MCDEP LLC

Meter Reader

A Weekly Analysis of Large Cap Oil and Gas Stocks

August 14, 2012

Anadarko Petroleum (APC)
Raise NPV to $100 as Growth Trumps Legal Issues

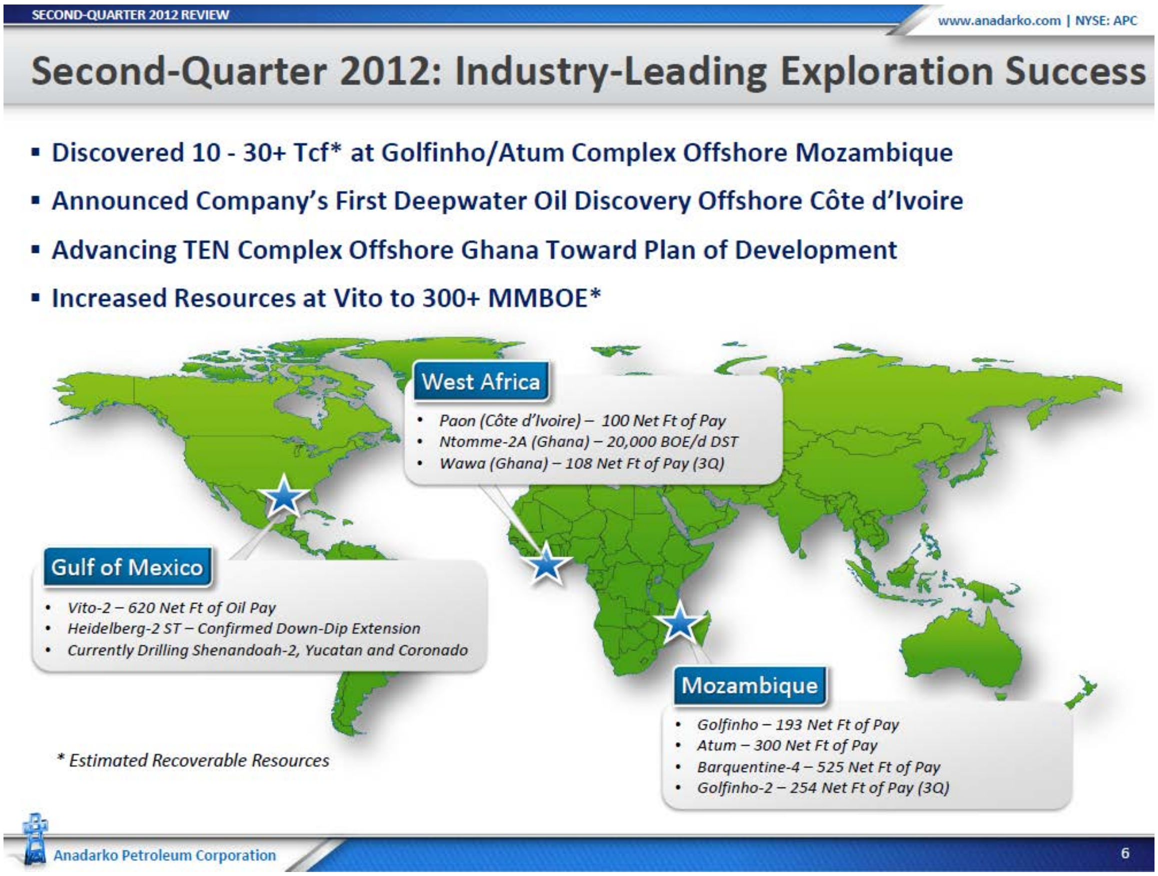
Symbol	APC	*Ebitda Next Twelve Months ending 6/30/13 (US$mm)*	8,420
Rating	None	*North American Natural Gas/Ebitda (%)*	21
Price (US$/sh)	68.50	*Natural Gas and Oil Production/Ebitda (%)*	97
Pricing Date	8/13/12	*Adjusted Reserves/Production NTM*	8.3
Shares (mm)	500	*EV/Ebitda*	6.1
Market Capitalization (US$mm)	34,300	*PV/Ebitda*	7.9
Debt (US$mm)	16,800	*Undeveloped Reserves (%)*	29
Enterprise Value (EV) (US$mm)	51,000	*Natural Gas and Oil Ebitda (US$/boe)*	32.04
Present Value (PV) (US$mm)	66,800	*Present Value Proven Reserves(US$/boe)*	25.56
Net Present Value (US$/share)	100	*Present Value Proven Reserves(US$/mcfe)*	4.26
Debt/Present Value	0.25	*Earnings Next Twelve Months (US$/sh)*	3.30
McDep Ratio - EV/PV	0.76	*Price/Earnings Next Twelve Months*	21
Dividend Yield (%/year)	0.5	*Indicated Annual Dividend (US$/sh)*	0.36

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, $6 a million btu.
For historical analysis of APC since 2003 see www.mcdep.com/1apc.htm

Summary and Recommendation

Growth trumps legal issues for **Anadarko Petroleum (APC)** as we raise estimated Net Present Value from $86 to $100 a share (see table Functional Cash Flow and Present Value on page 2 and table Next Twelve Months Operating and Financial Estimates on page 3). Volume growth has been beating our projections with 8% a year registering in the second quarter reported last month. Cash flow (Ebitda) margin holds well at 64% average for the past twelve months which we use as our projection for the next twelve months. Reserves are advancing also, helped by new finds on traditional U.S. lands, including the Wattenberg field in Colorado on the former Union Pacific land grant whose mineral rights are owned by APC. Longer range exploration has been successful in the Gulf of Mexico, West Africa and recently East Africa (see slide on page 2). Meanwhile two important legal issues clouding the stock in the past have been largely put to rest, while a third is likely manageable. Resolution of a contract abrogation by the government of Algeria has been resolved with a $1.7 billion dollar payment to Anadarko. The Gulf of Mexico oil spill claims were largely resolved last year (see *Meter Reader*, October 18, 2011). As most recently disclosed in last week's 10-Q filing with the Securities and Exchange Commission, a trial is under way to determine Anadarko's liability, if any, for claims related to properties once owned by Kerr-McGee, which was acquired by Anadarko. Our concern is minimal that any likely outcome would cause us to reduce NPV from the new estimate of $100. As a result, the investment outlook is favorable for APC at a McDep Ratio of 0.76. Moderate debt may make the stock more volatile, but the level should be manageable. Should positive momentum continue to develop for oil and gas stocks it would likely help Anadarko stock, too (Tables 1 to 2).

Kurt H. Wulff, CFA



Anadarko Petroleum Corporation					
Functional Cash Flow and Present Value					
				Present	
	NTM Ebitda	*Adjusted*	*PV/*	*Value*	
	(US$mm)	*R/P*	*Ebitda*	*(US$mm)*	
North American Natural Gas	1,760	8.2	13.1	23,000	34%
Oil	6,420	8.3	6.5	41,800	63%
Downstream and Minerals	240		8.3	2,000	3%
	8,420	8.3	7.9	66,800	100%
Debt (US$mm)					16,800
Net Present Value (US$mm)					50,000
Shares (mm)					500
Net Present Value - Standard Estimate (US$/sh)					100
NPV Approximation by Cash Flow Multiple Depending on Reserve Life (US$/sh)					111

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Anadarko Petroleum Corporation
Next Twelve Months Operating and Financial Estimates

	Q2 6/30/11	***Year 2011***	*Q1 3/31/12*	*Q2 6/30/12*	*Q3E 9/30/12*	*Q4E 12/31/12*	***Year 2012E***	*Q2E 6/30/13*	***Next Twelve Months 6/30/13***
Volume									
Natural gas (bcf)	212	**852**	220	232	221	212	**884**	232	**881**
Natural Gas (mmcfd)	2,326	**2,334**	2,416	2,544	2,400	2,300	**2,415**	2,544	**2,415**
Days	91	**365**	91	91	92	92	**366**	91	**365**
Oil (mmb)	27	**106**	27	29	29	29	**115**	29	**116**
Oil (mbd)	297	**290**	301	318	318	318	**314**	318	**318**
Total gas & oil (bcf)	374	**1,487**	384	405	396	387	**1,573**	405	**1,578**
Total gas & oil (mmcfd)	4,108	**4,075**	4,222	4,452	4,308	4,208	**4,297**	4,452	**4,323**
Price									
Natural gas ($/mcf)									
Henry Hub ($/mmbtu)	4.32	**4.04**	2.73	2.21	2.85	3.05	**2.71**	3.48	**3.21**
Company ($/mcf)	4.11	**3.79**	2.60	2.15	2.77	2.96	**2.61**	2.99	**3.02**
Oil ($/bbl)									
WTI Cushing	102.55	**95.12**	102.93	93.32	91.08	93.47	**95.20**	95.15	**93.60**
Company	96.19	**89.97**	94.07	86.50	84.42	86.63	**87.81**	88.19	**86.74**
Total gas & oil ($/mcf)	9.28	**8.58**	8.19	7.41	7.77	8.17	**7.88**	8.01	**8.07**
Revenue ($mm)									
Natural Gas	870	**3,227**	572	498	611	627	**2,307**	693	**2,661**
Oil	2,600	**9,532**	2,577	2,503	2,470	2,535	**10,084**	2,552	**10,068**
Other	206	**1,208**	299	221			**520**		**-**
Total	3,676	**13,967**	3,447	3,222	3,081	3,161	**12,911**	3,245	**12,729**
Expense	1,362	**5,635**	1,378	1,096	1,040	1,069	**4,583**	1,098	**4,305**
Ebitda ($mm)									
Exploration and Production	2,254	**8,092**	2,009	2,066	1,981	2,033	**8,089**	2,086	**8,185**
Other	60	**240**	60	60	60	60	**240**	60	**240**
Total	2,314	**8,332**	2,069	2,126	2,041	2,093	**8,329**	2,146	**8,425**
Exploration	236	**1,076**	244	255	255	255	**1,009**	255	**1,020**
Deprec., Deplet., & Amort.	985	**3,830**	930	1,027	1,027	1,027	**4,011**	1,027	**4,108**
Ebit	1,093	**3,426**	895	844	759	811	**3,309**	864	**3,297**
Interest	216	**839**	186	190	190	190	**756**	190	**760**
Ebt	877	**2,587**	709	654	569	621	**2,553**	674	**2,537**
Income Tax	307	**905**	248	229	199	217	**893**	236	**888**
Net Income ($mm)	570	**1,681**	461	425	370	403	**1,659**	438	**1,649**
Shares (millions)	500	**499**	501	500	500	500	**500**	500	**500**
Per share ($)	1.14	**3.37**	0.92	0.85	0.74	0.81	**3.32**	0.88	**3.30**
Ebitda Margin (E&P)	65%	**63%**	64%	69%	64%	64%	**65%**	64%	**64%**
Tax Rate	35%	**35%**	35%	35%	35%	35%	**35%**	35%	**35%**

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Table 1

McDep Large Cap Energy Stocks

Geographic Domicile and Business Segments

						Present Value by Segment (%)				
	Symbol/Rating		*Price (US$/sh) 13-Aug 2012*	*EV/ Market Cap*	*Enterprise Value ($mm)*	*North Amer. Natural Gas*	*Rest of World Natural Gas*	*Oil Prod'n*	*Down-stream*	*McDep Ratio*
	B = Buy, CB (see below)									
U.S. and Europe Integrated										
BG Group	BRGYY		20.72	1.23	87,200		24	42	34	0.99
Exxon Mobil Corporation	XOM	B	88.14	1.17	479,000	7	20	56	16	0.82
Royal Dutch Shell plc	RDS-A	B	70.65	1.26	280,000	3	22	56	19	0.74
Chevron Corporation	CVX	B	113.28	1.12	250,000	3	11	76	10	0.69
Statoil ASA (33%)	STO	CB	24.96	1.49	39,100		35	65	-	0.66
BP plc	BP		42.09	1.64	222,000	4	8	63	25	0.62
Total S.A.	TOT	B	49.15	1.37	153,000		22	63	14	0.57
Total or Median					*1,510,000*			*63*		*0.69*
Brazil/Russia/Australia/China										
Woodside Petroleum Ltd.	WOPEY		36.10	1.26	36,000		69	31	-	0.84
CNOOC Limited (36%)	CEO		203.00	1.02	33,300		9	91	-	0.81
PetroChina Company Ltd (14%)	PTR	CB	125.58	1.38	44,300		15	70	14	0.67
Petrobras	PBR	CB	21.88	1.53	219,000		5	81	14	0.59
Gazprom (50%)	OGZPY	CB	9.69	1.34	75,000		11	13	76	0.41
Lukoil Oil Company	LUKOY	B	59.19	1.01	47,500			71	29	0.40
Total or Median					*455,000*			*71*		*0.63*
U.S. Independent										
EOG Resources, Inc.	EOG	B	109.30	1.20	35,400	32	4	64	-	0.86
Chesapeake Energy Corp.	CHK		19.06	2.46	35,200	64		36	-	0.85
Southwestern Energy Company	SWN		31.61	1.16	12,800	100			-	0.81
Occidental Petroleum Corp.	OXY	CB	90.05	1.12	82,100	8	1	81	10	0.77
Anadarko Petroleum Corp.	APC		68.50	1.49	51,100	34		63	3	0.76
ConocoPhillips	COP	CB	57.31	1.55	110,000	13	13	74	-	0.70
Devon Energy Corporation	DVN	CB	59.01	1.35	32,300	46		54	-	0.65
Marathon Oil Corporation	MRO	CB	27.55	1.46	28,400	7	3	90	-	0.60
Total or Median					*387,000*			*64*		*0.77*
Canada										
Penn West Exploration	PWE		14.27	1.65	11,700	18		82	-	0.83
Imperial Oil Limited (30%)	IMO	B	45.58	1.18	13,700	2		84	14	0.77
Cenovus Energy Inc.	CVE	CB	32.54	1.29	31,900	11		73	16	0.73
EnCana Corporation	ECA	B	22.15	1.52	24,700	86		14	-	0.69
Suncor Energy	SU	B	31.80	1.28	63,600	2		80	18	0.56
Canadian Oil Sands Limited	COSWF	CB	21.13	1.23	12,600			100	-	0.52
Total or Median					*158,000*			*81*		*0.71*
Composite					*2,510,000*	*8*	*14*	*63*	*16*	*0.68*
CB=Contrarian Buy, Stock Price may be in downtrend compared to 200-day average.										

Table 2

McDep Large Cap Energy Stocks

Net Present Value and McDep Ratio

			Price (US$/sh) 13-Aug 2012	*Shares (mm)*	*Market Cap (US$mm)*	*Net Present Value (US$/sh)*	*Debt/ Present Value*	*McDep Ratio*
B = Buy, CB (see below)	*Symbol/Rating*							
U.S. and Europe Integrated								
BG Group plc	BRGYY		20.72	3,415	70,800	21.00	0.19	0.99
Exxon Mobil Corporation	XOM	B	88.14	4,657	411,000	110.00	0.12	0.82
Royal Dutch Shell plc	RDS-A	B	70.65	3,133	221,000	102.00	0.15	0.74
Chevron Corporation	CVX	B	113.28	1,968	223,000	170.00	0.07	0.69
Statoil ASA (33%)	STO	CB	24.96	1,050	26,200	44.00	0.22	0.66
BP plc	BP		42.09	3,214	135,000	84.00	0.24	0.62
Total S.A.	TOT	B	49.15	2,264	111,000	100.00	0.16	0.57
Total or Median					*1,198,000*		*0.16*	*0.69*
Brazil/Russia/Australia/China								
Woodside Petroleum Ltd.	WOPEY		36.10	797	28,800	45.00	0.17	0.84
CNOOC Limited (36%)	CEO		203.00	161	32,700	250.00	0.02	0.81
PetroChina Company Ltd (14%)	PTR	CB	125.58	256	32,200	210.00	0.18	0.67
Petrobras	PBR	CB	21.88	6,522	142,700	45.00	0.21	0.59
Gazprom (50%)	OGZPY	CB	9.69	5,750	55,700	28.00	0.10	0.41
Lukoil Oil Company	LUKOY	B	59.19	794	47,000	150.00	0.00	0.40
Total or Median					*339,000*		*0.14*	*0.63*
U.S. Independent								
EOG Resources, Inc.	EOG	B	109.30	270	29,500	130.00	0.14	0.86
Chesapeake Energy Corp.	CHK		19.06	753	14,400	27.00	0.51	0.85
Southwestern Energy Company	SWN		31.61	348	11,000	40.00	0.11	0.81
Occidental Petroleum Corp.	OXY	CB	90.05	811	73,000	120.00	0.08	0.77
Anadarko Petroleum Corp.	APC		68.50	500	34,300	100.00	0.25	0.76
ConocoPhillips	COP	CB	57.31	1,236	71,000	96.00	0.25	0.70
Devon Energy Corporation	DVN	CB	59.01	405	23,900	102.00	0.17	0.65
Marathon Oil Corporation	MRO	CB	27.55	709	19,530	54.00	0.19	0.60
Total or Median					*276,600*		*0.18*	*0.77*
Canada								
Penn West Exploration	PWE		14.27	473	7,100	20.00	0.33	0.83
Imperial Oil Limited (30%)	IMO	B	45.58	256	11,700	62.00	0.11	0.77
Cenovus Energy Inc.	CVE	CB	32.54	758	24,700	48.00	0.17	0.73
EnCana Corporation	ECA	B	22.15	736	16,300	37.00	0.24	0.69
Suncor Energy	SU	B	31.80	1,558	49,500	64.00	0.12	0.56
Canadian Oil Sands Limited	COSWF	CB	21.13	485	10,300	45.00	0.10	0.52
Total or Median					*120,000*		*0.15*	*0.71*

CB=Contrarian Buy, Stock Price may in downtrend compared to 200-day average.
McDep Ratio = **M**arket **c**ap and **De**bt to **p**resent 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, $6 a million btu.

Table 3

McDep Large Cap Energy Stocks

Value Multiples and Dividend Yield

			Price (US$/sh) 13-Aug 2012	*Adjustd Resrvs/ Prod NTM*	*PV/ Ebitda NTM*	*EV/ Ebitda NTM*	*P/E NTM*	*Dividend NTM (%)*
Symbol/Rating B = Buy, CB (see below)								
U.S. and Europe Integrated								
BG Group plc	BRGYY		20.72	8.9	7.7	7.7	14	1.2
Exxon Mobil Corporation	XOM	B	88.14	13.1	7.9	6.6	11	2.6
Royal Dutch Shell plc	RDS-A	B	70.65	10.1	7.1	5.3	10	4.9
BP plc	BP		42.09	11.4	8.4	5.2	8	4.6
Chevron Corporation	CVX	B	113.28	9.2	7.3	5.1	10	3.2
Total S.A.	TOT	B	49.15	10.2	7.9	4.5	8	5.9
Statoil ASA (33%)	STO	CB	24.96	6.3	6.4	4.2	8	4.2
Median				*10.1*	*7.7*	*5.2*	*10*	*4.2*
Brazil/Russia/Australia/China								
Woodside Petroleum Ltd.	WOPEY		36.10	13.2	8.9	7.5	12	3.0
Petrobras	PBR	CB	21.88	13.1	8.3	4.9	7	4.8
PetroChina Company Ltd (14%)	PTR	CB	125.58	13.0	7.1	4.8	9	4.1
CNOOC Limited (36%)	CEO		203.00	6.9	5.7	4.6	9	3.4
Gazprom (50%)	OGZPY	CB	9.69	31.2	5.7	2.4	3	5.8
Lukoil Oil Company	LUKOY	B	59.19	16.3	5.7	2.3	4	4.0
Median				*13.2*	*6.4*	*4.7*	*8*	*4.0*
U.S. Independent								
Southwestern Energy Company	SWN		31.61	7.5	15.9	12.9	25	-
Chesapeake Energy Corp.	CHK		19.06	9.8	10.6	9.0	17	1.8
EOG Resources, Inc.	EOG	B	109.30	9.2	7.6	6.6	27	0.6
Anadarko Petroleum Corp.	APC		68.50	8.3	7.9	6.1	21	0.5
Occidental Petroleum Corp.	OXY	CB	90.05	10.0	7.8	6.0	13	2.4
ConocoPhillips	COP	CB	57.31	12.7	8.4	5.9	11	4.6
Devon Energy Corporation	DVN	CB	59.01	9.9	9.0	5.9	17	1.4
Marathon Oil Corporation	MRO	CB	27.55	9.7	6.9	4.2	9	2.5
Median				*9.8*	*8.2*	*6.0*	*17*	*1.6*
Canada								
EnCana Corporation	ECA	B	22.15	8.8	15.9	11.0		3.6
Imperial Oil Limited (30%)	IMO	B	45.58	36.9	11.8	9.0	12	1.1
Penn West Exploration	PWE		14.27	7.3	8.9	7.4	19	7.6
Cenovus Energy Inc.	CVE	CB	32.54	13.1	9.4	6.9	16	2.7
Canadian Oil Sands Limited	COSWF	CB	21.13	19.4	11.7	6.1	9	6.7
Suncor Energy	SU	B	31.80	17.1	9.6	5.4	15	1.6
Median				*15.1*	*10.7*	*7.1*	*15*	*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 June 30, 2013; P/E = Stock Price to Earnings; PV = Present Value of oil and gas and other businesses

Table 4

McDep Large Cap Energy Stocks

Rank by Enterprise Value to 200 Day Average

			Price					
			($/sh)	*Enterprise Value/*				
	Symbol		*13-Aug*	*52Wk*	*52Wk*	*50 Day*	*200 Day*	*McDep*
		Rating	*2012*	*High*	*Low*	*Avg.*	*Avg.*	*Ratio*
U.S. and Europe Integrated								
Chevron Corporation	CVX	B	113.28	1.00	1.26	1.07	1.07	0.69
Exxon Mobil Corporation	XOM	B	88.14	1.00	1.24	1.04	1.05	0.82
Royal Dutch Shell plc	RDS-A	B	70.65	0.96	1.17	1.04	1.01	0.74
Total S.A.	TOT	B	49.15	0.90	1.16	1.07	1.00	0.57
BP plc	BP		42.09	0.92	1.14	1.03	0.99	0.62
Statoil ASA (33%)	STO	CB	24.96	0.90	1.14	1.04	0.99	0.66
BG Group plc	BRGYY		20.72	0.87	1.14	1.04	0.97	0.99
Median				*0.92*	*1.16*	*1.04*	*1.00*	*0.69*
Brazil/Russia/Australia/China								
Lukoil Oil Company	LUKOY	B	59.19	0.90	1.28	1.07	1.04	0.40
Woodside Petroleum Ltd.	WOPEY		36.10	0.90	1.18	1.07	1.03	0.84
CNOOC Limited (36%)	CEO		203.00	0.87	1.43	1.04	1.02	0.81
PetroChina Company Ltd (14%)	PTR	CB	125.58	0.86	1.09	0.99	0.95	0.67
Petrobras	PBR	CB	21.88	0.76	1.16	1.08	0.92	0.59
Gazprom (50%)	OGZPY	CB	9.69	0.77	1.09	1.03	0.91	0.41
Median				*0.87*	*1.17*	*1.06*	*0.98*	*0.63*
U.S. Independent								
EOG Resources, Inc.	EOG	B	109.30	0.92	1.48	1.12	1.05	0.86
Occidental Petroleum Corp.	OXY	CB	90.05	0.86	1.31	1.05	0.98	0.77
Southwestern Energy Company	SWN		31.61	0.74	1.19	1.03	0.98	0.81
Marathon Oil Corporation	MRO	CB	27.55	0.83	1.27	1.06	0.97	0.60
Chesapeake Energy Corp.	CHK		19.06	0.76	1.14	1.02	0.95	0.85
Anadarko Petroleum Corp.	APC		68.50	0.84	1.14	1.02	0.94	0.76
Devon Energy Corporation	DVN	CB	59.01	0.82	1.12	1.02	0.94	0.65
ConocoPhillips	COP	CB	57.31					0.70
Median				*0.83*	*1.19*	*1.03*	*0.97*	*0.77*
Canada								
EnCana Corporation	ECA	B	22.15	0.88	1.18	1.04	1.07	0.69
Imperial Oil Limited (30%)	IMO	B	45.58	0.93	1.33	1.07	1.04	0.77
Suncor Energy	SU	B	31.80	0.88	1.29	1.07	1.02	0.56
Canadian Oil Sands Limited	COSWF	CB	21.15	0.86	1.18	1.08	0.99	0.52
Cenovus Energy Inc.	CVE	CB	32.54	0.85	1.15	1.02	0.97	0.73
Penn West Exploration	PWE		14.27	0.77	1.12	1.07	0.91	0.83
Median				*0.87*	*1.18*	*1.07*	*1.01*	*0.71*

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

Index of Recent Research

Stock Ideas

Date	*Symbol*	*Subject*	*Theme*
10-Aug	CLR	Continental Resources	Bakken Billions (ISCW)
7-Aug	SU	Suncor Energy	New CEO, New Focus on Shareholder Return (Meter Reader)
3-Aug	XEC	Cimarex Energy	West Texas Wolfcamp Shale Oil (ISCW)
31-Jul	OXY	Occidental Petroleum	California Oil Growth Accelerates (Meter Reader)
30-Jul	COSWF	Canadian Oil Sands Limited	Robust Volume Outlook
27-Jul	RRC	Range Resources	Oil-Enhanced Natural Gas Growth (ISCW)
24-Jul	CEO	CNOOC Ltd.	60% Premium in $21 Billion Deal (Meter Reader)
20-Jul	BRY	Berry Petroleum	Momentum Resuming (Income and Small Cap Weekly)
17-Jul	XOM	Exxon Mobil	Low U.S. Energy Price Outperformer (Meter Reader)
10-Jul	MRO	Marathon Oil	Shale Growth, Dollar Hedge (Meter Reader)
3-Jul	OGZPY	Gazprom	Dividend Double Approved (Meter Reader)
26-Jun	STO	Statoil	Financially Strong Norse Explorers (Meter Reader)
19-Jun	CVE	Cenovus	Deep Oil Sands Growth at Lower Price (Meter Reader)
12-Jun	PBR	Petrobras	Deep Water Oil Growth, Lower NPVto $45 (Meter Reader)
12-Jun	BRGYY	BG Group	Lower NPVto $21 (6/12/12 Meter Reader, page 2)
13-Jun	ERF	Enerplus Corporation	Dividend Reduced by Half
8-Jun	SJT	San Juan Basin Royalty Trust	Price Decline Action in SJT and Royalty Trusts (ISCW)
5-Jun	WOPEY	Woodside Petroleum Ltd.	Pluto LNG Delivering (Meter Reader)
25-May	HGT	Hugoton RoyaltyTrust	HGT Bargain (Income and Small Cap Weekly)
18-May	BIREF	Birchcliff Energy	Contrarian Buy at Lower NPV (Income and Small Cap Weekly)
15-May	EOG	EOG Resources	Raise NPV to $130 a Share on Oil Volume (Meter Reader)
11-May	DMLP	Dorchester Minerals, L.P.	Rising Oil Production (Income and Small Cap Wkly)
8-May	ECA	Encana	Long-Term Natural Gas Appeal (Meter Reader)
4-May	WLL	Whiting Petroleum	Oil Price Discount Narrows (Income and Small Cap Weekly)
1-May	RDS	Royal Dutch Shell	LNG and GTL Profit Gains (Meter Reader)
17-Apr	COP	ConocoPhillips	Largest North American Independent Producer Debut (MR)
10-Apr	DVN	Devon Energy	Shale Oil Excitement at a Favorite Value Stock (Meter Reader)
3-Apr	PTR	PetroChina	Global Growth in Oil and Gas (Meter Reader)
20-Mar	CVX	Chevron	Investing in Australian LNG for Growth (Meter Reader)
6-Mar	IMO	Imperial Oil	Kearl Startup Late This Year (Meter Reader)
13-Feb	TOT	Total	Sharpening Competitive Edge (Meter Reader)
3-Feb	CRT	Cross Timbers Royalty Trust	Firm Oil Balances Soft Natural Gas (ISCW)
27-Jan	PDCE	PDC Energy	Raise NPV to $40 from $36 on Reserves and Production (ISCW)
	For historical research by stock, go to mcdep.com, click on Stock Ideas, click on stock by name.		

Meter Reader

7-Aug	SU	Suncor Energy	New CEO, New Focus on Shareholder Return
31-Jul	OXY	Occidental Petroleum	California Oil Growth Accelerates
24-Jul	CEO	CNOOC Ltd.	60% Premium in $21 Billion Deal
17-Jul	XOM	ExxonMobil	Low U.S. Energy Price Outperformer
10-Jul	MRO	Marathon Oil	Shale Growth, Dollar Hedge
	For earlier editions, go to mcdep.com, click on Meter Reader.		

Income and Small Cap Weekly

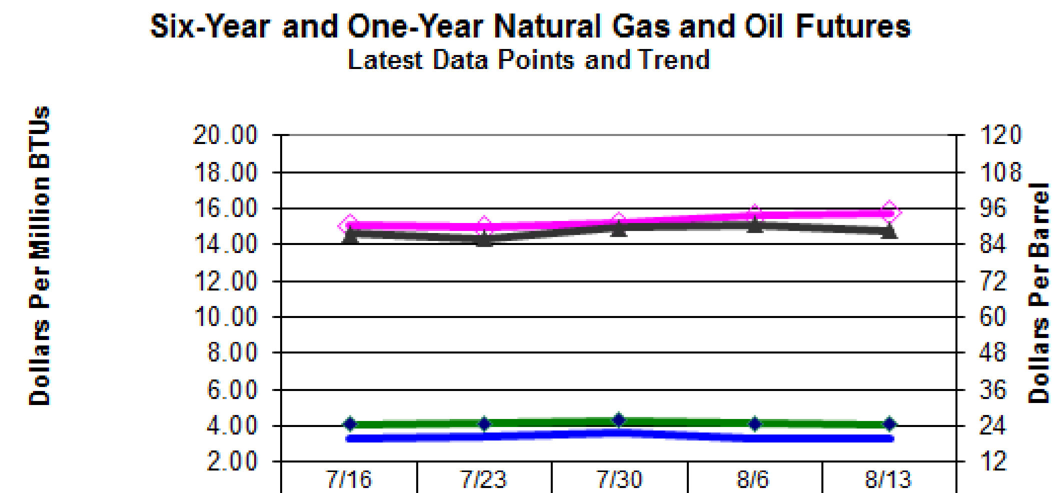
10-Aug	CLR	Continental Resources	Bakken Billions
3-Aug	XEC	Cimarex Energy	West Texas Wolfcamp Shale Oil
27-Jul	RRC	Range Resources	Oil-Enhanced Natural Gas Growth
20-Jul	BRY	Berry Petroleum	Momentum Resuming
	For earlier editions, go to mcdep.com, click on Energy Income.		

McDEP LLC

Meter Reader

A Weekly Analysis of Large Cap Oil and Gas Stocks

August 14, 2012



	7/16	7/23	7/30	8/6	8/13
12 Mo Natural Gas	3.26	3.41	3.59	3.34	3.29
72 Mo Natural Gas	4.07	4.13	4.30	4.13	4.11
12 Month Oil Strip	90.26	89.48	90.98	93.49	94.37
72 Month Oil Strip	87.62	85.98	89.61	90.50	88.55

Disclaimer: This analysis was prepared by Kurt Wulff, Manager of McDep LLC. The firm used sources and data believed to be reliable, but makes no representation as to their accuracy or completeness. This analysis is intended for informational purposes and is not a solicitation to buy or sell a security. Past performance is no guarantee of future results.

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Research Methodology/Ratings Description: McDep LLC is an independent research originator focused on oil and gas stocks exclusively. The firm applies the forty years of experience of its analyst to estimate a present value of the oil and gas resources and other businesses of covered companies. That value is compared with a company's stock market capitalization and debt. Stocks with low market cap and debt relative to present value tend to outperform stocks with high market cap and debt relative to present value. Buy recommendations are expected to deliver a total return better than 7% per year above inflation. Hold recommendations assume the attributes of the underlying business are reflected in the current price of the stock. Sell recommendations are expected to deliver a total return less than inflation.