lukoil Oil Company	LUKOY	CB	60.15	16.1	6.4	2.7	4	3.0
	<i>Total or Median</i>				14.8	7.1	4.6	9	3.0
U.S. Independent									
	Chesapeake Energy Corp.	CHK		31.77	10.8	11.5	11.2	21	1.1
	Southwestern Energy Company	SWN		37.98	7.6	11.5	10.5	24	-
	Anadarko Petroleum Corp.	APC		71.75	7.2	8.3	7.2		0.5
	Occidental Petroleum Corp.	OXY	CB	85.06	11.5	8.8	6.3	12	2.2
	EOG Resources, Inc.	EOG	CB	91.55	9.3	8.0	6.0	24	0.7
	Devon Energy Corporation	DVN	CB	66.01	10.2	9.4	5.9	11	1.0
	Marathon Oil Corporation	MRO	CB	26.41	10.3	7.0	3.8	10	2.3
	<i>Total or Median</i>				10.2	8.8	6.3	17	1.0
Canada									
	Cenovus Energy Inc.	CVE	CB	34.61	22.3	11.7	8.8	26	2.4
	Imperial Oil Limited (30%)	IMO	CB	39.95	43.3	12.5	8.5	13	1.1
	EnCana Corporation	ECA	CB	24.65	12.3	14.0	8.4	36	3.2
	Penn West Exploration	PWE		18.36	8.6	10.3	6.9	20	6.0
	Canadian Oil Sands Limited	COSWF	CB	23.29	26.4	12.3	5.9	10	5.3
	Suncor Energy	SU	CB	31.28	25.2	10.1	5.5	14	1.4
	<i>Total or Median</i>				23.8	12.0	7.6	17	2.8
CB=Contrarian Buy, Stock Price may be in downtrend compared to 200-day average.									
EV = Enterprise Value = Market Cap and Debt; Ebitda = Earnings before interest, tax, depreciation and amortization; NTM = Next Twelve Months Ended June 30, 2012; 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		29-Aug	52Wk	52Wk	50 Day	200 Day	McDep	
	Rating		2011	High	Low	Avg.	Avg.	Ratio	
U.S. Integrated									
	Chevron Corporation	CVX	B	98.74	0.91	1.29	0.98	1.00	0.61
	ConocoPhillips	COP	CB	67.78	0.88	1.19	0.97	0.96	0.66
	Exxon Mobil Corporation	XOM	CB	74.12	0.86	1.21	0.96	0.94	0.70
	<i>Median</i>			<i>0.88</i>	<i>1.21</i>	<i>0.97</i>	<i>0.96</i>	<i>0.66</i>	
Europe									
	Statoil ASA (33%)	STO	CB	24.04	0.87	1.17	1.01	0.98	0.64
	Royal Dutch Shell plc	RDS-A	CB	65.33	0.87	1.17	0.96	0.96	0.74
	BG Group plc	BRGXF		103.82	0.83	1.24	0.96	0.94	0.86
	BP plc	BP		39.25	0.87	1.08	0.95	0.93	0.55
	Total S.A.	TOT	CB	48.67	0.81	1.08	0.95	0.90	0.57
	<i>Median</i>			<i>0.87</i>	<i>1.17</i>	<i>0.96</i>	<i>0.95</i>	<i>0.65</i>	
Brazil/Russia/Australia/China									
	Lukoil Oil Company	LUKOY	CB	60.15	0.81	1.13	0.97	0.95	0.43
	PetroChina Company Ltd (14%)	PTR	CB	123.77	0.82	1.11	0.92	0.92	0.65
	Woodside Petroleum Ltd.	WOPEY		39.08	0.78	1.15	0.96	0.91	0.89
	Gazprom (50%)	OGZPY	CB	12.31	0.75	1.16	0.93	0.90	0.50
	CNOOC Limited (36%)	CEO		195.58	0.73	1.15	0.91	0.86	0.79
	Petrobras	PBR	CB	28.57	0.73	1.12	0.93	0.85	0.53
	<i>Median</i>			<i>0.77</i>	<i>1.14</i>	<i>0.93</i>	<i>0.90</i>	<i>0.59</i>	
U.S. Independent									
	Chesapeake Energy Corp.	CHK		31.77	0.93	1.27	1.02	1.04	0.98
	Anadarko Petroleum Corp.	APC		71.75	0.89	1.30	0.97	0.97	0.86
	Southwestern Energy Company	SWN		39.28	0.79	1.21	0.91	0.95	0.91
	EOG Resources, Inc.	EOG	CB	91.55	0.79	1.06	0.94	0.91	0.74
	Occidental Petroleum Corp.	OXY	CB	85.06	0.74	1.15	0.89	0.88	0.71
	Devon Energy Corporation	DVN	CB	66.01	0.74	1.08	0.90	0.84	0.63
	Marathon Oil Corporation	MRO	CB	26.41					0.55
	<i>Median</i>			<i>0.79</i>	<i>1.18</i>	<i>0.93</i>	<i>0.93</i>	<i>0.74</i>	
Canada									
	Cenovus Energy Inc.	CVE	CB	34.61	0.88	1.24	0.96	0.99	0.75
	Imperial Oil Limited (30%)	IMO	CB	39.95	0.75	1.09	0.92	0.90	0.68
	EnCana Corporation	ECA	CB	24.65	0.79	1.04	0.91	0.87	0.60
	Canadian Oil Sands Limited	COSWF	CB	23.22	0.68	1.11	0.89	0.83	0.48
	Suncor Energy	SU	CB	31.28	0.70	1.06	0.88	0.83	0.55
	Penn West Exploration	PWE		18.36	0.70	1.01	0.88	0.80	0.67
	<i>Median</i>			<i>0.75</i>	<i>1.09</i>	<i>0.91</i>	<i>0.87</i>	<i>0.67</i>	
CB=Contrarian Buy, Stock Price may be in downtrend compared to 200-day average.									



Meter Reader

A Weekly Analysis of Large Cap Oil and Gas Stocks

August 30, 2011

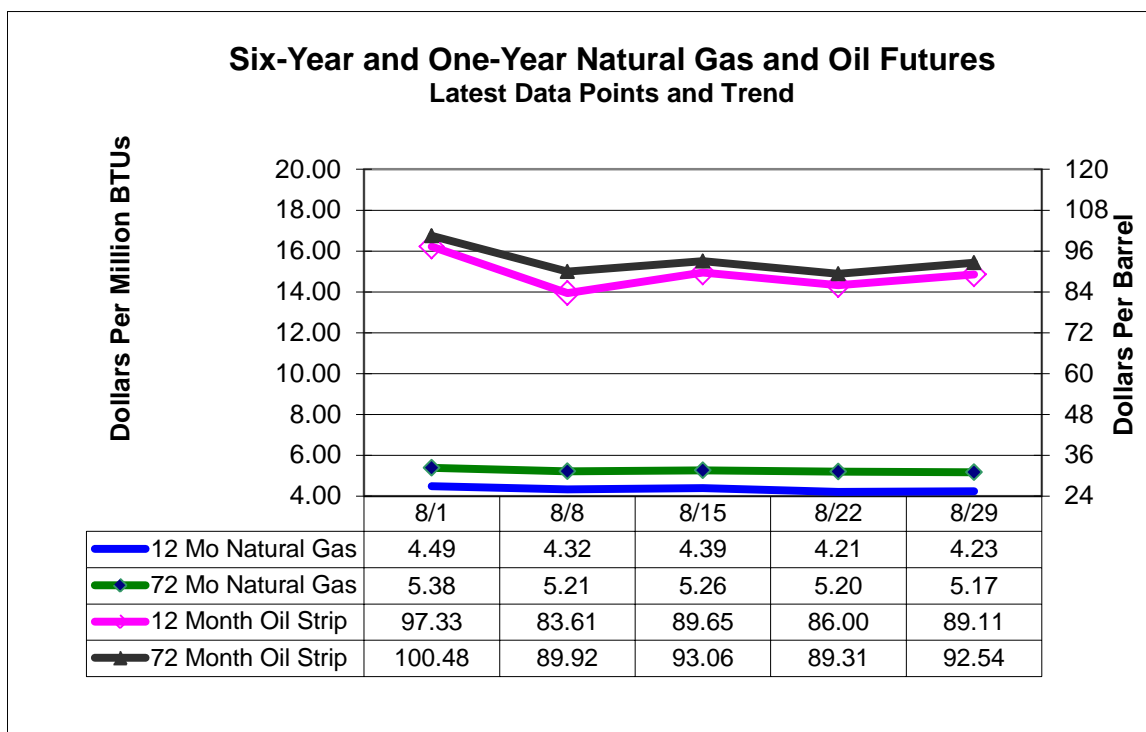
Index of Recent Research			
Stock Ideas			
<i>Date</i>	<i>Symbol</i>	<i>Subject</i>	<i>Theme</i>
23-Aug	PBR	Petrobras	Product Price Controls Delay Cash Growth (Meter Reader)
19-Aug	DMLP	Dorchester Minerals, L.P.	Preferred Risk 7% Income with Oil and Gas Upside (ISCW)
16-Aug	COSWF	Canadian Oil Sands Limited	Undervalued Laggard (Meter Reader)
9-Aug	HK	Petrohawk	Discontinue on Pending Acquisition at NPV Premium (ISCW)
9-Aug	RRC	Range Resources	Raise NPV to \$70 from \$60 a Share (Income and Small Cap)
9-Aug	XEC	Cimarex Energy	Confirm NPV at \$120 a Share (Income and Small Cap)
2-Aug	CVX	Chevron	Raise NPV to \$170 from \$154 on Cash Flow Margin
2-Aug	TOT	Total	Lower NPV to \$100 from \$111 on Cash Flow Margin (MReader)
29-Jul	WLL	Whiting Petroleum	Appreciation Potential after Stock Price Decline (ISCW)
27-Jul	APC	Anadarko Petroleum	Raise NPV to \$90 from \$78 on Oil Growth
26-Jul	ECA	Encana	High Margin at Low Natural Gas Price (Meter Reader)
19-Jul	COP	ConocoPhillips	Downstream Spinoff Promises to Unlock Value (Meter Reader)
5-Jul	DVN	Devon Energy	Thermal Oil Growth in Canada (Meter Reader)
28-Jun	MRO	Marathon Oil	Buy New U.S. Independent Producer (Meter Reader)
24-Jun	HGT, SJT, MTR	Hugoton, San Juan, Mesa RTrust	Income Enhancers (ISC Weekly)
21-Jun	WOPEY	Woodside Petroleum	Remove Buy on Costs and Delay (Meter Reader)
17-Jun	PEYUF	Peyto Exploration	Update Growth (Income and Small Cap)
14-Jun	CVE	Cenovus Energy	Accelerating Deep Oil Sands (Meter Reader)
7-Jun	IMO	Imperial Oil	Double Oil Production by 2020 (Meter Reader)
31-May	OXY	Occidental Petroleum	Triple California Oil Production by 2020 (Meter Reader)
24-May	STO	Statoil	Nordic Oil and Gas Stalwart (Meter Reader)
20-May	SBR	Sabine Royalty Trust	Raise NPV to \$70 from \$59 on Rising Volume (ISCW)
10-May	EOG	EOG Resources	High-Profit Light Sweet North American Oil (Meter Reader)
29-Apr	BIREF	Birchcliff Energy	Independent Engineer Confirms Natural Gas Upside (ISCW)
22-Apr	ERF	Enerplus Corporation	New Buy - Bakken and Marcellus with 7% Income (ISCW)
29-Mar	XOM	Exxon Mobil	Natural Gas Enhanced by Nuclear (Meter Reader)
22-Mar	PTR	PetroChina	Overlooked Oil in PTR Stock (Meter Reader)
15-Mar	LUKOY	Lukoil	Lukoil and Russia Ride the Rise of Oil (Meter Reader)
22-Feb	OGZPY	Gazprom	Nearer Accord on Natural Gas to China (Meter Reader)
For historical research by stock, go to mcdep.com , click on Stock Ideas , click on stock by name.			
Meter Reader			
23-Aug	PBR	Petrobras	Product Price Controls Delay Cash Growth
16-Aug	COSWF	Canadian Oil Sands Ltd.	Undervalued Laggard
9-Aug			Buy Oil and Gas on the Decline
2-Aug	TOT	Total	Lower NPV to \$100 from \$111 on Cash Flow Margin
For earlier editions, go to mcdep.com , click on Meter Reader .			
Income and Small Cap Weekly			
26-Aug	RRC, PEYUF, BIREF, CRT, MTR		Invest in Natural Gas
19-Aug	DMLP	Dorchester Minerals, L.P.	Preferred Risk 7% Income with Oil and Gas Upside
12-Aug	BRY, DNR, LGCY	Berry, Denbury, Legacy	Raise NPV
5-Aug	RRC, XEC, HK	Range, Cimarex, Petrohawk	Market Motion May Mean Near-Term Downtrend
For earlier editions, go to mcdep.com , click on Energy Income .			



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