

XOM, RDS, CVX, TOT **Global Energy Stalwarts**

					Present Value by Segment (%)				Dist. Yield	McDep Ratio
					Price (US\$/sh)	EV/Market Cap	Enterprise Value (\$mm)	Natural Gas		
Symbol/Rating		3-Aug 2015								
Global Integrated										
Royal Dutch Shell (BG pro form)	RDS-A	57.18	1.55	346,000					6.6	0.89
Exxon Mobil Corporation	XOM	77.78	1.25	409,000	8	9	60	23	3.8	0.87
Chevron Corporation	CVX B	85.56	1.35	217,000	3	6	68	23	5.0	0.82
Total S.A.	TOT B	48.95	1.52	170,000		12	60	28	5.5	0.77
<i>Total or Median</i>			<i>1.43</i>	<i>1,142,000</i>			<i>60</i>	<i>23</i>	<i>5.2</i>	<i>0.85</i>

Summary and Recommendation

Integrated oil and gas producers **ExxonMobil (XOM)**, **Royal Dutch Shell (RDS)**, **Chevron (CVX)** and **Total (TOT)** are thriving downstream while surviving upstream. Lower oil price promotes increased demand for downstream refined products and petrochemicals while reducing raw material cost. Cost cutting in production operations partly offsets the negative impact on revenue upstream. Results for the second quarter reported July 29-31 demonstrate underlying strength in cash flow. We illustrate the changes in charts for the four companies and single point medians. Whether oil price declines further in the near term, we can't say. In our lifetime, oil price has always recovered from a sharp downtrend as we have been experiencing for the past year. Considering that the four global energy stalwarts have excellent long-term dividend reliability, we think the income yields alone at a median 5% a year make for attractive investments. Our buys are the two lowest McDep Ratio stocks CVX and TOT. We also think XOM and RDS are attractively priced to be important components of the diversified McDep Portfolio.

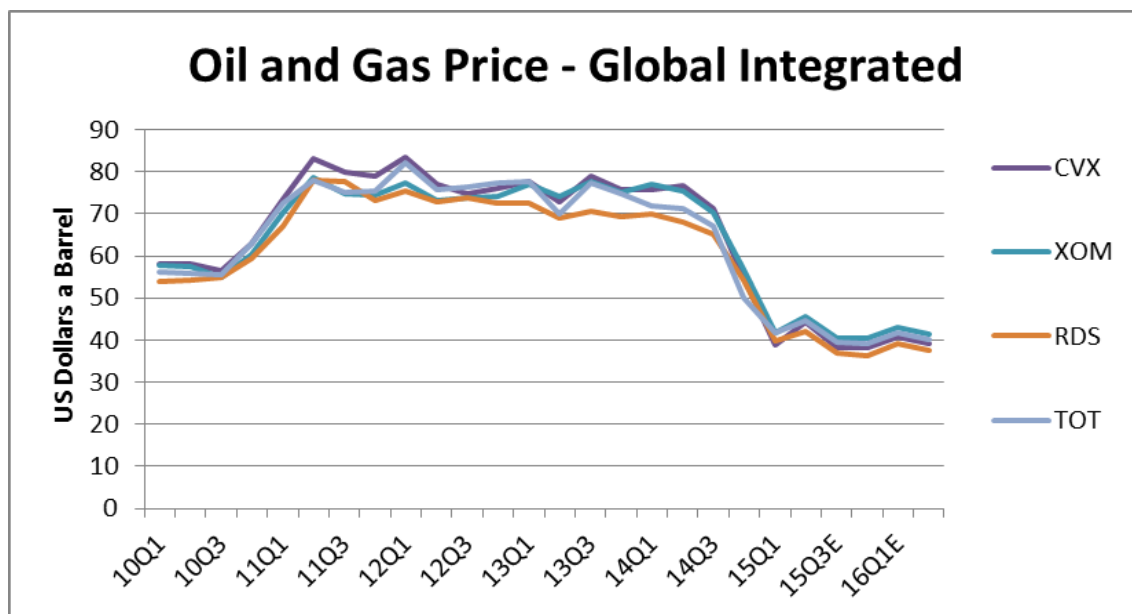
Volume, Costs, and Downstream Mitigate Price Impact

Oil and gas price declined a median 39% to near \$40 a barrel equivalent in the second quarter compared to a year ago (see chart Price on page 2). Volume was up a median 3% to partly offset the negative impact of price (see chart Volume on page 3). Cash flow margin declined a median 9% while companies start to reduce costs in order to uphold margin (see chart Ebitda Margin on page 3). The combined effect of price, volume and costs reduced upstream cash flow by a median 48% (see chart Ebitda - Production on page 4). On the bright side, downstream cash flow was up 76% (see Ebitda - Downstream on page 4). Combined cash flow from the two primary business segments

was down 26% (see chart Ebitda on page 5). Earnings per share, a more volatile measure than cash flow, were down 50% (see chart EPS on page 5).

On the basis of recent futures prices, net unfavorable quarterly comparisons are likely to persist for the next two quarters (see tables Operating and Financial Estimates on pages 6-9). Estimates of Net Present Value (NPV) take account of next twelve months cash flow, adjusted reserve life and a long-term oil price of \$70 a barrel (see tables Present Value on pages 10-11). McDep Ratios measure potential unlevered appreciation for the four Global Integrated stocks as well as the other 20 stocks in our coverage (see Tables 1-4 on pages 12-15).

Kurt H. Wulff, CFA



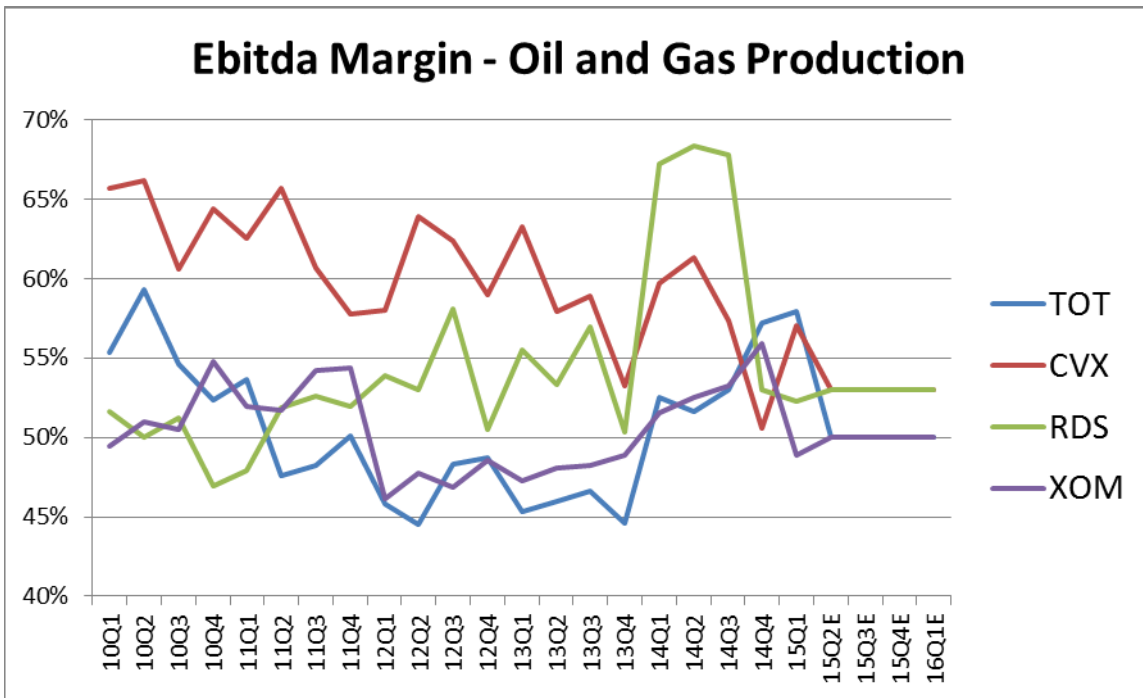
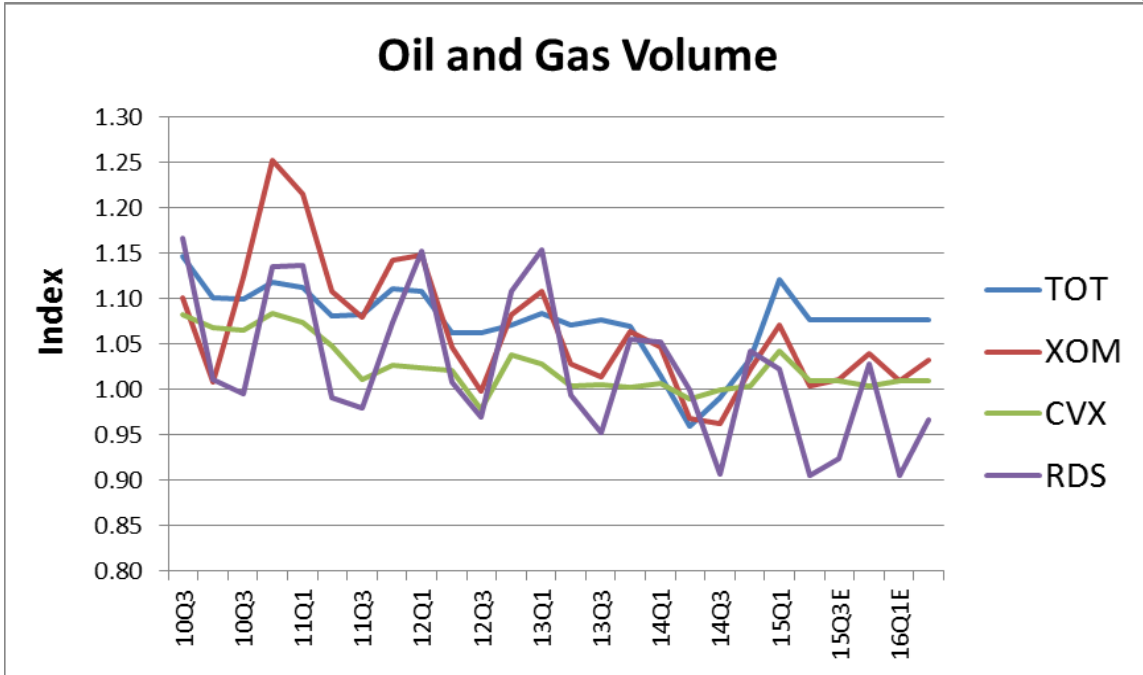


Industry Idea

Analysis of Oil and Gas Stocks

August 3, 2015

Intraday



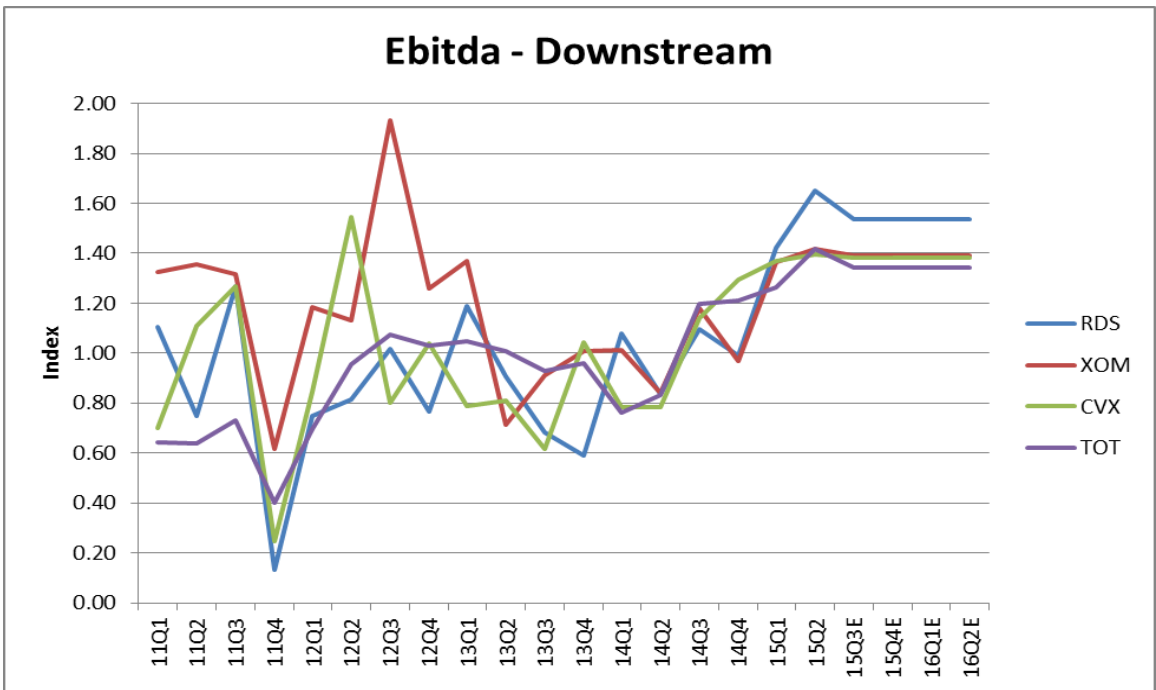
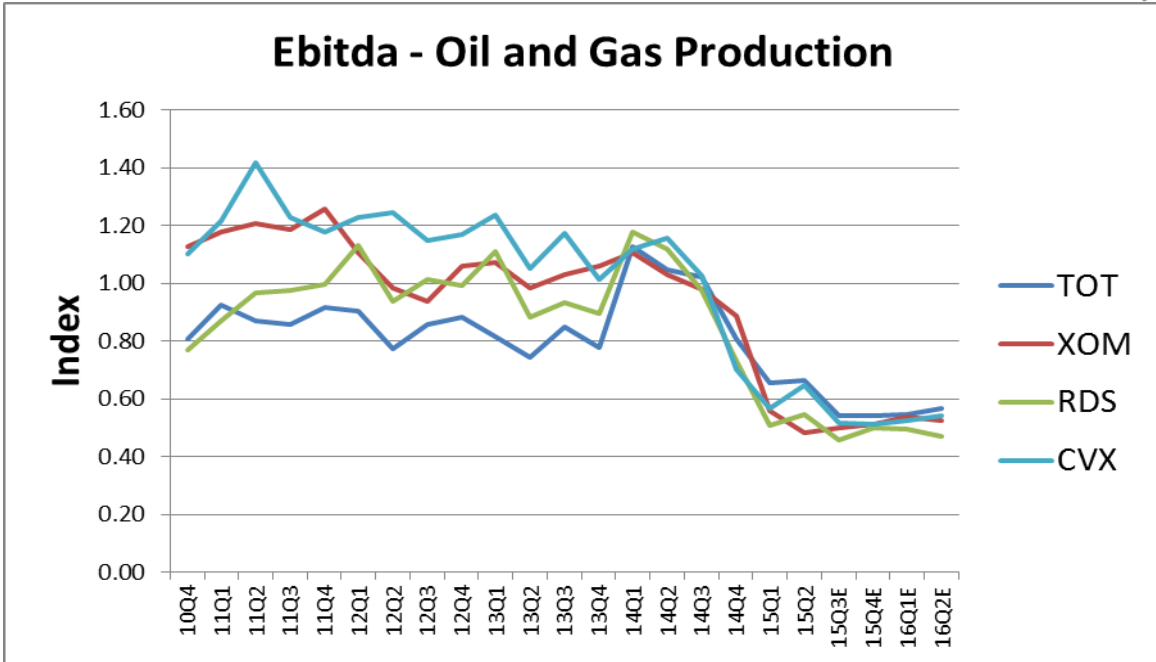


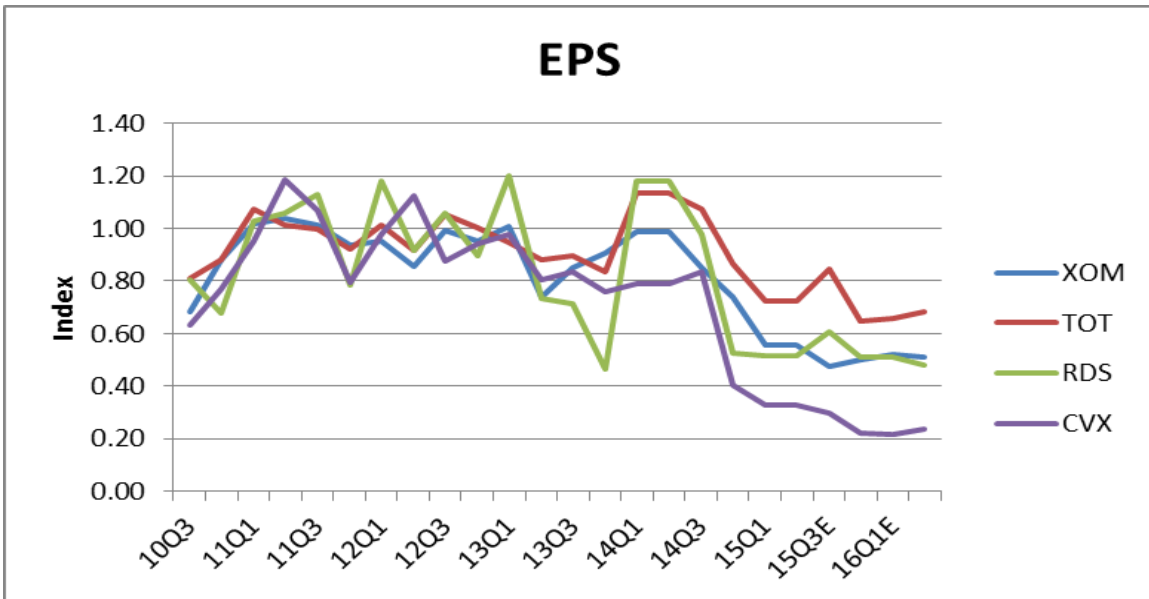
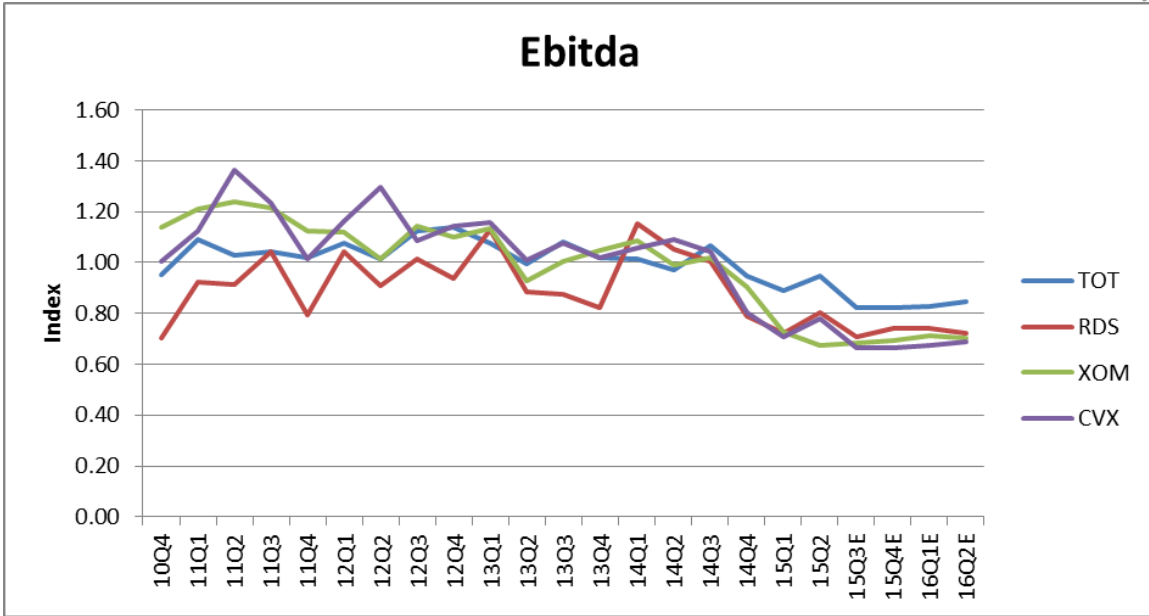
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Analysis of Oil and Gas Stocks

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Analysis of Oil and Gas Stocks

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Intraday

Chevron										
Next Twelve Months Operating and Financial Estimates										
	Q1	Year	Q1	Q2	Q3E	Q4E	Year	Q1E	Q2E	Next Twelve Months
	3/31/14	2014	3/31/15	6/30/15	9/30/15	12/31/15	2015E	3/31/16	6/30/16	6/30/16
Volume										
Natural Gas (mmcf)										
U.S.	1,212	1,250	1,257	1,312	1,312	1,312	1,298	1,312	1,312	1,312
Rest of World	4,041	3,917	4,026	3,931	3,935	3,834	3,931	4,026	3,931	3,931
Total	5,253	5,167	5,283	5,243	5,247	5,146	5,229	5,338	5,243	5,243
Oil (mbd)	1,713	1,710	1,801	1,722	1,722	1,722	1,741	1,722	1,722	1,722
Total gas & oil (mbd)	2,589	2,571	2,682	2,596	2,597	2,580	2,613	2,612	2,596	2,596
Price										
Natural gas (\$/mcf)										
Henry Hub (\$/mmbtu)	4.95	4.43	2.99	2.66	2.79	2.89	2.83	3.14	2.98	2.95
U.S.	4.77	3.90	2.27	1.92	2.02	1.99	2.05	2.16	2.05	2.05
Rest of World	6.02	5.78	5.01	4.48	4.48	4.48	4.61	4.48	4.48	4.48
Total	5.73	5.32	4.36	3.84	3.86	3.84	3.98	3.91	3.87	3.87
Oil (\$/bbl)										
WTI Cushing	98.74	93.04	48.62	57.94	48.38	48.22	50.79	50.27	51.99	49.72
Worldwide	96.78	88.59	44.94	55.17	46.07	45.92	47.99	47.87	49.51	47.33
Total gas & oil (\$/bbl)	75.68	69.61	38.77	44.35	38.36	38.32	39.94	39.55	40.66	39.22
Revenue (\$mm)										
Natural Gas										
U.S.	520	1,779	257	229	244	240	969	255	244	982
Rest of World	2,189	8,263	1,815	1,603	1,622	1,580	6,620	1,623	1,603	6,428
Total	2,710	10,042	2,072	1,832	1,865	1,820	7,589	1,878	1,847	7,410
Oil	14,921	55,279	7,285	8,645	7,299	7,274	30,503	7,419	7,758	29,750
Other	35,634	146,649	25,201	29,880	29,880	29,880	114,841	29,880	29,880	119,521
Total	53,265	211,970	34,558	40,357	39,044	38,974	152,934	39,177	39,485	156,681
Expense (\$mm)										
Production	7,097	27,618	4,017	4,378	4,307	4,274	16,976	4,369	4,514	17,465
Other	34,075	138,686	22,477	27,105	27,131	27,131	103,844	27,131	27,131	108,523
Ebitda (\$mm)										
Exploration and Production	10,533	37,703	5,340	6,099	4,857	4,820	21,116	4,927	5,091	19,695
Other	1,560	7,963	2,724	2,775	2,749	2,749	10,998	2,749	2,749	10,998
Total Ebitda	12,093	45,666	8,064	8,874	7,606	7,569	32,113	7,677	7,840	30,692
Exploration	415	1,985	592	1,075	1,075	1,075	3,817	1,075	1,075	4,300
Deprec., Deplet., & Amort.	4,130	16,793	4,411	4,998	4,400	4,400	18,209	4,552	4,552	17,905
Ebit	7,548	26,888	3,061	2,801	2,131	2,094	10,087	2,049	2,213	8,488
Interest	-	-	-	-	-	-	-	-	-	-
Ebt	7,548	26,888	3,061	2,801	2,131	2,094	10,087	2,049	2,213	8,488
Income Tax	2,642	9,411	1,071	980	746	733	3,531	717	775	2,971
Net Income (\$mm)										
Exploration and Production	4,510	15,466	1,038	637			1,675			
Other	638	3,648	1,369	1,349			2,718			
Unallocated	(242)	(1,637)	(418)	(165)			(583)			
Total	4,906	17,477	1,989	1,821	1,385	1,361	6,557	1,332	1,438	5,517
Shares (millions)										
Per share (\$)	2.57	9.20	1.06	0.97	0.74	0.73	3.49	0.71	0.77	2.94
Ebitda Margin (E&P)	60%	58%	57%	58%	53%	53%	55%	53%	53%	53%
Tax Rate	35%	35%	35%	35%	35%	35%	35%	35%	35%	35%



Industry Idea

Analysis of Oil and Gas Stocks

August 3, 2015

Intraday

Exxon Mobil Corporation										
Next Twelve Months Operating and Financial Estimates										
	Q2	Year	Q1	Q2	Q3E	Q4E	Year	Q1E	Q2E	Next
	6/30/14	2014	3/31/15	6/30/15	9/30/15	12/31/15	2015E	3/31/16	6/30/16	Twelve
										Months
										6/30/16
Volume										
Natural Gas (mmcf)										
North America	3,737	3,715	3,530	3,415	3,381	3,347	3,418	3,314	3,280	3,331
Overseas	7,013	7,431	8,298	6,713	6,843	7,468	7,327	8,215	6,646	7,290
Total	10,750	11,145	11,828	10,128	10,224	10,815	10,744	11,529	9,926	10,620
Oil (mbd)	2,048	2,106	2,277	2,291	2,305	2,319	2,298	2,332	2,346	2,325
Total gas & oil (mmb)	349	1,447	382	362	369	379	1,492	383	364	1,495
Total gas & oil (mbd)	3,840	3,964	4,248	3,979	4,009	4,121	4,089	4,254	4,001	4,096
Price										
Natural gas (\$/mcf)										
Henry Hub (\$/mmbtu)	4.67	4.43	2.99	2.66	2.79	2.89	2.83	3.14	2.98	2.95
U.S.	4.46	4.22	2.53	2.31	2.43	2.51	2.44	3.14	2.98	2.76
International	9.00	9.34	7.53	6.49	6.49	6.49	6.78	6.49	6.49	6.49
Total	7.42	7.63	6.04	5.08	5.15	5.26	5.40	5.53	5.33	5.32
Oil (\$/bbl)										
WTI Cushing	102.98	93.04	48.62	57.94	48.38	48.22	50.79	50.27	51.99	49.72
Worldwide	102.56	91.09	46.24	56.90	47.52	47.36	49.50	48.99	50.67	48.64
Total gas & oil (\$/bbl)	75.48	69.86	41.60	45.69	40.45	40.44	42.01	41.84	42.94	41.41
Revenue (\$mm)										
Natural Gas										
U.S.	1,517	5,724	804	718	755	773	3,050	935	888	3,351
International	5,744	25,318	5,624	3,965	4,086	4,459	18,133	4,798	3,925	17,268
Total	7,260	31,042	6,427	4,682	4,841	5,232	21,182	5,733	4,813	20,619
Oil	19,115	70,032	9,477	11,863	10,076	10,102	41,517	10,285	10,820	41,282
Other	85,272	312,112	51,714	57,568	57,568	57,568	224,417	57,568	57,568	230,271
Total	111,647	413,186	67,618	74,113	72,484	72,901	287,116	73,586	73,201	292,172
Expense (\$mm)										
Production	12,516	47,348	8,406	10,088	8,204	8,433	35,131	8,810	8,598	34,045
Other	82,324	298,060	46,922	52,584	52,680	52,680	204,866	52,680	52,680	210,719
Ebitda (\$mm)										
Exploration and Production	13,859	53,726	7,498	6,458	6,712	6,900	27,568	7,208	7,035	27,855
Other	2,948	14,052	4,792	4,984	4,888	4,888	19,552	4,888	4,888	19,552
Total Ebitda	16,807	67,778	12,290	11,442	11,600	11,788	47,120	12,096	11,923	47,407
Exploration	606	1,943	322	392	392	392	1,498	392	392	1,568
Deprec., Deplet., & Amort.	4,285	17,297	4,300	4,500	4,500	4,500	17,800	4,500	4,500	18,000
Ebit (\$mm)										
Interest	64	286	88	88	88	88	352	88	88	352
Ebt (\$mm)										
Income Tax	4,148	16,888	2,653	2,262	2,317	2,383	9,614	2,491	2,430	9,621
Net Income (\$mm)										
Exploration and Production	6,281	26,218	2,855	2,031						
Other	1,452	7,260	2,649	2,752						
Unallocated	(29)	(2,114)	(577)	(583)						
Total	7,704	31,364	4,927	4,200	4,303	4,425	17,855	4,625	4,513	17,867
Shares (millions)										
Per share (\$)	4,297	4,285	4,211	4,200	4,200	4,200	4,203	4,200	4,200	4,200
Per share (\$)	1.79	7.32	1.17	1.00	1.02	1.05	4.25	1.10	1.07	4.25
Ebitda Margin (E&P)	53%	53%	47%	39%	45%	45%	44%	45%	45%	45%
Tax Rate	35%	35%	35%	35%	35%	35%	35%	35%	35%	35%



Industry Idea

Analysis of Oil and Gas Stocks

August 3, 2015

Intraday

Royal Dutch/Shell										
Next Twelve Months Operating and Financial Estimates										
	Q2	Year	Q1	Q2	Q3E	Q4E	Year	Q1E	Q2E	Next
	6/30/14	2014	3/31/15	6/30/15	9/30/15	12/31/15	2015E	3/31/16	6/30/16	Twelve
										Months
										6/30/16
Volume										
Natural Gas (mmcf)										
Americas	1,691	1,611	1,346	1,418	1,593	1,477	1,459	1,346	1,418	1,459
Rest of World	7,462	7,648	8,075	6,116	6,299	8,305	7,197	8,075	6,116	7,197
Total	9,153	9,259	9,421	7,534	7,892	9,782	8,656	9,421	7,534	8,656
Oil (mbd)	1,499	1,484	1,526	1,484	1,484	1,484	1,494	1,484	1,484	1,484
Total gas & oil (mmb)	275	1,105	279	249	258	286	1,072	275	249	1,068
Total gas & oil (mbd)	3,025	3,027	3,096	2,739	2,799	3,114	2,937	3,054	2,739	2,926
Price										
Natural gas (\$/mcf)										
Henry Hub (\$/mmbtu)	4.67	4.43	2.99	2.66	2.79	2.89	2.83	3.14	2.98	2.95
Americas	4.82	4.44	2.82	2.25	2.36	2.44	2.46	2.73	2.59	2.52
Rest of World	6.75	7.13	6.09	4.95	4.95	4.95	5.26	4.95	4.95	4.95
Total	6.39	6.66	5.62	4.44	4.43	4.57	4.79	4.63	4.50	4.54
Oil (\$/bbl)										
WTI Cushing	102.98	93.04	48.62	57.94	48.38	48.22	50.79	50.27	51.99	49.72
Worldwide	98.08	89.39	46.41	55.31	46.19	46.03	48.46	47.99	49.63	47.45
Total gas & oil (\$/bbl)	67.95	64.19	39.97	42.17	36.96	36.29	38.78	37.60	39.27	37.48
Revenue (\$mm)										
Natural Gas										
Americas	742	2,613	342	290	347	332	1,311	330	334	1,343
Rest of World	4,581	19,894	4,424	2,754	2,867	3,780	13,825	3,596	2,754	12,997
Total	5,322	22,507	4,765	3,044	3,214	4,113	15,136	3,926	3,087	14,340
Oil	13,379	48,411	6,374	7,467	6,305	6,283	26,430	6,408	6,701	25,698
Other	92,521	350,187	54,567	61,890	61,890	61,890	240,238	61,890	61,890	247,562
Total	111,222	421,105	65,706	72,402	71,409	72,286	281,803	72,225	71,679	287,599
Expense (\$mm)	95,523	361,430	54,923	60,406	60,819	61,214	237,362	61,186	60,941	244,161
Ebitda (\$mm)										
Exploration and Production	12,783	45,740	5,825	6,245	5,235	5,718	23,023	5,684	5,384	22,021
Other	2,916	13,935	4,958	5,751	5,355	5,355	21,418	5,355	5,355	21,418
Total Ebitda	15,699	59,675	10,783	11,996	10,590	11,072	44,441	11,038	10,738	43,439
Exploration	1,128	4,224	800	964	964	964	3,692	923	923	3,774
Deprec., Deplet., & Amort.	4,630	18,885	4,604	4,673	4,673	4,673	18,623	4,673	4,673	18,692
Other non cash		-					-			-
Ebit	9,941	36,566	5,379	6,359	4,953	5,435	22,126	5,442	5,142	20,973
Interest	505	1,804	376	466	466	466	1,774	466	466	1,864
Ebt	9,436	34,762	5,003	5,893	4,487	4,969	20,352	4,976	4,676	19,109
Income Tax	3,303	12,167	1,751	2,063	1,570	1,739	7,123	1,742	1,637	6,688
Net Income (\$mm)										
Exploration and Production	4,722	16,505	675	1,037						
Other	1,347	6,265	2,646	2,961						
Unallocated	64	(175)	(69)	(168)						
Total	6,133	22,595	3,252	3,830	2,916	3,230	13,229	3,235	3,040	12,421
Shares (millions)	3,162	3,156	3,189	3,192	3,192	3,192	3,191	3,192	3,192	3,192
Per share (\$)	1.94	7.16	1.02	1.20	0.91	1.01	4.15	1.01	0.95	3.89
Ebitda Margin (E&P)	68%	64%	52%	59%	55%	55%	55%	55%	55%	55%
Tax Rate	35%	35%	35%	35%	35%	35%	35%	35%	35%	35%



Industry Idea

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Intraday

Total S.A.										
Next Twelve Months Operating and Financial Estimates										
	Q2	Year	Q1	Q2	Q3E	Q4E	Year	Q1E	Q2E	Twelve
	6/30/14	2014	3/31/15	6/30/15	9/30/15	12/31/15	2015E	3/31/16	6/30/16	Months
										6/30/16
Volume										
Natural Gas (mmcf/d)	5,867	6,063	6,312	5,910	5,910	5,910	6,009	5,910	5,910	5,910
Oil (mbd)	984	1,034	1,240	1,215	1,215	1,215	1,221	1,215	1,215	1,215
Total gas & oil (mmb)	179	746	206	200	202	202	811	198	200	803
Total gas & oil (mbd)	1,962	2,044	2,292	2,200	2,200	2,200	2,223	2,200	2,200	2,200
Price										
Dollar (euro/\$)	1.37	1.33	1.13	1.11	1.10	1.10	1.11	1.10	1.10	1.10
Natural gas (\$/mmbtu)	6.52	6.57	5.38	4.67	4.67	4.67	4.85	4.67	4.67	4.67
Oil (\$/bbl)										
WTI Cushing	102.98	93.04	48.62	57.94	48.38	48.22	50.79	50.27	51.99	49.72
Brent	109.70	99.10	53.90	61.90	51.69	51.52	54.75	54.19	56.05	53.36
Company	103.00	79.82	49.50	58.20	48.60	48.44	51.48	50.95	52.70	50.16
Total gas & oil (\$/bbl)	71.16	64.82	41.60	44.69	39.39	39.30	41.23	40.69	41.65	40.25
Europe (\$/t)	10.90	18.75	47.10	54.10			50.60			-
Revenue (mm)										
Natural gas	3,481	14,538	3,056	2,512	2,539	2,539	10,646	2,484	2,512	10,074
Oil	9,223	33,830	5,524	6,435	5,433	5,415	22,806	5,572	5,827	22,246
Total production	12,704	48,368	8,580	8,946	7,972	7,954	33,453	8,056	8,338	32,320
Other	49,857	187,754	33,733	35,769	35,769	35,769	141,038	35,769	35,769	143,074
Total	62,561	236,122	42,313	44,715	43,741	43,722	174,491	43,824	44,107	175,394
Expense										
Production	6,140	22,552	3,608	3,808	3,321	3,312	14,050	3,353	3,494	13,480
Other	48,113	179,365	31,082	32,796	32,957	32,957	129,790	32,957	32,957	131,826
Ebitda (mm)										
Production	6,564	25,816	4,972	5,138	4,225	4,215	18,551	4,270	4,419	17,130
Other	1,744	8,389	2,651	2,973	2,812	2,812	11,248	2,812	2,812	11,248
Total Ebitda	8,308	34,205	7,623	8,111	7,037	7,027	29,799	7,082	7,231	28,378
Exploration	301	1,964	637	352	352	352	1,693	352	352	1,408
Deprec., Deplet., & Amort.	2,929	11,839	2,826	2,831	2,831	2,831	11,319	2,831	2,831	11,324
Excess tax and other	(505)		351	864						
Operating Income										
Upstream	4,810	17,156	2,029	1,995						
Downstream	773	4,448	1,780	2,069						
Marketing and services	405	1,709	445	465						
Total operating income	5,583	21,604	3,809	4,064						
Excess tax and other	505	1,202	(351)	(864)						
Ebit										
Interest	235	668	188	203	203	203	797	203	203	812
Ebt										
Income Tax	1,695	6,907	1,390	1,654	1,278	1,275	5,597	1,293	1,346	5,192
Net Income (mm)										
Per share	1.38	5.62	1.13	1.34	1.04	1.03	4.54	1.05	1.09	4.21
Shares (millions)										
Ebitda Margin (E&P)	52%	53%	58%	57%	53%	53%	55%	53%	53%	53%
Tax Rate	35%	35%	35%	35%	35%	35%	35%	35%	35%	35%



Industry Idea

Analysis of Oil and Gas Stocks

August 3, 2015

Intraday

Chevron Corporation					
Functional Cash Flow and Present Value					
				<i>Present</i>	
	<i>NTM Ebitda</i>	<i>Adjusted</i>	<i>PV/</i>	<i>Value</i>	
	<i>(US\$mm)</i>	<i>R/P</i>	<i>Ebitda</i>	<i>(US\$mm)</i>	
North American Natural Gas	520	7.2	15.4	8,000	3%
Rest of World Natural Gas	3,410	12.0	4.7	16,000	6%
Oil	15,760	8.2	11.4	180,000	68%
Downstream	11,000		5.5	60,000	23%
	30,690	9.1	8.6	264,000	100%
Debt (US\$mm)					56,000
Net Present Value (US\$mm)					208,000
Shares (mm)					1,877
Net Present Value - Standard Estimate (US\$/sh)					111
NPV Approximation by Cash Flow Multiple Depending on Reserve Life (US\$/sh)					128

Exxon Mobil Corporation					
Functional Cash Flow and Present Value					
				<i>Present</i>	
	<i>NTM</i>	<i>Adjusted</i>	<i>PV/</i>	<i>Value</i>	
	<i>Ebitda</i>	<i>R/P</i>	<i>Ebitda</i>	<i>Value</i>	
North American Natural Gas	1,510	17.5	23.8	36,000	8%
Rest of World Natural Gas	7,770	14.0	5.4	42,000	9%
Oil	18,580	13.1	15.2	282,000	60%
Downstream	19,550		5.5	108,000	23%
	47,410	14.0	9.9	468,000	100%
Debt					82,000
Net Present Value (\$mm)					386,000
Shares					4,200
Net Present Value - Standard Estimate (US\$/sh)					92
NPV Approximation by Cash Flow Multiple Depending on Reserve Life (US\$/sh)					97



Industry Idea

Analysis of Oil and Gas Stocks

August 3, 2015

Intraday

Royal Dutch Shell plc					
Functional Cash Flow and Present Value					
	<i>NTM Ebitda</i>	<i>Adjusted</i>	<i>PV/</i>	<i>Present</i>	
	<i>(US\$mm)</i>	<i>R/P</i>	<i>Ebitda</i>	<i>Value</i>	
	<i>(US\$mm)</i>			<i>(US\$mm)</i>	
North American Natural Gas	740	5.1	13.5	10,000	3%
Rest of World Natural Gas	7,150	12.2	5.6	40,000	13%
Oil	14,130	9.3	10.8	152,000	48%
Downstream	21,420		5.5	118,000	37%
	43,440	10.1	7.4	320,000	100%
Debt (US\$mm)					84,000
Net Present Value (US\$mm)					236,000
Shares (mm)					3,192
Net Present Value - Standard Estimate (US\$/sh)					74
NPV Approximation by Cash Flow Multiple Depending on Reserve Life (US\$/sh)					88

Total					
Functional Cash Flow and Present Value					
	<i>NTM Ebitda</i>	<i>Adjusted</i>	<i>PV/</i>	<i>Present</i>	
	<i>(US\$mm)</i>	<i>R/P</i>	<i>Ebitda</i>	<i>Value</i>	
	<i>(US\$mm)</i>			<i>(US\$mm)</i>	
Rest of World Natural Gas	5,340	12.2	4.9	26,000	12%
Oil	11,800	8.5	11.3	133,000	60%
Downstream	11,260		5.5	62,000	28%
	28,400	10.1	7.8	221,000	100%
Debt (US\$mm)					58,000
Net Present Value (US\$mm)					163,000
Shares (mm)					2,292
Net Present Value - Standard Estimate (US\$/sh)					71
NPV Approximation by Cash Flow Multiple Depending on Reserve Life (US\$/sh)					82

						<i>Present Value by Segment (%)</i>						
		<i>Price</i>	<i>EV/</i>	<i>Enterprise</i>	<i>North</i>	<i>Rest of</i>				<i>Dist.</i>		
		<i>(US\$/sh)</i>	<i>Market</i>	<i>Value</i>	<i>Amer.</i>	<i>World</i>				<i>Yield</i>		
<i>Symbol/Rating</i>		<i>3-Aug</i>	<i>Cap</i>	<i>(\$mm)</i>	<i>Natural</i>	<i>Natural</i>	<i>Oil</i>	<i>Down-</i>	<i>NTM</i>	<i>McDep</i>		
		<i>2015</i>			<i>Gas</i>	<i>Gas</i>	<i>Prod'n</i>	<i>stream</i>	<i>(%)</i>	<i>Ratio</i>		
Global Integrated												
Royal Dutch Shell (BG pro form)	RDS-A	57.18	1.55	346,000						6.6	0.89	
Exxon Mobil Corporation	XOM	77.78	1.25	409,000	8	9	60	23	3.8	0.87		
Chevron Corporation	CVX B	85.56	1.35	217,000	3	6	68	23	5.0	0.82		
Total S.A.	TOT B	48.95	1.52	170,000		12	60	28	5.5	0.77		
<i>Total or Median</i>			<i>1.43</i>	<i>1,142,000</i>			<i>60</i>	<i>23</i>	<i>5.2</i>	<i>0.85</i>		
Large Independent												
EOG Resources, Inc.	EOG	76.19	1.15	47,900	16	2	82		0.9	0.96		
Occidental Petroleum Corp.	OXY	69.30	1.17	61,800	5	1	79	15	4.3	0.93		
Devon Energy Corporation	DVN	48.61	1.89	37,600	32		55	14	2.0	0.85		
ConocoPhillips	COP B	49.52	1.60	98,000	16	10	74		6.0	0.81		
Marathon Oil Corporation	MRO B	20.81	1.63	22,900	9	1	90		4.0	0.72		
<i>Total or Median</i>			<i>1.60</i>	<i>268,000</i>	<i>16</i>		<i>79</i>		<i>4.0</i>	<i>0.85</i>		
Small Independent												
Cimarex Energy Company	XEC	103.16	1.19	10,800	41		59		0.6	0.96		
California Resources	CRC	4.16	5.34	8,500	14		86		1.0	0.74		
Range Resources	RRC	38.47	1.64	10,500	75		25		0.4	0.67		
Continental Resources (32%)	CLR B	32.19	1.60	6,100	20		80		-	0.67		
Whiting Petroleum Corporation	WLL B	19.71	2.36	9,600	5		95		-	0.59		
<i>Total or Median</i>			<i>1.64</i>	<i>46,000</i>	<i>20</i>		<i>80</i>		<i>0.4</i>	<i>0.67</i>		
Income												
San Juan Basin Royalty Trust	SJT	10.86	1.00	510	100		-		4.3	0.72		
Dorchester Minerals, L.P.	DMLP	16.65	1.00	510	37		63		5.0	0.59		
Sabine Royalty Trust	SBR	31.76	1.00	460	43		58		8.0	0.58		
Permian Basin RT	PBT B	6.55	1.00	310	23		77		6.1	0.55		
Cross Timbers Royalty Trust	CRT B	15.27	1.00	90	56		44		6.3	0.49		
<i>Total or Median</i>			<i>1.00</i>	<i>1,900</i>	<i>43</i>		<i>58</i>		<i>6.1</i>	<i>0.58</i>		
Canada												
Imperial Oil Limited (30%)	IMO	36.43	1.29	12,000	1		67	33	1.1	0.93		
EnCana Corporation	ECA	7.48	2.40	15,100	56		44		3.7	0.77		
Cenovus Energy Inc.	CVE	14.53	1.41	16,900	9		74	17	3.4	0.71		
Canadian Oil Sands Limited	COSWF B	5.45	2.09	5,500			100		2.8	0.52		
Birchcliff Energy Ltd.	BIREF B	4.48	1.80	1,200	77		23		-	0.52		
<i>Total or Median</i>			<i>1.80</i>	<i>51,000</i>			<i>67</i>		<i>2.8</i>	<i>0.71</i>		

Estimated present value presumes a long-term price for oil of US\$70 a barrel and natural gas, \$4.50 a million btu.
McDep Ratio = Market cap and Debt to present value of oil and gas and other businesses



Industry Idea

Analysis of Oil and Gas Stocks

August 3, 2015

Intraday

			<i>Price</i> <i>(US\$/sh)</i>	<i>Shares</i>	<i>Market</i> <i>Cap</i> <i>(US\$mm)</i>	<i>Net</i> <i>Present</i> <i>Value</i> <i>(US\$/sh)</i>	<i>Debt/</i> <i>Present</i> <i>Value</i>	<i>McDep</i> <i>Ratio</i>
	<i>Symbol/Rating</i>		<i>3-Aug</i> <i>2015</i>	<i>(mm)</i>				
	<i>B = Buy</i>							
Global Integrated								
Royal Dutch Shell (BG pro forma)	RDS-A		57.18	3,900	223,000	68.00	0.32	0.89
Exxon Mobil Corporation	XOM		77.78	4,200	327,000	92.00	0.18	0.87
Chevron Corporation	CVX	B	85.56	1,877	161,000	111.00	0.21	0.82
Total S.A.	TOT	B	48.95	2,292	112,000	71.00	0.26	0.77
	<i>Total or Median</i>				<i>823,000</i>		<i>0.24</i>	<i>0.85</i>
Large Independent								
EOG Resources, Inc.	EOG		76.19	545	41,500	80.00	0.13	0.96
Occidental Petroleum Corp.	OXY		69.30	766	53,100	75.00	0.13	0.93
Devon Energy Corporation	DVN		48.61	410	19,900	65.00	0.40	0.85
ConocoPhillips	COP	B	49.52	1,241	62,000	68.00	0.30	0.81
Marathon Oil Corporation	MRO	B	20.81	675	14,040	34.00	0.28	0.72
	<i>Total or Median</i>				<i>190,500</i>		<i>0.28</i>	<i>0.85</i>
Small Independent								
Cimarex Energy Company	XEC		103.16	88	9,100	108.00	0.15	0.96
California Resources	CRC		4.16	382	1,600	12.00	0.60	0.74
Range Resources	RRC		38.47	166	6,400	69.00	0.26	0.67
Continental Resources (32%)	CLR	B	32.19	118	3,800	58.00	0.25	0.67
Whiting Petroleum Corporation	WLL	B	19.71	206	4,100	52.00	0.34	0.59
	<i>Total or Median</i>				<i>25,000</i>		<i>0.26</i>	<i>0.67</i>
Income								
San Juan Basin Royalty Trust	SJT		10.86	47	510	15.00	-	0.72
Dorchester Minerals, L.P.	DMLP		16.65	31	510	28.00	-	0.59
Sabine Royalty Trust	SBR		31.76	15	460	55.00	-	0.58
Permian Basin RT	PBT	B	6.55	47	310	12.00	-	0.55
Cross Timbers Royalty Trust	CRT	B	15.27	6	90	31.00	-	0.49
	<i>Total or Median</i>				<i>1,900</i>		<i>-</i>	<i>0.58</i>
Canada								
Imperial Oil Limited (30%)	IMO		36.43	255	9,300	40.00	0.21	0.93
EnCana Corporation	ECA		7.48	841	6,300	13.00	0.45	0.77
Cenovus Energy Inc.	CVE		14.53	825	12,000	23.00	0.21	0.71
Canadian Oil Sands Limited	COSWF	B	5.45	485	2,600	16.00	0.27	0.52
Birchcliff Energy Ltd.	BIREF	B	4.48	154	700	12.00	0.23	0.52
	<i>Total or Median</i>				<i>31,000</i>		<i>0.23</i>	<i>0.71</i>
Estimated present value presumes a long-term price for oil of US\$70 a barrel and natural gas, \$4.50 a million btu.								
McDep Ratio = Market cap and Debt to present value of oil and gas and other businesses								



Industry Idea

Analysis of Oil and Gas Stocks

August 3, 2015

Intraday

			<i>Price (US\$/sh)</i>	<i>Adjustd Resrvs/ Prod</i>	<i>PV/ Ebitda</i>	<i>EV/ Ebitda</i>	<i>P/E</i>	<i>Dividend NTM</i>
	<i>Symbol/Rating</i>		<i>3-Aug 2015</i>	<i>NTM</i>	<i>NTM</i>	<i>NTM</i>	<i>NTM</i>	<i>(\$/sh)</i>
	B = Buy							
Global Integrated								
Exxon Mobil Corporation	XOM		77.78	14.0	9.9	8.6	18	2.92
Chevron Corporation	CVX	B	85.56	9.1	8.6	7.1	29	4.28
Total S.A.	TOT	B	48.95	10.1	7.8	6.0	12	2.67
Royal Dutch Shell (BG pro forma)	RDS-A		57.18					3.76
	<i>Median</i>			<i>10.1</i>	<i>8.6</i>	<i>7.1</i>	<i>18</i>	
Large Independent								
EOG Resources, Inc.	EOG		76.19	9.3	13.7	13.1	29	0.67
Occidental Petroleum Corp.	OXY		69.30	9.1	12.0	11.2	90	3.00
Devon Energy Corporation	DVN		48.61	10.1	12.6	10.7	76	0.96
ConocoPhillips	COP	B	49.52	11.2	12.2	9.9		2.96
Marathon Oil Corporation	MRO	B	20.81	12.8	12.9	9.3		0.84
	<i>Median</i>			<i>10.1</i>	<i>12.6</i>	<i>10.7</i>	<i>76</i>	
Small Independent								
Range Resources	RRC		38.47	14.5	28.1	19.0	123	0.16
California Resources	CRC		4.16	12.1	22.4	16.6		0.04
Cimarex Energy Company	XEC		103.16	8.2	15.5	14.9		0.64
Continental Resources (32%)	CLR	B	32.19	11.4	17.0	11.3	141	-
Whiting Petroleum Corporation	WLL	B	19.71	10.9	16.6	9.8		-
	<i>Median</i>			<i>11.4</i>	<i>17.0</i>	<i>14.9</i>	<i>132</i>	
Income								
San Juan Basin Royalty Trust	SJT		10.86	8.3	23.8	17.2	23	0.47
Sabine Royalty Trust	SBR		31.76	9.0	21.6	12.5	12	2.55
Dorchester Minerals, L.P.	DMLP		16.65	7.7	19.4	11.6	24	0.84
Cross Timbers Royalty Trust	CRT	B	15.27	12.6	21.2	10.5	16	0.96
Permian Basin RT	PBT	B	6.55	9.9	17.4	9.5	16	0.40
	<i>Median</i>			<i>9.0</i>	<i>21.2</i>	<i>11.6</i>	<i>16</i>	
Canada								
Imperial Oil Limited (30%)	IMO		36.43	27.4	12.5	11.7	17	0.40
EnCana Corporation	ECA		7.48	6.6	15.0	11.5	78	0.28
Cenovus Energy Inc.	CVE		14.53	16.2	13.8	9.8		0.49
Canadian Oil Sands Limited	COSWF	B	5.45	17.2	17.4	9.0	(77)	0.15
Birchcliff Energy Ltd.	BIREF	B	4.48	12.6	15.7	8.1		-
	<i>Median</i>			<i>16.2</i>	<i>15.0</i>	<i>9.8</i>	<i>17</i>	
	<i>Grand Median</i>			<i>11</i>	<i>16</i>	<i>11</i>		

EV = Enterprise Value = Market Cap and Debt; Ebitda = Earnings before interest, tax, depreciation and amortization; NTM = Next Twelve Months Ended June 30, 2016; P/E = Stock Price to Earnings; PV = Present Value of oil and gas and other businesses

Table 4										
McDep Energy Stocks										
Total Return Year-to-Date 2015										
Ranked by Unlevered Total Return										
			Price	Price			Equity	Unlevered		
			(\$/sh)	(\$/sh)	Price	Cash	Total	Debt	Return	McDep
	Symbol/Rat		3-Aug	29-Dec	Change	Distrib.	Return	(\$/sh)	(%)	Ratio
			2015	2014	(%)	(%)	(%)			
Global Integrated										
Total S.A.	TOT	B	48.95	52.74	(7)	3	(5)	25	(3)	0.77
Royal Dutch Shell (BG pro forma)	RDS-A		57.18	68.31	(16)	3	(14)	32	(9)	0.89
Exxon Mobil Corporation	XOM		77.78	93.07	(16)	2	(15)	20	(12)	0.87
Chevron Corporation	CVX	B	85.56	113.32	(24)	2	(23)	30	(18)	0.82
	<i>Median</i>				(16)		(14)		(11)	0.85
Large Independent										
Occidental Petroleum Corp.	OXY		69.30	81.71	(15)	2	(13)	11	(12)	0.93
Devon Energy Corporation	DVN		48.61	61.15	(21)	1	(20)	43	(12)	0.85
EOG Resources, Inc.	EOG		76.19	94.33	(19)	0	(19)	12	(17)	0.96
Marathon Oil Corporation	MRO	B	20.81	28.58	(27)	1	(26)	13	(18)	0.72
ConocoPhillips	COP	B	49.52	70.11	(29)	2	(27)	30	(19)	0.81
	<i>Median</i>				(21)		(20)		(17)	0.85
Small Independent										
Cimarex Energy Company	XEC		103.16	110.27	(6)	0	(6)	20	(5)	0.96
California Resources	CRC		4.16	5.77	(28)	0	(28)	18	(7)	0.74
Continental Resources (32%)	CLR	B	32.19	38.26	(16)	-	(16)	19	(11)	0.67
Range Resources	RRC		38.47	56.00	(31)	0	(31)	25	(22)	0.67
Whiting Petroleum Corporation	WLL	B	19.71	34.09	(42)	-	(42)	27	(24)	0.59
	<i>Median</i>				(28)		(28)		(11)	0.67
Income										
Sabine Royalty Trust	SBR		31.76	36.68	(13)	5	(8)	-	(8)	0.58
Cross Timbers Royalty Trust	CRT	B	15.27	18.07	(15)	5	(11)	-	(11)	0.49
San Juan Basin Royalty Trust	SJT		10.86	13.97	(22)	1	(21)	-	(21)	0.72
Permian Basin RT	PBT	B	6.55	9.12	(28)	2	(26)	-	(26)	0.55
Dorchester Minerals, L.P.	DMLP		16.65	25.16	(34)	4	(30)	-	(30)	0.59
	<i>Median</i>				(22)		(21)		(21)	0.58
Canada										
Imperial Oil Limited (30%)	IMO		36.43	43.49	(16)	0	(16)	10	(13)	0.93
Birchcliff Energy Ltd.	BIREF	B	4.48	6.75	(34)	-	(34)	4	(22)	0.52
Cenovus Energy Inc.	CVE		14.53	20.95	(31)	2	(29)	6	(22)	0.71
Canadian Oil Sands Limited	COSWF	B	5.45	9.20	(41)	1	(40)	6	(24)	0.52
EnCana Corporation	ECA		7.48	13.94	(46)	1	(45)	11	(26)	0.77
	<i>Median</i>				(34)		(34)		(22)	0.71
	<i>Grand Median</i>				(23)		(22)		(17)	0.73
Natural Gas (\$/mmbtu)			2.73	3.19	(14)					
Oil - West Texas Intermediate (\$/bbl)			45.37	53.69	(15)					

Source: McDep LLC, Yahoo, CME Group, Bloomberg

Index of Recent Research			
<u>Date</u>	<u>Symbol</u>	<u>Subject</u>	<u>Theme</u>
Stock Ideas			
27-Jul	ECA	Encana Corporation	Depressed Stock Price
17-Jul	DMLP	Dorchester Minerals, L.P.	Top Line Distribution Support
7-Jul	PBT	Permian Basin Royalty Trust	Buy Underestimated Future Oil & Gas Production
12-May	MRO	Marathon Oil	New Buy on Independent Shale Oil (Meter Reader)
1-May		CVX, XOM, RDS, TOT	Raise NPV for XOM and TOT on Cash Flow Margin
30-Apr	SJT	San Juan Basin Royalty Trust	New Buy on Depressed Natural Gas
29-Apr	CVE	Cenovus Energy	New Buy on Operating Leverage
28-Apr	TOT	Total	Operating Strength Reinforces New Buy
14-Apr	RDSA	Royal Dutch Shell plc	Shell to Acquire BG - Catalyst for Confidence (MR)
9-Mar	XOM	Exxon Mobil	Safe at Any Likely Oil Price
27-Feb	EOG	EOG Resources	Top Value Creator
30-Jan	COSWF	Canadian Oil Sands Ltd.	Syncrude Lowers Breakeven to \$US32 a Barrel
23-Dec	RRC	Range Resources	Record Appalachian Well (Meter Reader)
9-Dec	WLL	Whiting Petroleum	Kodiak Acquisition Completed (Meter Reader)
25-Nov	COP	ConocoPhillips	Strong 4% Dividend Independent Producer
13-Nov	BIREF	Birchcliff Energy	Raise NPV to US\$16 on Alberta Natural Gas
4-Nov	CRC	California Resources Corporation	Pure Play Largest California Producer (Meter Reader)
21-Oct	XEC	Cimarex Energy	Strong Independent Producer (Meter Reader)
14-Oct	DVN	Devon Energy	Rebalance Candidate (Meter Reader)
23-Sep	CLR	Continental Resources	Raise NPV to \$85 on 29% Growth (Meter Reader)
10-Jun	OXY	Occidental Petroleum	Raise NPV to \$120, Spinoff Filed (Meter Reader)
For historical research by stock, go to mcdep.com , click on Stock Ideas , click on stock by name.			
Meter Reader			
14-Jul			Lower Long-Term Oil to \$70 from \$90
16-Jun		RDS, MRO, EOG, CLR, DMLP	Oil and Gas Strengthen U.S. Security
12-May	MRO	Marathon Oil	New Buy on Independent Shale Oil
14-Apr	RDS	Royal Dutch Shell plc	Shell to Acquire BG - Catalyst for Confidence
10-Mar		DMLP, SBR, CRT, SJT	RTF Income Tracks Oil Price
10-Feb		CRT, CRC, COP, CVX	Oil Price Cycle Advances
13-Jan		SBR, XEC, COSWF, DVN, XOM	Oil and Gas Stocks on Sale
30-Dec		Book Review	The Moral Case for Fossil Fuels by Alex Epstein
23-Dec	RRC	Range Resources	Record Appalachian Well
16-Dec			Oil and Gas Stocks for 2015 - For Contrarians and Rebalancers
9-Dec	WLL	Whiting Petroleum	Kodiak Acquisition Completed (Meter Reader)
2-Dec			Rebuild Oil and Gas Positions
25-Nov	COP	ConocoPhillips	Strong 4% Dividend Independent Producer
18-Nov	DMLP, SJT	RTF (Royalty Trust Fund)	DMLP, SJT and the RTF - High Income without Debt
11-Nov	COSWF	Canadian Oil Sands Ltd.	Record Monthly Production
4-Nov	CRC	California Resources Corporation	Pure Play Largest California Producer
28-Oct	CVE	Cenovus Energy	Same Stock Price, Twice the Production
21-Oct	XEC	Cimarex Energy	Strong Independent Producer
14-Oct	DVN	Devon Energy	Rebalance Candidate
For earlier editions, go to mcdep.com , click on Meter Reader .			
Industry Ideas			
22-Jul		SBR, CRT, SJT, PBT	Use Volatility to Advantage
22-Jun		DMLP, SBR, CRT, SJT, PBT	Understated Reserves, June Distributions Up
28-May		DMLP, SBR, CRT, SJT, PBT	Distributions Rise on Roll Forward
1-Apr			Recommitting to Oil and Gas Stocks



Analysis of Oil and Gas Stocks

August 3, 2015

Intraday

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