

Cenovus Energy (CVE) Oil Growth Slowed by Transit States

<i>Symbol</i>	CVE	<i>Ebitda Next Twelve Months ending 3/31/15 (US\$mm)</i>	4,200
<i>Rating</i>		<i>North American Natural Gas/Ebitda (%)</i>	9
<i>Price (US\$/sh)</i>	27.25	<i>Natural Gas and Oil Production/Ebitda (%)</i>	79
<i>Pricing Date</i>	3/24/14	<i>Adjusted Reserves/Production NTM</i>	13.8
<i>Shares (mm)</i>	757	<i>EV/Ebitda</i>	6.5
<i>Market Capitalization (US\$mm)</i>	20,600	<i>PV/Ebitda</i>	9.1
<i>Debt (US\$mm)</i>	6,800	<i>Undeveloped Reserves (%)</i>	74
<i>Enterprise Value (EV) (US\$mm)</i>	27,400	<i>Natural Gas and Oil Ebitda (US\$/boe)</i>	40.06
<i>Present Value (PV) (US\$mm)</i>	38,600	<i>Present Value Proven Reserves(US\$/boe)</i>	15.86
<i>Net Present Value (US\$/share)</i>	42	<i>Ebitda Margin NTM (%)</i>	67
<i>Debt/Present Value</i>	0.18	<i>Earnings Next Twelve Months (US\$/sh)</i>	1.90
<i>McDep Ratio - EV/PV</i>	0.71	<i>Price/Earnings Next Twelve Months</i>	14
<i>Dividend Yield (%/year)</i>	3.5	<i>Indicated Annual Dividend (US\$/sh)</i>	0.95
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\$90 a barrel and natural gas, \$6 a million btu.			
For historical analysis of Cenovus since 2009 see www.mcdep.com/2cve.htm			

Summary and Recommendation

Oil-rich **Cenovus Energy (CVE)** trades at a low McDep Ratio of 0.71 while transportation delays take a toll on stock price and the Canadian dollar. Canada has a transit state problem with the U.S., British Columbia and indigenous tribes, much as Russia has a transit state problem with Ukraine (see map on page 2). Transit states can obstruct the through transportation of another state's goods. Russia partially bypasses Ukraine with a pipeline under the Baltic Sea direct to Germany. Canada's parallel option may be tanker transport from Hudson Bay through the warming waters of the Arctic Ocean to China. The urgency to expand oil transportation is increasing as the U.S. imports less and China imports more (see chart [Net Imports](#) on page 2). Meanwhile, slow progress on satisfying transit states is contributing to slight reductions in CVE management's forecast of oil production growth (see chart [Business Plan](#) on page 3). There are technical explanations for operating shortfalls at CVE and other Canadian oil producers. At the same time, we think there is logical justification to slow production in order to make maintenance investments for more profitable operation when more oil can be transported to global markets. In any case, we seem to be in a period that requires extra patience for investors in Canadian oil. While waiting, investors in CVE receive a growing dividend currently at a 3.6% annual yield. CVE stock at \$27 a share looks attractive compared to our estimated Net Present Value (NPV) of \$42 a share (see tables [Functional Cash Flow and Present Value](#) on page 3 and [Next Twelve Months Operating and Financial Estimates](#) on page 4). Those basic estimates suggest valuation upside whereas the company's strong financial position at a modest ratio of Debt to Present Value at 0.18 cushions the impact of any downside surprises.

Kurt H. Wulff, CFA

Committing to pipeline expansions for market access

Current pipeline access:

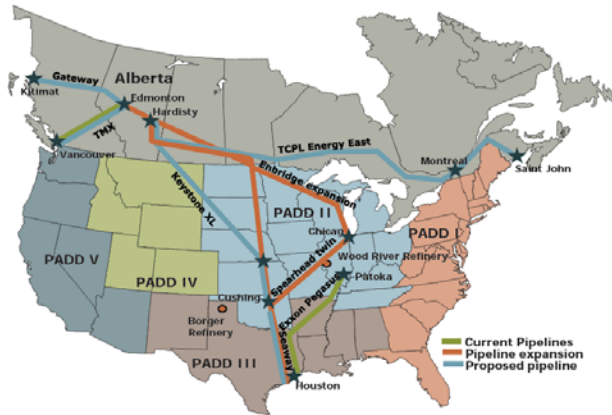
- West Coast:
Trans Mountain - 11,500 bbls/d

Adding pipeline commitments:

- US Gulf Coast:
Enbridge US Gulf Coast access - 75,000 bbls/d
Keystone XL - 75,000 bbls/d
- East Coast:
TCPL Energy East to Saint John, NB
200,000 bbls/d
- West Coast:
Trans Mountain & Northern Gateway up to
175,000 bbls/d

Using rail to provide flexibility:

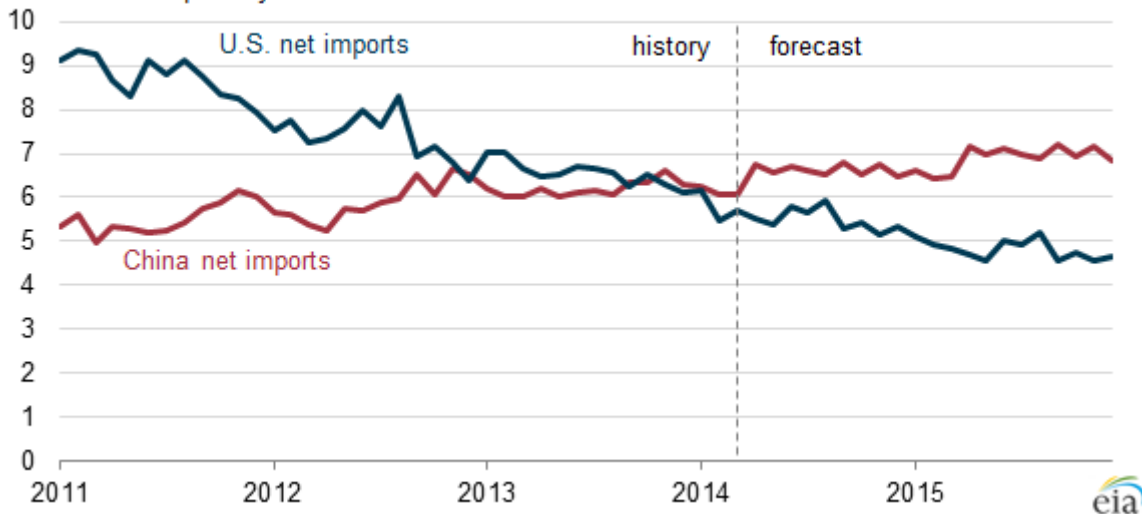
- 10,000 barrels per day at Q4 2013
- Scaling up to 30,000 barrels per day through 2014

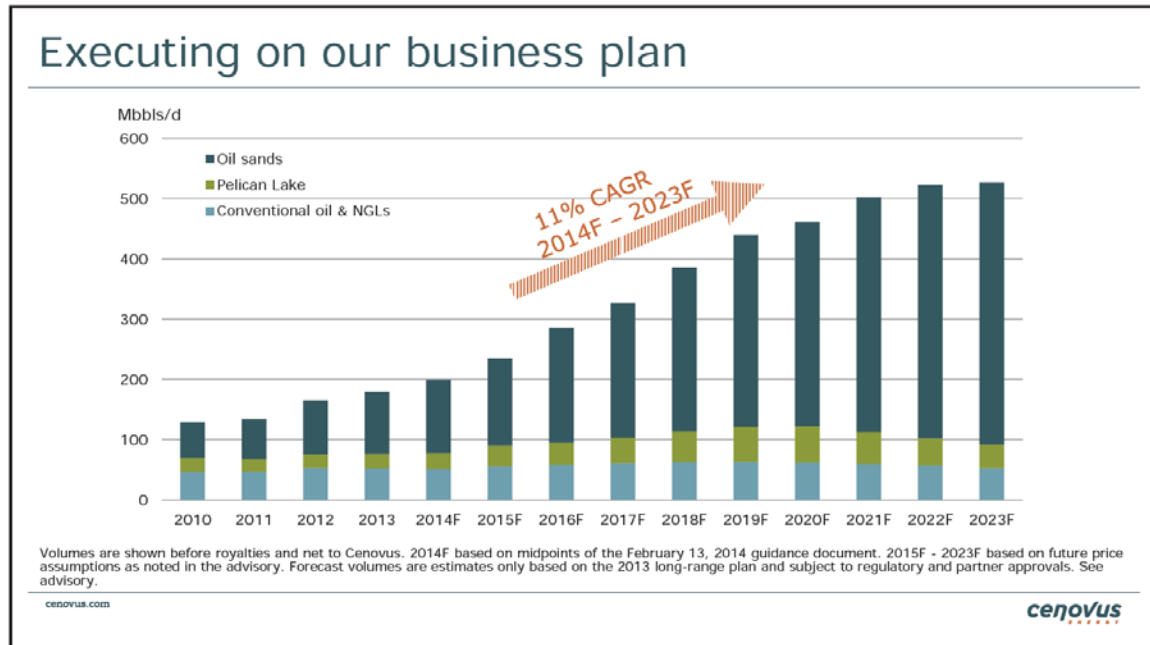


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Comparison of net petroleum and other liquids imports for China and the United States million barrels per day





Cenovus Energy Inc.					
Functional Cash Flow and Present Value					
	<i>NTM</i>	<i>Adjusted</i>	<i>PV/</i>	<i>Present</i>	
	<i>Ebitda</i>	<i>R/P</i>	<i>Ebitda</i>	<i>Value</i>	
North American Natural Gas	380	5.2	9.5	3,600	9%
Oil	3,370	16.9	8.6	29,000	75%
Downstream	1,000		6.0	6,000	16%
	4,750	13.8	8.1	38,600	100%
Debt					6,800
Net Present Value (\$mm)					31,800
Shares					757
Net Present Value - Standard Estimate (US\$/sh)					42
NPV Approximation by Cash Flow Multiple Depending on Reserve Life (US\$/sh)					45



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A Weekly Analysis of Oil and Gas Stocks

March 25, 2014

Cenovus Energy Inc.										
Next Twelve Months Operating and Financial Estimates										
(Canadian Dollars)										
	Year	Q1	Q4	Year	Q1E	Q2E	Q3E	Q4E	Year	Next Twelve Months
	2012	3/31/13	12/31/13	2013	3/31/14	6/30/13	9/30/14	12/31/14	2014E	3/31/15
Volume										
Natural Gas (mmcf)	594	545	514	529	495	477	459	442	468	451
Days	366	90	92	365	90	91	92	92	365	365
Oil (mmb)	61	16.2	17.4	65	17.5	18.2	19.0	19.6	74	77
Oil (mbd)	166	180	189	179	195	201	207	213	204	210
Total (mmb)	97	24	25	98	25	25	26	26	103	104
Total (mbd)	265	271	275	268	277	280	283	286	282	285
Price										
Henry Hub (US\$/mmbtu)	2.79	3.34	3.60	3.65	4.95	4.29	4.34	4.41	4.50	4.39
Currency (US\$/C\$)	1.00	0.99	0.95	0.97	0.89	0.89	0.89	0.89	0.89	0.89
Henry Hub (C\$/mmbtu)	2.78	3.36	3.78	3.76	5.54	4.80	4.86	4.93	5.03	4.92
Differential	0.37	0.11	0.57	0.45	0.84	0.73	0.73	0.75	0.22	0.22
Company (\$/mcf)	2.42	3.25	3.21	3.20	4.70	4.08	4.12	4.19	4.28	4.17
WTI Cushing (US\$/bbl)	94.16	94.41	97.46	97.98	98.65	92.62	96.95	94.28	95.63	93.92
WTI Cushing (C\$/bbl)	94.12	95.13	102.26	100.93	110.44	103.69	108.55	105.56	107.06	105.15
Differential	28.45	41.03	42.85	30.77	36.90	34.65	36.27	35.27	24.37	23.91
Company (\$/bbl)	65.71	54.10	59.41	67.21	73.54	69.05	72.28	70.29	71.26	70.01
Total (\$/bbl)	46.56	42.50	46.89	51.37	60.06	56.40	59.43	58.67	58.64	58.14
Revenue (\$mm)										
Natural Gas	526	159	152	618	210	177	174	170	731	686
Oil	3,984	876	1,033	4,398	1,288	1,260	1,373	1,376	5,297	5,358
Royalties	(387)	(58)	(80)	(336)	(101)	(101)	(109)	(109)	(420)	(426)
Other	12,720	3,341	3,642	13,977	3,642	3,642	3,642	3,642	14,569	14,569
Total	16,842	4,319	4,747	18,657	5,039	4,978	5,081	5,079	20,177	20,188
Expense										
	12,718	3,203	3,881	14,365	3,857	3,837	3,871	3,870	15,435	15,439
Ebitda (\$mm)										
Natural Gas and Oil	2,857	588	715	3,156	932	891	960	959	3,742	3,749
Other	1,267	528	151	1,136	250	250	250	250	1,000	1,000
Total	4,124	1,116	866	4,292	1,182	1,141	1,210	1,209	4,742	4,749
Deprec., Deplet., & Amor	1,585	455	468	1,833	468	468	468	468	1,872	1,872
Hedging and other	(327)	(41)	(27)	219					-	-
Interest	346	96	99	433	99	99	99	99	396	396
Ebt										
	2,520	606	326	1,806	615	574	643	642	2,474	2,481
Income tax	882	212	114	632	215	201	225	225	866	868
Net Income (\$mm)										
	1,638	394	212	1,174	400	373	418	417	1,608	1,612
Per share (\$)	2.16	0.52	0.28	1.55	0.53	0.49	0.55	0.55	2.12	2.13
Shares (millions)										
	758	758	757	758	757	757	757	757	757	757
Ebitda Margin (NG&Oil)	69%	60%	65%	67%	67%	67%	67%	67%	67%	67%
Tax rate	35%	35%	35%	35%	35%	35%	35%	35%	35%	35%



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Symbol/Rating B = Buy, CB (see below)	Price (US\$/sh)	EV/ Market Cap	Enterprise Value (\$mm)	Present Value by Segment (%)					Dist. Yield NTM (%)	McDep Ratio	
				North Amer.	Rest of World	Oil Prod'n	Down- stream				
				Natural Gas	Natural Gas	Oil Prod'n	Down- stream				
Global Integrated											
Exxon Mobil Corporation	XOM	B	94.64	1.21	499,000	8	19	57	17	2.7	0.94
Total S.A.	TOT		64.12	1.36	198,000		21	62	16	5.3	0.85
Royal Dutch Shell plc	RDS-A		71.38	1.36	304,000	4	22	57	17	5.0	0.80
Chevron Corporation	CVX		115.85	1.19	264,000	4	11	72	13	3.5	0.80
Lukoil Oil Company	LUKOY	CB	52.10	1.18	47,700			75	25	5.3	0.43
<i>Total or Median</i>				<i>1.21</i>	<i>1,313,000</i>			<i>62</i>	<i>17</i>	<i>5.0</i>	<i>0.80</i>
U.S. Independent											
Occidental Petroleum Corp.	OXY		93.87	1.13	85,000	9	1	79	11	3.1	0.88
EOG Resources, Inc.	EOG		189.60	1.12	58,000	18	4	78		0.5	0.87
Marathon Oil Corporation	MRO	CB	34.23	1.45	34,900	7	4	89		2.2	0.76
ConocoPhillips	COP		67.56	1.41	118,000	15	15	71		4.1	0.75
Devon Energy Corporation	DVN	B	63.91	1.41	36,700	45		55		1.5	0.71
<i>Total or Median</i>				<i>1.41</i>	<i>333,000</i>	<i>15</i>		<i>78</i>		<i>2.2</i>	<i>0.76</i>
Canada/Australia											
Woodside Petroleum Ltd.	WOPEY		35.23	1.15	33,000		70	30		5.8	0.98
Imperial Oil Limited (30%)	IMO		45.70	1.25	14,500	2		79	19	1.0	0.90
EnCana Corporation	ECA	B	20.48	1.57	23,800	81		19		1.4	0.77
Cenovus Energy Inc.	CVE		27.25	1.33	27,400	9		75	16	3.5	0.71
Canadian Oil Sands Limited	COSWF	B	19.84	1.25	12,000			100		6.3	0.64
<i>Total or Median</i>				<i>1.25</i>	<i>111,000</i>			<i>75</i>		<i>3.5</i>	<i>0.77</i>
Small Cap Independent Producers											
Range Resources	RRC	B	86.33	1.27	17,700	63		37		0.2	0.97
Cimarex Energy Company	XEC	B	115.77	1.13	11,400	41		59		0.6	0.93
Continental Resources (32%)	CLR	B	119.24	1.23	8,700	16		84		-	0.90
Peyto Exploration and Developm	PEYUF		31.65	1.19	5,600	81		19		2.0	0.88
PDC Energy	PDCE		61.28	1.27	2,800	27		73		-	0.85
Birchcliff Energy Ltd.	BIREF	B	9.31	1.38	2,100	69		31		-	0.83
Whiting Petroleum Corporation	WLL	B	67.95	1.34	10,800	7		93		-	0.81
Halcón Resources	HK		3.83	3.19	5,000	6		94		-	0.79
WPX Energy Inc.	WPX		18.56	1.71	6,400	70		30		-	0.77
<i>Total or Median</i>				<i>1.27</i>	<i>71,000</i>	<i>41</i>		<i>59</i>		<i>-</i>	<i>0.85</i>
RTF Cash Payers											
Mesa Royalty Trust	MTR		25.43	1.00	50	79		21		8.4	1.01
Freehold Royalties Ltd.	FRHLF		20.54	1.04	1,440	20		80		7.3	0.98
Dorchester Minerals, L.P.	DMPL	B	25.82	1.00	790	50		50		7.4	0.92
Enduro Royalty Trust	NDRO		12.64	1.00	420	37		63		8.1	0.90
San Juan Basin Royalty Trust	SJT	B	17.65	1.00	820	100		-		8.3	0.84
Sabine Royalty Trust	SBR		49.26	1.00	720	47		53		9.2	0.77
Cross Timbers Royalty Trust	CRT		31.79	1.00	190	64		36		10.4	0.76
Permian Basin RT	PBT		13.24	1.00	620	26		74		7.7	0.74
Hugoton Royalty Trust	HGT		7.92	1.00	320	88		13		12.3	0.66
<i>Total or Median</i>				<i>1.00</i>	<i>5,400</i>	<i>50</i>		<i>50</i>		<i>8.3</i>	<i>0.84</i>

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

Estimated present value presumes a long-term price for oil of US\$90 a barrel and natural gas, \$6 a million btu.

McDep Ratio = Market cap and Debt to present value of oil and gas and other businesses



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A Weekly Analysis of Oil and Gas Stocks

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			<i>Price</i> (US\$/sh)	<i>Shares</i>	<i>Market</i> <i>Cap</i> (US\$m)	<i>Net</i> <i>Present</i> <i>Value</i> (US\$/sh)	<i>Debt/</i> <i>Present</i> <i>Value</i>	<i>McDep</i> <i>Ratio</i>
	<i>Symbol/Rating</i>		<i>24-Mar</i> <i>2014</i>	<i>(mm)</i>				
	B = Buy, CB (see below)							
Global Integrated								
Exxon Mobil Corporation	XOM	B	94.64	4,361	413,000	102.00	0.16	0.94
Total S.A.	TOT		64.12	2,276	146,000	80.00	0.22	0.85
Royal Dutch Shell plc	RDS-A		71.38	3,138	224,000	95.00	0.21	0.80
Chevron Corporation	CVX		115.85	1,919	222,000	150.00	0.13	0.80
Lukoil Oil Company	LUKOY	CB	52.10	776	40,400	135.00	0.07	0.43
	<i>Total or Median</i>				<i>1,045,000</i>		<i>0.16</i>	<i>0.80</i>
U.S. Independent								
Occidental Petroleum Corp.	OXY		93.87	802	75,300	108.00	0.10	0.88
EOG Resources, Inc.	EOG		189.60	274	52,000	220.00	0.09	0.87
Marathon Oil Corporation	MRO	CB	34.23	701	24,000	50.00	0.24	0.76
ConocoPhillips	COP		67.56	1,241	84,000	100.00	0.21	0.75
Devon Energy Corporation	DVN	B	63.91	407	26,000	100.00	0.21	0.71
	<i>Total or Median</i>				<i>261,300</i>		<i>0.21</i>	<i>0.76</i>
Canada/Australia								
Woodside Petroleum Ltd.	WOPEY		35.23	823	29,000	36.00	0.13	0.98
Imperial Oil Limited (30%)	IMO		45.70	255	11,700	52.00	0.18	0.90
EnCana Corporation	ECA	B	20.48	736	15,100	30.00	0.28	0.77
Cenovus Energy Inc.	CVE		27.25	757	20,600	42.00	0.18	0.71
Canadian Oil Sands Limited	COSWF	B	19.84	485	9,600	34.00	0.13	0.64
	<i>Total or Median</i>				<i>86,000</i>		<i>0.18</i>	<i>0.77</i>
Small Cap Independent Producers								
Range Resources	RRC	B	86.33	161	13,900	90.00	0.21	0.97
Cimarex Energy Company	XEC	B	115.77	87	10,100	125.00	0.11	0.93
Continental Resources (32%)	CLR	B	119.24	59	7,100	135.00	0.17	0.90
Peyto Exploration and Development Corp.	PEYUF		31.65	149	4,700	37.00	0.14	0.88
PDC Energy	PDCE		61.28	36	2,200	75.00	0.18	0.85
Birchcliff Energy Ltd.	BIREF	B	9.31	163	1,500	12.00	0.23	0.83
Whiting Petroleum Corporation	WLL	B	67.95	119	8,100	90.00	0.20	0.81
Halcón Resources	HK		3.83	412	1,600	7.00	0.55	0.79
WPX Energy Inc.	WPX		18.56	201	3,700	28.00	0.32	0.77
	<i>Total or Median</i>				<i>53,000</i>		<i>0.20</i>	<i>0.85</i>
RIF Cash Payers								
Mesa RoyaltyTrust	MTR		25.43	2	50	25.00	-	1.01
Freehold Royalties Ltd.	FRHLF		20.54	68	1,390	21.00	0.04	0.98
Dorchester Minerals, L.P.	DMLP	B	25.82	31	790	28.00	-	0.92
Enduro Royalty Trust	NDRO		12.64	33	420	14.00	-	0.90
San Juan Basin Royalty Trust	SJT	B	17.65	47	820	21.00	-	0.84
Sabine Royalty Trust	SBR		49.26	15	720	64.00	-	0.77
Cross Timbers Royalty Trust	CRT		31.79	6	190	42.00	-	0.76
Permian Basin RT	PBT		13.24	47	620	18.00	-	0.74
Hugoton RoyaltyTrust	HGT		7.92	40	320	12.00	-	0.66
	<i>Total or Median</i>				<i>5,300</i>		<i>-</i>	<i>0.84</i>

CB=Contrarian Buy, Stock Price may be in downtrend compared to 200-day average.
 Estimated present value presumes a long-term price for oil of US\$90 a barrel and natural gas, \$6 a million btu.
 McDep Ratio = Market cap and Debt to present value of oil and gas and other businesses
 NPV (\$/sh) changes since 2/24/14: EOG, 220 from 180; CLR, 135 from 120; WLL, 90 from 75; WPX 28 from 26.
 NPV (\$/sh) changes since 3/10/14: PEYUF, 37 from 34



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Table 3									
McDep Energy Stocks									
Value Multiples and Dividend									
Ranked by EV/Ebitda									
			Price (US\$/sh)	Adjustd Resrvs/ Prod	PV/ Ebitda	EV/ Ebitda	P/E	Dividend	
	Symbol/Rating		24-Mar 2014	NTM	NTM	NTM	NTM	NTM	
	B = Buy, CB (see below)							(\$/sh)	
Global Integrated									
	Exxon Mobil Corporation	XOM	B	94.64	13.5	7.4	6.9	12	2.52
	Royal Dutch Shell plc	RDS-A		71.38	9.9	6.9	5.5	15	3.60
	Total S.A.	TOT		64.12	9.9	6.5	5.5	10	3.38
	Chevron Corporation	CVX		115.85	9.1	6.8	5.4	11	4.00
	Lukoil Oil Company	LUKOY	CB	52.10	15.4	5.8	2.5	4	2.77
	<i>Median</i>				9.9	6.8	5.5	11	
U.S. Independent									
	EOG Resources, Inc.	EOG		189.60	7.8	7.2	6.3	20	2.88
	Occidental Petroleum Corp.	OXY		93.87	10.4	7.0	6.2	16	2.76
	ConocoPhillips	COP		67.56	11.6	8.1	6.0	12	1.00
	Devon Energy Corporation	DVN	B	63.91	10.3	8.3	6.0	14	0.96
	Marathon Oil Corporation	MRO	CB	34.23	10.6	7.5	5.7	13	0.76
	<i>Median</i>				10.4	7.5	6.0	14	
Canada/Australia									
	Imperial Oil Limited (30%)	IMO		45.70	23.9	10.5	9.4	12	0.46
	EnCana Corporation	ECA	B	20.48	6.8	11.6	8.9	14	0.28
	Woodside Petroleum Ltd.	WOPEY		35.23	9.5	8.4	8.2	18	2.06
	Canadian Oil Sands Limited	COSWF	B	19.84	20.8	10.6	6.8	12	1.25
	Cenovus Energy Inc.	CVE		27.25	13.8	9.1	6.5	14	0.95
	<i>Median</i>				13.8	10.5	8.2	14	
Small Cap Independent Producers									
	Range Resources	RRC	B	86.33	14.4	12.2	11.8	41	0.16
	Peyto Exploration and Development Corp.	PEYUF		31.65	8.5	10.0	8.8	16	0.64
	PDC Energy	PDCE		61.28	17.3	9.9	8.5	30	-
	Birchcliff Energy Ltd.	BIREF	B	9.31	15.2	9.4	7.8	20	-
	WPX Energy Inc.	WPX		18.56	8.6	9.9	7.7		-
	Continental Resources (32%)	CLR	B	119.24	11.4	7.9	7.1	16	-
	Cimarex Energy Company	XEC	B	115.77	7.8	7.4	6.9	17	0.64
	Halcón Resources	HK		3.83	6.1	8.2	6.5	10	-
	Whiting Petroleum Corporation	WLL	B	67.95	8.2	6.1	4.9	24	-
	<i>Median</i>				8.6	9.4	7.7	18	
RTF Cash Payers									
	San Juan Basin Royalty Trust	SJT	B	17.65	10.7	13.3	11.2	12	1.47
	Sabine Royalty Trust	SBR		49.26	9.0	14.2	10.9	11	4.52
	Dorchester Minerals, L.P.	DMLP	B	25.82	7.2	11.4	10.5	17	1.91
	Freehold Royalties Ltd.	FRHLF		20.54	4.2	10.2	10.0	21	1.50
	Mesa Royalty Trust	MTR		25.43	5.2	9.3	9.4	12	2.14
	Cross Timbers Royalty Trust	CRT		31.79	12.2	11.8	9.0	10	3.31
	Permian Basin RT	PBT		13.24	9.7	10.4	7.6	13	1.02
	Enduro Royalty Trust	NDRO		12.64	7.3	8.3	7.4	12	1.02
	Hugoton Royalty Trust	HGT		7.92	13.5	10.9	7.2	8	0.97
	<i>Median</i>				9.0	10.9	9.4	12	
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 March 31, 2015; P/E = Stock Price to Earnings; PV = Present Value of oil and gas and other businesses									



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Table 4									
McDep Energy Stocks									
Total Return and Enterprise Value Momentum									
Ranked by EV/200-Day Average									
				Equity					
			Price	Total					
			(\$/sh)	Return	Enterprise Value/				
	Symbol		24-Mar	YTD	52Wk	52Wk	50 Day	200 Day	McDep
		Rating	2014	(%)	High	Low	Avg.	Avg.	Ratio
Global Integrated									
Total S.A.	TOT		64.12	6	0.98	1.26	1.04	1.08	0.85
Royal Dutch Shell plc	RDS-A		71.38	1	0.97	1.10	1.00	1.04	0.80
Exxon Mobil Corporation	XOM	B	94.64	(6)	0.94	1.09	1.00	1.02	0.94
Chevron Corporation	CVX		115.85	(6)	0.92	1.05	1.00	0.97	0.80
Lukoil Oil Company	LUKOY	CB	52.10	(17)	0.81	1.05	0.94	0.89	0.43
	<i>Median</i>			(6)	0.94	1.09	1.00	1.02	0.80
U.S. Independent									
EOG Resources, Inc.	EOG		189.60	13	0.98	1.58	1.06	1.14	0.87
Devon Energy Corporation	DVN	B	63.91	4	0.97	1.17	1.02	1.05	0.71
Occidental Petroleum Corp.	OXY		93.87	(1)	0.95	1.19	1.01	1.01	0.88
ConocoPhillips	COP		67.56	(3)	0.93	1.13	1.01	1.00	0.75
Marathon Oil Corporation	MRO	CB	34.23	(2)	0.93	1.11	1.02	0.99	0.76
	<i>Median</i>			(1)	0.95	1.17	1.02	1.01	0.76
Canada/Australia									
EnCana Corporation	ECA	B	20.48	14	0.99	1.14	1.06	1.08	0.77
Imperial Oil Limited (30%)	IMO		45.70	4	0.98	1.18	1.04	1.06	0.90
Canadian Oil Sands Limited	COSWF	B	19.84	7	0.96	1.09	1.04	1.03	0.64
Woodside Petroleum Ltd.	WOPEY		35.23	5	0.90	1.11	1.03	1.01	0.98
Cenovus Energy Inc.	CVE		27.25	(4)	0.89	1.05	1.02	0.97	0.71
	<i>Median</i>			5	0.96	1.11	1.04	1.03	0.77
Small Cap Independent Producers									
Cimarex Energy Company	XEC	B	115.77	10	0.97	1.68	1.07	1.20	0.93
Birchcliff Energy Ltd.	BIREF	B	9.31	36	1.00	1.27	1.09	1.16	0.83
Whiting Petroleum Corporation	WLL	B	67.95	10	0.95	1.39	1.06	1.12	0.81
Continental Resources (32%)	CLR	B	119.24	6	0.96	1.47	1.04	1.11	0.90
Range Resources	RRC	B	86.33	2	0.96	1.16	1.01	1.06	0.97
PDC Energy	PDCE		61.28	15	0.86	1.43	1.10	1.06	0.85
Peyto Exploration and Development	PEYUF		31.65	4	0.96	1.20	1.01	1.05	0.88
WPX Energy Inc.	WPX		18.56	(9)	0.86	1.13	1.01	0.98	0.77
Halcón Resources	HK		3.83	(1)	0.74	1.06	1.01	0.94	0.79
	<i>Median</i>			6	0.96	1.27	1.04	1.06	0.85
RTF Cash Payers									
Mesa RoyaltyTrust	MTR		25.43	22	0.97	1.26	1.09	1.13	1.01
Cross Timbers Royalty Trust	CRT		31.79	10	1.00	1.27	1.05	1.09	0.76
San Juan Basin Royalty Trust	SJT	B	17.65	7	0.97	1.26	1.02	1.06	0.84
Dorchester Minerals, L.P.	DMLP	B	25.82	1	0.98	1.14	1.02	1.05	0.92
Hugoton RoyaltyTrust	HGT		7.92	7	0.79	1.14	0.94	0.98	0.66
Permian Basin RT	PBT		13.24	4	0.81	1.09	1.03	0.98	0.74
Sabine Royalty Trust	SBR		49.26	(1)	0.90	1.08	0.98	0.96	0.77
Freehold Royalties Ltd.	FRHLF		20.54	(0)	0.85	1.05	1.01	0.94	0.98
Enduro Royalty Trust	NDRO		12.64	6	0.75	1.07	0.96	0.91	0.90
	<i>Median</i>			6	0.90	1.14	1.02	0.98	0.84

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

Source: Bloomberg, Yahoo, McDep LLC



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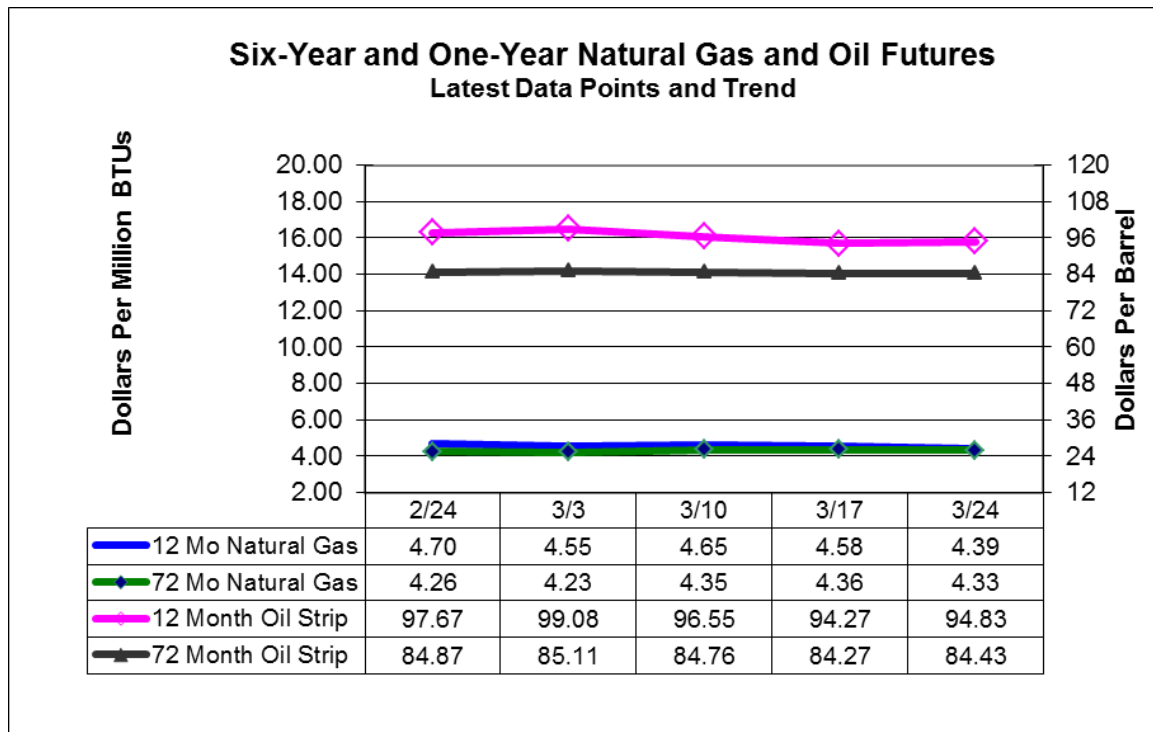
Index of Recent Research			
Stock Ideas			
<u>Date</u>	<u>Symbol</u>	<u>Subject</u>	<u>Theme</u>
18-Mar	PBT	Permian Basin Royalty Trust	Rising Oil Production, Understated Income (Meter Reader)
11-Mar	LUKOY	Lukoil	Economic Opportunity in Political Risk (Meter Reader)
4-Mar	EOG	EOG Resources	Raise NPV to \$220 on Shale Oil Leadership (Meter Reader)
25-Feb	XEC	Cimarex Energy	More Upside Ahead (Meter Reader)
21-Feb	DMLP	Dorchester Minerals, L.P.	Raise NPV to \$28 on Shale Oil
21-Feb	PDCE	PDC Energy	Raise NPV to \$75 on More Shale Oil
18-Feb	ECA	Encana Corporation	Leveraged to Natural Gas Price (Meter Reader)
13-Feb	BIREF	Birchcliff Energy	Cash Flow Estimate Up 30%
11-Feb	SJT	San Juan Basin Royalty Trust	Strategic Resource in a Cold Winter (Meter Reader)
4-Feb	XOM	Exxon Mobil	Largest and Strongest Oil and Gas Producer (Meter Reader)
21-Jan	RDSA	Royal Dutch Shell plc	Lower NPV to \$95 on Profit Warning (Meter Reader)
17-Dec	MRO	Marathon Oil	New CEO Accelerates Shale Growth (Meter Reader)
26-Nov	DVN	Devon Energy	Acquires \$6 Billion Eagle Ford Position (Meter Reader)
19-Nov	CLR	Continental Resources	High Density "Ears Back" Drilling Pace (Meter Reader)
5-Nov	COSWF	Canadian Oil Sands Ltd.	Time to Explore New Options (Meter Reader)
31-Oct	RRC	Range Resources	Core Owner in Largest Producing Field
29-Oct	WLL	Whiting Petroleum	Fracking Productivity Leaps 50% (Meter Reader)
4-Oct	NDRO	Enduro Royalty Trust	Worth Another Look after Stock Price Decline
27-Sep	WPX	WPX Energy	San Juan Basin Innovator (Income and Small Cap Weekly)
17-Sep	COP	ConocoPhillips	Fracking Upside in Eagle Ford, Bakken and Permian (Meter Reader)
13-Sep	CRT	Cross Timbers Royalty Trust	Fracking Upside in Permian and Scoop (Income and Small Cap Weekly)
10-Sep	OXY	Occidental Petroleum	Permian Late Bloomer (Meter Reader)
23-Jul	WOPEY	Woodside Petroleum, Ltd.	Distributing LNG Cash (Meter Reader)
31-May	HGT	Hugoton Royalty Trust	Beating the Bear (Income and Small Cap Weekly)
21-May	IMO	Imperial Oil	Timely on Bitumen Price (Meter Reader)
30-Apr	TOT	Total	Recovery Potential (Meter Reader)
19-Apr	HK	Halcón Resources	Fourth Core Area - El Halcón ("The Hawk") (Inc. and Small Cap Wkly)
16-Apr	CVX	Chevron	Deflation Resistance (Meter Reader)
12-Apr	MTR	Mesa Royalty Trust	RTF Stealth Play on Long-Life Natural Gas (Income and Small Cap Wkly)
5-Apr	SBR	Sabine Royalty Trust	Accelerating Volume Growth (Income and Small Cap Weekly)
28-Mar	PEYUF	Peyto Exploration and Development	Raise NPV to \$32 for Fracking Winner (Income and Small Cap Weekly)
For historical research by stock, go to mcdep.com , click on Stock Ideas , click on stock by name.			
Meter Reader			
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28-Jan	SJT, HGT, MTR, BIREF		Arctic Cold Strengthens Natural Gas Price
10-Dec			Fracking Investment Strategy
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Industry Ideas			
28-Jan			Arctic Cold Strengthens Natural Gas Price (Meter Reader)
9-Jan		RTF Cash Payers	Trustee Change Proposed
7-Jan			Six-Year Futures Up in 2014 (Meter Reader)
24-Dec		RTF Cash Payers	Rising RTF Cash in 2014 (Meter Reader)



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