



Meter Reader

A Weekly Analysis of Energy Stocks Using the McDep Ratio

December 9, 2008

China/Russia Oil and Gas for Growth

Summary and Recommendation

Buy-recommended **PetroChina (PTR)** is the leading oil and gas resource owner in the most populous consuming country, China, and buy-recommended **Gazprom (OGZPY)** is the leading natural gas resource owner in the largest producing country, Russia. The five stocks in our Brazil/Russia/China group have the most investment growth potential measured by McDep Ratio (see tables pages 4-6). Recent stock price declines might seem alarming in isolation, but less so in a broader market context. In fact, PetroChina is one of only three stocks of 36 in *Meter Reader* coverage trading above its 60-day average. Gazprom has recovered as much as the median stock by the 60-day average measure. Taxable investors with higher cost stock and who wish to take a tax loss while maintaining investment in a stock with similar characteristics might switch PTR for sister Chinese producer, hold-rated **CNOOC Ltd. (CEO)**. Investors in OGZPY could switch partially to hold-rated **Lukoil (LUKOY)** for similar country exposure and partially to buy-recommended **Statoil (STO)**, a depressed European producer stock, for natural gas exposure. Though the hold-rated stocks have attractive potential, we are waiting for stock price to move back above the 200-day average or for another event to recommend buy outright. For an unrated stock like **Petrobras (PBR)** we are alert to signs of a potential repeat of its past stock price cycle when after bottoming in October 2002 the stock crossed above the 200-day average in March 2003 and continued a long march upward until recently.

Asia Pacific Leads Global Growth

Just released last week, the annual energy outlook by hold-rated **ExxonMobil (XOM)** reaffirms a widely held expectation that the Asia Pacific region, with China as the most important country, will overtake North America and Europe for the largest share of global gross domestic product by 2030. To fuel growth, China needs increasing supplies of energy - domestic and imported. We believe that PetroChina, 86% owned by the government and China's most important oil and gas company, will reward investors as it furnishes clean fuel for China's sustainable economic growth.

New Diplomatic Opportunity in Russia

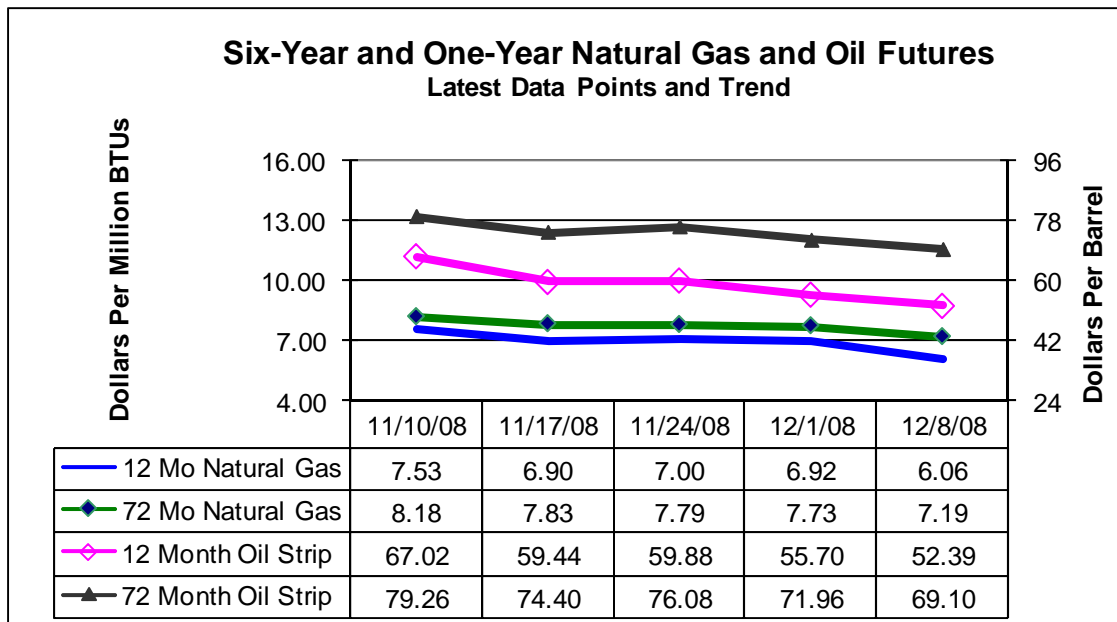
While China has a generally positive image among investors, in our experience, Russia has a less positive image. We were surprised recently to hear Harvard Expert on Russia, Marshall Goldman, express his view that President Bush and Prime Minister Putin



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continue to have a remarkably positive personal relationship. Yet political and economic relations between the U.S. and Russia have deteriorated in the later years of the current presidential term. Though the fault may be on both sides, we think that much U.S. diplomatic behavior seems unnecessarily provocative. We are hopeful that a new U.S. Administration will be successful in improving cooperation with Russia. The humbling experience of the recent global financial situation may help catalyze a fresh start.



Stock Prices May Lead Oil Prices

Oil and gas stock prices have been hitting rolling lows. Large companies made their lows in October. Canadian oil and gas stocks made their lows in November. Small stocks and income stocks made their lows last week. Presuming those lows hold, an oil price bottom may not be far away.

Value, measured by the McDep Ratio, justifies buy recommendations, we believe, but stock prices do not confirm a positive trend yet. XOM is the stock closest to turning positive in trend relative to the 200-day average. Should XOM cross to positive territory it would be an encouraging sign for other oil and gas stocks and for oil price.



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Bottom by Historical Comparison

In earlier times that felt like today in oil, 1986 and 1998, \$10 a barrel was the bottom for the price cycle. Compared to the preceding high price of almost \$40, the bottom was one-fourth the high. Back then it took more than five years from the high in 1980 to the low in 1986. Today prices move faster. The high of \$147 was only a few months ago. If the same magnitude of drop were to repeat, one-fourth of the high of \$147 would be \$37. By that measure the bottom is practically here with the current near-month price of \$43.

High Cost of New Capacity and Sunk Cost of Developed Capacity

The wide range from high crude oil price to low crude oil price partly reflects the cost structure of the industry. Oil and gas production is generally a high cash flow margin, low cash cost business. A high margin is necessary to induce investment in finding and developing new sources. Today's price is below the \$70-\$90 that is representative of the full-cycle exploration and development cost of large new sources of oil production outside the Middle East. Thus, that part of the business is uneconomic at near-term quotes, but it takes time for people to react. New large scale investment may not take place until the price recovers.

Once an investment is made, the costs are “sunk” and the minimum financial requirement is to cover out-of-pocket daily costs. Most current production can continue to cover cash costs. Conventional production may have cash costs near \$10 a barrel. About \$30 a barrel may be a practical cash break even for oil sands.

As a result of the cost structure, production management is required to tame price swings. That will be the topic for the mid-December meeting of producing countries. Without management, the imbalance between supply and demand ultimately self-corrects because of the steady decline in existing capacity as it is not replenished and/or a revival of demand.

Kurt H. Wulff, CFA



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| McDep Energy Portfolio - Geographic Domicile and Business Segments | | | | | | | | | | | |
|--|---------------------|-------------|--------------------|---------------|-------------------------------|----------------------------------|------------------------------------|---------------|-----------------|----------------|--|
| | | | | | | Present Value by Segment (%) | | | | | |
| | Symbol/Rating | | Price (US\$/sh) | EV/ Market | Enterprise Value (\$mm) | North Amer. Natural Gas | Rest of World Natural Gas | Oil Prod'n | Down- stream | McDep Ratio | |
| | B = Buy H = Hold | | 8-Dec 2008 | Cap | | | | | | | |
| U.S. Integrated | | | | | | | | | | | |
| Exxon Mobil Corporation | XOM | H | 79.60 | 1.07 | 441,000 | 6 | 23 | 46 | 25 | 0.89 | |
| Chevron Corporation | CVX | H | 78.09 | 1.16 | 200,000 | 5 | 12 | 67 | 16 | 0.82 | |
| Marathon Oil Corporation | MRO | H | 23.82 | 1.69 | 28,700 | 7 | 7 | 60 | 26 | 0.63 | |
| ConocoPhillips | COP | B | 50.85 | 1.60 | 124,000 | 14 | 9 | 57 | 20 | 0.58 | |
| <i>Total or Median *</i> | <i>39%</i> | <i>11%</i> | <i>9%</i> | | <i>794,000</i> | <i>7</i> | <i>11</i> | <i>58</i> | <i>23</i> | <i>0.72</i> | |
| Europe | | | | | | | | | | | |
| BP plc | BP | H | 45.97 | 1.48 | 212,000 | 8 | 14 | 62 | 15 | 0.71 | |
| BG Group | BRGXF | | 12.77 | 1.09 | 47,100 | | 29 | 46 | 25 | 0.69 | |
| Royal Dutch Shell plc | RDS-A | H | 50.46 | 1.28 | 198,000 | 3 | 23 | 44 | 31 | 0.61 | |
| Total S.A. | TOT | B | 51.34 | 1.14 | 132,000 | | 25 | 52 | 23 | 0.60 | |
| StatoilHydro ASA (29%) | STO | B | 15.41 | 1.40 | 19,900 | | 44 | 56 | | 0.52 | |
| <i>Total or Median *</i> | <i>30%</i> | <i>14%</i> | <i>18%</i> | | <i>609,000</i> | | <i>25</i> | <i>52</i> | | <i>0.61</i> | |
| Brazil/China/Russia | | | | | | | | | | | |
| CNOOC Limited (34%) | CEO | H | 84.68 | 1.00 | 12,900 | | 12 | 88 | | 0.63 | |
| PetroChina Company Ltd (14%) | PTR | B | 89.45 | 1.11 | 25,500 | | 14 | 69 | 17 | 0.62 | |
| Petrobras | PBR | | 19.34 | 1.43 | 121,000 | | 13 | 77 | 10 | 0.47 | |
| Gazprom (50%) | OGZPY | B | 16.60 | 1.40 | 72,000 | | 80 | 20 | | 0.33 | |
| Lukoil Oil Company | LUKOY | H | 32.50 | 1.15 | 31,300 | | | 61 | 39 | 0.27 | |
| <i>Total or Median *</i> | <i>13%</i> | <i>14%</i> | <i>18%</i> | | <i>263,000</i> | | | <i>69</i> | | <i>0.47</i> | |
| U.S. Independent | | | | | | | | | | | |
| San Juan Basin Royalty Trust | SJT | H | 25.55 | 1.00 | 1,190 | 100 | | | | 0.75 | |
| Anadarko Petroleum Corp. | APC | H | 34.01 | 2.03 | 32,300 | 54 | | 42 | 4 | 0.70 | |
| EOG Resources | EOG | H | 69.07 | 1.12 | 19,500 | 71 | 7 | 22 | | 0.69 | |
| XTO Energy Inc. | XTO | B | 34.21 | 1.62 | 30,700 | 77 | | 23 | | 0.68 | |
| Energy Partners Ltd. | EPL | | 2.58 | 8.32 | 670 | 38 | | 62 | | 0.64 | |
| Encore Acquisition Company | EAC | H | 21.02 | 2.28 | 2,550 | 18 | | 83 | | 0.64 | |
| Devon Energy Corporation | DVN | B | 65.32 | 1.21 | 35,100 | 64 | | 36 | | 0.61 | |
| Occidental Petroleum Corp. | OXY | H | 51.18 | 1.12 | 46,800 | 12 | 1 | 79 | 8 | 0.60 | |
| Chesapeake Energy Corp. | CHK | | 14.08 | 2.80 | 23,200 | 91 | | 9 | | 0.55 | |
| Hugoton Royalty Trust | HGT | B | 16.41 | 1.00 | 660 | 100 | | | | 0.55 | |
| Berry Petroleum Company | BRY | H | 7.15 | 5.18 | 1,710 | 42 | | 58 | | 0.53 | |
| Cimarex Energy Company | XEC | B | 26.30 | 1.26 | 2,810 | 65 | | 35 | | 0.43 | |
| <i>Total or Median *</i> | <i>10%</i> | <i>33%</i> | <i>36%</i> | | <i>197,000</i> | <i>64</i> | | | | <i>0.62</i> | |
| Canada | | | | | | | | | | | |
| Imperial Oil Limited (30%) | IMO | H | 32.22 | 1.07 | 9,200 | 5 | | 80 | 16 | 0.69 | |
| Encana Corporation | ECA | B | 44.35 | 1.41 | 47,100 | 68 | | 29 | 4 | 0.67 | |
| Pengrowth Energy Trust | PGH | | 7.47 | 1.97 | 3,660 | 34 | | 66 | | 0.63 | |
| Penn West Energy Trust | PWE | H | 10.98 | 1.88 | 8,000 | 28 | | 72 | | 0.56 | |
| Canadian Natural Resources | CNQ | H | 33.57 | 1.59 | 28,900 | 26 | | 74 | | 0.51 | |
| Enerplus Resources Fund | ERF | | 19.18 | 1.24 | 3,920 | 56 | | 44 | | 0.49 | |
| Birchcliff Energy Ltd. (US\$) | BIR.TO | | 3.85 | 1.41 | 640 | 75 | | 25 | | 0.47 | |
| Canadian Oil Sands Trust | COSWF | B | 17.38 | 1.11 | 9,300 | | | 100 | | 0.44 | |
| Suncor Energy | SU | H | 18.57 | 1.33 | 23,600 | 3 | | 92 | 5 | 0.40 | |
| Petro-Canada | PCZ | H | 21.54 | 1.41 | 14,700 | 11 | 3 | 70 | 16 | 0.40 | |
| <i>Total or Median *</i> | <i>7%</i> | <i>28%</i> | <i>18%</i> | | <i>149,000</i> | | | <i>71</i> | | <i>0.50</i> | |
| Composite | | | | | | | | | | | |
| <i>Enterprise Value Weighting</i> | <i>100%</i> | | | | <i>2,012,000</i> | <i>12</i> | <i>18</i> | <i>53</i> | <i>17</i> | <i>0.63</i> | |
| <i>Equal Weighting</i> | | <i>100%</i> | | | | <i>32</i> | <i>10</i> | <i>60</i> | <i>9</i> | <i>0.58</i> | |
| <i>Equal Weighted Buys</i> | | | <i>100%</i> | | | <i>35</i> | <i>16</i> | <i>43</i> | <i>6</i> | <i>0.55</i> | |
| * Percentages in Symbol column refer to current market Enterprise Value weightings; Rating column, equal weightings. | | | | | | | | | | | |
| * Percentages in Price column refer to equal weighted buys. | | | | | | | | | | | |



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| Oil and Gas Producers - Net Present Value and McDep Ratio | | | | | | | | |
|--|---------------|-------|-----------|--------|------------|---------------|---------------------|-------|
| | | | Price | | | Net | | |
| | Symbol/Rating | | (US\$/sh) | Shares | Market Cap | Present Value | Debt/ Present Value | McDep |
| | B = Buy | 8-Dec | | (mm) | (US\$mm) | (US\$/sh) | | Ratio |
| | H = Hold | 2008 | | | | | | |
| U.S. Integrated | | | | | | | | |
| Exxon Mobil Corporation | XOM | H | 79.60 | 5,160 | 411,000 | 90.00 | 0.06 | 0.89 |
| Chevron Corporation | CVX | H | 78.09 | 2,206 | 172,000 | 98.00 | 0.11 | 0.82 |
| Marathon Oil Corporation | MRO | H | 23.82 | 711 | 16,940 | 48.00 | 0.26 | 0.63 |
| ConocoPhillips | COP | B | 50.85 | 1,528 | 78,000 | 109.00 | 0.22 | 0.58 |
| <i>Total or Median</i> | | | | | 678,000 | | 0.17 | 0.72 |
| Europe | | | | | | | | |
| BP plc | BP | H | 45.97 | 3,124 | 144,000 | 74.00 | 0.23 | 0.71 |
| BG Group plc | BRGXF | | 12.77 | 3,382 | 43,190 | 19.00 | 0.06 | 0.69 |
| Royal Dutch Shell plc | RDS-A | H | 50.46 | 3,080 | 155,000 | 92.00 | 0.13 | 0.61 |
| Total S.A. | TOT | B | 51.34 | 2,244 | 115,000 | 90.00 | 0.08 | 0.60 |
| StatoilHydro ASA (29%) | STO | B | 15.41 | 924 | 14,240 | 35.00 | 0.15 | 0.52 |
| <i>Total or Median</i> | | | | | 471,000 | | 0.13 | 0.61 |
| Brazil/China/Russia | | | | | | | | |
| CNOOC Limited (34%) | CEO | H | 84.68 | 152 | 12,890 | 135.00 | - | 0.63 |
| PetroChina Company Ltd (14%) | PTR | B | 89.45 | 256 | 22,920 | 150.00 | 0.06 | 0.62 |
| Petrobras | PBR | | 19.34 | 4,387 | 84,840 | 50.00 | 0.14 | 0.47 |
| Gazprom (50%) | OGZPY | B | 16.60 | 3,080 | 51,100 | 64.00 | 0.09 | 0.33 |
| Lukoil Oil Company | LUKOY | H | 32.50 | 839 | 27,000 | 135.00 | 0.03 | 0.27 |
| <i>Total or Median</i> | | | | | 199,000 | | 0.06 | 0.47 |
| U.S. Independent | | | | | | | | |
| San Juan Basin Royalty Trust | SJT | H | 25.55 | 47 | 1,190 | 34.00 | - | 0.75 |
| Anadarko Petroleum Corp. | APC | H | 34.01 | 468 | 15,900 | 64.00 | 0.35 | 0.70 |
| EOG Resources | EOG | H | 69.07 | 251 | 17,300 | 104.00 | 0.08 | 0.69 |
| XTO Energy Inc. | XTO | B | 34.21 | 552 | 18,880 | 60.00 | 0.26 | 0.68 |
| Energy Partners Ltd. | EPL | | 2.58 | 32 | 80 | 14.00 | 0.57 | 0.64 |
| Encore Acquisition Company | EAC | H | 21.02 | 54 | 1,120 | 48.00 | 0.36 | 0.64 |
| Devon Energy Corporation | DVN | B | 65.32 | 446 | 29,100 | 116.00 | 0.10 | 0.61 |
| Occidental Petroleum Corp. | OXY | H | 51.18 | 818 | 41,900 | 89.00 | 0.06 | 0.60 |
| Chesapeake Energy Corp. | CHK | | 14.08 | 588 | 8,280 | 46.00 | 0.36 | 0.55 |
| Hugoton Royalty Trust | HGT | B | 16.41 | 40 | 660 | 30.00 | - | 0.55 |
| Berry Petroleum Company | BRY | H | 7.15 | 46 | 330 | 40.00 | 0.43 | 0.53 |
| Cimarex Energy Company | XEC | B | 26.30 | 85 | 2,220 | 70.00 | 0.09 | 0.43 |
| <i>Total or Median</i> | | | | | 137,000 | | 0.18 | 0.62 |
| Canada | | | | | | | | |
| Imperial Oil Limited (30%) | IMO | H | 32.22 | 265 | 8,540 | 48.00 | 0.05 | 0.69 |
| Encana Corporation | ECA | B | 44.35 | 751 | 33,300 | 75.00 | 0.20 | 0.67 |
| Pengrowth Energy Trust | PGH | | 7.47 | 249 | 1,860 | 16.00 | 0.31 | 0.63 |
| Penn West Energy Trust | PWE | H | 10.98 | 390 | 4,280 | 27.00 | 0.26 | 0.56 |
| Canadian Natural Resources | CNQ | H | 33.57 | 541 | 18,200 | 85.00 | 0.19 | 0.51 |
| Enerplus Resources Fund | ERF | | 19.18 | 165 | 3,160 | 44.00 | 0.10 | 0.49 |
| Birchcliff Energy Ltd. (US\$) | BIR.TO | | 3.85 | 117 | 450 | 10.00 | 0.14 | 0.47 |
| Canadian Oil Sands Trust | COSWF | B | 17.38 | 482 | 8,380 | 42.00 | 0.04 | 0.44 |
| Suncor Energy | SU | H | 18.57 | 953 | 17,700 | 55.00 | 0.10 | 0.40 |
| Petro-Canada | PCZ | H | 21.54 | 484 | 10,430 | 67.00 | 0.12 | 0.40 |
| <i>Total or Median</i> | | | | | 106,000 | | 0.13 | 0.50 |
| 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, \$10 a million btu. | | | | | | | | |

Please see disclosures on the final page.

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| Oil and Gas Producers - Value Multiples and Distribution Yield | | | | | | | | |
|--|---------------|-------|-----------|---------|--------|------|---------|------|
| | | | Price | Adjustd | | | Divd or | |
| | Symbol/Rating | | (US\$/sh) | Resrvs/ | PV/ | EV/ | Distrib | |
| | B = Buy | 8-Dec | Prod | Ebitda | Ebitda | P/E | NTM | |
| | H = Hold | 2008 | NTM | NTM | NTM | NTM | (%) | |
| U.S. Integrated | | | | | | | | |
| Exxon Mobil Corporation | XOM | H | 79.60 | 12.9 | 9.0 | 8.0 | 16 | 2.0 |
| Chevron Corporation | CVX | H | 78.09 | 9.6 | 8.9 | 7.3 | 15 | 3.3 |
| ConocoPhillips | COP | B | 50.85 | 11.0 | 9.6 | 5.6 | 11 | 3.7 |
| Marathon Oil Corporation | MRO | H | 23.82 | 8.5 | 8.0 | 5.0 | 9 | 4.0 |
| <i>Total or Median</i> | | | | 10.3 | 9.0 | 6.4 | 13 | 3.5 |
| Europe | | | | | | | | |
| BG Group plc | BRGXF | | 12.77 | 7.6 | 10.0 | 6.9 | 14 | 1.2 |
| BP plc | BP | H | 45.97 | 9.9 | 8.8 | 6.2 | 10 | 7.3 |
| Total S.A. | TOT | B | 51.34 | 9.4 | 8.6 | 5.2 | 10 | 5.6 |
| Royal Dutch Shell plc | RDS-A | H | 50.46 | 7.9 | 7.9 | 4.8 | 10 | 6.3 |
| StatoilHydro ASA (29%) | STO | B | 15.41 | 8.0 | 8.6 | 4.5 | 13 | 7.8 |
| <i>Total or Median</i> | | | | 8.0 | 8.6 | 5.2 | 10 | 6.3 |
| Brazil/China/Russia | | | | | | | | |
| CNOOC Limited (34%) | CEO | H | 84.68 | 8.8 | 9.8 | 6.1 | 13 | 5.6 |
| PetroChina Company Ltd (14%) | PTR | B | 89.45 | 14.3 | 9.5 | 5.9 | 18 | 4.7 |
| Petrobras | PBR | | 19.34 | 10.2 | 12.4 | 5.9 | 12 | 4.5 |
| Gazprom (50%) | OGZPY | B | 16.60 | 24.6 | 8.2 | 2.7 | 3 | 2.3 |
| Lukoil Oil Company | LUKOY | H | 32.50 | 18.6 | 7.8 | 2.1 | 3 | 4.2 |
| <i>Total or Median</i> | | | | 14.3 | 9.5 | 5.9 | 12 | 4.5 |
| U.S. Independent | | | | | | | | |
| San Juan Basin Royalty Trust | SJT | H | 25.55 | 10.7 | 14.7 | 11.1 | 14 | 7.3 |
| Hugoton Royalty Trust | HGT | B | 16.41 | 13.1 | 14.1 | 7.8 | 11 | 9.0 |
| Encore Acquisition Company | EAC | H | 21.02 | 13.4 | 12.1 | 7.7 | 63 | - |
| Energy Partners Ltd. | EPL | | 2.58 | 9.8 | 12.0 | 7.7 | | - |
| XTO Energy Inc. | XTO | B | 34.21 | 11.4 | 11.1 | 7.6 | 17 | 1.4 |
| Anadarko Petroleum Corp. | APC | H | 34.01 | 10.1 | 9.5 | 6.6 | 1,478 | 2.1 |
| Chesapeake Energy Corp. | CHK | | 14.08 | 11.1 | 11.8 | 6.5 | 10 | 2.1 |
| Occidental Petroleum Corp. | OXY | H | 51.18 | 11.8 | 10.7 | 6.4 | 16 | 2.5 |
| EOG Resources | EOG | H | 69.07 | 9.1 | 9.3 | 6.4 | 21 | 0.8 |
| Devon Energy Corporation | DVN | B | 65.32 | 9.4 | 10.0 | 6.1 | 22 | 1.0 |
| Berry Petroleum Company | BRY | H | 7.15 | 9.6 | 10.6 | 5.7 | 5 | 4.2 |
| Cimarex Energy Company | XEC | B | 26.30 | 7.4 | 9.2 | 4.0 | 33 | 0.9 |
| <i>Total or Median</i> | | | | 10.4 | 10.9 | 6.5 | 17 | 1.8 |
| Canada | | | | | | | | |
| Imperial Oil Limited (30%) | IMO | H | 32.22 | 14.3 | 12.7 | 8.7 | 15 | 1.0 |
| Canadian Oil Sands Trust | COSWF | B | 17.38 | 21.0 | 19.4 | 8.5 | 14 | 9.0 |
| Birchcliff Energy Ltd. (US\$) | BIR.TO | | 3.85 | 6.9 | 18.1 | 8.5 | | - |
| Pengrowth Energy Trust | PGH | | 7.47 | 9.1 | 10.3 | 6.5 | | 28.8 |
| Canadian Natural Resources | CNQ | H | 33.57 | 8.8 | 12.7 | 6.5 | 12 | 1.0 |
| Suncor Energy | SU | H | 18.57 | 22.5 | 15.1 | 6.1 | 10 | 0.9 |
| Encana Corporation | ECA | B | 44.35 | 8.4 | 8.4 | 5.7 | 15 | 3.6 |
| Penn West Energy Trust | PWE | H | 10.98 | 7.7 | 9.3 | 5.3 | 54 | 29.6 |
| Enerplus Resources Fund | ERF | | 19.18 | 10.0 | 10.4 | 5.1 | 12 | 19.0 |
| Petro-Canada | PCZ | H | 21.54 | 6.9 | 8.6 | 3.4 | 8 | 3.0 |
| <i>Total or Median</i> | | | | 8.9 | 11.5 | 6.3 | 13 | 3.3 |
| EV = Enterprise Value = Market Cap and Debt; Ebitda = Earnings before interest, tax, depreciation and amortization; NTM = Next Twelve Months Ended December 30, 2009; P/E = Stock Price to | | | | | | | | |
| Earnings; PV = Present Value of oil and gas and other businesses | | | | | | | | |



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Index of Recent Research

Stock Ideas

| <u>Date</u> | <u>Symbol</u> | <u>Subject</u> | <u>Theme</u> |
|-------------|---------------|----------------------------------|--|
| 20-Nov | COSWF | Canadian Oil Sands Trust | Alberta Reduces Royalties |
| 12-Nov | PWE | Penn West Energy Trust | Distribution Yield 20% |
| 6-Nov | CNQ | Canadian Natural Resources | Hidden Value in Heavy Oil |
| 5-Nov | * DVN | Devon Energy Corporation | Outperforming in Tough Times |
| 5-Nov | * XTO | XTO Energy Inc. | Personal Debt-Free Pledge |
| 5-Nov | * TOT | Total S.A. | Geographic Appeal |
| 4-Nov | * XEC | Cimarex Energy Company | Capital Discipline |
| 4-Nov | * APC | Anadarko Petroleum Corporation | Acquisition Value |
| 4-Nov | * EOG | EOG Resources Inc. | The Hat Trick |
| 3-Nov | * STO | StatoilHydro ASA | Financially Strong Dividend Payer |
| 31-Oct | * CVX | Chevron Corporation | Oil in the Stock Market at \$59 a Barrel |
| 30-Oct | * IMO | Imperial Oil Limited | Favorable Pricing for Heavy Oil |
| 30-Oct | * MRO | Marathon Oil Corporation | Gasoline and Diesel Demand Rebounding |
| 30-Oct | * XOM | Exxon Mobil Corporation | Building Value with Stock Repurchase |
| 30-Oct | * RDSA | Royal Dutch Shell plc | Secure Dividend 5.7% |
| 29-Oct | * BRY | Berry Petroleum | Adjusting Spending to Cash Flow |
| 29-Oct | * EAC | Encore Acquisition Company | Success with ExxonMobil in West Texas |
| 29-Oct | * SU | Suncor Energy | Coping with Volatile Oil Price |
| 29-Oct | * PTR | PetroChina Company Limited | Chinese Major Oil Company |
| 28-Oct | * OXY | Occidental Petroleum Corporation | Low Debt, High Margin |
| 28-Oct | * BP | BP p.l.c. | Dividend Yield 7.2% |
| 28-Oct | * CEO | CNOOC Ltd | Oil & Gas Growth Offshore China |
| 24-Oct | * ECA | EnCana Corporation | High-Performance Clean Energy Producer |
| 24-Oct | * PCZ | Petro-Canada | Pacing Fort Hills |
| 23-Oct | * OGZPY | Gazprom | Cheap Stock, Political Risk |
| 23-Oct | * COP | ConocoPhillips | Australian Natural Gas Deal |
| 22-Oct | * XEC | Cimarex Energy Company | Woodford Shale Leader |
| 17-Oct | * SJT | San Juan Basin Royalty Trust | Hold Rating (Income Weekly) |
| 7-Oct | * HGT | Hugoton Royalty Trust | Buy amid Financial Panic (Meter Reader) |
| 16-Sep | * BRGXF | BG Group | Deep Water Brazil (Meter Reader) |
| 16-Sep | * PBR | Petrobras | Deep Water Brazil (Meter Reader) |
| 5-Sep | * LUKOY | Lukoil Oil Company | Suspend Buy Recommendation (Flash) |

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| | | | |
|--------|---|--------|---|
| 2-Dec | | Weekly | European Oils for Dividends |
| 25-Nov | | Weekly | Canada On Sale |
| 18-Nov | * | Weekly | Natural Gas Buys - DVN, ECA, and XTO |
| 11-Nov | * | Weekly | U.S. Integrated Oil Leaders - COP, CVX, XOM |

Oil and Gas Income Stocks

| | | | |
|--------|---|--------|--|
| 5-Dec | | Weekly | High Income, Low Stock Price |
| 28-Nov | | Weekly | Insider Buying in Encore Energy Partners |
| 21-Nov | | Weekly | Alberta Acts to Reduce Royalties (Taxes) |
| 14-Nov | * | Weekly | Ten Percent in Three Hours |

Industry Ideas

| | | | |
|--------|---|--------------|---|
| 9-Oct | * | Presentation | Oil and Gas Strategy in Treacherous Times |
| 24-Sep | * | Presentation | Energy Investment amid Financial Turmoil |
| 16-Sep | * | Flash | Reinstate Five Buy Recommendations |
| 5-Sep | * | Flash | Suspend Buy Recommendations |

* Archived on www.mcdep.com

Please see disclosures on the final page.

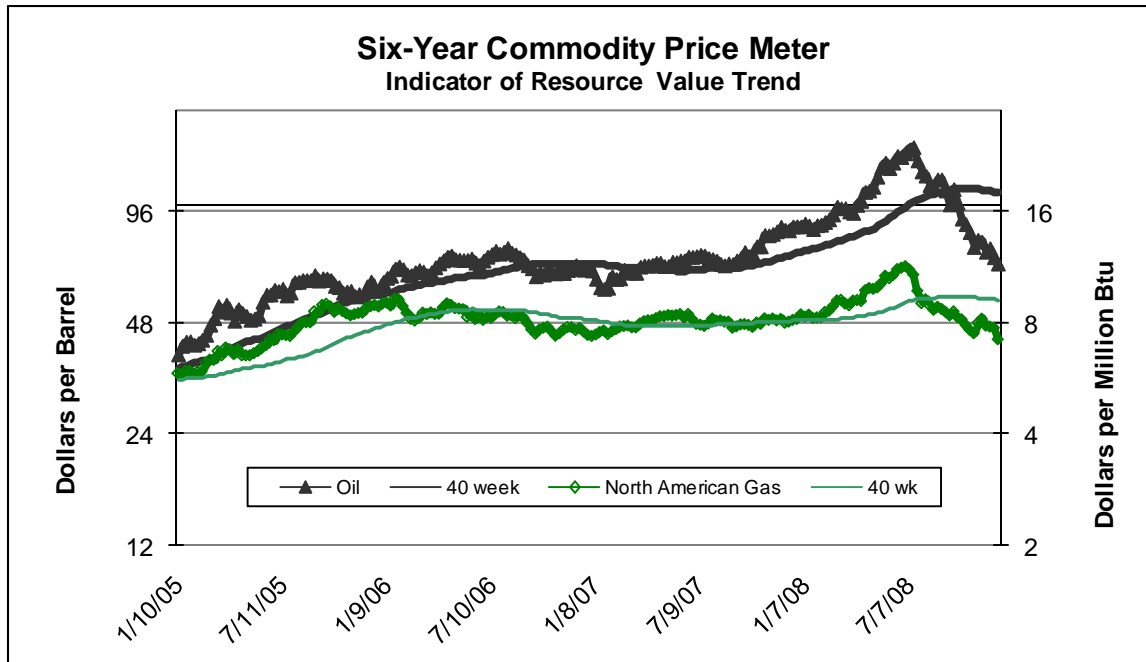
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Meter Reader

A Weekly Analysis of Energy Stocks Using the McDep Ratio

December 9, 2008



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