



# Meter Reader

A Weekly Analysis of Large Cap Oil and Gas Stocks

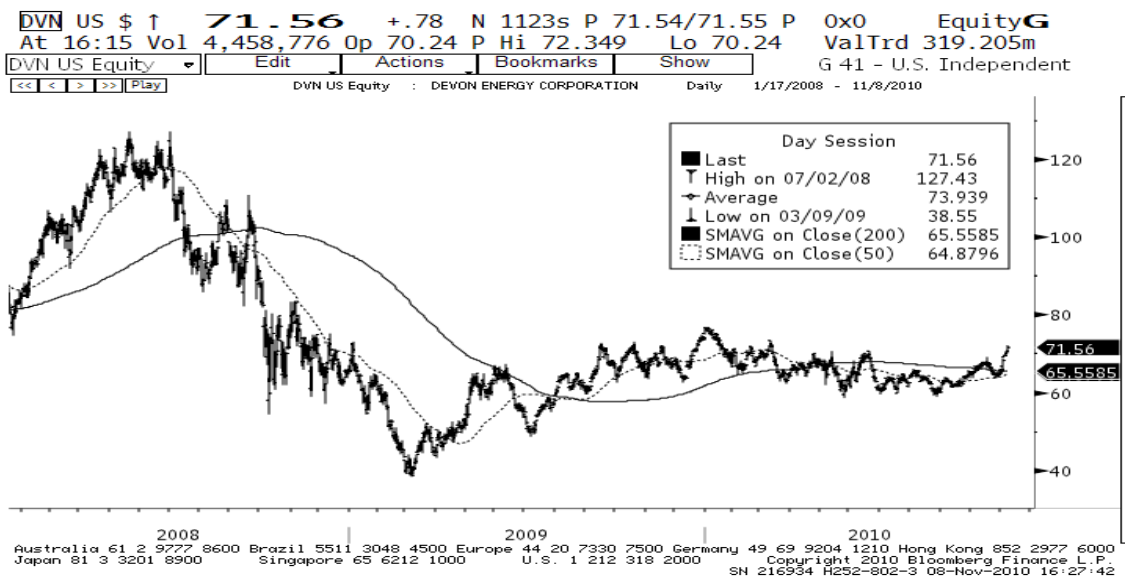
November 9, 2010

## Breakout from a Long Stock Price Base

### Summary and Recommendation

Buy recommendations U.S. Independent **Devon Energy (DVN)**, Canadian producer **Suncor Energy (SU)** and Emerging Market stock **Gazprom (OGZPY)** have each broken out to the upside in stock price after trading in a flat, narrow range for a year and a half (see stock price charts below and on page 2). Following the intense selling pressure that drove stock prices down more than half in 2008, continued systematic selling apparently kept a lid on appreciation for the next two years. As the selling imbalance may have finally dissipated, stock prices have climbed above the flat 200-day average to begin a new advance that in the 2010s may carry past the highs of the 2000s. On a fundamental basis, the companies are generating stable unlevered cash flow (see tables Next Twelve Months Operating and Financial Estimates on pages 3-5). Estimates of Present Value represent modest multiples of cash flow, particularly considering the long life of resources (Adjusted R/P) (see tables Functional Cash Flow and Present Value on page 6). Registering 0.75 for DVN, 0.79 for SU and 0.41 for OGZPY, McDep Ratios, which compare current enterprise value with present value, are low along with other indicators supporting investor interest (see Tables 1-4 on pages 6-9). Present value is directly proportional to the rising price of crude oil measured by the latest futures price for the next six years of \$92 a barrel tracking above the 40-week average of \$86 (see chart Six-Year and One-Year Natural Gas and Oil Futures on page 12). Price rises as economic growth stimulates demand at the same time politics and inflation limit supply.

Kurt H. Wulff, CFA



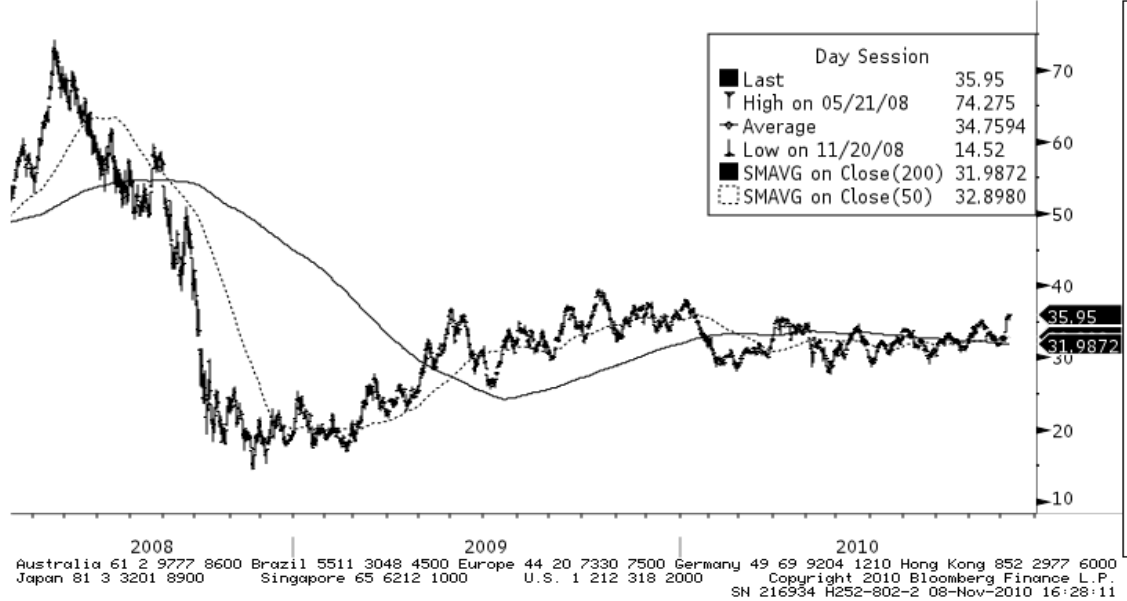


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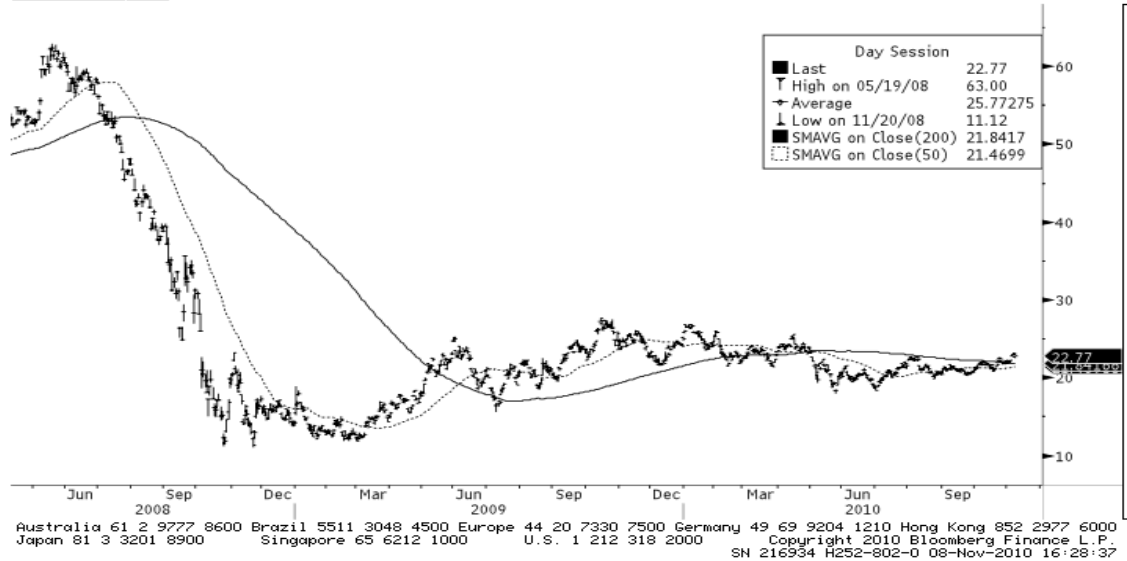
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**SU** US \$ ↓ **35.95** +.27 N 221s P 35.96/35.97 P 0x0 **EquityG**  
 At 16:15 Vol 4,073,976 Op 35.54 T Hi 35.98 Lo 35.15 ValTrd 145.331m  
 SU US Equity Edit Actions Bookmarks Show G 45 - Brazil, China, Russia  
 << < > >> Play SU US Equity : SUNCOR ENERGY INC Daily 4/10/2008 - 11/8/2010



**OGZPY** US \$ ↑ **22.77** -.29 V 50s **EquityG**  
 DELAY 15:58 Vol 241,308 Op 22.73 V Hi 22.8 V Lo 22.5 V ValTrd 5475366  
 OGZPY US Equity Edit Actions Bookmarks Show G 45 - Brazil, China, Russia  
 << < > >> Play OGZPY US Equity : GAZPROM OAO-SPON ADR Daily 4/10/2008 - 11/8/2010





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November 9, 2010

Devon Energy									
Next Twelve Months Operating and Financial Results									
									<i>Next Twelve Months</i>
	<i>Q3</i>	<i>Q2</i>	<i>Q3</i>	<i>Q4E</i>	<i>Year</i>	<i>Q1E</i>	<i>Q2E</i>	<i>Q3E</i>	
	<i>9/30/09</i>	<i>6/30/10</i>	<i>9/30/10</i>	<i>12/31/10</i>	<i>2010E</i>	<i>3/31/11</i>	<i>6/30/11</i>	<i>9/30/11</i>	<i>9/30/11</i>
<b>Volume</b>									
Natural Gas (mmcf)									
U.S.	1,999	1,906	1,942	1,942	<b>1,936</b>	1,942	1,942	1,942	<b>1,942</b>
Canada	636	630	582	582	<b>590</b>	582	582	582	<b>582</b>
Overseas	4				-				
Total	2,639	2,536	2,524	2,524	<b>2,525</b>	2,524	2,524	2,524	<b>2,524</b>
Oil (mbd)	233	197	193	193	<b>196</b>	193	193	193	<b>193</b>
Total gas & oil (bcf)	371	338	339	339	<b>1,351</b>	331	335	339	<b>1,343</b>
Total gas & oil (mmb)	62	56	56	56	<b>225</b>	55	56	56	<b>224</b>
<b>Price</b>									
Natural gas (\$/mcf)									
Henry Hub (\$/mmbtu)	3.39	4.09	4.38	3.74	<b>4.38</b>	4.29	4.25	4.38	<b>4.17</b>
U.S.	2.82	3.65	3.65	3.12	<b>3.78</b>	3.58	3.66	3.78	<b>3.53</b>
Canada	2.91	3.99	3.72	3.18	<b>3.98</b>	3.65	3.61	3.72	<b>3.54</b>
Overseas	5.90								
Total	2.85	3.73	3.67	3.13	<b>3.82</b>	3.59	3.65	3.77	<b>3.53</b>
Oil (\$/bbl)									
WTI Cushing	68.22	77.85	76.08	83.71	<b>79.08</b>	88.36	89.40	90.12	<b>87.90</b>
Worldwide	48.58	51.37	46.90	51.60	<b>51.08</b>	54.46	55.11	55.55	<b>54.18</b>
Total gas & oil (\$/mcf)	4.66	5.27	4.97	4.85	<b>5.31</b>	5.32	5.39	5.49	<b>5.26</b>
<b>Revenue (\$mm)</b>									
Natural Gas									
U.S.	519	632	652	557	<b>2,669</b>	625	648	675	<b>2,505</b>
Canada	170	229	199	170	<b>856</b>	191	191	199	<b>752</b>
Overseas	2				-				
Total	691	861	851	727	<b>3,525</b>	816	839	875	<b>3,257</b>
Oil	1,040	922	831	915	<b>3,651</b>	945	966	985	<b>3,810</b>
Total	1,731	1,783	1,683	1,642	<b>7,176</b>	1,761	1,805	1,859	<b>7,067</b>
<b>Expense</b>	309	614	591	492	<b>2,217</b>	528	542	558	<b>2,120</b>
<b>Ebitda (\$mm)</b>	1,422	1,169	1,092	1,149	<b>4,959</b>	1,233	1,264	1,302	<b>4,947</b>
Deprec., Deplet., & Amort.	570	513	484	484	<b>1,996</b>	484	484	484	<b>1,936</b>
Hedging and other		(505)	(354)	(200)	<b>(1,386)</b>	(200)	(200)	(200)	<b>(800)</b>
<b>Ebit</b>	852	1,161	962	865	<b>4,349</b>	949	980	1,018	<b>3,811</b>
Interest	90	111	83	83	<b>363</b>	83	83	83	<b>332</b>
<b>Ebt</b>	762	1,050	879	782	<b>3,986</b>	866	897	935	<b>3,479</b>
Income Tax	267	367	308	274	<b>1,395</b>	303	314	327	<b>1,218</b>
<b>Net Income (\$mm)</b>	495	682	571	508	<b>2,591</b>	563	583	607	<b>2,261</b>
<b>Shares (millions)</b>	450	446	436	436	<b>442</b>	436	436	436	<b>436</b>
Per Share (\$)	1.10	1.53	1.31	1.17	<b>5.86</b>	1.29	1.34	1.39	<b>5.19</b>
Ebitda Margin	82%	66%	65%	70%	<b>69%</b>	70%	70%	70%	<b>70%</b>
Tax Rate	35%	35%	35%	35%	35%	35%	35%	35%	<b>35%</b>



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<b>Suncor</b>									
<b>Next Twelve Months Operating and Financial Estimates</b>									
(Canadian Dollars)									
									<i>Next Twelve Months</i>
	<i>Q3</i>	<i>Q2</i>	<i>Q3</i>	<i>Q4E</i>	<i>Year</i>	<i>Q1E</i>	<i>Q2E</i>	<i>Q3E</i>	<i>9/30/11</i>
	<i>9/30/09</i>	<i>6/30/10</i>	<i>9/30/10</i>	<i>12/31/10</i>	<i>2010E</i>	<i>3/31/11</i>	<i>6/30/11</i>	<i>9/30/11</i>	<i>9/30/11</i>
<b>Volume</b>									
Natural Gas (mmcf)	517	398	380	380	<b>429</b>	380	380	380	<b>380</b>
Oil (mbd)	443	507	521	521	<b>490</b>	521	521	521	<b>521</b>
Total gas & oil (bcf)	292	313	323	323	<b>1,230</b>	316	319	323	<b>1,280</b>
Total gas & oil (mbd))	529	573	584	584	<b>562</b>	584	584	584	<b>584</b>
<b>Price</b>									
Natural gas (\$/mcf)									
Henry Hub (\$/mmbtu)	3.39	4.09	4.38	3.74	<b>4.38</b>	4.29	4.25	4.38	<b>4.17</b>
Currency (US\$/C\$)	0.91	0.97	0.96	1.00	<b>0.97</b>	1.00	1.00	1.00	<b>1.00</b>
Henry Hub (C\$/mmbtu)	3.72	4.21	4.55	3.75	<b>4.51</b>	4.31	4.26	4.40	<b>4.18</b>
Company	2.79	3.40	3.66	3.25	<b>4.03</b>	3.74	3.70	3.81	<b>3.62</b>
Oil (\$/bbl)									
WTI Cushing	68.22	77.85	76.08	83.71	<b>79.08</b>	88.36	89.40	90.12	<b>87.90</b>
WTI Cushing (C\$/bbl)	74.83	80.05	79.05	83.93	<b>81.21</b>	88.59	89.64	90.35	<b>88.13</b>
Company	63.92	74.04	72.15	76.60	<b>74.40</b>	80.86	82.12	82.77	<b>80.58</b>
Total gas & oil (\$/mcf)	9.37	11.31	11.12	11.74	<b>11.34</b>	12.42	12.60	12.71	<b>12.37</b>
NY Harbor 3-2-1 (\$/bbl)	9.45	12.13	8.31	8.27	<b>8.96</b>	7.73	10.69	10.28	<b>9.24</b>
<b>Revenue (\$mm)</b>									
Natural Gas	133	123	128	114	<b>631</b>	128	128	133	<b>503</b>
Oil	2,606	3,416	3,458	3,672	<b>13,317</b>	3,791	3,893	3,967	<b>15,324</b>
Other	5,705	5,466	5,050	6,000	<b>20,628</b>	6,000	6,000	6,000	<b>24,000</b>
Total	8,443	9,005	8,636	9,785	<b>34,576</b>	9,919	10,021	10,101	<b>39,826</b>
<b>Expense (\$mm)</b>									
Exploration and Production	1,276	1,827	1,932	1,893	<b>6,968</b>	1,960	2,011	2,050	<b>7,913</b>
Other	125	301	389	320	<b>1,346</b>	320	320	320	<b>1,280</b>
Total Ebitda	1,401	2,128	2,322	2,213	<b>8,313</b>	2,280	2,331	2,370	<b>9,193</b>
Exploration	129	47	67	67	<b>227</b>	67	67	67	<b>268</b>
Deprec., Deplet., & Amort.	666	1,095	1,114	1,114	<b>4,219</b>	1,114	1,114	1,114	<b>4,456</b>
<b>Ebit (\$mm)</b>									
Interest	160	160	160	160	<b>640</b>	160	160	160	<b>640</b>
<b>Ebt (\$mm)</b>									
Income Tax	156	338	367	305	<b>1,276</b>	328	346	360	<b>1,340</b>
<b>Net Income (\$mm)</b>									
Exploration and Production	698	666	481						
Other	51	138	152						
Unallocated	(459)	(316)	(19)						
Total	290	488	614	567	<b>1,951</b>	610	643	669	<b>2,489</b>
<b>Shares (millions)</b>									
Per share (\$)	0.23	0.31	0.39	0.36	<b>1.24</b>	0.39	0.41	0.43	<b>1.58</b>
Ebitda Margin (E&P)	47%	52%	54%	50%	<b>50%</b>	50%	50%	50%	<b>50%</b>
Tax Rate	35%	41%	37%	35%	<b>40%</b>	35%	35%	35%	<b>35%</b>



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<b>Gazprom</b>									
<b>Operating and Financial Results</b>									
									<i>Next</i>
	<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>6/30/09</i>	<i>3/31/10</i>	<i>6/30/10</i>	<i>9/30/10</i>	<i>12/31/10</i>	<i>2010E</i>	<i>3/31/11</i>	<i>6/30/11</i>	<i>Months</i>
									<i>9/30/11</i>
<b>Volume (billion cubic meters)</b>									
Europe	39.1	42.7	34.3	32.0	39.0	<b>148</b>	43.0	34.3	<b>148</b>
Former Soviet Union	11.4	17.0	14.6	17.0	21.0	<b>70</b>	17.0	14.6	<b>70</b>
Russia	49.6	102.5	48.2	41.0	90.0	<b>282</b>	102.5	48.2	<b>282</b>
Total (bcm)	100.1	162.2	97.1	90.0	150.0	<b>499</b>	162.5	114.4	<b>517</b>
Total (bcf)	3,534	5,726	3,428	3,177	5,295	<b>17,625</b>	5,736	4,037	<b>18,245</b>
Daily (bcfd)	38.8	63.6	37.7	34.5	57.6	<b>48.3</b>	63.7	44.4	<b>50.0</b>
<b>Price (Russian Rubles/cubic meter)</b>									
Europe	6.78	6.70	7.00	7.00	7.00	<b>6.91</b>	7.00	7.00	<b>7.00</b>
FSU	6.67	5.53	6.44	6.44	6.44	<b>6.22</b>	6.44	6.44	<b>6.44</b>
Russia	1.81	2.27	2.30	2.30	2.30	<b>2.29</b>	2.30	2.30	<b>2.30</b>
Total (RR/cm)	4.31	3.78	4.58	4.75	4.10	<b>4.21</b>	3.98	3.89	<b>4.13</b>
Rubles/Dollar	32.18	29.83	30.32	30.60	30.81	<b>30.39</b>	30.81	30.81	<b>30.81</b>
Total (\$/mcf)	3.79	3.59	4.28	4.40	3.77	<b>3.92</b>	3.66	3.58	<b>3.80</b>
Henry Hub (\$/mmbtu)	3.50	5.32	4.09	4.38	3.74	<b>4.38</b>	4.29	4.25	<b>4.17</b>
<b>Revenue (RUB billion)</b>									
Europe	265	286	240	224	273	<b>1,023</b>	301	240	<b>1,038</b>
FSU	76	94	94	109	135	<b>433</b>	109	94	<b>448</b>
Russia	90	233	111	94	207	<b>646</b>	236	111	<b>649</b>
Total Natural Gas	431	613	445	428	615	<b>2,101</b>	646	445	<b>2,135</b>
Other	277	344	319	319	319	<b>1,301</b>	319	319	<b>1,276</b>
Total	708	957	764	747	934	<b>3,402</b>	965	764	<b>3,411</b>
<b>Expense</b>	421	512	480	469	586	<b>2,047</b>	579	458	<b>2,072</b>
<b>Ebitda (RUB billion)</b>									
Natural Gas	214	388	212	222	278	<b>1,101</b>	314	248	<b>1,079</b>
Oil	73	57	72	56	70	<b>254</b>	72	57	<b>259</b>
Total Ebitda	287	445	284	278	348	<b>1,355</b>	386	306	<b>1,338</b>
Deprec., Deplet., & A	52	68	51	51	51	<b>221</b>	51	51	<b>204</b>
Other non cash	(14)	(40)				<b>(40)</b>			
<b>Ebit</b>	249	417	233	227	297	<b>1,174</b>	335	255	<b>1,134</b>
Interest	11	7	17	17	17	<b>58</b>	17	17	<b>68</b>
<b>Ebt</b>	238	410	216	210	280	<b>1,116</b>	318	238	<b>1,066</b>
Income Tax	45	85	47	44	59	<b>235</b>	67	50	<b>224</b>
<b>Net Income (RUB billion)</b>	193	325	169	166	221	<b>881</b>	251	188	<b>842</b>
<b>Shares (billions)</b>									
Per share (RUB)	8.14	14.16	7.40	7.25	9.66	<b>38.46</b>	10.98	8.20	<b>36.79</b>
Ebitda Margin	40%	46%	37%	37%	37%	<b>40%</b>	40%	40%	<b>39%</b>
Tax Rate	19%	21%	22%	21%	21%	<b>21%</b>	21%	21%	<b>21%</b>



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<b>Devon Energy</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>	
North American Natural Gas	2,280	9.3	12.7	29,000	62%
Oil	2,670	11.8	6.6	17,700	38%
	4,950	10.1	9.4	46,700	100%
Debt (US\$mm)					4,000
Net Present Value (US\$mm)					42,700
Shares (mm)					436
Net Present Value - Standard Estimate (US\$/sh)					98
NPV Approximation by Cash Flow Multiple Depending on Reserve Life (US\$/sh)					101

<b>Suncor</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>	
Natural Gas	250	15.1	16.8	4,200	5%
Oil	7,640	22.7	10.1	77,500	85%
Downstream	1,280		7.8	10,000	11%
	9,170	21.9	10.0	91,700	100%
Debt (US\$mm)					16,200
Net Present Value (US\$mm)					75,500
Shares (mm)					1,572
Net Present Value - Standard Estimate (US\$/sh)					48
NPV Approximation by Cash Flow Multiple Depending on Reserve Life (US\$/sh)					48

<b>Gazprom</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>	
Natural Gas	35,000	30.2	9.4	330,000	82%
Oil	8,400	25.8	8.5	71,000	18%
	43,400	29.8	9.2	401,000	100%
Debt (US\$mm)					34,000
Net Present Value (US\$mm)					367,000
Shares (mm)					5,730
Net Present Value - Standard Estimate (US\$/sh)					64
NPV Approximation by Cash Flow Multiple Depending on Reserve Life (US\$/sh)					94







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November 9, 2010

<b>McDep Large Cap Energy Portfolio</b>								
<b>Net Present Value and McDep Ratio</b>								
			<i>Price</i>			<i>Net</i>		
	<i>Symbol/Rating</i>		<i>(US\$/sh)</i>	<i>Shares</i>	<i>Market</i>	<i>Present</i>	<i>Debt/</i>	
	B = Buy, CB (see below)		<i>8-Nov</i>	<i>(mm)</i>	<i>Cap</i>	<i>Value</i>	<i>Present</i>	<i>McDep</i>
			<i>2010</i>		<i>(US\$mm)</i>	<i>(US\$/sh)</i>	<i>Value</i>	<i>Ratio</i>
<b>U.S. Integrated</b>								
Exxon Mobil Corporation	XOM	B	70.32	5,089	358,000	89.00	0.13	0.82
Chevron Corporation	CVX	B	84.80	2,007	170,000	116.00	0.10	0.76
ConocoPhillips	COP	B	62.41	1,400	87,000	95.00	0.23	0.73
Marathon Oil Corporation	MRO	B	33.93	712	24,160	53.00	0.23	0.72
<i>Total or Median</i>					<i>639,000</i>		<i>0.18</i>	<i>0.75</i>
<b>Europe</b>								
BG Group plc	BRGXF		20.75	3,402	70,600	22.00	0.13	0.95
Royal Dutch Shell plc	RDS-A	B	66.87	3,069	205,000	79.00	0.22	0.88
BP plc	BP		43.23	3,156	136,000	72.00	0.29	0.71
Statoil ASA (33%)	STO	CB	21.33	1,050	22,400	35.00	0.25	0.71
Total S.A.	TOT	B	56.76	2,245	127,000	90.00	0.16	0.69
<i>Total or Median</i>					<i>561,000</i>		<i>0.22</i>	<i>0.71</i>
<b>Australia/Brazil/China/Russia</b>								
CNOOC Limited (34%)	CEO		233.67	152	35,600	170.00	0.05	1.36
Woodside Petroleum Ltd.	WOPEY	B	43.84	782	34,300	44.00	0.13	1.00
PetroChina Company Ltd (14%)	PTR	B	132.40	256	33,900	170.00	0.13	0.81
Petrobras	PBR		36.10	4,387	158,400	58.00	0.20	0.70
Lukoil Oil Company	LUKOY	B	57.85	848	49,100	135.00	0.05	0.46
Gazprom (50%)	OGZPY	B	22.77	2,865	65,200	64.00	0.09	0.41
<i>Total or Median</i>					<i>377,000</i>		<i>0.11</i>	<i>0.75</i>
<b>U.S. Independent</b>								
Southwestern Energy Company	SWN		37.24	349	13,000	35.00	0.09	1.06
Anadarko Petroleum Corp.	APC		64.71	496	32,100	60.00	0.41	1.05
Occidental Petroleum Corp.	OXY	B	84.27	814	68,600	95.00	0.06	0.89
Chesapeake Energy Corp.	CHK		22.70	744	16,900	31.00	0.38	0.83
EOG Resources	EOG	CB	89.46	251	22,400	120.00	0.14	0.78
Devon Energy Corporation	DVN	B	71.56	436	31,200	98.00	0.09	0.75
<i>Total or Median</i>					<i>184,200</i>		<i>0.12</i>	<i>0.86</i>
<b>Canada</b>								
Cenovus Energy Inc.	CVE	B	29.44	752	22,100	37.00	0.20	0.84
Canadian Natural Resources	CNQ	B	39.53	1,089	43,000	50.00	0.16	0.82
Imperial Oil Limited (30%)	IMO	B	38.72	257	9,900	48.00	0.08	0.82
Suncor Energy	SU	B	35.95	1,572	56,500	48.00	0.18	0.79
Canadian Oil Sands Trust	COSWF	B	27.31	484	13,200	38.00	0.08	0.74
EnCana Corporation	ECA	CB	29.52	736	21,700	50.00	0.19	0.67
<i>Total or Median</i>					<i>166,000</i>		<i>0.17</i>	<i>0.81</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\$75 a barrel and natural gas, \$8 a million btu.								





# Meter Reader

A Weekly Analysis of Large Cap Oil and Gas Stocks

November 9, 2010

			<i>Price</i> <i>(US\$/sh)</i>	<i>Adjustd</i> <i>Resrvs/</i>	<i>PV/</i>	<i>EV/</i>		<i>Divd or</i> <i>Distrib</i>
	<i>Symbol/Rating</i>		<i>8-Nov</i>	<i>Prod</i>	<i>Ebitda</i>	<i>Ebitda</i>	<i>P/E</i>	<i>NTM</i>
	B = Buy, CB (see below)		<i>2010</i>	<i>NTM</i>	<i>NTM</i>	<i>NTM</i>	<i>NTM</i>	<i>(%)</i>
<b>U.S. Integrated</b>								
Exxon Mobil Corporation	XOM	B	70.32	13.3	7.7	6.3	11	2.5
ConocoPhillips	COP	B	62.41	10.4	7.5	5.5	12	3.5
Marathon Oil Corporation	MRO	B	33.93	9.2	6.8	4.9	11	2.9
Chevron Corporation	CVX	B	84.80	9.2	6.1	4.6	10	3.4
	<i>Total or Median</i>			9.8	7.2	5.2	11	3.2
<b>Europe</b>								
BG Group plc	BRGXF		20.75	14.9	8.9	8.4	16	0.9
Royal Dutch Shell plc	RDS-A	B	66.87	8.6	6.4	5.7	11	5.0
BP plc	BP		43.23	10.2	7.3	5.2	7	-
Total S.A.	TOT	B	56.76	9.5	6.9	4.7	8	5.6
Statoil ASA (33%)	STO	CB	21.33	7.0	5.9	4.1	8	4.8
	<i>Total or Median</i>			9.5	6.9	5.2	8	4.8
<b>Australia/Brazil/China/Russia</b>								
Woodside Petroleum Ltd.	WOPEY	B	43.84	18.0	11.3	11.2	21	2.3
CNOOC Limited (34%)	CEO		233.67	5.6	4.8	6.6	12	2.3
Petrobras	PBR		36.10	9.6	8.2	5.8	8	3.3
PetroChina Company Ltd (14%)	PTR	B	132.40	13.6	6.8	5.5	10	3.3
Gazprom (50%)	OGZPY	B	22.77	30.2	9.2	3.8	5	0.2
Lukoil Oil Company	LUKOY	B	57.85	15.8	7.3	3.3	5	2.9
	<i>Total or Median</i>			14.7	7.8	5.6	9	2.6
<b>U.S. Independent</b>								
Southwestern Energy Company	SWN		37.24	6.0	10.6	11.2	26	-
Chesapeake Energy Corp.	CHK		22.70	10.2	11.8	9.8	19	1.3
Anadarko Petroleum Corp.	APC		64.71	8.5	7.6	8.0		0.6
EOG Resources	EOG	CB	89.46	8.9	9.6	7.5	46	0.7
Devon Energy Corporation	DVN	B	71.56	10.1	9.4	7.1	14	0.9
Occidental Petroleum Corp.	OXY	B	84.27	10.4	6.8	6.1	13	1.8
	<i>Total or Median</i>			9.5	9.5	7.8	19	0.8
<b>Canada</b>								
EnCana Corporation	ECA	CB	29.52	13.9	14.5	9.7	33	2.7
Cenovus Energy Inc.	CVE	B	29.44	18.3	11.5	9.6	25	2.7
Canadian Oil Sands Trust	COSWF	B	27.31	30.1	12.0	8.9	16	6.2
Imperial Oil Limited (30%)	IMO	B	38.72	21.1	10.5	8.6	16	1.1
Canadian Natural Resources	CNQ	B	39.53	18.2	9.8	8.0	21	0.8
Suncor Energy	SU	B	35.95	21.9	10.0	7.9	23	1.1
	<i>Total or Median</i>			19.7	11.0	8.7	22	1.9
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, 2011; 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

November 9, 2010

Table 4								
McDep Large Cap Energy Portfolio								
Rank by Enterprise Value to 200 Day Average								
			Price	Enterprise Value/				
	Symbol		(\$/sh)	8-Nov	52Wk	52Wk	50 Day	200 Day
		Ratin.	2010	High	Low	Avg.	Avg.	McDep
								Ratio
<b>U.S. Integrated</b>								
ConocoPhillips	COP	B	62.41	1.00	1.21	1.05	1.10	0.73
Chevron Corporation	CVX	B	84.80	0.99	1.23	1.04	1.09	0.76
Exxon Mobil Corporation	XOM	B	70.32	0.93	1.21	1.09	1.09	0.82
Marathon Oil Corporation	MRO	B	33.93	0.95	1.15	1.01	1.04	0.72
	<i>Median</i>			<i>0.97</i>	<i>1.21</i>	<i>1.05</i>	<i>1.09</i>	<i>0.75</i>
<b>Europe</b>								
BG Group plc	BRGXF		103.75	0.98	1.40	1.12	1.18	0.95
Royal Dutch Shell plc	RDS-A	B	66.87	0.98	1.25	1.07	1.12	0.88
Total S.A.	TOT	B	56.76	0.87	1.23	1.07	1.06	0.69
Statoil ASA (33%)	STO	CB	21.33	0.86	1.10	1.01	0.99	0.71
BP plc	BP		43.23	0.79	1.30	1.05	0.98	0.71
	<i>Median</i>			<i>0.92</i>	<i>1.24</i>	<i>1.06</i>	<i>1.07</i>	<i>0.73</i>
<b>Australia/Brazil/China/Russia</b>								
CNOOC Limited (34%)	CEO		233.67	1.00	1.64	1.18	1.33	1.36
PetroChina Company Ltd (14%)	PTR	B	132.40	0.99	1.27	1.09	1.13	0.81
Woodside Petroleum Ltd.	WOPEY	B	43.84	0.94	1.28	1.03	1.09	1.00
Lukoil Oil Company	LUKOY	B	57.85	0.92	1.26	1.02	1.05	0.46
Gazprom (50%)	OGZPY	B	22.77	0.87	1.20	1.05	1.03	0.41
Petrobras	PBR		36.10	0.75	1.11	1.02	0.96	0.70
	<i>Median</i>			<i>0.93</i>	<i>1.27</i>	<i>1.04</i>	<i>1.07</i>	<i>0.75</i>
<b>U.S. Independent</b>								
Devon Energy Corporation	DVN	B	71.56	0.94	1.19	1.09	1.08	0.75
Anadarko Petroleum Corp.	APC		64.71	0.91	1.39	1.08	1.07	1.05
Occidental Petroleum Corp.	OXY	B	84.27	0.93	1.16	1.06	1.04	0.89
Chesapeake Energy Corp.	CHK		22.70	0.86	1.08	1.02	0.99	0.83
Southwestern Energy Company	SWN		45.73	0.72	1.19	1.10	0.97	1.06
EOG Resources	EOG	CB	89.46	0.81	1.05	0.96	0.92	0.78
	<i>Median</i>			<i>0.89</i>	<i>1.17</i>	<i>1.07</i>	<i>1.02</i>	<i>0.86</i>
<b>Canada</b>								
Canadian Natural Resources	CNQ	B	39.53	0.99	1.24	1.10	1.10	0.82
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Canadian Oil Sands Trust	COSWF	B	27.31	0.85	1.16	1.07	1.01	0.74
Imperial Oil Limited (30%)	IMO	B	38.72	0.90	1.09	1.01	1.00	0.82
EnCana Corporation	ECA	CB	29.52	0.87	1.09	1.02	0.97	0.67
	<i>Median</i>			<i>0.93</i>	<i>1.18</i>	<i>1.05</i>	<i>1.04</i>	<i>0.81</i>
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# Meter Reader

A Weekly Analysis of Large Cap Oil and Gas Stocks

November 9, 2010

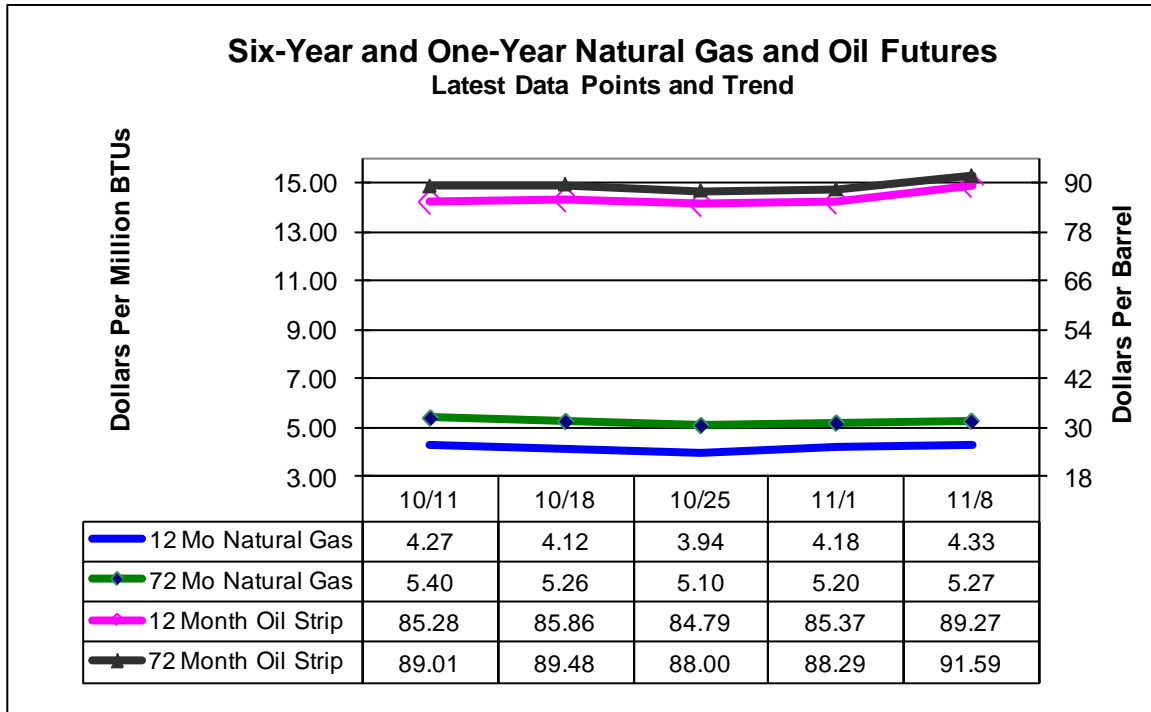
<b>Index of Recent Research</b>			
<b>Stock Ideas</b>			
<u>Date</u>	<u>Symbol</u>	<u>Subject</u>	<u>Theme</u>
4-Nov	EOG	EOG Resources	Buy on Stock Price Drop
2-Nov	XOM	ExxonMobil	Political Trends Turning (Meter Reader)
29-Oct	HGT	Hugoton Royalty Trust	Natural Gas Income at Low Price (Income and SC Weekly)
29-Oct	SJT	San Juan Basin Royalty Trust	Natural Gas Income at Low Price (Income and SC Weekly)
29-Oct	COSWF	Canadian Oil Sands Trust	Oil Value amid Political Turmoil
28-Oct	PTR	PetroChina	Raise NPV to \$170 from \$150 on Natural Gas and Downstream
12-Oct	EOG	EOG Resources	Leads in Eagle Ford Shale (Meter Reader)
8-Oct	DMLP	Dorchester Minerals	Golden Stocks ( Income and Small Cap Weekly)
28-Sep	CVX	Chevron Corporation	Reload Oil Stock Classics (Meter Reader)
28-Sep	MRO	Marathon Oil Company	Reload Oil Stock Classics (Meter Reader)
28-Sep	COP	ConocoPhillips	Reload Oil Stock Classics (Meter Reader)
21-Sep	PBR	Petrobras	Record Deal, Reasonable Price (Meter Reader)
7-Sep	LUKOY	Lukoil	Russian Growth in Oil (Meter Reader)
7-Sep	OGZPY	Gazprom	Russian Growth in Natural Gas (Meter Reader)
24-Aug	CEO	CNOOC Ltd	Raise NPV on Volume and Profit (Meter Reader)
17-Aug	ECA, CNQ	Encana, Canadian Natural	Raise NPV for ECA and CNQ on Probable Reserves (MR)
13-Aug	PEYUF	Peyto Energy Trust	Raise NPV to US\$18 from \$15 (Income and Small Cap Weekly)
13-Aug	BIREF	Birchcliff Energy Ltd.	Alberta Small Cap Natural Gas Growth
5-Aug	XEC	Cimarex Energy Company	Raise NPV to \$80 from \$75
5-Aug	DVN	Devon Energy Corporation	Onshore North American Value
27-Jul	WOPEY	Woodside Petroleum	Double WOPEY LNG in 2011 (Meter Reader)
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>			
2-Nov	XOM	ExxonMobil	Political Trends Turning
26-Oct	TOT, STO, RDS		Euro Oil Income Buys
19-Oct		Weekly Valuation	Invest 30-40% in Natural Gas, Half in Oil
12-Oct	EOG	EOG Resources	Leads in Eagle Ford Shale
5-Oct	COSWF	Canadian Oil Sands Trust	Investment Appeal and Cross Currents
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>			
5-Nov		Weekly Valuation	Frac Shortage Limits Energy Supply
29-Oct	SJT, HGT	San Juan RT, Hugoton RT	Natural Gas Income at Low Price
22-Oct		Weekly Valuation	Natural Gas Explorers Reduce Drilling
15-Oct	XEC, BIREF	Cimarex, Birchcliff	Looking for Latent Riches in Land
8-Oct		Top Line Cash Payers	Golden Stocks
1-Oct		Weekly Valuation	The Message of Gold Price
For earlier editions, go to <a href="http://mcdep.com">mcdep.com</a> , click on <a href="#">Energy Income</a> .			



# Meter Reader

A Weekly Analysis of Large Cap Oil and Gas Stocks

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