

## Lukoil (LUKOY) Oil under Uncertainty

<i>Symbol</i>	LUKOY	<i>Ebitda Next Twelve Months ending 6/30/15 (US\$mm)</i>	20,100
<i>Rating</i>	Contrarian Buy	<i>North American Natural Gas/Ebitda (%)</i>	0
<i>Price (US\$/sh)</i>	55.51	<i>Natural Gas and Oil Production/Ebitda (%)</i>	74
<i>Pricing Date</i>	9/1/14	<i>Adjusted Reserves/Production NTM</i>	14.6
<i>Shares (mm)</i>	776	<i>EV/Ebitda</i>	2.5
<i>Market Capitalization (US\$mm)</i>	43,100	<i>PV/Ebitda</i>	5.6
<i>Debt (US\$mm)</i>	8,000	<i>Undeveloped Reserves (%)</i>	45
<i>Enterprise Value (EV) (US\$mm)</i>	51,100	<i>Natural Gas and Oil Ebitda (US\$/boe)</i>	20.33
<i>Present Value (PV) (US\$mm)</i>	112,800	<i>Present Value Proven Reserves(US\$/boe)</i>	6.32
<i>Net Present Value (US\$/share)</i>	135	<i>Present Value Proven Reserves(US\$/mcf)</i>	1.05
<i>Debt/Present Value</i>	0.07	<i>Earnings Next Twelve Months (US\$/sh)</i>	9.10
<i>McDep Ratio - EV/PV</i>	0.45	<i>Price/Earnings Next Twelve Months</i>	6
<i>Dividend Yield (%/year)</i>	5.8	<i>Indicated Annual Dividend (US\$/sh)</i>	3.22
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.			
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 Lukoil since 2004 see <a href="http://www.mcdep.com/2luk.htm">www.mcdep.com/2luk.htm</a>			

### Summary and Recommendation

The military conflict in Ukraine contributes both to upside potential in oil price and lagging performance in stock price of buy-recommended **Lukoil (LUKOY)**, as we see it. Russia's invasion of its neighbor has sparked a trade war in the form of dueling sanctions on economic activity between former Cold War foes. A cutoff by Russia or Ukraine of natural gas supply to Europe next winter may raise the price of alternative fuel, notably oil. At the same time, political instability appears to be spreading in the oil producing countries of the Middle East and parts of Africa. In the face of new uncertainty, Lukoil may reduce capital expenditures, generate more free cash flow and pay rising dividends according to major stockholder, member of the board of directors and vice president Leonid Fedun on the quarterly earnings call on August 29 in Moscow. Mr. Fedun said, according to the transcript, that he is apprehensive about sanctions despite Lukoil not being affected so far. Meanwhile cash flow (Ebitda) was up about 27% in the second quarter over the previous year (see table [Operating and Financial Estimates](#) on page 2). An increase in depreciation and depletion with new oil volume in Iraq boosted production cash flow while profits were particularly strong in refining and marketing in Russia. Presuming business as usual, the main case for Lukoil stock is its low McDep Ratio of 0.45 along with a strong financial position at a low 0.07 ratio of Debt to Present Value, low unlevered cash flow multiple (EV/Ebitda) at 2.5 and stock price underperformance in 2014 (see [Tables 1-4](#) on pages 3-6). Risk is mitigated in the diversified McDep portfolio where Lukoil might be a 1% position along with other energy stocks, global equities, bonds, gold and cash.

Kurt H. Wulff, CFA



# Meter Reader

A Weekly Analysis of Oil and Gas Stocks  
September 2, 2014

Lukoil Oil Company										
Next Twelve Months Operating and Financial Estimates										
	Q2	Year	Q1	Q2	Q3E	Q4E	Year	Q1E	Q2E	Next
	6/30/13	2013	3/31/14	6/30/14	9/30/14	12/31/14	2014E	3/31/15	6/30/15	Twelve
										Months
										6/30/15
<b>Volume</b>										
Natural Gas (mmcf)	1,950	<b>1,974</b>	1,974	1,866	1,848	2,053	<b>1,936</b>	1,974	1,866	<b>1,935</b>
Oil (mbd)	1,868	<b>1,873</b>	1,885	2,002	2,002	2,002	<b>1,973</b>	2,002	2,002	<b>2,002</b>
<b>Price</b>										
Natural gas (\$/mcf)	2.29	<b>2.29</b>	2.59	2.59	2.59	2.59	<b>2.59</b>	2.59	2.59	<b>2.59</b>
Oil (\$/bbl)										
WTI Cushing	94.22	<b>97.98</b>	98.74	102.98	98.11	94.84	<b>98.67</b>	93.43	92.88	<b>94.82</b>
Lukoil export	102.34	<b>107.36</b>	106.81	108.04	102.52	104.23	<b>105.37</b>	99.47	98.87	<b>101.29</b>
NY Harbor 3-2-1 (\$/bbl)	21.37	<b>22.00</b>	19.04	21.12	20.03	18.75	<b>19.74</b>	18.82	24.13	<b>20.43</b>
<b>Revenue (\$mm)</b>										
Natural Gas	406	<b>1,649</b>	470	439	440	489	<b>1,837</b>	460	439	<b>1,827</b>
Oil	17,397	<b>73,399</b>	18,523	19,683	18,882	19,197	<b>76,285</b>	17,923	18,012	<b>74,014</b>
Other	17,656	<b>68,053</b>	17,158	18,522	18,522	18,522	<b>72,724</b>	18,522	18,522	<b>74,088</b>
Total	35,053	<b>141,452</b>	35,681	38,205	37,844	38,208	<b>149,937</b>	36,904	36,974	<b>149,929</b>
<b>Ebitda (\$mm)</b>										
Exploration and Production	3,331	<b>14,480</b>	3,502	3,927	3,789	3,852	<b>15,070</b>	3,597	3,615	<b>14,852</b>
Other	1,185	<b>5,461</b>	771	1,810	1,300	1,300	<b>5,181</b>	1,300	1,300	<b>5,200</b>
Total Ebitda	4,516	<b>19,940</b>	4,273	5,737	5,089	5,152	<b>20,251</b>	4,897	4,915	<b>20,052</b>
Exploration	75	<b>602</b>	205	75	125	125	<b>530</b>	125	125	<b>500</b>
Deprec., Deplet., & Amort.	1,444	<b>5,756</b>	1,512	2,485	2,485	2,485	<b>8,967</b>	2,485	2,485	<b>9,940</b>
<b>Ebit</b>	2,997	<b>13,582</b>	2,556	3,177	2,479	2,542	<b>10,754</b>	2,287	2,305	<b>9,612</b>
Interest	131	<b>382</b>	143	161	161	161	<b>625</b>	161	161	<b>643</b>
<b>Ebt</b>	2,866	<b>13,201</b>	2,413	3,017	2,318	2,382	<b>10,130</b>	2,126	2,144	<b>8,970</b>
Income Tax	748	<b>2,831</b>	667	611	492	506	<b>2,276</b>	451	455	<b>1,904</b>
<b>Net Income (\$mm)</b>										
Exploration and Production	1,812	<b>8,459</b>	1,777	1,538						
Other	95	<b>1,744</b>	(141)	1,225						
Unallocated	211	<b>167</b>	110	(357)						
Total	2,118	<b>10,370</b>	1,746	2,406	1,826	1,876	<b>7,854</b>	1,675	1,689	<b>7,065</b>
<b>Shares (millions)</b>	776	<b>776</b>	776	776	776	776	<b>776</b>	776	776	<b>776</b>
Per share (\$)	2.73	<b>13.36</b>	2.25	3.10	2.35	2.42	<b>10.12</b>	2.16	2.18	<b>9.10</b>
Ebitda Margin (E&P)	19%	<b>20%</b>	19%	20%	20%	20%	<b>20%</b>	20%	20%	<b>20%</b>
Tax Rate	26%	<b>21%</b>	28%	20%	21%	21%	<b>22%</b>	21%	21%	<b>21%</b>

Lukoil					
Functional Cash Flow and Present Value					
	NTM Ebitda	Adjusted	PV/	Present	
	(US\$mm)	R/P	Ebitda	Value	
				(US\$mm)	
Natural Gas	400	21.8	5.0	2,000	2%
Oil	14,500	14.6	5.8	83,800	74%
Downstream	5,200	5.2	5.2	27,000	24%
	20,100	15.6	5.6	112,800	100%
Debt (US\$mm)					8,000
Net Present Value (US\$mm)					104,800
Shares (mm)					776
Net Present Value - Standard Estimate (US\$/sh)					135
NPV Approximation by Cash Flow Multiple Depending on Reserve Life (US\$/sh)					200



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September 2, 2014

Table 1											
McDep Energy Stocks											
Enterprise Value, Segments, Yield and McDep Ratio											
Symbol/Rating	B = Buy, CB (see below)	Price (US\$/sh)	EV/ Market Cap	Enterprise Value (\$mm)	Present Value by Segment (%)					Dist. Yield	McDep
					North Amer.	Rest of World	Oil Prod'n	Down- stream	NTM (%)		
1-Sep 2014	1-Sep 2014	1-Sep 2014	1-Sep 2014	1-Sep 2014	Natural Gas	Natural Gas	Oil Prod'n	Down- stream	NTM (%)	McDep Ratio	
<b>Global Integrated</b>											
Exxon Mobil Corporation	XOM	B	99.46	1.18	502,000	7	16	61	17	2.8	0.98
Royal Dutch Shell plc	RDS-A		80.97	1.32	337,000	4	22	57	17	4.6	0.88
Chevron Corporation	CVX		129.45	1.18	291,000	3	11	73	13	3.3	0.88
Total S.A.	TOT		65.96	1.37	207,000		22	59	18	4.9	0.87
Lukoil Oil Company	LUKOY	CB	55.51	1.19	51,100			76	24	5.8	0.45
<i>Total or Median</i>				1.19	1,388,000			61	17	4.6	0.88
<b>U.S. Independent</b>											
EOG Resources, Inc.	EOG		109.88	1.11	66,700	16	4	80		0.6	1.00
Occidental Petroleum Corp.	OXY		103.73	1.13	91,800	7	1	84	9	2.8	0.88
Marathon Oil Corporation	MRO	B	41.69	1.27	36,000	9	3	88		2.0	0.86
ConocoPhillips	COP		81.22	1.33	135,000	13	14	72		3.6	0.85
Devon Energy Corporation	DVN	B	75.42	1.56	48,400	27		65	8	1.3	0.83
<i>Total or Median</i>				1.27	378,000	13		80		2.0	0.86
<b>Canada/Australia</b>											
Woodside Petroleum Ltd.	WOPEY		40.00	1.14	37,000		70	30		5.2	1.10
Imperial Oil Limited (30%)	IMO		53.25	1.22	16,600	2		79	18	0.9	1.02
EnCana Corporation	ECA	B	23.03	1.46	24,900	80		20		1.2	0.83
Cenovus Energy Inc.	CVE		31.89	1.29	31,100	9		78	13	3.1	0.80
Canadian Oil Sands Limited	COSWF	B	21.60	1.25	13,100			100		7.2	0.69
<i>Total or Median</i>				1.25	123,000			78		3.1	0.83
<b>Small Cap Independent Producers</b>											
Continental Resources (32%)	CLR	B	161.29	1.20	11,500	16		84		-	1.06
Cimarex Energy Company	XEC	B	145.16	1.15	14,500	41		59		0.4	1.03
Whiting Petroleum Corporation	WLL	B	92.66	1.28	14,200	9		91		-	1.02
WPX Energy Inc.	WPX		26.62	1.53	8,100	69		31		-	0.97
Halcón Resources	HK		5.50	2.66	6,100	6		94		-	0.91
Birchcliff Energy Ltd.	BIREF	B	11.70	1.31	2,400	73		27		-	0.87
Peyto Exploration and Develop	PEYUF		35.45	1.17	6,400	83		17		3.1	0.86
PDC Energy	PDCE		60.09	1.38	3,000	26		74		-	0.85
Range Resources	RRC	CB	78.59	1.28	16,400	61		39		0.2	0.82
<i>Total or Median</i>				1.28	83,000	41		59		-	0.91
<b>RTF Cash Payers</b>											
Mesa RoyaltyTrust	MTR		32.00	1.00	60	71		29		7.8	1.15
Dorchester Minerals, L.P.	DMLP	B	34.08	1.00	1,050	40		60		5.5	1.06
Enduro Royalty Trust	NDRO		13.17	1.00	440	37		63		6.2	0.94
San Juan Basin Royalty Trust	SJT	B	19.51	1.00	910	100		-		6.3	0.93
Freehold Royalties Ltd.	FRHLF		23.80	1.09	1,910	18		82		6.5	0.92
Sabine Royalty Trust	SBR		57.01	1.00	830	44		56		7.2	0.89
Permian Basin RT	PBT		14.37	1.00	670	20		80		8.2	0.80
Cross Timbers Royalty Trust	CRT		32.77	1.00	200	64		36		7.5	0.78
Hugoton RoyaltyTrust	HGT		10.02	1.00	400	87		13		7.5	0.77
<i>Total or Median</i>				1.00	6,500	44		56		7.2	0.92

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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A Weekly Analysis of Oil and Gas Stocks

September 2, 2014

			<i>Price (US\$/sh)</i>	<i>Shares</i>	<i>Market Cap (US\$mm)</i>	<i>Net Present Value (US\$/sh)</i>	<i>Debt/ Present Value</i>	<i>McDep Ratio</i>
	<i>Symbol/Rating</i>		<i>1-Sep 2014</i>	<i>(mm)</i>				
<b>Global Integrated</b>								
Exxon Mobil Corporation	XOM	B	99.46	4,297	427,000	102.00	0.15	0.98
Royal Dutch Shell plc	RDS-A		80.97	3,162	256,000	95.00	0.21	0.88
Chevron Corporation	CVX		129.45	1,902	246,000	150.00	0.13	0.88
Total S.A.	TOT		65.96	2,281	151,000	80.00	0.24	0.87
Lukoil Oil Company	LUKOY	CB	55.51	776	43,100	135.00	0.07	0.45
	<i>Total or Median</i>				<i>1,123,000</i>		<i>0.15</i>	<i>0.88</i>
<b>U.S. Independent</b>								
EOG Resources, Inc.	EOG		109.88	549	60,300	110.00	0.10	1.00
Occidental Petroleum Corp.	OXY		103.73	783	81,200	120.00	0.10	0.88
Marathon Oil Corporation	MRO	B	41.69	679	28,310	50.00	0.18	0.86
ConocoPhillips	COP		81.22	1,245	101,000	100.00	0.21	0.85
Devon Energy Corporation	DVN	B	75.42	411	31,000	100.00	0.30	0.83
	<i>Total or Median</i>				<i>301,800</i>		<i>0.18</i>	<i>0.86</i>
<b>Canada/Australia</b>								
Woodside Petroleum Ltd.	WOPEY		40.00	823	32,900	36.00	0.13	1.10
Imperial Oil Limited (30%)	IMO		53.25	255	13,600	52.00	0.18	1.02
EnCana Corporation	ECA	B	23.03	736	17,000	30.00	0.26	0.83
Cenovus Energy Inc.	CVE		31.89	758	24,200	42.00	0.18	0.80
Canadian Oil Sands Limited	COSWF	B	21.60	485	10,500	34.00	0.14	0.69
	<i>Total or Median</i>				<i>98,000</i>		<i>0.18</i>	<i>0.83</i>
<b>Small Cap Independent Producers</b>								
Continental Resources (32%)	CLR	B	161.29	59	9,600	150.00	0.18	1.06
Cimarex Energy Company	XEC	B	145.16	87	12,700	140.00	0.13	1.03
Whiting Petroleum Corporation	WLL	B	92.66	120	11,100	90.00	0.22	1.02
WPX Energy Inc.	WPX		26.62	200	5,300	28.00	0.33	0.97
Halcón Resources	HK		5.50	415	2,300	7.00	0.57	0.91
Birchcliff Energy Ltd.	BIREF	B	11.70	158	1,800	14.00	0.20	0.87
Peyto Exploration and Development Corp.	PEYUF		35.45	154	5,500	42.00	0.12	0.86
PDC Energy	PDCE		60.09	36	2,200	75.00	0.23	0.85
Range Resources	RRC	CB	78.59	163	12,800	100.00	0.18	0.82
	<i>Total or Median</i>				<i>63,000</i>		<i>0.20</i>	<i>0.91</i>
<b>RTF Cash Payers</b>								
Mesa RoyaltyTrust	MTR		32.00	2	60	28.00	-	1.15
Dorchester Minerals, L.P.	DMLP	B	34.08	31	1,050	32.00	-	1.06
Enduro Royalty Trust	NDRO		13.17	33	440	14.00	-	0.94
San Juan Basin Royalty Trust	SJT	B	19.51	47	910	21.00	-	0.93
Freehold Royalties Ltd.	FRHLF		23.80	73	1,750	26.00	0.08	0.92
Sabine Royalty Trust	SBR		57.01	15	830	64.00	-	0.89
Permian Basin RT	PBT		14.37	47	670	18.00	-	0.80
Cross Timbers Royalty Trust	CRT		32.77	6	200	42.00	-	0.78
Hugoton RoyaltyTrust	HGT		10.02	40	400	13.00	-	0.77
	<i>Total or Median</i>				<i>6,300</i>		<i>-</i>	<i>0.92</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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September 2, 2014

Table 3								
McDep Energy Stocks								
Value Multiples and Dividend								
Ranked by EV/Ebitda								
			Price (US\$/sh)	Adjustd Resrvs/ Prod	PV/ Ebitda NTM	EV/ Ebitda NTM	P/E NTM	Dividend NTM (\$/sh)
	Symbol/Rating		1-Sep 2014	NTM				
	B = Buy, CB (see below)							
<b>Global Integrated</b>								
Exxon Mobil Corporation	XOM	B	99.46	14.5	7.6	7.4	14	2.76
Total S.A.	TOT		65.96	11.0	7.3	6.3	12	3.20
Chevron Corporation	CVX		129.45	9.3	6.9	6.1	13	4.28
Royal Dutch Shell plc	RDS-A		80.97	10.2	6.9	6.1	13	3.76
Lukoil Oil Company	LUKOY	CB	55.51	14.6	5.6	2.5	6	3.22
	<i>Median</i>			11.0	6.9	6.1	13	
<b>U.S. Independent</b>								
Devon Energy Corporation	DVN	B	75.42	10.2	8.9	7.3	17	0.96
EOG Resources, Inc.	EOG		109.88	7.5	7.2	7.2	22	0.67
Occidental Petroleum Corp.	OXY		103.73	10.6	7.5	6.5	15	2.88
ConocoPhillips	COP		81.22	11.3	7.4	6.3	14	2.92
Marathon Oil Corporation	MRO	B	41.69	11.5	6.4	5.6	15	0.84
	<i>Median</i>			10.6	7.4	6.5	15	
<b>Canada/Australia</b>								
Imperial Oil Limited (30%)	IMO		53.25	25.0	10.6	10.8	14	0.48
Woodside Petroleum Ltd.	WOPEY		40.00	9.5	7.6	8.4	17	2.06
EnCana Corporation	ECA	B	23.03	7.6	9.5	7.9	15	0.28
Canadian Oil Sands Limited	COSWF	B	21.60	18.2	10.1	6.9	11	1.56
Cenovus Energy Inc.	CVE		31.89	14.3	8.6	6.9	15	0.98
	<i>Median</i>			14.3	9.5	7.9	15	
<b>Small Cap Independent Producers</b>								
Range Resources	RRC	CB	78.59	12.4	14.3	11.8	69	0.16
Payto Exploration and Development Corp.	PEYUF		35.45	10.0	10.9	9.4	23	1.10
Continental Resources (32%)	CLR	B	161.29	11.4	8.4	8.9	21	-
PDC Energy	PDCE		60.09	16.0	10.1	8.6	47	-
WPX Energy Inc.	WPX		26.62	8.6	8.8	8.5		-
Birchcliff Energy Ltd.	BIREF	B	11.70	13.8	9.3	8.1	22	-
Cimarex Energy Company	XEC	B	145.16	6.4	7.7	7.9	22	0.64
Halcón Resources	HK		5.50	5.9	8.0	7.2	15	-
Whiting Petroleum Corporation	WLL	B	92.66	7.4	5.5	5.6	17	-
	<i>Median</i>			10.0	8.8	8.5	22	
<b>RTF Cash Payers</b>								
San Juan Basin Royalty Trust	SJT	B	19.51	10.5	15.8	14.6	16	1.22
Dorchester Minerals, L.P.	DMLP	B	34.08	7.5	13.7	14.6	23	1.87
Sabine Royalty Trust	SBR		57.01	10.0	15.6	13.9	14	4.09
Mesa Royalty Trust	MTR		32.00	6.7	10.1	11.6	13	2.49
Hugoton Royalty Trust	HGT		10.02	14.3	14.8	11.4	13	0.76
Cross Timbers Royalty Trust	CRT		32.77	12.2	14.5	11.3	13	2.44
Freehold Royalties Ltd.	FRHLF		23.80	5.2	11.8	10.9	21	1.55
Permian Basin RT	PBT		14.37	9.8	11.1	8.9	12	1.19
Enduro Royalty Trust	NDRO		13.17	8.4	9.1	8.5	16	0.81
	<i>Median</i>			9.8	13.7	11.4	14	

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, 2015; P/E = Stock Price to Earnings; PV = Present Value of oil and gas and other businesses



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September 2, 2014

<b>Table 4</b>									
<b>McDep Energy Stocks</b>									
<b>Total Return and Enterprise Value Momentum</b>									
<b>Ranked by EV/200-Day Average</b>									
				Equity					
			Price	Total					
			(\$/sh)	Return	Enterprise Value/				
	Symbol		1-Sep	YTD	52Wk	52Wk	50 Day	200 Day	McDep
		Rating	2014	(%)	High	Low	Avg.	Avg.	Ratio
<b>Global Integrated</b>									
	RDS-A		80.97	18	0.98	1.20	1.00	1.06	0.88
	Chevron Corporation		129.45	6	0.96	1.15	1.00	1.05	0.88
	Total S.A.		65.96	10	0.92	1.14	0.98	1.01	0.87
	Exxon Mobil Corporation	B	99.46	0	0.96	1.14	0.99	1.01	0.98
	Lukoil Oil Company	CB	55.51	(10)	0.85	1.11	0.97	0.97	0.45
	<i>Median</i>			6	0.96	1.14	0.99	1.01	0.88
<b>U.S. Independent</b>									
	Marathon Oil Corporation	B	41.69	20	1.00	1.24	1.04	1.11	0.86
	EOG Resources, Inc.		109.88	31	0.93	1.36	0.98	1.11	1.00
	ConocoPhillips		81.22	18	0.95	1.21	0.98	1.07	0.85
	Devon Energy Corporation	B	75.42	23	0.96	1.19	0.99	1.06	0.83
	Occidental Petroleum Corp.		103.73	11	0.98	1.18	1.02	1.06	0.88
	<i>Median</i>			20	0.96	1.21	0.99	1.07	0.86
<b>Canada/Australia</b>									
	Imperial Oil Limited (30%)		53.25	21	0.99	1.25	1.02	1.10	1.02
	Cenovus Energy Inc.		31.89	13	0.98	1.18	1.02	1.08	0.80
	Woodside Petroleum Ltd.		40.00	22	0.97	1.21	1.01	1.08	1.10
	EnCana Corporation	B	23.03	28	0.95	1.22	1.03	1.07	0.83
	Canadian Oil Sands Limited	B	21.60	20	0.95	1.17	0.99	1.05	0.69
	<i>Median</i>			21	0.97	1.21	1.02	1.08	0.83
<b>Small Cap Independent Producers</b>									
	Whiting Petroleum Corporation	B	92.66	50	1.00	1.55	1.07	1.22	1.02
	Continental Resources (32%)	B	161.29	43	1.00	1.54	1.05	1.20	1.06
	Cimarex Energy Company	B	145.16	39	0.97	1.60	1.03	1.18	1.03
	WPX Energy Inc.		26.62	31	1.00	1.32	1.10	1.18	0.97
	Birchcliff Energy Ltd.	B	11.70	71	0.88	1.49	1.02	1.14	0.87
	Peyto Exploration and Development		35.45	18	0.93	1.27	1.02	1.06	0.86
	Halcón Resources		5.50	42	0.88	1.19	0.95	1.04	0.91
	PDC Energy		60.09	13	0.86	1.23	1.02	1.02	0.85
	Range Resources	CB	78.59	(7)	0.86	1.06	0.99	0.95	0.82
	<i>Median</i>			39	0.93	1.32	1.02	1.14	0.91
<b>RTF Cash Payers</b>									
	Mesa RoyaltyTrust		32.00	64	0.86	1.60	1.10	1.23	1.15
	Dorchester Minerals, L.P.	B	34.08	38	0.96	1.45	1.04	1.23	1.06
	Hugoton RoyaltyTrust		10.02	45	0.83	1.44	0.98	1.10	0.77
	San Juan Basin Royalty Trust	B	19.51	22	0.96	1.26	1.05	1.09	0.93
	Freehold Royalties Ltd.		23.80	20	0.92	1.20	0.98	1.07	0.92
	Sabine Royalty Trust		57.01	19	0.89	1.19	0.98	1.06	0.89
	Permian Basin RT		14.37	18	0.88	1.19	1.02	1.06	0.80
	Cross Timbers Royalty Trust		32.77	18	0.86	1.17	1.02	1.04	0.78
	Enduro Royalty Trust		13.17	14	0.83	1.16	0.97	1.02	0.94
	<i>Median</i>			20	0.88	1.20	1.02	1.07	0.92

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

Source: Bloomberg, Yahoo, McDep LLC



# Meter Reader

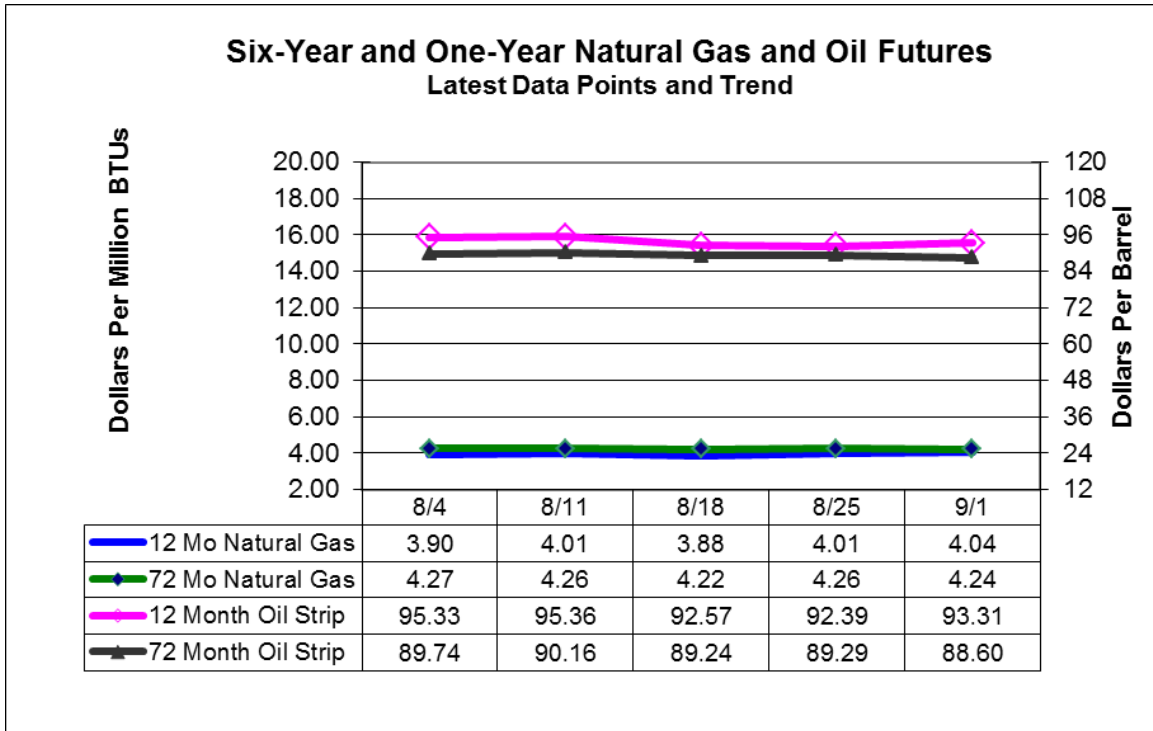
A Weekly Analysis of Oil and Gas Stocks  
September 2, 2014

Index of Recent Research			
<b>Stock Ideas</b>			
<u>Date</u>	<u>Symbol</u>	<u>Subject</u>	<u>Theme</u>
26-Aug	SJT	San Juan Basin Royalty Trust	Income and Shale (Meter Reader)
19-Aug	TOT	Total	Diversified Political Risk (Meter Reader)
14-Aug	BIREF	Birchcliff Energy	Healthy Volume, Seasonal Price
12-Aug	CLR	Continental Resources	Raise NPV to \$150 on Fracching Growth (Meter Reader)
8-Aug	DMLP	Dorchester Minerals, L.P.	Robust Bakken and Permian Oil Growth
5-Aug	XOM	Exxon Mobil	Shale Oil Minerals (Meter Reader)
30-Jul	RRC	Range Resources	Transportation and Processing Lagging Fracching
22-Jul	MRO	Marathon Oil	Frac Shale Oil, Sell Norway (Meter Reader)
15-Jul	WLL	Whiting Petroleum	Agrees to Acquire Kodiak Oil & Gas (Meter Reader)
8-Jul	DVN	Devon Energy	Five Core Focus (Meter Reader)
1-Jul	COSWF	Canadian Oil Sands Ltd.	Returning to Favor (Meter Reader)
24-Jun	FRHLF	Freehold Royalties Ltd	Raise NPV to \$26 on Minerals (Meter Reader)
17-Jun	PEYUF	Peyto Exploration	Raise NPV to \$42 on More Energy Growth (Meter Reader)
10-Jun	OXY	Occidental Petroleum	Raise NPV to \$120, Spinoff Filed (Meter Reader)
3-Jun	ECA	Encana Corporation	Hidden Value Surfaces (Meter Reader)
27-May	CVX	Chevron	Oil Price Turns Up (Meter Reader)
13-May	XEC	Cimarex Energy	Raise NPV to \$140 on Cana Double (Meter Reader)
23-Apr	HGT	Hugoton Royalty Trust	Positive Arbitration Ruling
21-Apr	MTR	Mesa Royalty Trust	Underpayment Uncovered, Upside Commodity Leverage
15-Apr	COP	ConocoPhillips	Shale Upside, Exploration Promise, Dividend Strength (Meter Reader)
25-Mar	CVE	Cenovus Energy	Oil Growth Slowed by Transit States (Meter Reader)
18-Mar	PBT	Permian Basin Royalty Trust	Rising Oil Production, Understated Income (Meter Reader)
11-Mar	LUKOY	Lukoil	Economic Opportunity in Political Risk (Meter Reader)
4-Mar	EOG	EOG Resources	Raise NPV to \$220 on Shale Oil Leadership (Meter Reader)
21-Feb	PDCE	PDC Energy	Raise NPV to \$75 on More Shale Oil
21-Jan	RDSA	Royal Dutch Shell plc	Lower NPV to \$95 on Profit Warning (Meter Reader)
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)
13-Sep	CRT	Cross Timbers Royalty Trust	Fracking Upside in Permian and Scoop (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>			
26-Aug	SJT	San Juan Basin Royalty Trust	Income and Shale
19-Aug	TOT	Total	Diversified Political Risk
12-Aug	CLR	Continental Resources	Raise NPV to \$150 on Fracching Growth
5-Aug	XOM	Exxon Mobil	Shale Oil Minerals
29-Jul			Investment Strategy August 2014 - Oil and Gas in Safe Areas
22-Jul	MRO	Marathon Oil	Frac Shale Oil, Sell Norway
15-Jul	WLL	Whiting Petroleum	Agrees to Acquire Kodiak Oil & Gas
8-Jul	DVN	Devon Energy	Five Core Focus
1-Jul	COSWF	Canadian Oil Sands Ltd.	Returning to Favor
24-Jun	DMLP, FRHLF		Raise NPV to \$32 for Dorchester, \$26 for Freehold
17-Jun	PEYUF	Peyto Exploration	Raise NPV to \$42 on More Energy Growth
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<b>Industry Ideas</b>			
July			Oil and Gas Investor: In Royalty We Trust
24-Jun	DMLP, FRHLF, PBT, CRT, NDRO		Raise NPV, Trustee Approved, Permian Wells
4-Jun	PBT, CRT	Permian BRT, Cross Timbers RT	Vote Your Proxy
17-Apr	PBT, SBR, CRT, HGT		Proxy Voting Underway



# Meter Reader

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September 2, 2014



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