



# Meter Reader

A Weekly Analysis of Large Cap Oil and Gas Stocks

December 6, 2011

## ConocoPhillips (COP) Buy Ahead of Downstream Spinoff

<i>Symbol</i>	COP	<i>Ebitda Next Twelve Months ending 12/31/12 (US\$m)</i>	27,500
<i>Rating</i>	Buy	<i>North American Natural Gas/Ebitda (%)</i>	6
<i>Price (US\$/sh)</i>	72.82	<i>Natural Gas and Oil Production/Ebitda (%)</i>	77
<i>Pricing Date</i>	12/5/11	<i>Adjusted Reserves/Production NTM</i>	12.6
<i>Shares (mm)</i>	1345	<i>EV/Ebitda</i>	5.1
<i>Market Capitalization (US\$m)</i>	98,000	<i>PV/Ebitda</i>	7.3
<i>Debt (US\$m)</i>	42,000	<i>Undeveloped Reserves (%)</i>	27
<i>Enterprise Value (EV) (US\$m)</i>	140,000	<i>Natural Gas and Oil Ebitda (US\$/boe)</i>	37.30
<i>Present Value (PV) (US\$m)</i>	202,000	<i>Present Value Proven Reserves(US\$/boe)</i>	18.83
<i>Net Present Value (US\$/share)</i>	119	<i>Present Value Proven Reserves(US\$/mcf)</i>	3.14
<i>Debt/Present Value</i>	0.21	<i>Earnings Next Twelve Months (US\$/sh)</i>	8.53
<i>McDep Ratio - EV/PV</i>	0.69	<i>Price/Earnings Next Twelve Months</i>	9
<i>Dividend Yield (%/year)</i>	3.6	<i>Indicated Annual Dividend (US\$/sh)</i>	2.64
Note: Estimated cash flow and earnings tied to one-year futures prices for oil and natural gas.			
Reported results may vary widely from estimates. Estimated present value per share revised only infrequently.			
Estimated present value presumes a long-term price for oil of US\$100 a barrel and natural gas, \$8 a million bu.			
For historical analysis of COP since 2002 see <a href="http://www.mcdep.com/2cocp.htm">www.mcdep.com/2cocp.htm</a>			

### Summary and Recommendation

Buy-recommended **ConocoPhillips (COP)** offers 17% unlevered appreciation potential as it attempts to raise its 0.69 McDep Ratio to the 0.81 median McDep Ratio for U.S Independents (see [Tables 1-2](#) on page 3-4). Now an integrated company, COP expects to split into two companies in the second quarter of 2012, an independent oil and gas producer and an independent downstream company with oil refining, chemicals and natural gas liquids processing. Further prospective gain to a McDep Ratio of 1.0 would be total unlevered appreciation of 44%. U.S. Integrated companies also sell at a discount in the stock market to U.S. Independents measured by unlevered cash flow multiples (EV/Ebitda) at 5.1 times compared to 5.8 (see [Table 3](#) on page 5). That measure understates potential gain because it does not take account of longer reserve life for integrated companies as the McDep Ratio aims to do. Finally, in what may be a favorable omen for the intermediate-term trend, stock price for COP and other U.S. buy recommendations has moved above the 200-day average once more (see [Table 4](#) on page 6).

### High Margin Growth in LNG, Shale Oil and Oil Sands

New ConocoPhillips would add almost a half million barrels daily in new volume from Australia, U.S., Canada and the North Sea in the next four years. The net growth would be about 3-4% a year after taking account of about three hundred thousand barrels daily of normal decline (see slides on page 7). Asia Pacific growth would be in Australian Liquefied Natural Gas, which is priced near the oil equivalent, or Malaysian oil. North American projects, including Eagle Ford shale in Texas and deep oil sands in Canada, also offer the higher margins accompanying oil production at current price.



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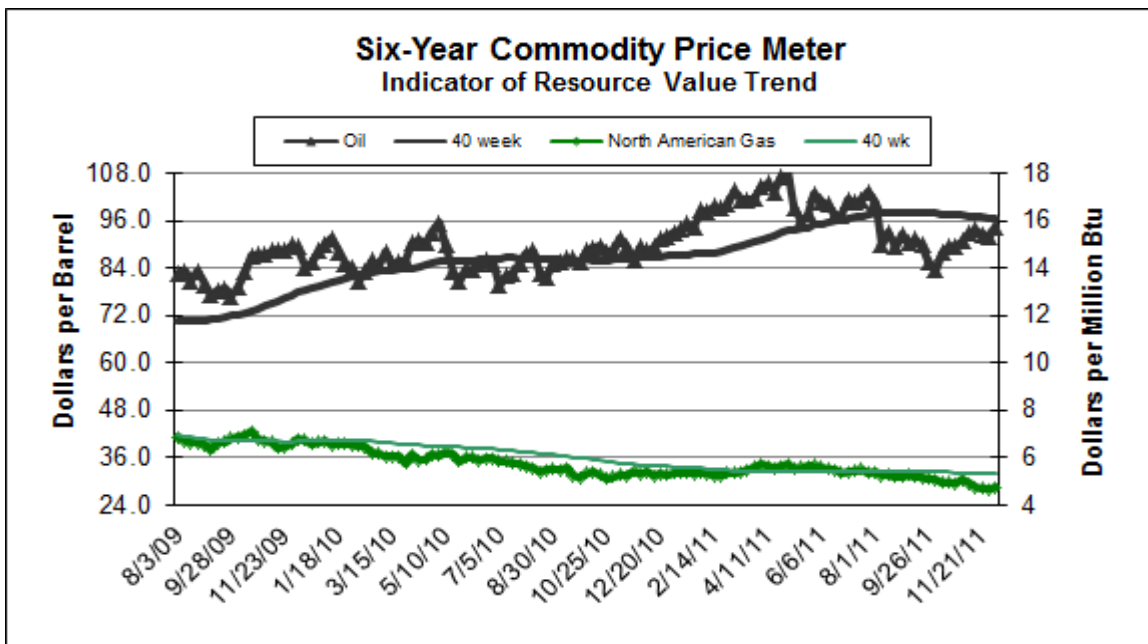
## No Stock Market Value for Downstream

Coincidentally, the 17% lower value in the current stock market for integrated companies matches the 17% of present value concentrated on downstream for COP. We assign 17% of total present value to Phillips66, as the new downstream company will be named. To estimate Net Present Value per share for Phillips66 we subtract a higher proportion of debt and divide by half the number of shares since management contemplates distributing 1 share of Phillips66 for every 2 shares of COP. Of course, the downstream stock will have real value. As the prospect of realizing that value gets closer, the pre-spinoff price of COP may reflect it (see tables Functional Cash Flow and Present Value and Next Twelve Months Operating and Financial Results on pages 8-9).

## Oil Futures Support Present Value

Futures prices for the next six years in North America settled at \$95 a barrel and \$4.73 a million btu (see charts Six-Year Commodity Price Meter below and Six-Year and One-Year Natural Gas and Oil Futures on page 11). The stable to rising oil price trend lends credibility to present value estimated on the basis of a long-term oil price of \$100 a barrel. The recent price trend is less supportive in North American natural gas. Fortunately, the typical natural gas producer also has oil exposure that for many has become dominant (70% of value for new COP).

Kurt H. Wulff, CFA







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			Price (US\$/sh)	Shares	Market Cap (US\$mm)	Net Present Value (US\$/sh)	Debt/ Present Value	McDep Ratio
	Symbol/Rating		5-Dec 2011	(mm)				
B = Buy, CB (see below)								
<b>U.S. Integrated</b>								
Exxon Mobil Corporation	XOM	B	80.45	4,843	390,000	112.00	0.12	0.75
ConocoPhillips	COP	B	72.82	1,345	98,000	119.00	0.21	0.69
Chevron Corporation	CVX	B	102.82	1,999	206,000	170.00	0.07	0.63
<i>Total or Median</i>					694,000		0.12	0.69
<b>Europe</b>								
BG Group plc	BRGXF		21.32	3,412	72,800	25.00	0.16	0.88
Royal Dutch Shell plc	RDS-A	B	70.39	3,124	220,000	102.00	0.16	0.74
Statoil ASA (33%)	STO	B	25.76	1,050	27,100	44.00	0.21	0.67
BP plc	BP		43.57	3,170	138,000	85.00	0.25	0.63
Total S.A.	TOT	CB	51.72	2,261	117,000	100.00	0.15	0.59
<i>Total or Median</i>					575,000		0.16	0.67
<b>Brazil/Russia/Australia/China</b>								
Woodside Petroleum Ltd.	WOPEY		35.12	787	27,600	45.00	0.16	0.81
CNOOC Limited (36%)	CEO		198.90	162	32,100	250.00	0.01	0.80
PetroChina Company Ltd (14%)	PTR	CB	129.40	256	33,200	210.00	0.17	0.68
Petrobras	PBR	CB	28.27	6,465	182,800	62.00	0.14	0.53
Gazprom (50%)	OGZPY	CB	11.96	5,750	68,800	28.00	0.08	0.48
Lukoil Oil Company	LUKOY	CB	55.95	799	44,700	150.00	0.02	0.39
<i>Total or Median</i>					389,000		0.11	0.61
<b>U.S. Independent</b>								
Anadarko Petroleum Corp.	APC		81.73	498	40,700	90.00	0.30	0.94
Southwestern Energy Company	SWN		37.61	350	13,200	42.00	0.09	0.90
Chesapeake Energy Corp.	CHK		25.15	753	18,900	33.00	0.40	0.86
EOG Resources, Inc.	EOG	B	102.11	258	26,300	130.00	0.13	0.81
Occidental Petroleum Corp.	OXY	B	98.22	813	79,900	123.00	0.06	0.81
Devon Energy Corporation	DVN	CB	66.35	415	27,500	112.00	0.12	0.64
Marathon Oil Corporation	MRO	CB	28.53	714	20,370	54.00	0.12	0.58
<i>Total or Median</i>					226,900		0.12	0.81
<b>Canada</b>								
Imperial Oil Limited (30%)	IMO	CB	43.51	256	11,200	62.00	0.09	0.73
Cenovus Energy Inc.	CVE	CB	32.92	758	25,000	49.00	0.15	0.72
Penn West Exploration	PWE		18.87	469	8,900	31.00	0.22	0.69
EnCana Corporation	ECA	CB	19.97	738	14,700	46.00	0.24	0.57
Suncor Energy	SU	CB	30.67	1,582	48,500	64.00	0.12	0.54
Canadian Oil Sands Limited	COSWF	CB	21.01	485	10,200	52.00	0.06	0.44
<i>Total or Median</i>					119,000		0.13	0.63

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		5-Dec	Prod	Ebitda	Ebitda	P/E	NTM	
	B = Buy, CB (see below)		2011	NTM	NTM	NTM	NTM	(%)	
<b>U.S. Integrated</b>									
	Exxon Mobil Corporation	XOM	B	80.45	14.3	7.1	5.3	9	2.3
	ConocoPhillips	COP	B	72.82	12.6	7.3	5.1	9	3.6
	Chevron Corporation	CVX	B	102.82	8.8	6.2	3.9	7	3.2
	<i>Total or Median</i>				12.6	7.1	5.1	9	3.2
<b>Europe</b>									
	BG Group plc	BRGXF		21.32	16.8	9.5	8.4	15	1.1
	Royal Dutch Shell plc	RDS-A	B	70.39	9.0	6.0	4.5	8	4.8
	BP plc	BP		43.57	11.4	6.9	4.4	6	3.9
	Statoil ASA (33%)	STO	B	25.76	6.6	6.1	4.1	8	4.2
	Total S.A.	TOT	CB	51.72	9.9	6.8	4.0	6	5.9
	<i>Total or Median</i>				9.9	6.8	4.4	8	4.2
<b>Brazil/Russia/Australia/China</b>									
	Woodside Petroleum Ltd.	WOPEY		35.12	20.6	8.6	7.0	11	3.1
	Petrobras	PBR	CB	28.27	13.6	9.4	5.0	7	4.5
	PetroChina Company Ltd (14%)	PTR	CB	129.40	13.3	6.3	4.3	7	4.2
	CNOOC Limited (36%)	CEO		198.90	6.9	5.1	4.1	7	3.2
	Gazprom (50%)	OGZPY	CB	11.96	30.2	5.7	2.7	4	2.6
	Lukoil Oil Company	LUKOY	CB	55.95	16.6	5.8	2.2	4	3.4
	<i>Total or Median</i>				15.1	6.0	4.2	7	3.3
<b>U.S. Independent</b>									
	Southwestern Energy Company	SWN		37.61	7.2	12.4	11.2	22	-
	Chesapeake Energy Corp.	CHK		25.15	9.7	9.3	8.0	9	1.4
	Anadarko Petroleum Corp.	APC		81.73	7.2	7.4	6.9	22	0.4
	EOG Resources, Inc.	EOG	B	102.11	9.0	7.1	5.8	19	0.6
	Occidental Petroleum Corp.	OXY	B	98.22	11.1	6.9	5.6	11	1.9
	Devon Energy Corporation	DVN	CB	66.35	10.2	8.6	5.5	10	1.0
	Marathon Oil Corporation	MRO	CB	28.53	9.8	5.7	3.3	7	2.1
	<i>Total or Median</i>				9.7	7.4	5.8	11	1.0
<b>Canada</b>									
	Imperial Oil Limited (30%)	IMO	CB	43.51	42.1	11.7	8.6	13	1.0
	Cenovus Energy Inc.	CVE	CB	32.92	21.3	11.3	8.2	22	2.4
	EnCana Corporation	ECA	CB	19.97	12.2	13.3	7.5	40	4.0
	Penn West Exploration	PWE		18.87	8.4	9.7	6.7	15	5.6
	Suncor Energy	SU	CB	30.67	24.5	9.1	4.9	8	1.4
	Canadian Oil Sands Limited	COSWF	CB	21.01	26.4	10.1	4.4	7	5.6
	<i>Total or Median</i>				22.9	10.7	7.1	14	3.2
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 December 31, 2012; P/E = Stock Price to Earnings; PV = Present Value of oil and gas and other businesses									



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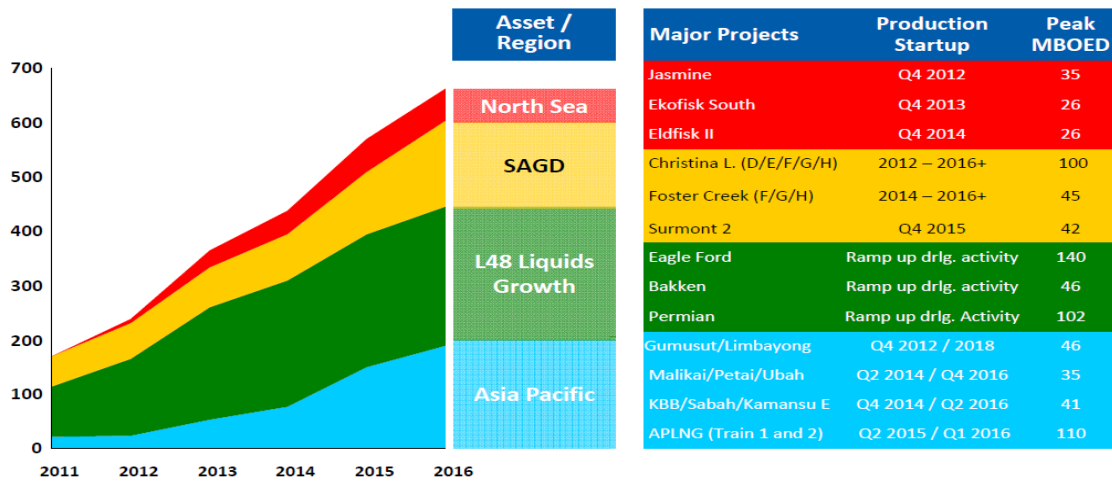
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Table 4									
McDep Large Cap Energy Stocks									
Rank by Enterprise Value to 200 Day Average									
			Price						
	Symbol		(\$/sh)	Enterprise Value/					
			5-Dec	52Wk	52Wk	50 Day	200 Day	McDep	
	Rating		2011	High	Low	Avg.	Avg.	Ratio	
<b>U.S. Integrated</b>									
	Chevron Corporation	CVX	B	102.82	0.94	1.19	1.02	1.01	0.63
	Exxon Mobil Corporation	XOM	B	80.45	0.92	1.16	1.04	1.01	0.75
	ConocoPhillips	COP	B	72.82	0.92	1.16	1.04	1.01	0.69
	<i>Median</i>			<i>0.92</i>	<i>1.16</i>	<i>1.04</i>	<i>1.01</i>	<i>0.69</i>	
<b>Europe</b>									
	Statoil ASA (33%)	STO	B	25.76	0.91	1.18	1.04	1.02	0.67
	Royal Dutch Shell plc	RDS-A	B	70.39	0.92	1.16	1.03	1.01	0.74
	BP plc	BP		43.57	0.92	1.16	1.04	1.01	0.63
	Total S.A.	TOT	CB	51.72	0.84	1.20	1.03	0.97	0.59
	BG Group plc	BRGXF		106.61	0.85	1.17	1.02	0.97	0.88
	<i>Median</i>			<i>0.91</i>	<i>1.17</i>	<i>1.04</i>	<i>1.01</i>	<i>0.68</i>	
<b>Brazil/Russia/Australia/China</b>									
	PetroChina Company Ltd (14%)	PTR	CB	129.40	0.85	1.12	1.02	0.97	0.68
	CNOOC Limited (36%)	CEO		198.90	0.73	1.40	1.10	0.93	0.80
	Petrobras	PBR	CB	28.27	0.73	1.24	1.09	0.91	0.53
	Gazprom (50%)	OGZPY	CB	11.96	0.73	1.30	1.08	0.91	0.48
	Lukoil Oil Company	LUKOY	CB	55.95	0.75	1.20	1.02	0.91	0.39
	Woodside Petroleum Ltd.	WOPEY		35.12	0.72	1.16	1.00	0.87	0.81
	<i>Median</i>			<i>0.73</i>	<i>1.22</i>	<i>1.05</i>	<i>0.91</i>	<i>0.61</i>	
<b>U.S. Independent</b>									
	Anadarko Petroleum Corp.	APC		81.73	0.97	1.26	1.06	1.05	0.94
	Occidental Petroleum Corp.	OXY	B	98.22	0.84	1.43	1.11	1.03	0.81
	EOG Resources, Inc.	EOG	B	102.11	0.86	1.41	1.12	1.02	0.81
	Southwestern Energy Company	SWN		43.23	0.78	1.19	0.98	0.94	0.90
	Chesapeake Energy Corp.	CHK		25.15	0.81	1.07	0.98	0.90	0.86
	Devon Energy Corporation	DVN	CB	66.35	0.75	1.24	1.06	0.90	0.64
	Marathon Oil Corporation	MRO	CB	28.53					0.58
	<i>Median</i>			<i>0.83</i>	<i>1.25</i>	<i>1.06</i>	<i>0.98</i>	<i>0.81</i>	
<b>Canada</b>									
	Imperial Oil Limited (30%)	IMO	CB	43.51	0.80	1.30	1.08	0.97	0.73
	Cenovus Energy Inc.	CVE	CB	32.92	0.84	1.16	1.00	0.94	0.72
	Suncor Energy	SU	CB	30.67	0.69	1.26	1.03	0.86	0.54
	Penn West Exploration	PWE		18.87	0.73	1.31	1.08	0.90	0.69
	EnCana Corporation	ECA	CB	19.97	0.69	1.07	1.00	0.81	0.57
	Canadian Oil Sands Limited	COSWF	CB	20.97	0.63	1.19	1.01	0.80	0.44
	<i>Median</i>			<i>0.73</i>	<i>1.25</i>	<i>1.03</i>	<i>0.90</i>	<i>0.69</i>	

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

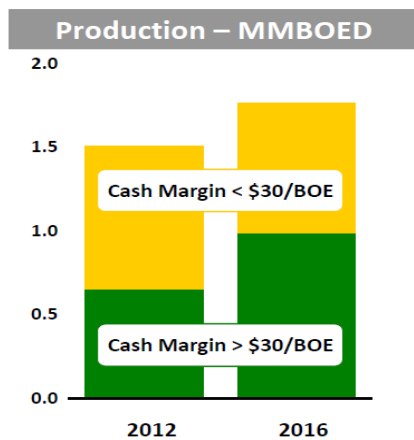
## Production from Major Projects Fuels Growth



Existing portfolio supports volume and margin per BOE growth



## Production Growth & Cash Margin Improvement



- Production growth of 3-4% CAGR from 2012 to 2016
- Shift towards higher margin production results in 3-4% CAGR in cash margin
- Production growth coming from higher margin areas

Annual margin growth supplements annual production growth





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<b>ConocoPhillips</b>					
<b>Functional Cash Flow and Present Value</b>					
	<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>			<i>(US\$mm)</i>	
North American Natural Gas	1,750	12.9	16.6	29,000	14%
Rest of World Natural Gas	2,970	11.4	7.4	22,000	11%
Oil	16,390	12.9	7.1	117,000	58%
Downstream	6,400		5.3	34,000	17%
	27,510	12.6	7.3	202,000	100%
Debt (US\$mm)					42,000
Net Present Value (US\$mm)					160,000
Shares (mm)					1,345
Net Present Value - Standard Estimate (US\$/sh)					119
NPV Approximation by Cash Flow Multiple Depending on Reserve Life (US\$/sh)					111
<b>New ConocoPhillips</b>					
<b>Functional Cash Flow and Present Value</b>					
	<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>			<i>(US\$mm)</i>	
North American Natural Gas	1,750	12.9	16.6	29,000	17%
Rest of World Natural Gas	2,970	11.4	7.4	22,000	13%
Oil	16,390	12.9	7.1	117,000	70%
	21,110	12.6	8.0	168,000	100%
Debt (US\$mm)					29,000
Net Present Value (US\$mm)					139,000
Shares (mm)					1,345
Net Present Value - Standard Estimate (US\$/sh)					103
NPV Approximation by Cash Flow Multiple Depending on Reserve Life (US\$/sh)					96
<b>Phillips66</b>					
<b>Functional Cash Flow and Present Value</b>					
	<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>			<i>(US\$mm)</i>	
Downstream	6,400		5.3	34,000	
Debt (US\$mm)					13,000
Net Present Value (US\$mm)					21,000
Shares (mm)					673
Net Present Value - Standard Estimate (US\$/sh)					31





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ConocoPhillips									
Next Twelve Months Operating and Financial Estimates									
	Q4	Q3	Q4E	Year	Q1E	Q2E	Q3E	Q4E	Next
	12/31/10	9/30/11	12/31/11	2011E	3/31/12	6/30/12	9/30/12	12/31/12	Twelve
									Months
									12/31/12
<b>Volume</b>									
Natural Gas (mmcf)									
North America	2,571	2,546	2,546	<b>2,555</b>	2,546	2,546	2,546	2,546	<b>2,546</b>
Overseas	2,020	1,851	2,020	<b>1,990</b>	2,136	1,957	1,851	2,020	<b>1,991</b>
Total	4,591	4,397	4,566	<b>4,545</b>	4,682	4,503	4,397	4,566	<b>4,537</b>
Days	92	92	92	<b>365</b>	91	91	92	92	<b>366</b>
Oil (mmb)	89	74	73	<b>311</b>	73	73	73	72	<b>289</b>
Oil (mbd)	964	805	797	<b>851</b>	797	797	789	781	<b>791</b>
Total gas & oil (bcf)	955	849	860	<b>3,523</b>	861	845	840	851	<b>3,397</b>
Total gas & oil (mbd)	1,729	1,538	1,558	<b>1,609</b>	1,577	1,547	1,522	1,542	<b>1,547</b>
<b>Price</b>									
Natural gas (\$/mcf)									
Henry Hub (\$/mmbtu)	3.80	4.19	3.55	<b>4.04</b>	3.49	3.59	3.71	3.96	<b>3.69</b>
North America	3.66	3.95	3.34	<b>3.81</b>	3.28	3.38	3.49	3.73	<b>3.47</b>
Overseas	6.59	7.52	7.52	<b>7.30</b>	7.52	7.52	7.52	7.52	<b>7.52</b>
Total	4.95	5.45	5.19	<b>5.34</b>	5.21	5.18	5.19	5.40	<b>5.25</b>
Oil (\$/bbl)									
WTI Cushing	85.10	89.76	94.86	<b>95.32</b>	101.14	101.23	100.48	99.61	<b>100.62</b>
Worldwide	77.24	94.13	99.48	<b>95.79</b>	105.06	105.16	104.38	103.48	<b>104.49</b>
Total gas & oil (\$/mcf)	9.37	10.81	11.02	<b>10.96</b>	11.43	11.54	11.52	11.40	<b>11.47</b>
NY Harbor 3-2-1 (\$/bbl)	11.15	35.09	21.85	<b>25.58</b>	14.33	17.98	16.90	13.09	<b>15.58</b>
<b>Revenue (\$mm)</b>									
Natural Gas									
North America	867	925	783	<b>3,557</b>	760	783	818	873	<b>3,235</b>
Overseas	1,224	1,280	1,397	<b>5,300</b>	1,461	1,339	1,280	1,397	<b>5,477</b>
Total	2,091	2,205	2,180	<b>8,856</b>	2,221	2,121	2,098	2,270	<b>8,711</b>
Oil	6,851	6,971	7,294	<b>29,764</b>	7,619	7,626	7,576	7,436	<b>30,258</b>
Other	44,276	54,453	54,453	<b>214,144</b>	54,453	54,453	54,453	54,453	<b>217,812</b>
Total	53,217	63,629	63,926	<b>252,763</b>	64,294	64,201	64,127	64,159	<b>256,781</b>
<b>Expense</b>	<b>47,444</b>	<b>55,950</b>	<b>57,194</b>	<b>223,978</b>	<b>57,363</b>	<b>57,320</b>	<b>57,286</b>	<b>57,301</b>	<b>229,270</b>
<b>Ebitda (\$mm)</b>									
Exploration and Production	4,760	5,009	5,132	<b>21,026</b>	5,331	5,281	5,241	5,258	<b>21,111</b>
Other	1,013	2,670	1,600	<b>7,760</b>	1,600	1,600	1,600	1,600	<b>6,400</b>
Total Ebitda	5,773	7,679	6,732	<b>28,786</b>	6,931	6,881	6,841	6,858	<b>27,511</b>
Exploration	307	266	266	<b>972</b>	400	300	300	300	<b>1,300</b>
Deprec., Deplet., & Amort.	2,216	1,870	1,870	<b>7,885</b>	1,870	1,870	1,870	1,870	<b>7,480</b>
Other non cash	-	-	-	<b>-</b>	-	-	-	-	<b>-</b>
<b>Ebit</b>	<b>3,250</b>	<b>5,543</b>	<b>4,596</b>	<b>19,929</b>	<b>4,661</b>	<b>4,711</b>	<b>4,671</b>	<b>4,688</b>	<b>18,731</b>
Interest	273	235	235	<b>979</b>	235	235	300	300	<b>1,070</b>
<b>Ebt</b>	<b>2,977</b>	<b>5,308</b>	<b>4,361</b>	<b>18,950</b>	<b>4,426</b>	<b>4,476</b>	<b>4,371</b>	<b>4,388</b>	<b>17,661</b>
Income Tax	1,042	1,858	1,526	<b>6,632</b>	1,549	1,567	1,530	1,536	<b>6,181</b>
<b>Net Income (\$mm)</b>									
Exploration and Production	1,688	2,192							
Other	416	1,530							
Unallocated	(169)	(272)							
Total	1,935	3,450	2,835	<b>12,317</b>	2,877	2,909	2,841	2,852	<b>11,480</b>
<b>Shares (millions)</b>	<b>1,466</b>	<b>1,369</b>	<b>1,355</b>	<b>1,393</b>	<b>1,355</b>	<b>1,355</b>	<b>1,342</b>	<b>1,328</b>	<b>1,345</b>
Per share (\$)	1.32	2.52	2.09	<b>8.84</b>	2.12	2.15	2.12	2.15	<b>8.53</b>
Ebitda Margin (E&P)	53%	55%	54%	<b>54%</b>	54%	54%	54%	54%	<b>54%</b>
Tax Rate	35%	35%	35%	<b>35%</b>	35%	35%	35%	35%	<b>35%</b>



# Meter Reader

A Weekly Analysis of Large Cap Oil and Gas Stocks

December 6, 2011

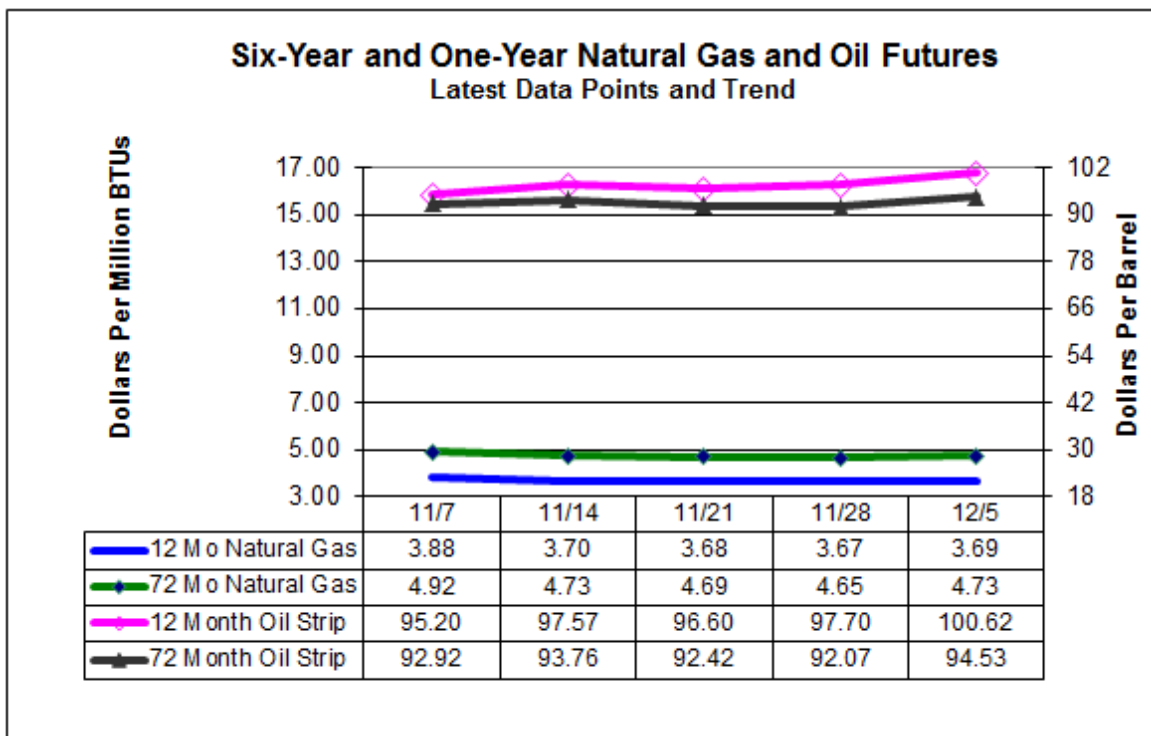
<b>Index of Recent Research</b>			
<b>Stock Ideas</b>			
<i>Date</i>	<i>Symbol</i>	<i>Subject</i>	<i>Theme</i>
2-Dec	XEC	Cimarex Energy	Hedged against Frackophobia (ISCW)
29-Nov	LUKOY, OGZPY	Lukoil, Gazprom	Oil and Gas Undervalued in Russian Stocks (Meter Reader)
25-Nov	COSWF	Canadian Oil Sands Limited	Dividend Obstacle Removed
23-Nov	WLL	Whiting Petroleum	North Dakota Shale Oil (Income and Small Cap Weekly)
22-Nov	XOM	Exxon Mobil	Stash Your Cash in ExxonMobil Stock (Meter Reader)
18-Nov	DMLP	Dorchester Minerals, L.P.	Insider Accumulation (Income and Small Cap Weekly)
15-Nov	CVE, IMO, SU, COSWF		Buy Canadian Oil on U.S. Presidential Disappointment (MR)
8-Nov	DVN, EOG, OXY, MRO		U.S. Independent Shale Buys (Meter Reader)
4-Nov	NDRO	Enduro Royalty Trust	New Bottom Line Cash Payer (Income and Small Cap Weekly)
1-Nov	RDS	Royal Dutch Shell plc	Raise NPV to \$102 from \$96 on Reappearing Luster (MR)
25-Oct	ECA, PBR	Encana, Petrobras	Most Out-of-Favor Buys (Meter Reader)
19-Oct	PETD	PDC Energy	Returning to Appalachian Roots (ISCW)
18-Oct	APC, BP	Anadarko Petroleum, BP plc	Settle Oil Spill Dispute (Meter Reader)
14-Oct	ERF	Enerplus Corporation	Marcellus, Bakken and Canada with 8% Income (ISCW)
3-Oct	STO	Statoil	Giant North Sea Oil Discovery (Meter Reader)
7-Oct	BIREF	Birchcliff Energy	Seeks Offers to Acquire the Company (ISCW)
30-Sep	RRC, WLL, XEC, LINE, LGCY		5 Ideas from IPAA San Francisco
23-Sep	SJT, HGT	San Juan Basin RT, Hugoton RT	Transfer Buy to SJT from HGT (Income and Small Cap Wkly)
16-Sep	FRHLF, PBT, SBR, DMLP, CRT		Volume Upside in Top Line Cash Payers (Income and Small Cap)
13-Sep	EOG	EOG Resources	Horizontal Leads Renewed U.S. Oil Growth (Meter Reader)
30-Aug	PTR	PetroChina	China Growth at Low Stock Market Value (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)
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)
19-Jul	COP	ConocoPhillips	Downstream Spinoff Promises to Unlock Value (Meter Reader)
5-Jul	DVN	Devon Energy	Thermal Oil Growth in Canada (Meter Reader)
21-Jun	WOPEY	Woodside Petroleum	Remove Buy on Costs and Delay (Meter Reader)
17-Jun	PEYUF	Peyto Exploration	Update Growth (Income and Small Cap)
			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>			
29-Nov	LUKOY, OGZPY	Lukoil, Gazprom	Oil and Gas Undervalued in Russian Stocks
22-Nov	XOM	Exxon Mobil	Stash Your Cash in ExxonMobil Stock
15-Nov	CVE, IMO, SU, COSWF		Buy Canadian Oil Producers on U.S. Presidential Disappointment
8-Nov	DVN, EOG, OXY, MRO		U.S. Independent Shale Buys
			For earlier editions, go to <a href="http://mcdep.com">mcdep.com</a> , click on <a href="#">Meter Reader</a> .
<b>Income and Small Cap Weekly</b>			
2-Dec	XEC	Cimarex	Hedged against Frackophobia
23-Nov	WLL	Whiting Petroleum	North Dakota Shale Oil
18-Nov	DMLP	Dorchester Minerals, L.P.	Insider Accumulation
11-Nov			Oil and Gas Investing under Uncertainty
			For earlier editions, go to <a href="http://mcdep.com">mcdep.com</a> , click on <a href="#">Energy Income</a> .
<b>Industry Ideas</b>			
10-Oct		China Buys More Oil and Gas in Canada	Sinopec Bids for Daylight Energy



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