



# Meter Reader

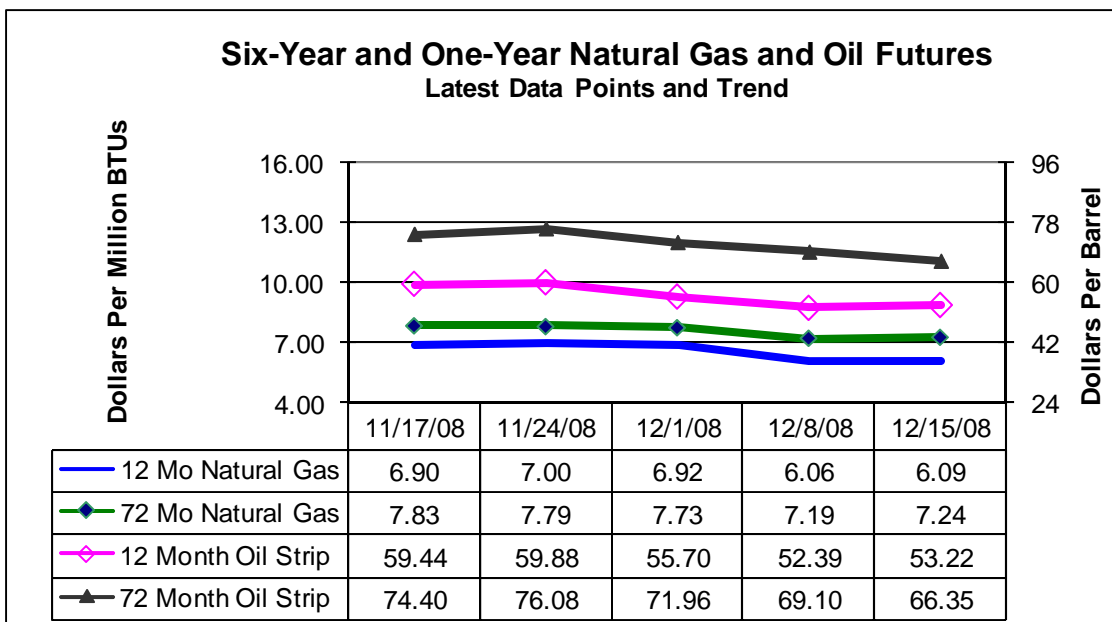
A Weekly Analysis of Energy Stocks Using the McDep Ratio  
December 16, 2008

## Transition Phase

### Summary and Recommendation

Oil and gas stocks seem well into a transition phase that we expect will lead to rising prices again. During a rising portion of the investment cycle that covered the five-year period to September 5, 2008, the date we suspended all buy recommendations, our written choices earned a total return of 29% a year in an illustrative calculation (see table [Five-Year Performance of Buy Recommendations](#), page 2). Current stock prices are some 30% lower than in early September, a circumstance that we believe helps justify interest in the eleven buy recommendations we have reinstated. Those low McDep Ratio picks are spread across five geographic areas, four business segments and include large cap, small cap and income stocks (see table [McDep Energy Portfolio](#), page 3). Because the transition may last longer and there is always a risk prices can go lower, we are watching signs like the 200-day average to offer confirmation that a new uptrend has begun. Hold-rated **ExxonMobil (XOM)**, perhaps the “World’s Safest Investment” has the best looking chart with a closing price on December 15 within 3% of crossing over the trend indicator. All the other stocks in our coverage are having a less momentous recovery, but we are encouraged that nine are now above the 60-day average, including buy recommendations **Total S.A. (TOT)** and **PetroChina (PTR)** (see table [Price to 200-Day Average](#), page 6).

Kurt H. Wulff, CFA





# Meter Reader

A Weekly Analysis of Energy Stocks Using the McDep Ratio

December 16, 2008

Five-Year Performance of Buy Recommendations									
		Begin		End			Total Return		
		Date	\$/sh	Date	\$/sh	Years	Multiple	(%/yr)	Wtd
<b>U.S. Integrated</b>									
Marathon Oil Corporation	MRO	5/3/04	16.87	5/18/07	56.73	3.0	3.4	53	
Marathon Oil Corporation	MRO	9/3/03	14.32	2/19/04	16.95	0.5	1.2	50	
ConocoPhillips	COP	9/3/03	28.38	9/5/08	74.67	5.0	2.6	24	
Chevron Corporation	CVX	9/3/03	36.97	9/5/08	79.51	5.0	2.2	20	
Exxon Mobil Corporation	XOM	5/3/04	43.68	9/5/08	75.32	4.3	1.7	16	
<i>Median or Total</i>									24 27
<b>Europe</b>									
Norsk Hydro	NHY	1/5/04	12.54	5/30/07	33.96	3.4	2.7	37	
Total S.A.	TOT	5/3/04	47.03	9/5/08	63.64	4.3	1.4	12	
Royal Dutch Shell plc	RDS	9/3/03	45.50	9/5/08	61.83	5.0	1.4	10	
BP plc	BP	5/3/04	53.28	9/5/08	53.25	4.3	1.0	4	
StatoilHydro ASA	STO	5/30/07	25.97	9/5/08	25.30	1.3	1.0	-2	
<i>Median or Total</i>									10 13
<b>China/Russia</b>									
PetroChina Company Ltd	PTR	9/3/03	35.00	10/26/07	246.81	4.1	7.1	68	
CNOOC Limited	CEO	9/3/03	36.55	9/24/07	165.30	4.1	4.5	51	
Lukoil Oil Company	LUKOY	1/20/04	24.10	9/5/08	65.05	4.6	2.7	27	
Gazprom	OGZPY	9/14/05	21.00	9/5/08	34.89	3.0	1.7	19	
PetroChina Company Ltd	PTR	2/5/08	155.50	9/5/08	117.21	0.6	0.8	-27	
<i>Median or Total</i>									27 40
<b>U.S. Independent</b>									
Energy Partners Ltd.	EPL	9/3/03	11.15	1/16/04	14.25	0.4	1.3	85	
San Juan Basin Royalty Trust	SJT	9/3/03	17.76	8/2/04	28.29	0.9	1.6	82	
Burlington Resources	BR	9/3/03	24.35	2/27/06	90.62	2.5	3.7	71	
Unocal	UCL	5/3/04	36.64	8/10/05	65.66	1.3	1.8	60	
XTO Energy Inc.	XTO	9/3/03	9.94	9/5/08	47.10	5.0	4.7	39	
Berry Petroleum Company	BRY	2/27/04	10.67	9/5/08	36.61	4.5	3.4	33	
Occidental Petroleum Corp.	OXY	5/3/04	24.38	9/5/08	72.09	4.3	3.0	31	
Encore Acquisition Company	EAC	9/3/03	13.17	9/5/08	48.18	5.0	3.7	31	
Devon Energy Corporation	DVN	5/3/04	31.78	9/5/08	93.78	4.3	3.0	30	
Hugoton Royalty Trust	HGT	1/5/07	23.28	9/5/08	28.05	1.7	1.2	25	
Anadarko Petroleum Corp.	APC	9/3/03	21.85	9/5/08	57.17	5.0	2.6	23	
Cimarex Energy Company	XEC	10/13/03	22.35	9/5/08	49.14	4.9	2.2	19	
EOG Resources	EOG	3/23/06	69.44	9/5/08	93.88	2.5	1.4	14	
San Juan Basin Royalty Trust	SJT	3/20/06	39.81	9/5/08	38.15	2.5	1.0	7	
Energy Partners Ltd.	EPL	5/3/04	14.40	2/29/08	15.60	3.8	1.1	2	
<i>Median or Total</i>									31 29
<b>Canada</b>									
Canadian Oil Sands Trust	COSWF	9/3/03	5.62	9/5/08	42.86	5.0	7.6	58	
Imperial Oil Limited	IMO	5/3/04	14.87	9/19/06	34.35	2.4	2.3	42	
Suncor Energy	SU	5/3/04	12.42	9/5/08	48.24	4.3	3.9	38	
Encana Corporation	ECA	9/3/03	18.66	9/5/08	66.29	5.0	3.6	31	
Canadian Natural Resources	CNQ	11/30/07	66.41	9/5/08	75.67	0.8	1.1	27	
Petro-Canada	PCZ	5/3/04	22.54	9/5/08	39.28	4.3	1.7	15	
Imperial Oil Limited	IMO	3/29/07	37.35	9/5/08	43.42	1.4	1.2	12	
Penn West Energy Trust	PWE	8/10/05	27.26	9/5/08	26.64	3.1	1.0	11	
<i>Median or Total</i>									29 32
<i>Median or Total</i>						4.1	2.0	27	29



# Meter Reader

A Weekly Analysis of Energy Stocks Using the McDep Ratio

December 16, 2008

McDep Energy Portfolio - Geographic Domicile and Business Segments											
						Present Value by Segment (%)					
	Symbol/Rating		Price (US\$/sh)	EV/ Market Cap	Enterprise Value (\$mm)	North Amer. Natural Gas	Rest of World Natural Gas	Oil Prod'n	Down- stream	McDep Ratio	
	B = Buy H = Hold		15-Dec 2008								
<b>U.S. Integrated</b>											
Exxon Mobil Corporation	XOM	H	79.95	1.07	443,000	6	23	46	25	0.90	
Chevron Corporation	CVX	H	78.21	1.16	200,000	5	12	67	16	0.82	
Marathon Oil Corporation	MRO	H	24.71	1.67	29,300	7	7	60	26	0.64	
ConocoPhillips	COP	B	51.90	1.59	126,000	14	9	57	20	0.59	
<i>Total or Median *</i>	<i>38%</i>	<i>11%</i>	<i>9%</i>		<i>798,000</i>	<i>7</i>	<i>11</i>	<i>58</i>	<i>23</i>	<i>0.73</i>	
<b>Europe</b>											
BG Group	BRGXF		15.06	1.08	55,000		29	46	25	0.80	
BP plc	BP	H	47.75	1.46	218,000	8	14	62	15	0.73	
Total S.A.	TOT	B	54.61	1.14	140,000		25	52	23	0.64	
Royal Dutch Shell plc	RDS-A	H	52.90	1.26	206,000	3	23	44	31	0.63	
StatoilHydro ASA (29%)	STO	B	16.01	1.39	20,600		43	57		0.54	
<i>Total or Median *</i>	<i>31%</i>	<i>14%</i>	<i>18%</i>		<i>640,000</i>		<i>25</i>	<i>52</i>		<i>0.64</i>	
<b>Brazil/China/Russia</b>											
CNOOC Limited (34%)	CEO	H	93.06	1.00	14,200		12	88		0.69	
PetroChina Company Ltd (14%)	PTR	B	86.94	1.12	24,900		14	69	17	0.61	
Petrobras	PBR		23.36	1.36	139,000		13	77	10	0.54	
Gazprom (50%)	OGZPY	B	16.83	1.40	73,000		80	20		0.33	
Lukoil Oil Company	LUKOY	H	38.60	1.06	34,700			61	39	0.30	
<i>Total or Median *</i>	<i>14%</i>	<i>14%</i>	<i>18%</i>		<i>286,000</i>			<i>69</i>		<i>0.54</i>	
<b>U.S. Independent</b>											
San Juan Basin Royalty Trust	SJT	H	26.75	1.00	1,250	100				0.79	
Anadarko Petroleum Corp.	APC	H	37.31	1.94	33,900	54		42	4	0.73	
XTO Energy Inc.	XTO	B	35.84	1.60	31,600	77		23		0.70	
EOG Resources	EOG	H	69.14	1.12	19,500	71	7	22		0.69	
Encore Acquisition Company	EAC	H	21.80	2.23	2,600	18		83		0.65	
Occidental Petroleum Corp.	OXY	H	54.77	1.11	49,700	12	1	79	8	0.64	
Energy Partners Ltd.	EPL		2.18	9.37	660	38		62		0.63	
Devon Energy Corporation	DVN	B	67.30	1.20	36,000	64		36		0.62	
Chesapeake Energy Corp.	CHK		15.65	2.62	24,100	91		9		0.57	
Hugoton Royalty Trust	HGT	B	17.05	1.00	680	100				0.57	
Berry Petroleum Company	BRY	H	8.43	4.63	1,760	42		58		0.55	
Cimarex Energy Company	XEC	B	27.11	1.26	2,880	65		35		0.44	
<i>Total or Median *</i>	<i>10%</i>	<i>33%</i>	<i>36%</i>		<i>205,000</i>	<i>64</i>				<i>0.64</i>	
<b>Canada</b>											
Imperial Oil Limited (30%)	IMO	H	32.97	1.07	9,400	5		80	16	0.70	
Encana Corporation	ECA	B	44.62	1.41	47,300	68		29	4	0.67	
Pengrowth Energy Trust	PGH		7.94	1.93	3,810	34		66		0.66	
Penn West Energy Trust	PWE	H	11.44	1.86	8,300	28		72		0.58	
Canadian Natural Resources	CNQ	H	37.69	1.54	31,300	26		74		0.55	
Enerplus Resources Fund	ERF		20.04	1.24	4,080	56		44		0.51	
Birchcliff Energy Ltd. (US\$)	BIR.TO		3.92	1.41	650	75		25		0.48	
Canadian Oil Sands Trust	COSWF	B	17.69	1.11	9,500			100		0.45	
Suncor Energy	SU	H	20.56	1.31	25,600	3		92	5	0.44	
Petro-Canada	PCZ	H	22.44	1.40	15,200	11	3	70	16	0.41	
<i>Total or Median *</i>	<i>7%</i>	<i>28%</i>	<i>18%</i>		<i>155,000</i>			<i>71</i>		<i>0.53</i>	
<b>Composite</b>											
<i>Enterprise Value Weighting</i>	<i>100%</i>				<i>2,084,000</i>	<i>12</i>	<i>17</i>	<i>54</i>	<i>17</i>	<i>0.65</i>	
<i>Equal Weighting</i>		<i>100%</i>				<i>32</i>	<i>10</i>	<i>60</i>	<i>9</i>	<i>0.61</i>	
<i>Equal Weighted Buys</i>			<i>100%</i>			<i>35</i>	<i>16</i>	<i>43</i>	<i>6</i>	<i>0.56</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.											



# Meter Reader

A Weekly Analysis of Energy Stocks Using the McDep Ratio

December 16, 2008

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 Ratio
	B = Buy	15-Dec			(US\$mm)	(US\$/sh)		
	H = Hold	2008		(mm)				
<b>U.S. Integrated</b>								
Exxon Mobil Corporation	XOM	H	79.95	5,160	413,000	90.00	0.06	0.90
Chevron Corporation	CVX	H	78.21	2,206	173,000	98.00	0.11	0.82
Marathon Oil Corporation	MRO	H	24.71	711	17,570	48.00	0.26	0.64
ConocoPhillips	COP	B	51.90	1,528	79,000	109.00	0.22	0.59
<i>Total or Median</i>					683,000		0.17	0.73
<b>Europe</b>								
BG Group plc	BRGXF		15.06	3,382	50,930	19.00	0.06	0.80
BP plc	BP	H	47.75	3,124	149,000	74.00	0.23	0.73
Total S.A.	TOT	B	54.61	2,244	123,000	90.00	0.08	0.64
Royal Dutch Shell plc	RDS-A	H	52.90	3,080	163,000	92.00	0.13	0.63
StatoilHydro ASA (29%)	STO	B	16.01	924	14,790	35.00	0.15	0.54
<i>Total or Median</i>					501,000		0.13	0.64
<b>Brazil/China/Russia</b>								
CNOOC Limited (34%)	CEO	H	93.06	152	14,170	135.00	-	0.69
PetroChina Company Ltd (14%)	PTR	B	86.94	256	22,270	150.00	0.06	0.61
Petrobras	PBR		23.36	4,387	102,480	50.00	0.14	0.54
Gazprom (50%)	OGZPY	B	16.83	3,080	51,800	64.00	0.10	0.33
Lukoil Oil Company	LUKOY	H	38.60	848	33,000	135.00	0.02	0.30
<i>Total or Median</i>					224,000		0.06	0.54
<b>U.S. Independent</b>								
San Juan Basin Royalty Trust	SJT	H	26.75	47	1,250	34.00	-	0.79
Anadarko Petroleum Corp.	APC	H	37.31	468	17,500	64.00	0.35	0.73
XTO Energy Inc.	XTO	B	35.84	552	19,780	60.00	0.26	0.70
EOG Resources	EOG	H	69.14	251	17,400	104.00	0.08	0.69
Encore Acquisition Company	EAC	H	21.80	54	1,170	48.00	0.36	0.65
Occidental Petroleum Corp.	OXY	H	54.77	818	44,800	89.00	0.06	0.64
Energy Partners Ltd.	EPL		2.18	32	70	14.00	0.57	0.63
Devon Energy Corporation	DVN	B	67.30	446	30,000	116.00	0.10	0.62
Chesapeake Energy Corp.	CHK		15.65	588	9,200	46.00	0.36	0.57
Hugoton Royalty Trust	HGT	B	17.05	40	680	30.00	-	0.57
Berry Petroleum Company	BRY	H	8.43	46	380	40.00	0.43	0.55
Cimarex Energy Company	XEC	B	27.11	85	2,290	70.00	0.09	0.44
<i>Total or Median</i>					144,500		0.18	0.64
<b>Canada</b>								
Imperial Oil Limited (30%)	IMO	H	32.97	265	8,740	48.00	0.05	0.70
Encana Corporation	ECA	B	44.62	751	33,500	75.00	0.20	0.67
Pengrowth Energy Trust	PGH		7.94	249	1,980	16.00	0.32	0.66
Penn West Energy Trust	PWE	H	11.44	390	4,460	27.00	0.27	0.58
Canadian Natural Resources	CNQ	H	37.69	541	20,400	85.00	0.19	0.55
Enerplus Resources Fund	ERF		20.04	165	3,300	44.00	0.10	0.51
Birchcliff Energy Ltd. (US\$)	BIR.TO		3.92	117	460	10.00	0.14	0.48
Canadian Oil Sands Trust	COSWF	B	17.69	482	8,530	42.00	0.04	0.45
Suncor Energy	SU	H	20.56	953	19,590	55.00	0.10	0.44
Petro-Canada	PCZ	H	22.44	484	10,860	67.00	0.12	0.41
<i>Total or Median</i>					112,000		0.13	0.53
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.

Page 4



# Meter Reader

A Weekly Analysis of Energy Stocks Using the McDep Ratio

December 16, 2008

Oil and Gas Producers - Value Multiples and Distribution Yield								
			Price	Adjustd			Divd or	
	Symbol/Rating		(US\$/sh)	Resrvs/	PV/	EV/	Distrib	
	B = Buy	15-Dec	Prod	Ebitda	Ebitda	P/E	NTM	
	H = Hold	2008	NTM	NTM	NTM	NTM	(%)	
<b>U.S. Integrated</b>								
Exxon Mobil Corporation	XOM	H	79.95	12.9	9.0	8.0	16	2.0
Chevron Corporation	CVX	H	78.21	9.6	8.8	7.3	15	3.3
ConocoPhillips	COP	B	51.90	11.0	9.5	5.6	11	3.6
Marathon Oil Corporation	MRO	H	24.71	8.5	8.0	5.1	9	3.9
	<i>Total or Median</i>			<i>10.3</i>	<i>8.9</i>	<i>6.4</i>	<i>13</i>	<i>3.5</i>
<b>Europe</b>								
BG Group plc	BRGXF		15.06	7.6	9.8	7.9	16	1.1
BP plc	BP	H	47.75	9.9	8.7	6.3	11	7.0
Total S.A.	TOT	B	54.61	9.4	8.4	5.4	11	5.5
Royal Dutch Shell plc	RDS-A	H	52.90	7.9	7.8	4.9	10	6.0
StatoilHydro ASA (29%)	STO	B	16.01	8.0	8.5	4.6	13	7.7
	<i>Total or Median</i>			<i>8.0</i>	<i>8.5</i>	<i>5.4</i>	<i>11</i>	<i>6.0</i>
<b>Brazil/China/Russia</b>								
Petrobras	PBR		23.36	10.2	12.2	6.6	14	3.7
CNOOC Limited (34%)	CEO	H	93.06	8.8	9.6	6.6	14	5.1
PetroChina Company Ltd (14%)	PTR	B	86.94	14.3	9.4	5.7	17	4.8
Gazprom (50%)	OGZPY	B	16.83	24.6	8.1	2.7	3	2.3
Lukoil Oil Company	LUKOY	H	38.60	18.2	6.9	2.1	4	3.6
	<i>Total or Median</i>			<i>14.3</i>	<i>9.4</i>	<i>5.7</i>	<i>14</i>	<i>3.7</i>
<b>U.S. Independent</b>								
San Juan Basin Royalty Trust	SJT	H	26.75	10.7	14.7	11.6	14	7.0
Hugoton Royalty Trust	HGT	B	17.05	13.1	14.0	7.9	11	8.7
Encore Acquisition Company	EAC	H	21.80	13.4	11.9	7.8	56	-
XTO Energy Inc.	XTO	B	35.84	11.4	11.0	7.8	17	1.3
Energy Partners Ltd.	EPL		2.18	9.8	11.7	7.4		-
Anadarko Petroleum Corp.	APC	H	37.31	10.1	9.4	6.9	438	1.9
Occidental Petroleum Corp.	OXY	H	54.77	11.8	10.5	6.7	17	2.3
Chesapeake Energy Corp.	CHK		15.65	11.1	11.7	6.7	11	1.9
EOG Resources	EOG	H	69.14	9.1	9.2	6.4	21	0.8
Devon Energy Corporation	DVN	B	67.30	9.4	10.0	6.2	23	1.0
Berry Petroleum Company	BRY	H	8.43	9.6	10.5	5.8	6	3.6
Cimarex Energy Company	XEC	B	27.11	7.4	9.1	4.0	32	0.9
	<i>Total or Median</i>			<i>10.4</i>	<i>10.8</i>	<i>6.8</i>	<i>17</i>	<i>1.6</i>
<b>Canada</b>								
Canadian Oil Sands Trust	COSWF	B	17.69	23.3	22.4	10.0	19	5.6
Imperial Oil Limited (30%)	IMO	H	32.97	14.5	12.9	9.0	16	1.0
Birchcliff Energy Ltd. (US\$)	BIR.TO		3.92	6.9	18.0	8.6		-
Canadian Natural Resources	CNQ	H	37.69	8.8	12.6	6.9	14	0.9
Pengrowth Energy Trust	PGH		7.94	9.1	10.2	6.7		27.6
Suncor Energy	SU	H	20.56	22.5	14.9	6.5	11	0.8
Encana Corporation	ECA	B	44.62	8.4	8.4	5.7	15	3.6
Penn West Energy Trust	PWE	H	11.44	7.7	9.3	5.4	60	28.9
Enerplus Resources Fund	ERF		20.04	10.0	10.3	5.2	12	18.4
Petro-Canada	PCZ	H	22.44	6.9	8.5	3.5	8	2.9
	<i>Total or Median</i>			<i>8.9</i>	<i>11.4</i>	<i>6.6</i>	<i>14</i>	<i>3.2</i>
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								



# Meter Reader

A Weekly Analysis of Energy Stocks Using the McDep Ratio

December 16, 2008

Oil and Gas Producers - Rank by Price to 200-Day Average								
			Price (\$/sh)			Price/ 60-Day	Price/ 200-Day	McDep
	Symbol	Rating	15-Dec 2008	60-Day Average	200-Day Average	Average	Average	Ratio
<b>U.S. Integrated</b>								
Exxon Mobil Corporation	XOM	H	79.95	74.74	82.10	1.07	0.97	0.90
Chevron Corporation	CVX	H	78.21	73.72	85.51	1.06	0.91	0.82
ConocoPhillips	COP	B	51.90	55.26	75.34	0.94	0.69	0.59
Marathon Oil Corporation	MRO	H	24.71	28.46	42.18	0.87	0.59	0.64
<i>Median</i>						1.00	0.80	0.73
<b>Europe</b>								
BP plc	BP	H	47.75	46.78	59.18	1.02	0.81	0.73
Royal Dutch Shell plc	RDS-A	H	52.90	52.47	67.52	1.01	0.78	0.63
Total S.A.	TOT	B	54.61	52.96	70.09	1.03	0.78	0.64
BG Group plc	BRGXF		75.30	71.69	102.62	1.05	0.73	0.80
StatoilHydro ASA (29%)	STO	B	16.01	18.56	28.50	0.86	0.56	0.54
<i>Median</i>						1.02	0.78	0.64
<b>Brazil/China/Russia</b>								
PetroChina Company Ltd (10%)	PTR	B	86.94	82.86	117.37	1.05	0.74	0.61
CNOOC Limited (34%)	CEO	H	93.06	85.49	136.79	1.09	0.68	0.69
Lukoil Oil Company	LUKOY	H	38.60	39.54	73.21	0.98	0.53	0.30
Petrobras	PBR		23.36	27.39	49.15	0.85	0.48	0.54
Gazprom (50%)	OGZPY	B	16.83	19.25	40.97	0.87	0.41	0.33
<i>Median</i>						0.98	0.53	0.54
<b>U.S. Independent</b>								
Occidental Petroleum Corp.	OXY	H	54.77	54.19	73.11	1.01	0.75	0.64
San Juan Basin Royalty Trust	SJT	H	26.75	33.23	37.90	0.80	0.71	0.79
Devon Energy Corporation	DVN	B	67.30	75.47	97.72	0.89	0.69	0.62
XTO Energy Inc.	XTO	B	35.84	36.58	52.30	0.98	0.69	0.70
EOG Resources	EOG	H	69.14	77.25	105.74	0.89	0.65	0.69
Anadarko Petroleum Corp.	APC	H	37.31	37.71	57.72	0.99	0.65	0.73
Hugoton Royalty Trust	HGT	B	17.05	22.05	28.16	0.77	0.61	0.57
Cimarex Energy Company	XEC	B	27.11	35.03	52.21	0.77	0.52	0.44
Encore Acquisition Company	EAC	H	21.80	28.61	46.44	0.76	0.47	0.65
Chesapeake Energy	CHK		15.65	22.55	42.95	0.69	0.36	0.57
Energy Partners Ltd.	EPL		2.18	4.83	10.14	0.45	0.22	0.63
Berry Petroleum Company	BRY	H	8.43	20.42	39.87	0.41	0.21	0.55
<i>Median</i>						0.79	0.63	0.64
<b>Canada</b>								
Imperial Oil Limited (30%)	IMO	H	32.97	33.29	47.08	0.99	0.70	0.70
Encana Corporation	ECA	B	44.62	48.35	70.35	0.92	0.63	0.67
Petro-Canada	PCZ	H	22.44	24.22	41.54	0.93	0.54	0.41
Enerplus Resources Fund	ERF		20.04	25.69	38.17	0.78	0.53	0.51
Canadian Natural Resources	CNQ	H	37.69	47.15	73.50	0.80	0.51	0.55
Pengrowth Energy Trust	PGH		7.94	10.65	16.37	0.75	0.48	0.66
Birchcliff Energy Ltd. (C\$)	BIR.TO		4.83	6.15	10.11	0.79	0.48	0.48
Penn West Energy Trust	PWE	H	11.44	16.84	26.12	0.68	0.44	0.58
Suncor Energy	SU	H	20.56	25.09	46.96	0.82	0.44	0.44
Canadian Oil Sands Trust	COSWF	B	17.69	28.67	41.72	0.62	0.42	0.45
<i>Median</i>						0.79	0.50	0.53
Source: Bloomberg, McDep, Yahoo								



# Meter Reader

A Weekly Analysis of Energy Stocks Using the McDep Ratio

December 16, 2008

## Index of Recent Research

### Stock Ideas

<u>Date</u>	<u>Symbol</u>	<u>Subject</u>	<u>Theme</u>
10-Dec	COSWF	Canadian Oil Sands Trust	Budget Quarterly Distribution of C\$0.25 a Unit
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)

### Meter Reader

9-Dec	Weekly	China/Russia Oil and Gas for Growth
2-Dec	Weekly	European Oils for Dividends
25-Nov	* Weekly	Canada On Sale
18-Nov	* Weekly	Natural Gas Buys - DVN, ECA, and XTO

### Oil and Gas Income Stocks

12-Dec	Weekly	Favorites at Favorable Prices
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)

### 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

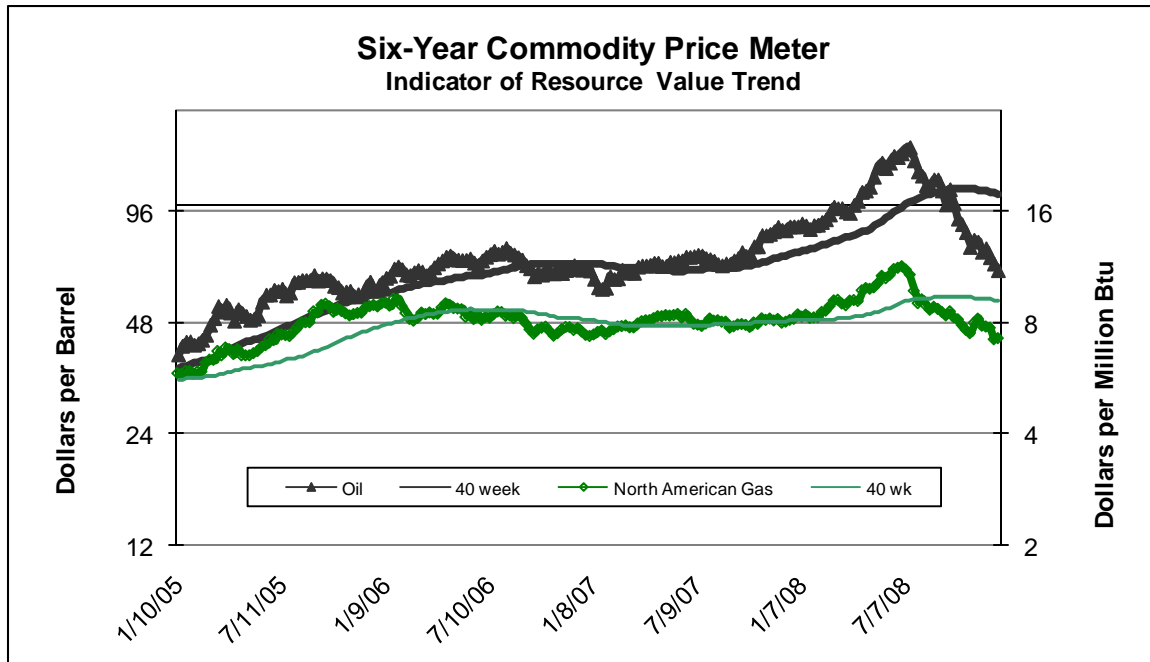
\* Archived on [www.mcdep.com](http://www.mcdep.com)



# Meter Reader

A Weekly Analysis of Energy Stocks Using the McDep Ratio

December 16, 2008



**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.

McDep does not investment banking business. McDep is not paid by covered companies including revenue from advertising, trading, consulting, subscriptions or research service. McDep shall not own more than 1% of outstanding stock in a covered company. No one at McDep is on the Board of Directors at a covered company nor is anyone at a covered company on the Board of Directors of McDep.

McDep or its employees may take positions in stocks the firm covers for research purposes. No trades in a subject stock shall be made within a week before or after a change in recommendation.

**Certification:** I, Kurt H. Wulff, certify that the views expressed in this research analysis accurately reflect my personal views about the subject securities and issuers. No part of my compensation was, is, or will be directly or indirectly related to the specific recommendations or views contained in this research analysis.

**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.