



# Meter Reader

A Weekly Analysis of Large Cap Oil and Gas Stocks

December 17, 2013

## Marathon Oil (MRO) New CEO Accelerates Shale Growth

<i>Symbol</i>	MRO	<i>Ebitda Next Twelve Months ending 12/31/14 (US\$mm)</i>	6,700
<i>Rating</i>	Buy	<i>North American Natural Gas/Ebitda (%)</i>	3
<i>Price (US\$/sh)</i>	35.59	<i>Natural Gas and Oil Production/Ebitda (%)</i>	100
<i>Pricing Date</i>	12/16/13	<i>Adjusted Reserves/Production NTM</i>	9.3
<i>Shares (mm)</i>	711	<i>EV/Ebitda</i>	5.4
<i>Market Capitalization (US\$mm)</i>	25,300	<i>PV/Ebitda</i>	7.0
<i>Debt (US\$mm)</i>	11,000	<i>Undeveloped Reserves (%)</i>	28
<i>Enterprise Value (EV) (US\$mm)</i>	36,300	<i>Natural Gas and Oil Ebitda (US\$/boe)</i>	35.70
<i>Present Value (PV) (US\$mm)</i>	46,500	<i>Present Value Proven Reserves(US\$/boe)</i>	23.10
<i>Net Present Value (US\$/share)</i>	50	<i>Present Value Proven Reserves(US\$/mcf)</i>	3.85
<i>Debt/Present Value</i>	0.24	<i>Earnings Next Twelve Months (US\$/sh)</i>	2.77
<i>McDep Ratio - EV/PV</i>	0.78	<i>Price/Earnings Next Twelve Months</i>	13
<i>Dividend Yield (%/year)</i>	2.1	<i>Indicated Annual Dividend (US\$/sh)</i>	0.76
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\$90 a barrel and natural gas, \$6 a million btu.			
For historical research on Marathon since 2001 see <a href="http://www.mcdep.com/3mro.htm">http://www.mcdep.com/3mro.htm</a>			

### Summary and Recommendation

New chief executive Lee Tillman laid out his plan to transform Buy-recommended **Marathon Oil (MRO)** into a high growth shale oil company at a meeting on December 11 in New York. MRO would accelerate drilling to add some 70 thousand barrels equivalent daily (mboed) in the Eagle Ford trend in Texas in the next four years, 35 mboed in the Bakken play in North Dakota and 25 mboed in the Woodford formation in Oklahoma (see eponymous slides on pages 2-3). The combined increments would make up practically all of the company's expected growth onshore U.S. and globally (see slides Onshore and Robust Growth on pages 3-4). Mr. Tillman then plans to make that growth more important as MRO announces that its slower growth North Sea properties are for sale. That would accelerate the company's growth rate to 9% from 6% a year (see slide Production on page 4). Buying back shares with the proceeds from the sale would keep the base of production comparable to presale value on a per share basis. Despite both the U.K. and Norway increasing discriminatory oil tax rates recently, the proposed sale should raise several billion dollars. Meanwhile, continually improving shale productivity may contribute to advancing Net Present Value (NPV) from our current estimate of \$50 a share (see tables Present Value and Operating and Financial Estimates on page 5-6). Marathon's McDep Ratio of 0.78 matches the median of large cap U.S. Independent Producers and stock price is trending up (see Tables 1-4 on pages 7-10).

Kurt H. Wulff, CFA

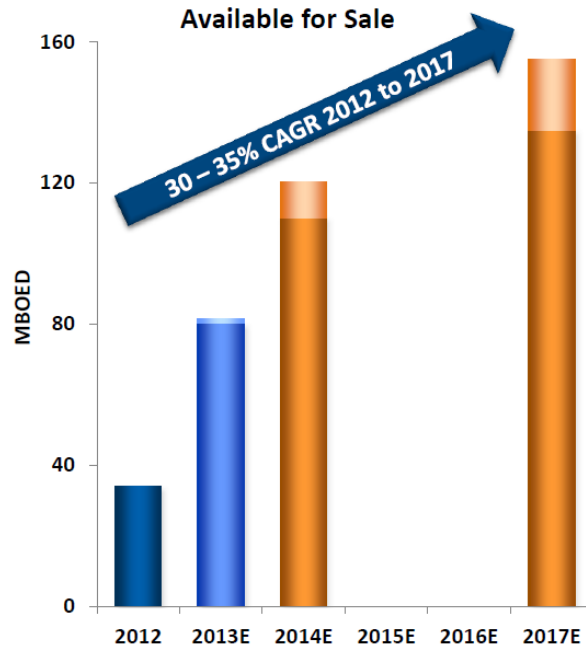


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## Eagle Ford

- Increasing activity by 20% relative to 2013
  - Increasing from ~290 to ~340 - 355 gross company operated wells in 2014
  - Moving to 18 rig program
- Increasing growth to 30 – 35% CAGR over 5 years
- Leveraging facilities to enable further growth
- Accessing premium LLS market with liquids
- Continued infill density and additional horizons potentially extends production peak



## Bakken

- Increasing rig activity 20% relative to 2013
  - Increasing from ~73 in 2013 to 75-85 gross MRO-op spuds in 2014 with recompletions of 22 – 26 gross wells with initial open hole completions
  - Moving to 6 rig program with 1 dedicated to recompletions in 2014
- Best-in-class drilling efficiency
- Increasing growth to 14 – 18% CAGR over 5 years
- Recompleting open hole wells with modern stage design
- Continued infill density and additional horizons potentially extends production peak





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## Woodford

- Increasing activity by 100% relative to 2013
  - Drilling ~20 - 25 gross company operated wells in 2014
  - Moving to 4 rig program
- Increasing growth to 30 – 40% CAGR over 5 years
- Focused on growing SCOOP and Cana Woodford well performance
- Testing other horizons
- Delivering high value liquids growth



## Onshore US

- Accelerating rig activity 20% in Bakken & Eagle Ford; 100% in Oklahoma
- 100% increase in 2P resource in the 3 growth assets since 2011
- Best-in-class drilling efficiency across resource activity
- Focused on operational excellence
- Consistently improving well results
- Delivering high value liquids growth



\*Excludes Alaska and DJ Basin

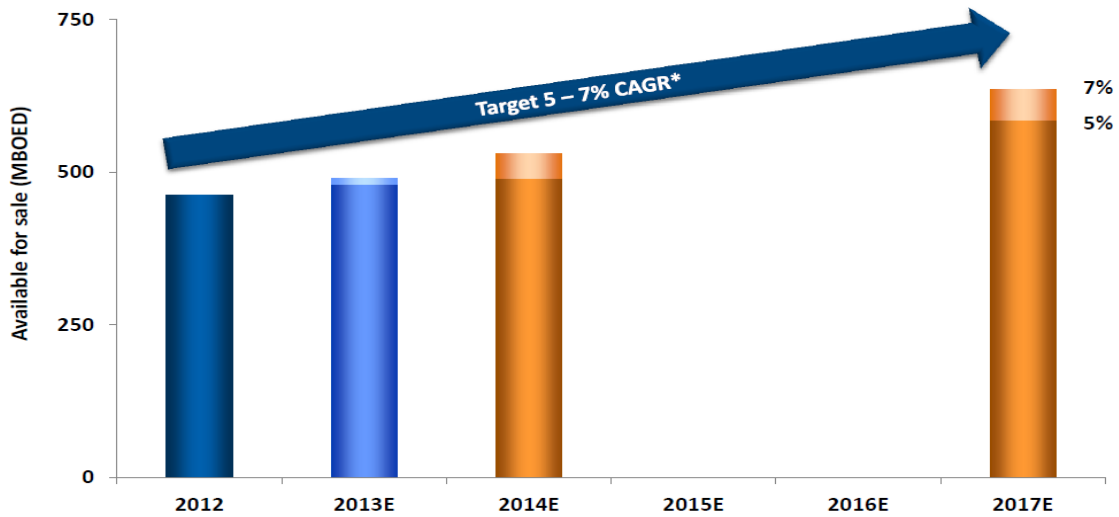


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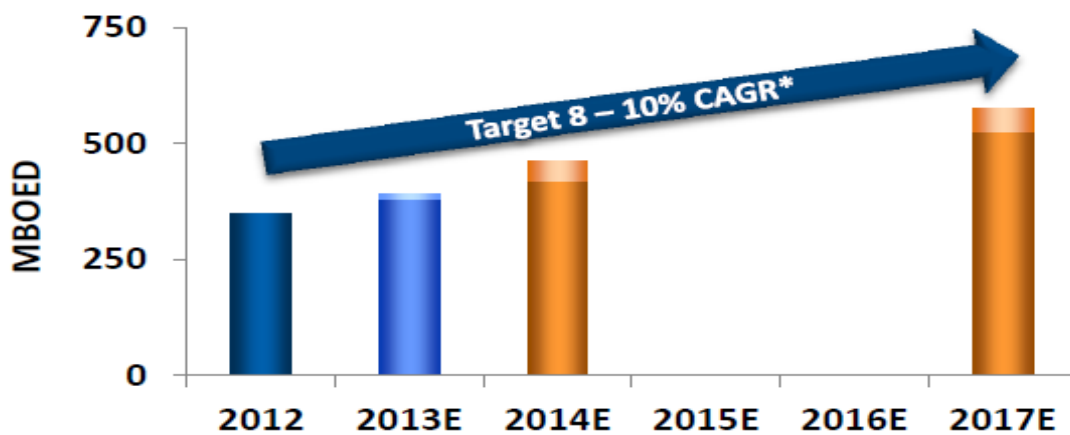
## Robust growth through 2017

**Delivering on our 5 – 7% CAGR target with acceleration of higher margin resource plays offsetting pending Angola exit**



*\*Excludes acquisitions, dispositions and exploration success. Excludes Alaska from all years and assumes sale of Angola assets by YE 2013. Although uncertainty exists, for this presentation Libya production is assumed to return to normal operations in January 2014.*

## Production



*Excludes Alaska, Norway and UK  
Libya production assumed to return to normal operations in January, 2014.*



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<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	220	7.3	12.3	2,700	6%
Rest of World Natural Gas	200	7.0	7.0	1,400	3%
Oil	5,810	6.1	6.5	37,900	81%
Synthetic Crude Oil	440	34	10.5	4,600	10%
	6,670	9.3	7.0	46,600	100%
Debt					11,000
Net Present Value (\$mm)					35,600
Shares					711
Net Present Value - Standard Estimate (US\$/sh)					50
NPV Approximation by Cash Flow Multiple Depending on Reserve Life (US\$/sh)					49



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December 17, 2013

Marathon Oil Corporation										
Next Twelve Months Operating and Financial Estimates										
	Q4	Year	Q3	Q4E	Year	Q1E	Q2E	Q3E	Q4E	Next Twelve Months
	12/31/12	2012	9/30/13	12/31/13	2013E	3/31/14	6/30/14	9/30/14	12/31/14	12/31/14
<b>Volume</b>										
Natural Gas (mmcf)										
U.S. (or North America)	404	<b>358</b>	297	297	<b>312</b>	297	297	297	297	<b>297</b>
Overseas (or Int'l)	569	<b>544</b>	562	569	<b>553</b>	568	514	562	569	<b>553</b>
Total	973	<b>903</b>	859	866	<b>866</b>	865	811	859	866	<b>850</b>
Days	92	<b>366</b>	92	92	<b>365</b>	90	91	92	92	<b>365</b>
Oil (mmb)	34	<b>120</b>	31	33	<b>131</b>	33	34	34	34	<b>135</b>
Oil (mbd)	372	<b>329</b>	337	356	<b>358</b>	370	370	370	370	<b>370</b>
Total gas & oil (mbd)	534	<b>479</b>	480	500	<b>502</b>	514	505	513	514	<b>512</b>
<b>Price</b>										
Natural gas (\$/mcf)										
Henry Hub (\$/mmbtu)	3.40	<b>2.79</b>	3.58	3.60	<b>3.65</b>	4.28	4.14	4.19	4.27	<b>4.22</b>
U.S. (or North America)	4.39	<b>3.91</b>	3.51	3.54	<b>3.78</b>	4.20	4.07	4.11	4.19	<b>4.14</b>
Overseas (or Int'l)	2.46	<b>2.29</b>	1.95	1.95	<b>2.20</b>	1.95	1.95	1.95	1.95	<b>1.95</b>
Total	3.26	<b>2.93</b>	2.49	2.49	<b>2.77</b>	2.72	2.73	2.70	2.72	<b>2.72</b>
Oil (\$/bbl)										
WTI Cushing	88.18	<b>94.16</b>	105.83	97.27	<b>97.93</b>	97.64	96.65	94.42	92.34	<b>95.26</b>
Worldwide	95.09	<b>96.91</b>	96.84	95.32	<b>95.07</b>	95.69	94.72	92.53	90.49	<b>93.34</b>
Total gas & oil (\$/mcf)	12.03	<b>12.00</b>	12.07	12.02	<b>12.09</b>	12.24	12.29	11.87	11.61	<b>12.00</b>
<b>Revenue (\$mm)</b>										
Natural Gas										
U.S. (or North America)	163	<b>513</b>	96	97	<b>431</b>	112	110	112	115	<b>449</b>
Overseas (or Int'l)	129	<b>456</b>	101	102	<b>445</b>	100	91	101	102	<b>394</b>
Total	292	<b>970</b>	197	199	<b>876</b>	212	201	213	217	<b>843</b>
Oil	3,254	<b>11,667</b>	3,002	3,122	<b>12,428</b>	3,186	3,189	3,150	3,080	<b>12,606</b>
Other	690	<b>3,585</b>	715		<b>1,935</b>					
Total	4,236	<b>16,221</b>	3,914	3,321	<b>15,239</b>	3,398	3,390	3,363	3,297	<b>13,449</b>
<b>Expense</b>	2,638	<b>10,120</b>	2,023	1,674	<b>8,180</b>	1,713	1,709	1,695	1,662	<b>6,779</b>
<b>Ebitda (\$mm)</b>	1,598	<b>6,101</b>	1,891	1,647	<b>7,058</b>	1,685	1,681	1,668	1,635	<b>6,670</b>
Exploration	238	<b>729</b>	153	153	<b>904</b>	125	125	125	125	<b>500</b>
Deprec., Deplet., & Amort.	699	<b>2,478</b>	720	720	<b>2,925</b>	720	720	720	720	<b>2,880</b>
<b>Ebit</b>	661	<b>2,894</b>	1,018	774	<b>3,229</b>	840	836	823	790	<b>3,290</b>
Interest	59	<b>219</b>	66	66	<b>275</b>	66	66	66	66	<b>264</b>
<b>Ebt</b>	602	<b>2,675</b>	952	708	<b>2,954</b>	774	770	757	724	<b>3,026</b>
Income Tax	211	<b>936</b>	333	248	<b>1,034</b>	271	270	265	253	<b>1,059</b>
<b>Net Income (\$mm)</b>	391	<b>1,739</b>	619	460	<b>1,920</b>	503	501	492	471	<b>1,967</b>
<b>Shares (millions)</b>	711	<b>710</b>	711	711	<b>712</b>	711	711	711	711	<b>711</b>
Per share (\$)	0.55	<b>2.45</b>	0.87	0.65	<b>2.70</b>	0.71	0.70	0.69	0.66	<b>2.77</b>
Ebitda Margin (E&P)	45%	<b>48%</b>	59%	50%	<b>53%</b>	50%	50%	50%	50%	<b>50%</b>
Tax Rate	35%	<b>35%</b>	35%	35%	<b>35%</b>	35%	35%	35%	35%	<b>35%</b>



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			Price (US\$/sh)	EV/ Market Cap	Enterprise Value (\$mm)	Present Value by Segment (%)				Dist. Yield NTM (%)	McDep Ratio
						North Amer. Natural Gas	Rest of World Natural Gas	Oil Prod'n	Down- stream		
Symbol/Rating	16-Dec	2013									
B = Buy, CB (see below)											
<b>Global Integrated</b>											
Exxon Mobil Corporation	XOM	B	97.22	1.20	513,000	7	19	54	20	2.6	0.96
Chevron Corporation	CVX		120.22	1.17	271,000	4	11	72	13	3.3	0.83
Total S.A.	TOT		57.51	1.35	177,000		22	61	17	5.6	0.78
Royal Dutch Shell plc	RDS-A		67.55	1.36	288,000	4	21	55	19	5.3	0.74
Lukoil Oil Company	LUKOY	CB	61.19	1.05	49,800			74	26	5.0	0.46
<i>Total or Median</i>				<i>1.20</i>	<i>1,299,000</i>			<i>61</i>	<i>19</i>	<i>5.0</i>	<i>0.78</i>
<b>U.S. Independent</b>											
EOG Resources, Inc.	EOG		159.74	1.15	50,200	22	4	75		0.5	0.90
Occidental Petroleum Corp.	OXY		90.95	1.13	83,000	9	1	79	11	2.8	0.86
Marathon Oil Corporation	MRO	B	35.59	1.43	36,300	6	3	90		2.1	0.78
ConocoPhillips	COP		69.79	1.40	119,000	15	15	71		4.0	0.76
Devon Energy Corporation	DVN	B	60.40	1.41	34,800	45		55		1.5	0.68
<i>Total or Median</i>				<i>1.40</i>	<i>323,000</i>	<i>15</i>		<i>75</i>		<i>2.1</i>	<i>0.78</i>
<b>Canada/Australia</b>											
Woodside Petroleum Ltd.	WOPEY		33.59	1.18	33,000		70	30		4.9	0.94
Imperial Oil Limited (30%)	IMO		43.12	1.29	14,200	2		79	18	1.1	0.86
Cenovus Energy Inc.	CVE		28.06	1.33	28,300	9		75	15	3.2	0.73
EnCana Corporation	ECA	CB	17.94	1.65	21,800	80		20		1.6	0.71
Canadian Oil Sands Limited	COSWF	CB	18.43	1.28	11,400			100		7.1	0.60
<i>Total or Median</i>				<i>1.29</i>	<i>109,000</i>			<i>75</i>		<i>3.2</i>	<i>0.73</i>
<b>Small Cap Independent Producers</b>											
PDC Energy	PDCE		55.20	1.30	2,600	32		68		-	1.17
Range Resources	RRC	B	80.17	1.28	16,500	72		28		0.2	0.91
Continental Resources (32%)	CLR	B	105.56	1.24	7,800	16		84		-	0.90
Peyto Exploration and Developm	PEYUF		29.82	1.19	5,300	81		19		2.3	0.89
Whiting Petroleum Corporation	WLL	B	60.59	1.37	10,000	8		92		-	0.85
WPX Energy Inc.	WPX		19.02	1.63	6,200	68		32		-	0.82
Cimarex Energy Company	XEC	B	98.80	1.17	10,000	41		59		0.6	0.82
Halcón Resources	HK		3.75	2.94	5,100	8		92		-	0.77
Birchcliff Energy Ltd.	BIREF	CB	7.10	1.47	1,700	69		31		-	0.68
<i>Total or Median</i>				<i>1.30</i>	<i>65,000</i>	<i>41</i>		<i>59</i>		<i>-</i>	<i>0.85</i>
<b>RTF Cash Payers</b>											
Freehold Royalties Ltd.	FRHLF		20.92	1.04	1,460	23		77		7.6	1.00
Dorchester Minerals, L.P.	DMLP	B	24.57	1.00	750	51		49		8.0	0.95
San Juan Basin Royalty Trust	SJT	B	16.91	1.00	790	100		-		6.8	0.81
Sabine Royalty Trust	SBR		51.32	1.00	750	52		48		8.3	0.80
Permian Basin RT	PBT		13.55	1.00	630	19		81		7.6	0.75
Enduro Royalty Trust	NDRO		12.49	1.00	410	48		52		11.7	0.73
Cross Timbers Royalty Trust	CRT		30.13	1.00	180	70		30		9.0	0.72
Mesa Royalty Trust	MTR		20.73	1.00	40	75		25		8.9	0.70
Hugoton Royalty Trust	HGT		7.94	1.00	320	90		10		11.5	0.66
<i>Total or Median</i>				<i>1.00</i>	<i>5,300</i>					<i>8.3</i>	<i>0.75</i>

CB=Contrarian Buy, Stock Price may be in downtrend compared to 200-day average.  
 Estimated present value presumes a long-term price for oil of US\$90 a barrel and natural gas, \$6 a million btu.  
 McDep Ratio = Market cap and Debt to present value of oil and gas and other businesses



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	<i>Symbol/Rating</i>		<i>16-Dec 2013</i>	<i>(mm)</i>				
	<i>B = Buy, CB (see below)</i>							
<b>Global Integrated</b>								
Exxon Mobil Corporation	XOM	B	97.22	4,395	427,000	102.00	0.16	0.96
Chevron Corporation	CVX		120.22	1,930	232,000	150.00	0.12	0.83
Total S.A.	TOT		57.51	2,275	131,000	80.00	0.20	0.78
Royal Dutch Shell plc	RDS-A		67.55	3,137	212,000	100.00	0.19	0.74
Lukoil Oil Company	LUKOY	CB	61.19	776	47,500	135.00	0.02	0.46
	<i>Total or Median</i>				<i>1,050,000</i>		<i>0.16</i>	<i>0.78</i>
<b>U.S. Independent</b>								
EOG Resources, Inc.	EOG		159.74	274	43,800	180.00	0.12	0.90
Occidental Petroleum Corp.	OXY		90.95	806	73,300	108.00	0.10	0.86
Marathon Oil Corporation	MRO	B	35.59	711	25,300	50.00	0.24	0.78
ConocoPhillips	COP		69.79	1,219	85,000	100.00	0.22	0.76
Devon Energy Corporation	DVN	B	60.40	407	24,600	100.00	0.20	0.68
	<i>Total or Median</i>				<i>252,000</i>		<i>0.20</i>	<i>0.78</i>
<b>Canada/Australia</b>								
Woodside Petroleum Ltd.	WOPEY		33.59	823	27,600	36.00	0.14	0.94
Imperial Oil Limited (30%)	IMO		43.12	255	11,000	52.00	0.19	0.86
Cenovus Energy Inc.	CVE		28.06	757	21,200	42.00	0.18	0.73
EnCana Corporation	ECA	CB	17.94	736	13,200	30.00	0.28	0.71
Canadian Oil Sands Limited	COSWF	CB	18.43	485	8,900	34.00	0.13	0.60
	<i>Total or Median</i>				<i>82,000</i>		<i>0.18</i>	<i>0.73</i>
<b>Small Cap Independent Producers</b>								
PDC Energy	PDCE		55.20	36	2,000	45.00	0.27	1.17
Range Resources	RRC	B	80.17	161	12,900	90.00	0.20	0.91
Continental Resources (32%)	CLR	B	105.56	59	6,300	120.00	0.18	0.90
Peyto Exploration and Development Corp.	PEYUF		29.82	149	4,400	34.00	0.14	0.89
Whiting Petroleum Corporation	WLL	B	60.59	120	7,300	75.00	0.23	0.85
WPX Energy Inc.	WPX		19.02	201	3,800	26.00	0.32	0.82
Cimarex Energy Company	XEC	B	98.80	87	8,600	125.00	0.12	0.82
Halcón Resources	HK		3.75	463	1,700	7.00	0.51	0.77
Birchcliff Energy Ltd.	BIREF	CB	7.10	163	1,200	12.00	0.22	0.68
	<i>Total or Median</i>				<i>48,000</i>		<i>0.22</i>	<i>0.85</i>
<b>RTF Cash Payers</b>								
Freehold Royalties Ltd.	FRHLF		20.92	67	1,410	21.00	0.04	1.00
Dorchester Minerals, L.P.	DMLP	B	24.57	31	750	26.00	-	0.95
San Juan Basin Royalty Trust	SJT	B	16.91	47	790	21.00	-	0.81
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	<i>Total or Median</i>				<i>5,300</i>		<i>-</i>	<i>0.75</i>

CB=Contrarian Buy, Stock Price may be in downtrend compared to 200-day average.  
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Table 3								
McDep Energy Stocks								
Value Multiples and Dividend								
Ranked by EV/Ebitda								
			Price (US\$/sh)	Adjustd Resrvs/ Prod	PV/ Ebitda	EV/ Ebitda	P/E	Dividend
	Symbol/Rating		16-Dec 2013	NTM	NTM	NTM	NTM	NTM
	B = Buy, CB (see below)							(\$/sh)
<b>Global Integrated</b>								
Exxon Mobil Corporation	XOM	B	97.22	13.1	7.4	7.1	12	2.52
Chevron Corporation	CVX		120.22	9.2	6.5	5.4	11	4.00
Royal Dutch Shell plc	RDS-A		67.55	10.0	7.1	5.2	10	3.60
Total S.A.	TOT		57.51	9.8	6.1	4.7	9	3.24
Lukoil Oil Company	LUKOY	CB	61.19	15.7	5.5	2.6	5	3.06
	<i>Median</i>			<i>10.0</i>	<i>6.5</i>	<i>5.2</i>	<i>10</i>	
<b>U.S. Independent</b>								
ConocoPhillips	COP		69.79	11.4	8.2	6.3	13	0.75
Occidental Petroleum Corp.	OXY		90.95	10.2	7.1	6.1	14	2.76
EOG Resources, Inc.	EOG		159.74	7.1	6.6	5.9	18	2.56
Devon Energy Corporation	DVN	B	60.40	10.1	8.3	5.6	14	0.76
Marathon Oil Corporation	MRO	B	35.59	9.3	7.0	5.4	13	0.88
	<i>Median</i>			<i>10.1</i>	<i>7.1</i>	<i>5.9</i>	<i>14</i>	
<b>Canada/Australia</b>								
EnCana Corporation	ECA	CB	17.94	7.2	12.2	8.7	13	0.91
Imperial Oil Limited (30%)	IMO		43.12	20.1	9.6	8.3	11	0.49
Woodside Petroleum Ltd.	WOPEY		33.59	9.6	8.3	7.8	16	1.66
Canadian Oil Sands Limited	COSWF	CB	18.43	20.8	10.2	6.2	9	1.32
Cenovus Energy Inc.	CVE		28.06	12.3	7.8	5.7	14	0.28
	<i>Median</i>			<i>12.3</i>	<i>9.6</i>	<i>7.8</i>	<i>13</i>	
<b>Small Cap Independent Producers</b>								
Range Resources	RRC	B	80.17	12.3	14.1	12.8	53	0.16
PDC Energy	PDCE		55.20	14.9	9.5	11.1	57	-
Peyto Exploration and Development Corp.	PEYUF		29.82	8.5	10.3	9.2	18	0.68
WPX Energy Inc.	WPX		19.02	8.0	9.6	7.9		-
Birchcliff Energy Ltd.	BIREF	CB	7.10	17.8	11.5	7.9	18	-
Halcón Resources	HK		3.75	5.3	9.3	7.2	9	-
Continental Resources (32%)	CLR	B	105.56	11.4	7.7	6.9	16	-
Cimarex Energy Company	XEC	B	98.80	7.2	7.6	6.2	14	0.56
Whiting Petroleum Corporation	WLL	B	60.59	8.1	5.7	4.9	13	-
	<i>Median</i>			<i>8.5</i>	<i>9.5</i>	<i>7.9</i>	<i>17</i>	
<b>RTF Cash Payers</b>								
Sabine Royalty Trust	SBR		51.32	9.2	15.0	12.1	12	4.25
San Juan Basin Royalty Trust	SJT	B	16.91	10.0	14.7	11.9	15	1.14
Freehold Royalties Ltd.	FRHLF		20.92	4.8	10.4	10.3	23	1.58
Cross Timbers Royalty Trust	CRT		30.13	12.3	14.1	10.1	11	2.73
Dorchester Minerals, L.P.	DMLP	B	24.57	6.9	10.7	10.1	16	1.95
Mesa RoyaltyTrust	MTR		20.73	5.2	13.2	9.2	11	1.84
Permian Basin RT	PBT		13.55	12.7	10.8	8.1	13	1.03
Enduro Royalty Trust	NDRO		12.49	6.4	10.2	7.5	9	1.46
Hugoton RoyaltyTrust	HGT		7.94	12.8	11.3	7.5	9	0.91
	<i>Median</i>			<i>9.2</i>	<i>11.3</i>	<i>10.1</i>	<i>12</i>	

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

EV = Enterprise Value = Market Cap and Debt; Ebitda = Earnings before interest, tax, depreciation and amortization; NTM = Next Twelve Months Ended December 31, 2014; P/E = Stock Price to Earnings; PV = Present Value of oil and gas and other businesses



# Meter Reader

A Weekly Analysis of Large Cap Oil and Gas Stocks

December 17, 2013

Table 4										
McDep Energy Stocks										
Total Return and Enterprise Value Momentum										
Ranked by EV/200-Day Average										
			Price	Equity						
			(\$/sh)	Total						
	Symbol		16-Dec	Return	Enterprise Value/				McDep	
	Rating	2013	YTD	(%)	52Wk	52Wk	50 Day	200 Day	Ratio	
					High	Low	Avg.	Avg.		
<b>Global Integrated</b>										
	Exxon Mobil Corporation	XOM	B	97.22	15	0.99	1.12	1.05	1.06	0.96
	Total S.A.	TOT		57.51	17	0.94	1.17	0.97	1.05	0.78
	Royal Dutch Shell plc	RDS-A		67.55	3	0.94	1.06	1.01	1.02	0.74
	Chevron Corporation	CVX		120.22	15	0.95	1.11	1.00	0.99	0.83
	Lukoil Oil Company	LUKOY	CB	61.19	(5)	0.91	1.12	0.96	0.99	0.46
	<i>Median</i>				15	0.94	1.12	1.00	1.02	0.78
<b>U.S. Independent</b>										
	EOG Resources, Inc.	EOG		159.74	33	0.87	1.35	0.93	1.07	0.90
	ConocoPhillips	COP		69.79	26	0.95	1.16	0.97	1.05	0.76
	Devon Energy Corporation	DVN	B	60.40	18	0.93	1.13	0.99	1.03	0.68
	Marathon Oil Corporation	MRO	B	35.59	19	0.95	1.14	0.99	1.01	0.78
	Occidental Petroleum Corp.	OXY		90.95	22	0.92	1.19	0.95	1.01	0.86
	<i>Median</i>				22	0.93	1.16	0.97	1.03	0.78
<b>Canada/Australia</b>										
	Imperial Oil Limited (30%)	IMO		43.12	2	0.96	1.12	0.99	1.03	0.86
	EnCana Corporation	ECA	CB	17.94	(6)	0.92	1.05	0.99	0.99	0.71
	Cenovus Energy Inc.	CVE		28.06	(14)	0.85	1.02	0.97	0.96	0.73
	Canadian Oil Sands Limited	COSWF	CB	18.43	(3)	0.87	1.02	0.96	0.95	0.60
	Woodside Petroleum Ltd.	WOPEY		33.59	(1)	0.86	1.06	0.95	0.95	0.94
	<i>Median</i>				(3)	0.87	1.05	0.97	0.96	0.73
<b>Small Cap Independent Producers</b>										
	Cimarex Energy Company	XEC	B	98.80	72	0.89	1.60	0.98	1.17	0.82
	Whiting Petroleum Corporation	WLL	B	60.59	40	0.89	1.30	0.96	1.10	0.85
	Continental Resources (32%)	CLR	B	105.56	44	0.89	1.36	0.95	1.09	0.90
	Peyto Exploration and Development	PEYUF		29.82	33	0.95	1.28	1.00	1.03	0.89
	Range Resources	RRC	B	80.17	28	0.95	1.23	1.03	1.03	0.91
	WPX Energy Inc.	WPX		19.02	28	0.87	1.19	0.97	1.01	0.82
	PDC Energy	PDCE		55.20	66	0.79	1.49	0.91	1.01	1.17
	Birchcliff Energy Ltd.	BIREF	CB	7.10	(6)	0.86	1.04	1.01	0.96	0.68
	Halcón Resources	HK		3.75	(46)	0.71	1.01	0.93	0.86	0.77
	<i>Median</i>				33	0.89	1.28	0.97	1.03	0.85
<b>RTF Cash Payers</b>										
	Cross Timbers Royalty Trust	CRT		30.13	21	0.95	1.27	1.02	1.06	0.72
	San Juan Basin Royalty Trust	SJT	B	16.91	31	0.93	1.37	1.03	1.05	0.81
	Dorchester Minerals, L.P.	DMLP	B	24.57	30	0.96	1.24	1.00	1.02	0.95
	Sabine Royalty Trust	SBR		51.32	40	0.93	1.32	1.00	1.01	0.80
	Permian Basin RT	PBT		13.55	17	0.83	1.13	0.94	1.01	0.75
	Hugoton Royalty Trust	HGT		7.94	19	0.80	1.14	1.09	0.96	0.66
	Freehold Royalties Ltd.	FRHLF		20.92	1	0.86	1.02	0.94	0.92	1.00
	Mesa Royalty Trust	MTR		20.73	15	0.81	1.12	0.97	0.92	0.70
	Enduro Royalty Trust	NDRO		12.49	(19)	0.69	1.06	0.99	0.84	0.73
	<i>Median</i>				19	0.86	1.14	1.00	1.01	0.75

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

Source: Bloomberg, Yahoo, McDep LLC



# Meter Reader

A Weekly Analysis of Large Cap Oil and Gas Stocks

December 17, 2013

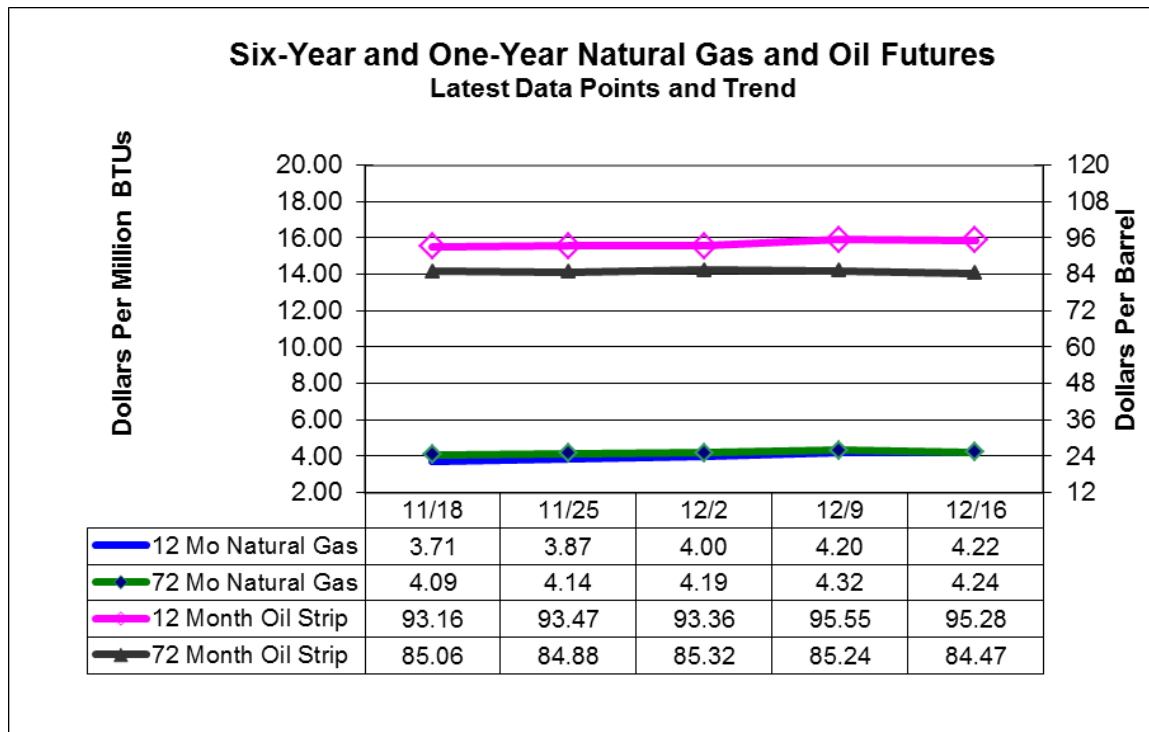
<b>Index of Recent Research</b>			
<b>Stock Ideas</b>			
<i>Date</i>	<i>Symbol</i>	<i>Subject</i>	<i>Theme</i>
3-Dec	LUKOY	Lukoil	Low McDep Ratio Emerging Market Stock (Meter Reader)
26-Nov	DVN	Devon Energy	Acquires \$6 Billion Eagle Ford Position (Meter Reader)
19-Nov	CLR	Continental Resources	High Density "Ears Back" Drilling Pace (Meter Reader)
15-Nov	BIREF	Birchcliff Energy	15% a Year Growth to 2018
12-Nov	XEC	Cimarex Energy	Raise NPV to \$125 on Permian Productivity (Meter Reader)
8-Nov	DMLP	Dorchester Minerals, L.P.	Oil up 6% a Quarter
5-Nov	COSWF	Canadian Oil Sands Ltd.	Time to Explore New Options (Meter Reader)
31-Oct	RRC	Range Resources	Core Owner in Largest Producing Field
29-Oct	WLL	Whiting Petroleum	Fracking Productivity Leaps 50% (Meter Reader)
25-Oct	ECA	Encana Corporation	San Juan Oil Upgraded to Commercial from Emerging
4-Oct	NDRO	Enduro Royalty Trust	Worth Another Look after Stock Price Decline
27-Sep	WPX	WPX Energy	San Juan Basin Innovator (Income and Small Cap Weekly)
24-Sep	XOM	Exxon Mobil	Fracking Firms Long-Term Value (Meter Reader)
17-Sep	COP	ConocoPhillips	Fracking Upside in Eagle Ford, Bakken and Permian (Meter Reader)
13-Sep	CRT	Cross Timbers Royalty Trust	Fracking Upside in Permian and Scoop (Income and Small Cap Weekly)
10-Sep	OXY	Occidental Petroleum	Permian Late Bloomer (Meter Reader)
6-Aug	RDSA	Royal Dutch Shell plc	Value Choice after Latest Results (Meter Reader)
23-Jul	WOPEY	Woodside Petroleum, Ltd.	Distributing LNG Cash (Meter Reader)
19-Jul	SJT	San Juan Basin Royalty Trust	Acreage 75% in Liquids-Rich Shale Zone (Income and Small Cap Weekly)
12-Jul	PBT	Permian Basin Royalty Trust	Stock Price Recovering from Short-Term Overreaction
9-Jul	MRO	Marathon Oil	Bakken Strengthens (Meter Reader)
5-Jul	LINE	Linn Energy	Stock Undervalued while SEC Probes (Income and Small Stock Weekly)
31-May	HGT	Hugoton Royalty Trust	Beating the Bear (Income and Small Cap Weekly)
14-May	EOG	EOG Resources	Raise NPV to \$180 on More Big Wells (Meter Reader)
30-Apr	TOT	Total	Recovery Potential (Meter Reader)
19-Apr	HK	Halcón Resources	Fourth Core Area - El Halcón ("The Hawk") (Inc. and Small Cap Wkly)
16-Apr	CVX	Chevron	Deflation Resistance (Meter Reader)
12-Apr	MTR	Mesa Royalty Trust	RIF Stealth Play on Long-Life Natural Gas (Income and Small Cap Wkly)
5-Apr	SBR	Sabine Royalty Trust	Accelerating Volume Growth (Income and Small Cap Weekly)
28-Mar	PEYUF	Peyto Exploration and Development	Raise NPV to \$32 for Fracking Winner (Income and Small Cap Weekly)
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>			
10-Dec			Fracking Investment Strategy
3-Dec	LUKOY	Lukoil	Low McDep Ratio Emerging Market Stock
26-Nov	DVN	Devon Energy	Acquires \$6 Billion Eagle Ford Position
19-Nov	CLR	Continental Resources	High Density "Ears Back" Drilling Pace
12-Nov	XEC	Cimarex Energy	Raise NPV to \$125 on Permian Productivity
5-Nov	COSWF	Canadian Oil Sands Ltd.	Time to Explore New Options
29-Oct	WLL	Whiting Petroleum	Fracking Productivity Leaps 50%
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<b>Income and Small Cap Weekly</b> (merged into <b>Meter Reader</b> 10/1/13)			
<b>Industry Ideas</b>			
13-Nov		McDep Book Review	<i>The Frackers</i> by Gregory Zuckerman
22-Oct		RTF Cash Payers	Oil Rising



# Meter Reader

A Weekly Analysis of Large Cap Oil and Gas Stocks

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