



Meter Reader

A Weekly Analysis of Large Cap Oil and Gas Stocks

October 30, 2012

Canadian Oil Sands Limited (COSWF) Discounted Pure Play on North American Oil with Income

<i>Symbol</i>	COSWF	<i>Ebitda Next Twelve Months ending 9/30/13 (US\$mm)</i>	1,950
<i>Rating</i>	Contrarian Buy	<i>North American Natural Gas/Ebitda (%)</i>	0
<i>Price (US\$/share)</i>	20.61	<i>Natural Gas and Oil Production/Ebitda (%)</i>	100
<i>Pricing Date</i>	10/26/12	<i>Adjusted Reserves/Production NTM</i>	20.7
<i>Shares (mm)</i>	485	<i>EV/Ebitda</i>	6.3
<i>Market Capitalization (US\$mm)</i>	10,000	<i>PV/Ebitda</i>	12.4
<i>Debt (US\$mm)</i>	2,300	<i>Undeveloped Reserves (%)</i>	0
<i>Enterprise Value (EV) (US\$mm)</i>	12,300	<i>Natural Gas and Oil Ebitda (US\$/boe)</i>	53.10
<i>Present Value (PV) (US\$mm)</i>	24,200	<i>Present Value Proven Reserves(US\$/boe)</i>	31.88
<i>Net Present Value (US\$/share)</i>	45	<i>Ebitda Margin NTM (%)</i>	54
<i>Debt/Present Value</i>	0.10	<i>Earnings Next Twelve Months (US\$/share)</i>	2.15
<i>McDep Ratio - EV/PV</i>	0.51	<i>Price/Earnings Next Twelve Months</i>	10
<i>Dividend Yield (%/year)</i>	6.8	<i>Dividend Next Twelve Months (US\$/share)</i>	1.40
Note: Estimated cash flow and earnings tied to one-year futures prices for oil.			
Estimated present value presumes a long-term price for oil of US\$100 a barrel and natural gas, \$8 a million btu.			
For historical analysis of COS since 2002 see www.mcdep.com/4cos.htm			

Summary and Recommendation

Contrarian Buy **Canadian Oil Sands Limited (COSWF)** offers an unmatched combination of low 0.51 McDep Ratio, 100% concentration on oil, secure political jurisdiction and well-covered 6.8% dividend. Unlevered appreciation to a McDep of Ratio of 1.0 would be 96% implying that stock price would more than double to estimated Net Present Value (NPV) of \$45 a share (see table Present Value of Future Cash Flow on page 2). Third quarter results, reported on October 29 along with upbeat management guidance, lead into our projections (see table Next Twelve Months Operating and Financial Estimates on page 3). By McDep Ratio, COSWF is our most attractive large cap stock domiciled in either the U.S. or Canada (see Tables ISC-1 and ISC-2 on page 4-5). Compared to all the large caps in our coverage, COSWF is the only stock 100% concentrated on oil (Table ISC-1). As a result, it is near perfectly comparable to the direct interest in the Syncrude oil sands mine and upgrader purchased by Chinese oil refiner, Sinopec, at a price nearly equal to our NPV at the lower oil price prevailing a few years ago. Further, COSWF's 6.8% income yield is second highest among 27 stocks (see Table ISC-3 on page 6). Finally, a stock price below its 200-day average signals a declining trend, possibly diminishing COSWF's appeal to traders for now (see Table ISC-4 on page 7). Similarly, oil futures also trade in a short-term declining trend with the recent six-year quote at \$87 a barrel compared to the 40-week average of \$92 (see chart Six-Year Futures on last page). Ironically, secure North American crude oil is priced at a 17% discount to Global crude oil on a 12-month basis persisting at an 11% discount on a 72-month basis. We like North American oil as an investment long-term and we like Canadian Oil Sands Limited as a high-quality equity participation in North American oil.

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October 30, 2012

Canadian Oil Sands Limited												
Present Value of Future Cash Flow												
Nymex Crude (US\$/b):		100		PV/share (US\$):		45		Discount rate (%/yr):		7.0		
Canadian Dollar/\$US		1.00						Nymex Nat Gas (\$/mmbtu)		6.00		
Year	Volume		Price (US\$/bbl)	Revenue (C\$/mm)	Prod Cost (C\$/bbl)	Natural Gas (C\$/bbl)	NonOper (C\$/bbl)	Capital (C\$/bbl)	Royalty (C\$/mm)	Cash Flow (C\$/mm)	Disc Factor	Present Value (C\$/mm)
	SynCrude (mmbd)	COS (mmb)										
Total 2013 through 2063; years ending on 9/30												
		2176		217200					28100	88700	0.27	24000
2013	321	43.0	89.26	3836	33.81	3.28	0.81	31.44	260	596	0.97	576
2014	325	43.5	100.00	4354	28.00	5.18	1.00	31.44	359	1137	0.90	1028
2015	325	43.5	100.00	4354	28.00	5.18	1.00	15.00	531	1682	0.84	1420
2016	325	43.5	100.00	4354	28.00	5.18	1.00	11.00	573	1814	0.79	1431
2017	325	43.5	100.00	4354	28.00	5.18	1.00	11.00	573	1814	0.74	1338
2018	325	43.5	100.00	4354	28.00	5.18	1.00	11.00	573	1814	0.69	1250
2019	325	43.5	100.00	4354	28.00	5.18	1.00	11.00	573	1814	0.64	1168
2020	325	43.5	100.00	4354	28.00	5.18	1.00	11.00	573	1814	0.60	1092
2021	325	43.5	100.00	4354	28.00	5.18	1.00	11.00	573	1814	0.56	1021
2022	325	43.5	100.00	4354	28.00	5.18	1.00	11.00	573	1814	0.53	954
2023	325	43.5	100.00	4354	28.00	5.18	1.00	11.00	573	1814	0.49	891
2024	325	43.5	100.00	4354	28.00	5.18	1.00	11.00	573	1814	0.46	833
2025	325	43.5	100.00	4354	28.00	5.18	1.00	11.00	573	1814	0.43	779
2026	325	43.5	100.00	4354	28.00	5.18	1.00	11.00	573	1814	0.40	728
2027	325	43.5	100.00	4354	28.00	5.18	1.00	11.00	573	1814	0.37	680
2028	325	43.5	100.00	4354	28.00	5.18	1.00	11.00	573	1814	0.35	636
2029	325	43.5	100.00	4354	28.00	5.18	1.00	11.00	573	1814	0.33	594
2030	325	43.5	100.00	4354	28.00	5.18	1.00	11.00	573	1814	0.31	555
2031	325	43.5	100.00	4354	28.00	5.18	1.00	11.00	573	1814	0.29	519
2032	325	43.5	100.00	4354	28.00	5.18	1.00	11.00	573	1814	0.27	485
2033	325	43.5	100.00	4354	28.00	5.18	1.00	11.00	573	1814	0.25	453
2034	325	43.5	100.00	4354	28.00	5.18	1.00	11.00	573	1814	0.23	423
2035	325	43.5	100.00	4354	28.00	5.18	1.00	11.00	573	1814	0.22	396
2036	325	43.5	100.00	4354	28.00	5.18	1.00	11.00	573	1814	0.20	370
2037	325	43.5	100.00	4354	28.00	5.18	1.00	11.00	573	1814	0.19	346
2038	325	43.5	100.00	4354	28.00	5.18	1.00	11.00	573	1814	0.18	323
2039	325	43.5	100.00	4354	28.00	5.18	1.00	11.00	573	1814	0.17	302
2040	325	43.5	100.00	4354	28.00	5.18	1.00	11.00	573	1814	0.16	282
2041	325	43.5	100.00	4354	28.00	5.18	1.00	11.00	573	1814	0.15	264
2042	325	43.5	100.00	4354	28.00	5.18	1.00	11.00	573	1814	0.14	246
2043	325	43.5	100.00	4354	28.00	5.18	1.00	11.00	573	1814	0.13	230
2044	325	43.5	100.00	4354	28.00	5.18	1.00	11.00	573	1814	0.12	215
2045	325	43.5	100.00	4354	28.00	5.18	1.00	11.00	573	1814	0.11	201
2046	325	43.5	100.00	4354	28.00	5.18	1.00	11.00	573	1814	0.10	188
2047	325	43.5	100.00	4354	28.00	5.18	1.00	11.00	573	1814	0.10	176
2048	325	43.5	100.00	4354	28.00	5.18	1.00	11.00	573	1814	0.09	164
2049	325	43.5	100.00	4354	28.00	5.18	1.00	11.00	573	1814	0.08	153
2050	325	43.5	100.00	4354	28.00	5.18	1.00	11.00	573	1814	0.08	143
2051	325	43.5	100.00	4354	28.00	5.18	1.00	11.00	573	1814	0.07	134
2052	325	43.5	100.00	4354	28.00	5.18	1.00	11.00	573	1814	0.07	125
2053	325	43.5	100.00	4354	28.00	5.18	1.00	11.00	573	1814	0.06	117
2054	325	43.5	100.00	4354	28.00	5.18	1.00	11.00	573	1814	0.06	109
2055	325	43.5	100.00	4354	28.00	5.18	1.00	11.00	573	1814	0.06	102
2056	325	43.5	100.00	4354	28.00	5.18	1.00	11.00	573	1814	0.05	96
2057	325	43.5	100.00	4354	28.00	5.18	1.00	11.00	573	1814	0.05	89
2058	325	43.5	100.00	4354	28.00	5.18	1.00	11.00	573	1814	0.05	83
2059	325	43.5	100.00	4354	28.00	5.18	1.00	11.00	573	1814	0.04	78
2060	325	43.5	100.00	4354	28.00	5.18	1.00	11.00	573	1814	0.04	73
2061	325	43.5	100.00	4354	28.00	5.18	1.00	11.00	573	1814	0.04	68
2062	325	43.5	100.00	4354	28.00	5.18	1.00	11.00	573	1814	0.04	64



Meter Reader

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October 30, 2012

Canadian Oil Sands Ltd.										
Next Twelve Months Operating and Financial Estimates										
(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>6/30/12</i>	<i>9/30/12</i>	<i>12/31/12</i>	<i>2012E</i>	<i>3/31/13</i>	<i>6/30/13</i>	<i>9/30/13</i>		<i>9/30/13</i>
Volume										
Syncrude (mmb)	27.5	21.7	28.8	29.6	107.0	28.8	29.1	29.4		117.0
Syncrude (mmbd)	299	239	313	322	292	320	320	320		321
Days	92	91	92	92	366	90	91	92		365
Company share (%)	36.5	37.6	36.2	36.7	36.7	36.7	36.7	36.7		36.7
Company Oil (mmb)	10.05	8.15	10.43	10.88	39.3	10.58	10.70	10.82		43.0
Company Oil (mmbd)	109.3	89.6	113.3	118.3	107.4	117.6	117.6	117.6		117.8
Price										
WTI Cushing (US\$/bbl)	89.76	93.32	92.22	88.65	94.28	87.02	88.34	88.94		88.24
Currency (US\$/C\$)	1.02	0.99	1.00	1.00	1.00	1.00	1.00	1.00		1.00
WTI Cushing (C\$/bbl)	87.94	94.25	91.79	88.70	94.45	87.07	88.39	88.99		88.29
Differential	9.95	(3.80)	(1.90)	4.00	(1.87)	-	-	-		1.02
Company Oil Price (C\$/bbl)	97.89	90.45	89.89	92.70	92.58	87.07	88.39	88.99		89.31
Revenue (C\$mm)										
Sales	984	737	937	1,009	3,639	921	946	963		3,838
Crown Royalties	65	16	33	47	192	65	71	76		260
Net Revenue	919	721	904	962	3,446	856	874	887		3,579
Operating Expense (C\$mm)										
Production	374	413	378	380	1,492	397	406	412		1,594
Administration and Insurance	6	10	9	8	35	9	9	9		35
Ebitda	539	298	517	574	1,919	450	460	466		1,950
Non-Production Expense	28	26	25	25	100	37	37	37		136
Deprec., Deplet., & Amort.	93	93	96	96	380	96	96	96		384
Exchange on U.S. Debt	75	26	(51)		(41)					
Other	(6)	4	(5)		4					
Ebit	349	150	453	453	1,476	318	327	333		1,430
Interest	11	9	9	9	28	9	9	9		36
Ebt	338	141	444	444	1,448	309	318	324		1,394
Income Tax	95	39	104	112	355	78	80	82		351
Net Income (C\$mm)	243	102	340	332	1,093	231	238	243		1,043
Shares (millions)	485	485	485	485	485	485	485	485		485
Earnings per share (C\$)	0.50	0.21	0.70	0.68	2.25	0.48	0.49	0.50		2.15
Ebitda Margin (E&P)	59%	41%	57%	60%	56%	53%	53%	53%		54%
Tax Rate	28%	28%	23%	25%	24%	25%	25%	25%		25%
Cash Flow (C\$mm)										
Net Income	243	102	340	332	1,093	231	238	243		1,043
Deprec., Deplet., & Amort.	93	93	96	96	380	96	96	96		384
Exchange on U.S. Debt	75	26	(51)		(41)					-
Deferred tax and other	104	27	86	89	259	62	64	65		281
Cash Flow from Operations	514	247	470	517	1,691	389	398	404		1,708
Capital Expenditures	189	292	354	354	1,141	300	300	262		1,216
Free Cash Flow	325	(45)	116	163	550	89	98	142		492
Cash Flow per share	1.06	0.51	0.97	1.07	3.49	0.80	0.82	0.83		3.52
Free Cash Flow per share	0.67	(0.09)	0.24	0.34	1.13	0.18	0.20	0.29		1.01
Dividend (C\$/share)	0.30	0.35	0.35	0.35	1.35	0.35	0.35	0.35		1.40



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October 30, 2012

Table 1										
McDep Large Cap Energy Stocks										
Geographic Domicile and Business Segments										
					Present Value by Segment (%)					
		Price	EV/	Enterprise	North	Rest				
Symbol/Rating		(US\$/sh)	Market	Value	Amer.	of World	Oil	Down-	McDep	
B = Buy, CB (see below)		26-Oct	Cap	(\$mm)	Natural	Natural	Prod'n	stream	Ratio	
		2012			Gas	Gas				
U.S. and Europe Integrated										
BG Group	BRGYY		21.43	1.22	89,600		24	42	34	1.02
Exxon Mobil Corporation	XOM B		90.62	1.16	491,000	7	20	56	16	0.84
Royal Dutch Shell plc	RDS-A CB		67.81	1.27	271,000	3	22	56	19	0.72
Chevron Corporation	CVX B		111.18	1.12	246,000	3	11	76	10	0.68
Statoil ASA (33%)	STO CB		24.65	1.51	39,100		36	64	-	0.66
BP plc	BP		41.73	1.65	221,000	4	8	63	25	0.62
Total S.A.	TOT B		50.04	1.38	157,000		22	64	14	0.58
<i>Total or Median</i>					1,515,000			63		0.68
Brazil/Russia/Australia/China										
CNOOC Limited (36%)	CEO		208.00	1.01	34,000		9	91	-	0.83
Woodside Petroleum Ltd.	WOPEY		35.69	1.26	36,000		66	34	-	0.83
PetroChina Company Ltd (14%)	PTR B		136.43	1.35	47,200		15	77	8	0.71
Petrobras	PBR CB		22.40	1.52	222,000		5	81	14	0.60
Lukoil Oil Company	LUKOY B		60.09	1.06	49,700			71	29	0.41
Gazprom (50%)	OGZPY CB		9.63	1.30	72,000		11	13	76	0.40
<i>Total or Median</i>					461,000			74		0.66
U.S. Independent										
EOG Resources, Inc.	EOG B		114.09	1.19	36,600	32	4	64	-	0.89
Chesapeake Energy Corp.	CHK		20.10	2.37	35,800	56		44	-	0.87
Southwestern Energy Company	SWN		34.14	1.15	13,700	100			-	0.87
Anadarko Petroleum Corp.	APC		66.49	1.50	50,000	34		63	3	0.75
Occidental Petroleum Corp.	OXY CB		80.44	1.14	74,200	8	1	81	10	0.70
ConocoPhillips	COP B		57.31	1.56	109,000	14	12	74	-	0.70
Devon Energy Corporation	DVN CB		58.29	1.36	32,000	46		54	-	0.64
Marathon Oil Corporation	MRO B		29.91	1.42	30,100	7	3	90	-	0.64
<i>Total or Median</i>					381,000			64		0.72
Canada										
Penn West Exploration	PWE		12.98	1.70	10,400	18		82	-	0.76
Cenovus Energy Inc.	CVE B		34.51	1.28	33,600	10		71	18	0.77
Imperial Oil Limited (30%)	IMO B		44.18	1.18	13,300	2		84	14	0.74
EnCana Corporation	ECA B		22.52	1.57	26,100	89		11	-	0.71
Suncor Energy	SU B		33.19	1.27	65,700	2		80	18	0.58
Canadian Oil Sands Limited	COSWF CB		20.61	1.23	12,300			100	-	0.51
<i>Total or Median</i>					161,000			81		0.73
Composite					2,518,000	8	14	63	16	0.68

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



Meter Reader

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October 30, 2012

Table 2								
McDep Large Cap Energy Stocks								
Net Present Value and McDep Ratio								
			Price			Net		
			(US\$/sh)	Shares	Market	Present	Debt/	
	Symbol/Rating		26-Oct	(mm)	Cap	Value	Present	McDep
	B = Buy, CB (see below)		2012		(US\$mm)	(US\$/sh)	Value	Ratio
U.S. and Europe Integrated								
BG Group plc	BRGY		21.43	3,415	73,200	21.00	0.19	1.02
Exxon Mobil Corporation	XOM	B	90.62	4,657	422,000	110.00	0.12	0.84
Royal Dutch Shell plc	RDS-A	CB	67.81	3,133	212,000	102.00	0.15	0.72
Chevron Corporation	CVX	B	111.18	1,968	219,000	170.00	0.07	0.68
Statoil ASA (33%)	STO	CB	24.65	1,050	25,900	44.00	0.22	0.66
BP plc	BP		41.73	3,214	134,000	84.00	0.24	0.62
Total S.A.	TOT	B	50.04	2,264	113,000	100.00	0.16	0.58
	<i>Total or Median</i>				<i>1,199,000</i>		<i>0.16</i>	<i>0.68</i>
Brazil/Russia/Australia/China								
CNOOC Limited (36%)	CEO		208.00	161	33,600	250.00	0.01	0.83
Woodside Petroleum Ltd.	WOPEY		35.69	808	28,900	45.00	0.17	0.83
PetroChina Company Ltd (14%)	PTR	B	136.43	256	35,000	210.00	0.19	0.71
Petrobras	PBR	CB	22.40	6,522	146,100	45.00	0.21	0.60
Lukoil Oil Company	LUKOY	B	60.09	780	46,900	150.00	0.02	0.41
Gazprom (50%)	OGZPY	CB	9.63	5,735	55,200	28.00	0.09	0.40
	<i>Total or Median</i>				<i>346,000</i>		<i>0.13</i>	<i>0.66</i>
U.S. Independent								
EOG Resources, Inc.	EOG	B	114.09	270	30,800	130.00	0.14	0.89
Chesapeake Energy Corp.	CHK		20.10	751	15,100	27.00	0.50	0.87
Southwestern Energy Company	SWN		34.14	348	11,900	40.00	0.11	0.87
Anadarko Petroleum Corp.	APC		66.49	500	33,200	100.00	0.25	0.75
Occidental Petroleum Corp.	OXY	CB	80.44	810	65,200	120.00	0.09	0.70
ConocoPhillips	COP	B	57.31	1,214	70,000	96.00	0.25	0.70
Devon Energy Corporation	DVN	CB	58.29	405	23,600	102.00	0.17	0.64
Marathon Oil Corporation	MRO	B	29.91	709	21,210	54.00	0.19	0.64
	<i>Total or Median</i>				<i>271,000</i>		<i>0.18</i>	<i>0.72</i>
Canada								
Penn West Exploration	PWE		12.98	474	6,200	20.00	0.31	0.76
Cenovus Energy Inc.	CVE	B	34.51	758	26,200	48.00	0.17	0.77
Imperial Oil Limited (30%)	IMO	B	44.18	256	11,300	62.00	0.11	0.74
EnCana Corporation	ECA	B	22.52	736	16,600	37.00	0.26	0.71
Suncor Energy	SU	B	33.19	1,558	51,700	64.00	0.12	0.58
Canadian Oil Sands Limited	COSWF	CB	20.61	485	10,000	45.00	0.10	0.51
	<i>Total or Median</i>				<i>122,000</i>		<i>0.15</i>	<i>0.73</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\$100 a barrel and natural gas, \$6 a million btu.								



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Table 3							
McDep Large Cap Energy Stocks							
Value Multiples and Dividend Yield							
			Price (US\$/sh)	Adjustd Resrvs/ Prod	PV/ Ebitda	EV/ Ebitda	Dividend
	Symbol/Rating		26-Oct 2012	NTM	NTM	NTM	NTM (%)
B = Buy, CB (see below)							
U.S. and Europe Integrated							
BG Group plc	BRGY		21.43	8.6	7.8	7.9	14
Exxon Mobil Corporation	XOM	B	90.62	13.1	8.2	6.9	12
BP plc	BP		41.73	11.4	8.7	5.4	8
Chevron Corporation	CVX	B	111.18	9.2	7.7	5.2	11
Royal Dutch Shell plc	RDSA	CB	67.81	10.1	7.2	5.1	10
Total S.A.	TOT	B	50.04	10.2	8.2	4.7	8
Statoil ASA (33%)	STO	CB	24.65	6.3	6.6	4.3	9
	<i>Median</i>			<i>10.1</i>	<i>7.8</i>	<i>5.2</i>	<i>10</i>
Brazil/Russia/Australia/China							
Woodside Petroleum Ltd.	WOPEY		35.69	13.0	9.1	7.6	12
PetroChina Company Ltd (14%)	PTR	B	136.43	13.0	7.4	5.3	11
Petrobras	PBR	CB	22.40	13.1	8.4	5.0	7
CNOOC Limited (36%)	CEO		208.00	6.6	5.9	4.9	10
Lukoil Oil Company	LUKOY	B	60.09	16.5	6.4	2.6	5
Gazprom (50%)	OGZPY	CB	9.63	31.2	5.5	2.2	3
	<i>Median</i>			<i>13.0</i>	<i>6.9</i>	<i>5.0</i>	<i>9</i>
U.S. Independent							
Southwestern Energy Company	SWN		34.14	7.2	12.9	11.2	27
Chesapeake Energy Corp.	CHK		20.10	10.0	11.7	10.2	31
EOG Resources, Inc.	EOG	B	114.09	9.3	7.8	7.0	29
Anadarko Petroleum Corp.	APC		66.49	8.3	8.0	6.0	21
ConocoPhillips	COP	B	57.31	12.7	8.6	6.0	11
Occidental Petroleum Corp.	OXY	CB	80.44	9.9	8.2	5.7	13
Devon Energy Corporation	DVN	CB	58.29	9.7	8.6	5.6	16
Marathon Oil Corporation	MRO	B	29.91	9.7	7.3	4.6	10
	<i>Median</i>			<i>9.7</i>	<i>8.4</i>	<i>6.0</i>	<i>19</i>
Canada							
EnCana Corporation	ECA	B	22.52	8.6	18.4	13.1	3.6
Imperial Oil Limited (30%)	IMO	B	44.18	19.1	11.2	8.3	11
Cenovus Energy Inc.	CVE	B	34.51	12.5	9.7	7.4	18
Penn West Exploration	PWE		12.98	7.5	9.7	7.3	13
Canadian Oil Sands Limited	COSWF	CB	20.61	18.8	11.8	6.0	9
Suncor Energy	SU	B	33.19	17.1	10.0	5.8	17
	<i>Median</i>			<i>14.8</i>	<i>10.6</i>	<i>7.4</i>	<i>13</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 September 30, 2013; 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

October 30, 2012

	Symbol	Rating	Price	Enterprise Value/				McDep
			(\$/sh)	52Wk	52Wk	50 Day	200 Day	
			26-Oct	High	Low	Avg.	Avg.	Ratio
			2012					
U.S. and Europe Integrated								
Exxon Mobil Corporation	XOM	B	90.62	0.97	1.19	1.00	1.04	0.84
Chevron Corporation	CVX	B	111.18	0.94	1.18	0.98	1.03	0.68
Total S.A.	TOT	B	50.04	0.91	1.14	0.99	1.01	0.58
BG Group plc	BRGYY		21.43	0.89	1.14	1.03	1.00	1.02
BP plc	BP		41.73	0.91	1.09	0.99	0.99	0.62
Royal Dutch Shell plc	RDS-A	CB	67.81	0.93	1.09	0.97	0.98	0.72
Statoil ASA (33%)	STO	CB	24.65	0.90	1.08	0.97	0.98	0.66
	<i>Median</i>			<i>0.91</i>	<i>1.14</i>	<i>0.99</i>	<i>1.00</i>	<i>0.68</i>
Brazil/Russia/Australia/China								
CNOOC Limited (36%)	CEO		208.00	0.89	1.22	1.05	1.03	0.83
Lukoil Oil Company	LUKOY	B	60.09	0.91	1.20	0.98	1.02	0.41
Woodside Petroleum Ltd.	WOPEY		35.69	0.89	1.16	1.00	1.01	0.83
PetroChina Company Ltd (14%)	PTR	B	136.43	0.92	1.14	1.04	1.01	0.71
Petrobras	PBR	CB	22.40	0.77	1.18	1.00	0.97	0.60
Gazprom (50%)	OGZPY	CB	9.63	0.76	1.09	0.97	0.92	0.40
	<i>Median</i>			<i>0.89</i>	<i>1.17</i>	<i>1.00</i>	<i>1.01</i>	<i>0.66</i>
U.S. Independent								
Southwestern Energy Company	SWN		34.14	0.80	1.28	1.01	1.07	0.87
EOG Resources, Inc.	EOG	B	114.09	0.96	1.30	1.02	1.06	0.89
Marathon Oil Corporation	MRO	B	29.91	0.88	1.19	1.02	1.02	0.64
ConocoPhillips	COP	B	57.31	0.97	1.08	1.00	1.02	0.70
Chesapeake Energy Corp.	CHK		20.10	0.83	1.17	1.01	1.00	0.87
Anadarko Petroleum Corp.	APC		66.49	0.82	1.11	0.96	0.94	0.75
Devon Energy Corporation	DVN	CB	58.29	0.81	1.06	0.97	0.94	0.64
Occidental Petroleum Corp.	OXY	CB	80.44	0.78	1.04	0.95	0.91	0.70
	<i>Median</i>			<i>0.82</i>	<i>1.14</i>	<i>1.00</i>	<i>1.01</i>	<i>0.72</i>
Canada								
EnCana Corporation	ECA	B	22.52	0.95	1.18	1.00	1.06	0.71
Suncor Energy	SU	B	33.19	0.91	1.21	1.00	1.04	0.58
Cenovus Energy Inc.	CVE	B	34.51	0.89	1.15	1.00	1.01	0.77
Imperial Oil Limited (30%)	IMO	B	44.18	0.90	1.16	0.96	0.99	0.74
Canadian Oil Sands Limited	COSWF	CB	20.55	0.85	1.13	0.97	0.97	0.51
Penn West Exploration	PWE		12.98	0.70	1.04	0.94	0.87	0.76
	<i>Median</i>			<i>0.90</i>	<i>1.15</i>	<i>0.98</i>	<i>1.00</i>	<i>0.73</i>

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



Meter Reader

A Weekly Analysis of Large Cap Oil and Gas Stocks

October 30, 2012

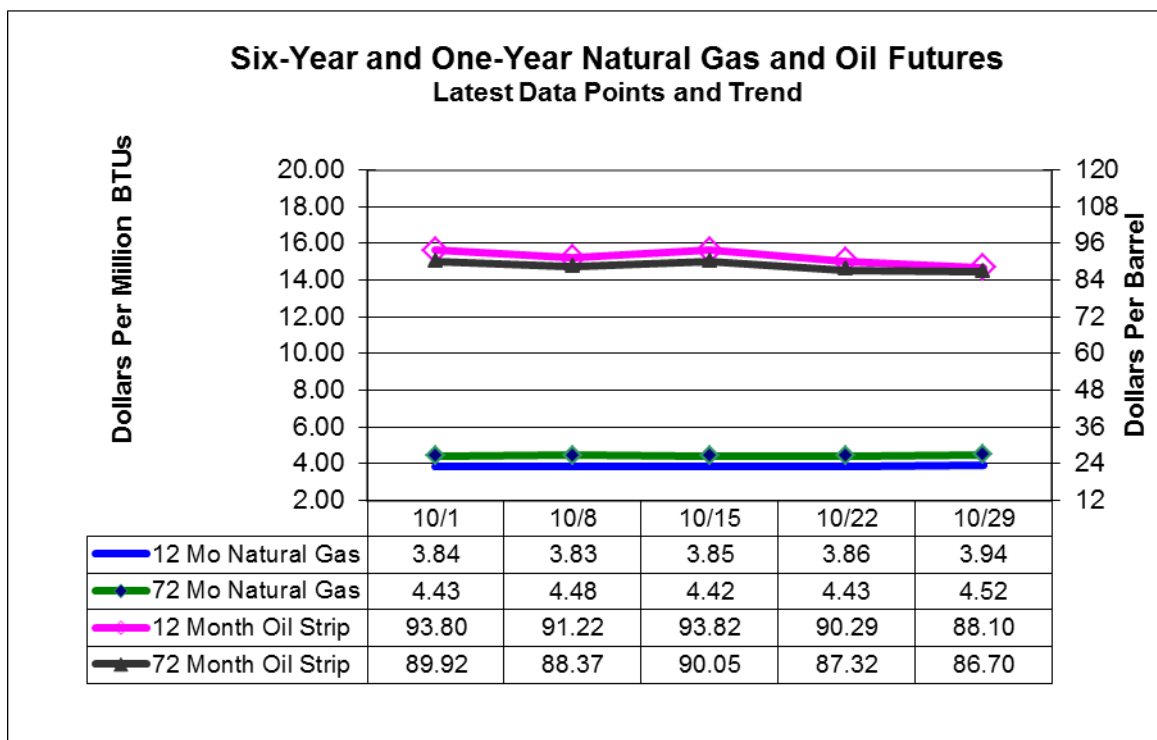
Index of Recent Research			
Stock Ideas			
<i>Date</i>	<i>Symbol</i>	<i>Subject</i>	<i>Theme</i>
23-Oct	PBR	Petrobras	Stock Price Recovering (Meter Reader)
19-Oct	DMLP	Dorchester Minerals, L.P.	Top Line Core (Income and Small Cap Weekly)
16-Oct	RDS	Royal Dutch Shell	Clean Energy for Global Growth (Meter Reader)
12-Oct	CLR	Continental Resources	New Buy on Bakken Growth (ISCW)
9-Oct	IMO	Imperial Oil	Kearl, Downstream and Syncrude (Meter Reader)
2-Oct	CVX	Chevron	Top Performer Shows Further Promise (Meter Reader)
28-Sep	BIREF	Birchcliff Energy	Strategic Montney Natural Gas (Income and Small Cap Weekly)
25-Sep	COP	ConocoPhillips	Thriving Shale Oil, Potential Shale Gas (Meter Reader)
21-Sep	WLL	Whiting Petroleum	Growing, Secure, Price-Sensitive, Light Oil (Inc and Small Cap Wk
18-Sep	DVN	Devon Energy	Barnett Shale to Permian and Beyond (Meter Reader)
14-Sep	SJT	SJT and Royalty Trusts	Estimated Distributions Jump (Income and Small Cap Weekly)
7-Sep	PEYUF	Peyto Exploration and Developmer	Canada Deep Basin Fracker (Income and Small Cap Weekly)
4-Sep	LUKOY	Lukoil	Proven Competitor, Uncommon Value (Meter Reader)
28-Aug	PTR	PetroChina	Pent-Up Profits (Meter Reader)
24-Aug	HGT	Hugoton Royalty Trust	Highest Return for the Next Year (Income and Small Cap Weekly)
21-Aug	TOT	Total	Buy \$100 NPV for \$50 Stock Price (Meter Reader)
17-Aug	HK	Halcón Resources	Billion Barrel Resource Potential (Income and Small Cap Weekly)
14-Aug	APC	Anadarko Petroleum	Raise NPV to \$100 as Growth Trumps Legal Issues (Meter Reader)
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	BRGY	BG Group	Lower NPV to \$21 (6/12/12 Meter Reader, page 2)
13-Jun	ERF	Enerplus Corporation	Dividend Reduced by Half
5-Jun	WOPEY	Woodside Petroleum Ltd.	Pluto LNG Delivering (Meter Reader)
15-May	EOG	EOG Resources	Raise NPV to \$130 a Share on Oil Volume (Meter Reader)
8-May	ECA	Encana	Long-Term Natural Gas Appeal (Meter Reader)
For historical research by stock, go to mcdep.com , click on Stock Ideas , click on stock by name.			
Meter Reader			
23-Oct	PBR	Petrobras	Stock Price Recovering
16-Oct	RDS	Royal Dutch Shell	Clean Energy for Global Growth
9-Oct	IMO	Imperial Oil	Kearl, Downstream and Syncrude
2-Oct	CVX	Chevron	Top Performer Shows Further Promise
For earlier editions, go to mcdep.com , click on Meter Reader .			
Income and Small Cap Weekly			
26-Oct		Royalty Trust Fund	RTF Distributions Turn Up
19-Oct	DMLP	Dorchester Minerals, L.P.	Top Line Core
12-Oct	CLR	Continental Resources	New Buy on Bakken Growth
5-Oct		Create a Custom RTF	Royalty Trust Fund Looks Timely
For earlier editions, go to mcdep.com , click on Energy Income .			



Meter Reader

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