



Meter Reader

A Weekly Analysis of Large Cap Oil and Gas Stocks

October 5, 2010

COSWF Investment Appeal and Cross Currents

| | | | |
|---|----------------|---|-------|
| <i>Symbol</i> | COSWF | <i>Ebitda Next Twelve Months ending 9/30/11 (US\$mm)</i> | 1,580 |
| <i>Rating</i> | Contrarian Buy | <i>North American Natural Gas/Ebitda (%)</i> | -5 |
| <i>Price (US\$/un)</i> | 26.17 | <i>Natural Gas and Oil Production/Ebitda (%)</i> | 100 |
| <i>Pricing Date</i> | 10/4/10 | <i>Adjusted Reserves/Production NTM</i> | 29.5 |
| <i>shares (mm)</i> | 484 | <i>EV/Ebitda</i> | 8.9 |
| <i>Market Capitalization (US\$mm)</i> | 12,700 | <i>PV/Ebitda</i> | 12.5 |
| <i>Debt (US\$mm)</i> | 1,400 | <i>Probable Reserves (%)</i> | 48 |
| <i>Enterprise Value (EV) (US\$mm)</i> | 14,100 | <i>Natural Gas and Oil Ebitda (US\$/boe)</i> | 37.13 |
| <i>Present Value (PV) (US\$mm)</i> | 19,800 | <i>Present Value Proven and Probable Reserves(US\$/boe)</i> | 23.32 |
| <i>Net Present Value (US\$/share)</i> | 38 | <i>Natural Gas and Oil Ebitda (\$/boe)</i> | 46 |
| <i>Debt/Present Value</i> | 0.07 | <i>Earnings Next Twelve Months (US\$/share)</i> | 1.69 |
| <i>McDep Ratio - EV/PV</i> | 0.71 | <i>Price/Earnings Next Twelve Months</i> | 15 |
| <i>Dividend Yield (%/year)</i> | 6.4 | <i>Dividend Next Twelve Months (US\$/share)</i> | 1.66 |
| Note: Estimated cash flow and earnings tied to one-year futures prices for oil. | | | |
| Estimated present value presumes a long-term price for oil of US\$75 a barrel and natural gas, \$8 a million btu. | | | |
| For historical analysis of COS since 2002 see www.mcdep.com/4cos.htm | | | |

Summary and Recommendation

In the 2010s, contrarian buy-recommended **Canadian Oil Sands Trust (COSWF)** offers similar premier investment growth, protection from inflation and resistance to deflation characteristics as it demonstrated in the 2000s. Our work points to unlevered total return potential of 41% to a McDep Ratio of 1.0 where stock price would equal Net Present Value (NPV) of \$38 a share. Thereafter, the total return would be an unlevered 7% a year before adjustment for inflation at an oil price of US\$75 a barrel, also before adjustment for inflation. NPV is concentrated entirely on a large asset with a 37% ownership of Syncrude, an efficient producer of high-quality synthetic crude oil whose price would likely adjust with inflation. A strong balance sheet with minimal debt carried the stock through the sharp deflation of 2008. Though the basic investment appeal is intact, it is buffeted by near-term cross currents on oil price, volume and dividends.

Oil Price May Be Trending Up

On oil price, we see signs that a new uptrend may have begun indicated by the crossover of next twelve months quote above 40-week average (see chart [Oil One-Year Futures Strip](#) on page 2). We use futures prices for estimating near-term cash flow. A persisting trend would lead us to raise our long-term price assumption for estimating NPV.

Oil Volume Growth May be Slow before New Expansion

On the volume outlook, we are optimistic that a new Chief Executive Officer of Syncrude Canada, Ltd., ExxonMobil's Mr. Scott Sullivan, appointed in August, can accelerate the slow trend toward full capacity of 350,000 barrels daily (see chart [Syncrude Monthly Production](#) on page 3). Mr. Sullivan may be able to rescue ExxonMobil's diminished reputation for timely project execution. Mr. Sullivan also has the confidence of new 7% owner of Syncrude, Asian oil



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refining giant, Sinopec, since he managed a joint venture of Sinopec and ExxonMobil in China. At the same time, engineering design is underway for new expansion to 425,000 bd of synthetic crude oil plus 115,000 bd of bitumen for a total of 540,000 bd by 2020.

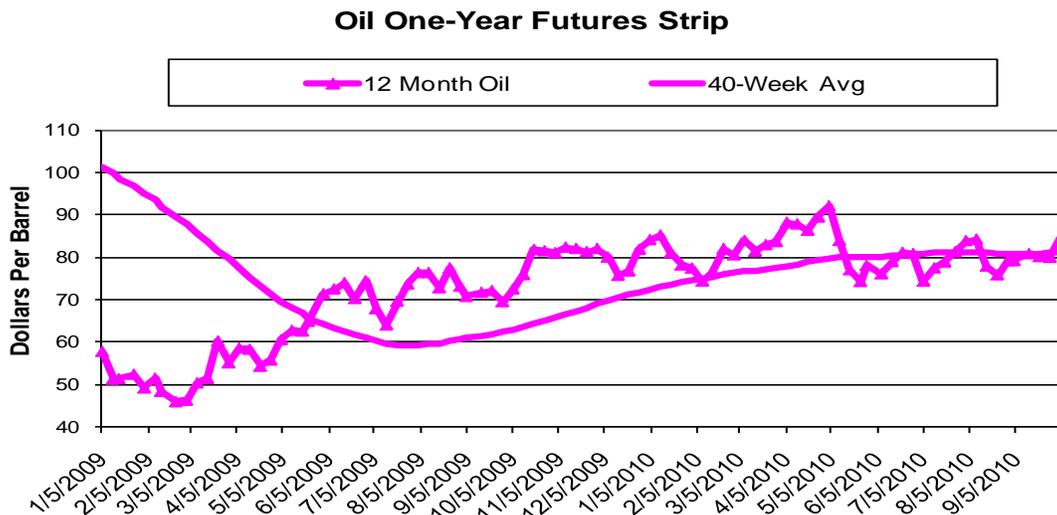
Corporate Dividends Likely Lower than Trust Distributions

With the government induced conversion of the trust to a corporation in 2011, management has declared its intention to pay a dividend that may be lower than the current distribution (see tables [Next Twelve Months Dividend Estimates](#) and [Next Twelve Months Operating and Financial Estimates](#) on pages 3-4). Canadian corporate taxation is more of a device to encourage reinvestment than to raise revenue directly. If that reinvestment is sufficiently profitable, the total return to stock investors may change little as the likely lower current dividend or distribution is offset by additional expected capital gain. Since the dividend is subject to management discretion, our estimate has to be more tentative until management is more definitive. Management will release its expectations for 2011 when it reports third quarter results in the evening on October 28.

Geographic Domicile, Size and Relative Value May Attract Acquisition Attention

Buyers have cash to acquire resource investments where their money is welcome as in Canada. A possible bid at present value or acquisition value of \$20 billion for COSWF would be manageable for most of the big players in the global marketplace. In any case, COSWF compares favorably with large cap companies on regular valuation measures (see [Tables 1-4](#) on pages 5-8).

Kurt H. Wulff, CFA

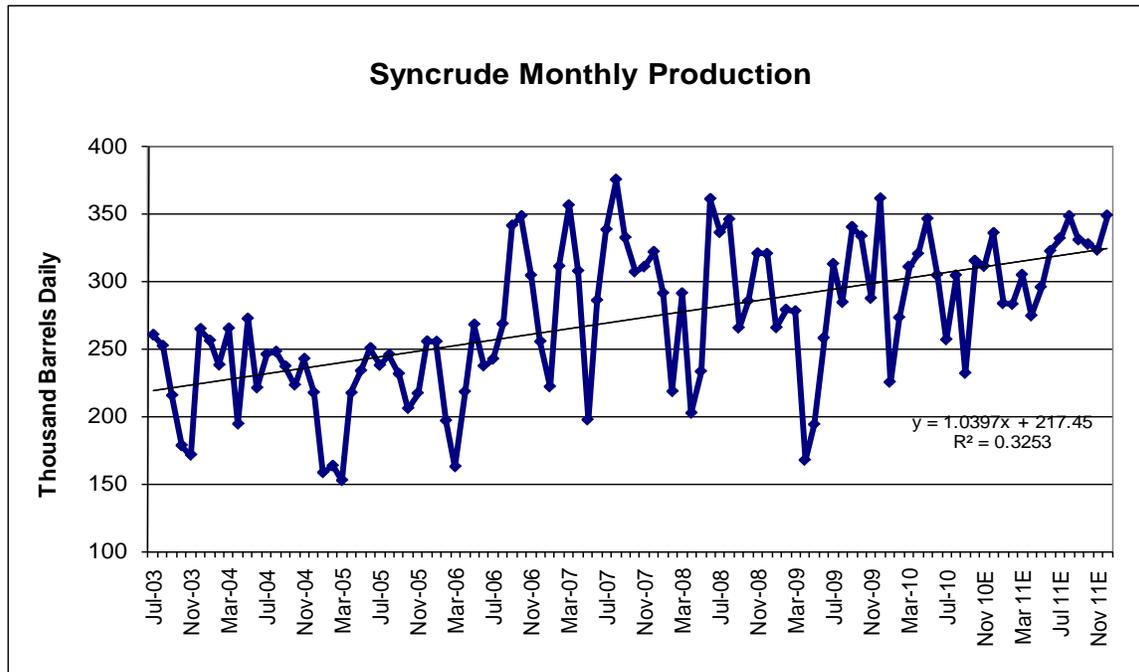




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| Canadian Oil Sands Trust | | | | | | | | | |
|---------------------------------------|----------------|----------------|----------------|-----------------|--------------|----------------|----------------|----------------|-----------------------------------|
| Next Twelve Months Dividend Estimates | | | | | | | | | |
| (Canadian Dollars) | | | | | | | | | |
| | | | | | | | | | <i>Next Twelve Months</i> |
| | <i>Q3</i> | <i>Q2</i> | <i>Q3E</i> | <i>Q4E</i> | <i>Year</i> | <i>Q1E</i> | <i>Q2E</i> | <i>Q3E</i> | <i>9/30/11</i> |
| | <i>9/30/09</i> | <i>6/30/10</i> | <i>9/30/10</i> | <i>12/31/10</i> | <i>2010E</i> | <i>3/31/11</i> | <i>6/30/11</i> | <i>9/30/11</i> | <i>9/30/11</i> |
| Ebitda | 364 | 410 | 250 | 411 | 1,363 | 346 | 380 | 481 | 1,618 |
| Interest | 25 | 22 | 22 | 22 | 92 | 22 | 22 | 22 | 88 |
| Current Income Tax | | | | | | 10 | 10 | 10 | 30 |
| Cash Flow Before Reinvestment | 339 | 388 | 228 | 389 | 1,271 | 314 | 348 | 449 | 1,500 |
| Non-Production Expense | 34 | 19 | 19 | 19 | 93 | 25 | 25 | 25 | 94 |
| Capital Expenditures | 85 | 114 | 160 | 150 | 516 | 150 | 150 | 150 | 600 |
| Free Cash Flow | 220 | 255 | 49 | 220 | 662 | 139 | 173 | 274 | 806 |
| FCF per share (C\$) | 0.45 | 0.53 | 0.10 | 0.45 | 1.37 | 0.29 | 0.36 | 0.57 | 1.66 |
| Dividend (C\$/share) | 0.25 | 0.50 | 0.50 | 0.50 | 1.85 | 0.40 | 0.40 | 0.40 | 1.70 |



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| Canadian Oil Sands Trust | | | | | | | | | |
|--|----------------|----------------|----------------|-----------------|---------------|----------------|----------------|----------------|-----------------------------------|
| Next Twelve Months Operating and Financial Estimates | | | | | | | | | |
| (Canadian Dollars) | | | | | | | | | |
| | | | | | | | | | <i>Next Twelve Months</i> |
| | <i>Q3</i> | <i>Q2</i> | <i>Q3E</i> | <i>Q4E</i> | <i>Year</i> | <i>Q1E</i> | <i>Q2E</i> | <i>Q3E</i> | <i>9/30/11</i> |
| | <i>9/30/09</i> | <i>6/30/10</i> | <i>9/30/10</i> | <i>12/31/10</i> | <i>2010E</i> | <i>3/31/11</i> | <i>6/30/11</i> | <i>9/30/11</i> | <i>9/30/11</i> |
| Volume | | | | | | | | | |
| Syncrude (mmb) | 28.7 | 29.5 | 24.3 | 29.5 | 107.5 | 26.1 | 27.0 | 31.0 | 113.6 |
| Syncrude (mbd) | 312 | 324 | 264 | 320 | 294 | 290 | 297 | 337 | 311 |
| Trust share (%) | 36.7 | 36.6 | 36.7 | 36.7 | 36.7 | 36.7 | 36.7 | 36.7 | 36.7 |
| Trust Oil (mmb) | 10.54 | 10.79 | 8.93 | 10.83 | 39.5 | 9.60 | 9.93 | 11.38 | 41.7 |
| Trust Oil (mbd) | 114.5 | 118.6 | 97.1 | 117.7 | 108.2 | 106.7 | 109.2 | 123.7 | 114.4 |
| Price | | | | | | | | | |
| WTI Cushing (US\$/bbl) | 68.22 | 77.85 | 76.08 | 81.81 | 78.61 | 83.64 | 84.92 | 85.84 | 84.05 |
| Currency (US\$/C\$) | 0.91 | 0.97 | 0.96 | 0.98 | 0.97 | 0.98 | 0.98 | 0.98 | 0.98 |
| WTI Cushing (C\$/bbl) | 74.83 | 80.05 | 79.05 | 83.66 | 81.15 | 85.53 | 86.84 | 87.78 | 85.95 |
| Differential | (1.52) | (1.98) | (1.50) | (1.00) | (1.03) | (1.00) | (1.00) | (1.00) | (0.98) |
| Trust Oil Price (C\$/bbl) | 73.31 | 78.07 | 77.55 | 82.66 | 80.12 | 84.53 | 85.84 | 86.78 | 84.97 |
| Henry Hub Nat Gas (US\$/mmt) | 3.39 | 4.09 | 4.38 | 3.87 | 4.42 | 4.26 | 4.25 | 4.43 | 4.21 |
| Henry Hub Nat Gas (C\$/mmbt) | 3.72 | 4.21 | 4.55 | 3.96 | 4.56 | 4.36 | 4.35 | 4.53 | 4.30 |
| AECO Natural Gas (C\$/GJ) | 2.90 | 3.68 | 3.98 | 3.47 | 4.02 | 3.82 | 3.80 | 3.97 | 3.76 |
| Revenue (C\$m) | | | | | | | | | |
| Oil | 773 | 842 | 693 | 895 | 3,164 | 812 | 853 | 988 | 3,547 |
| Other | (0) | 0 | | | | | | | |
| Total | 773 | 842 | 693 | 895 | 3,164 | 812 | 853 | 988 | 3,547 |
| Expense (C\$m) | | | | | | | | | |
| Production | 266 | 294 | 320 | 320 | 1,241 | 320 | 320 | 320 | 1,280 |
| Purchased Energy | 27 | 42 | 38 | 40 | 167 | 39 | 40 | 48 | 168 |
| Crown Royalties | 108 | 85 | 74 | 113 | 350 | 97 | 103 | 129 | 443 |
| Insurance | 2 | 3 | 3 | 3 | 11 | 3 | 3 | 3 | 11 |
| Administration | 6 | 8 | 8 | 8 | 32 | 7 | 7 | 7 | 28 |
| Total | 409 | 432 | 443 | 484 | 1,801 | 466 | 473 | 507 | 1,930 |
| Ebitda | 364 | 410 | 250 | 411 | 1,363 | 346 | 380 | 481 | 1,618 |
| Deprec., Deplet., & Amort. | 123 | 94 | 94 | 100 | 391 | 100 | 100 | 100 | 400 |
| Non-Production | 34 | 19 | 19 | 19 | 93 | 25 | 25 | 25 | 94 |
| Exchange on U.S. Debt | (90) | 38 | | | | | | | |
| Other | 25 | (0) | | | | | | | |
| Ebit | 272 | 259 | 137 | 292 | 884 | 221 | 255 | 356 | 1,124 |
| Interest | 25 | 22 | 22 | 22 | 92 | 22 | 22 | 22 | 88 |
| Ebt | | | | | | 199 | 233 | 334 | |
| Income Tax | | | | | | 52 | 61 | 87 | |
| Net Income (C\$m) | 247 | 237 | 115 | 270 | 792 | 147 | 172 | 247 | 837 |
| Shares (millions) | 484 | 484 | 484 | 484 | 484 | 484 | 484 | 484 | 484 |
| Earnings per share (C\$) | 0.51 | 0.49 | 0.24 | 0.56 | 1.64 | 0.30 | 0.36 | 0.51 | 1.73 |
| Ebitda Margin (E&P) | 47% | 49% | 36% | 46% | 43% | 43% | 45% | 49% | 46% |
| Tax Rate | | | | | | 26% | 26% | 26% | |



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| Table 2 | | | | | | | | |
|---|-------------------------|----|-----------|--------|----------|-----------|---------|-------|
| McDep Large Cap Energy Portfolio | | | | | | | | |
| Net Present Value and McDep Ratio | | | | | | | | |
| | | | Price | | | Net | | |
| | | | (US\$/sh) | | Market | Present | Debt/ | |
| | Symbol/Rating | | 4-Oct | Shares | Cap | Value | Present | McDep |
| | B = Buy, CB (see below) | | 2010 | (mm) | (US\$mm) | (US\$/sh) | Value | Ratio |
| U.S. Integrated | | | | | | | | |
| Exxon Mobil Corporation | XOM | CB | 62.19 | 5,141 | 320,000 | 89.00 | 0.12 | 0.74 |
| Chevron Corporation | CVX | B | 81.31 | 2,006 | 163,000 | 116.00 | 0.10 | 0.73 |
| Marathon Oil Corporation | MRO | B | 33.37 | 712 | 23,760 | 53.00 | 0.23 | 0.71 |
| ConocoPhillips | COP | B | 57.26 | 1,400 | 80,000 | 95.00 | 0.24 | 0.70 |
| | <i>Total or Median</i> | | | | 587,000 | | 0.18 | 0.72 |
| Europe | | | | | | | | |
| BG Group plc | BRGXF | | 18.30 | 3,400 | 62,200 | 22.00 | 0.12 | 0.85 |
| Royal Dutch Shell plc | RDS-A | B | 60.83 | 3,072 | 187,000 | 79.00 | 0.20 | 0.82 |
| Statoil ASA (33%) | STO | CB | 21.14 | 1,050 | 22,200 | 35.00 | 0.26 | 0.71 |
| BP plc | BP | | 40.82 | 3,172 | 130,000 | 72.00 | 0.27 | 0.69 |
| Total S.A. | TOT | CB | 51.44 | 2,243 | 115,000 | 90.00 | 0.16 | 0.64 |
| | <i>Total or Median</i> | | | | 516,000 | | 0.20 | 0.71 |
| Australia/Brazil/China/Russia | | | | | | | | |
| CNOOC Limited (34%) | CEO | | 204.06 | 152 | 31,100 | 170.00 | 0.05 | 1.19 |
| Woodside Petroleum Ltd. | WOPEY | B | 42.94 | 782 | 33,600 | 44.00 | 0.13 | 0.98 |
| PetroChina Company Ltd (14%) | PTR | B | 121.41 | 256 | 31,100 | 150.00 | 0.14 | 0.84 |
| Petrobras | PBR | | 36.59 | 4,387 | 160,500 | 58.00 | 0.20 | 0.71 |
| Lukoil Oil Company | LUKOY | CB | 57.15 | 848 | 48,500 | 135.00 | 0.05 | 0.45 |
| Gazprom (50%) | OGZPY | CB | 21.24 | 2,870 | 61,000 | 64.00 | 0.09 | 0.40 |
| | <i>Total or Median</i> | | | | 366,000 | | 0.11 | 0.77 |
| U.S. Independent | | | | | | | | |
| Anadarko Petroleum Corp. | APC | | 56.30 | 495 | 27,900 | 60.00 | 0.41 | 0.96 |
| Southwestern Energy Company | SWN | | 32.73 | 349 | 11,400 | 35.00 | 0.09 | 0.94 |
| Occidental Petroleum Corp. | OXY | B | 80.59 | 814 | 65,600 | 95.00 | 0.06 | 0.86 |
| Chesapeake Energy Corp. | CHK | | 22.28 | 635 | 14,200 | 31.00 | 0.39 | 0.83 |
| EOG Resources | EOG | CB | 95.72 | 250 | 23,900 | 120.00 | 0.12 | 0.82 |
| Devon Energy Corporation | DVN | CB | 64.35 | 446 | 28,700 | 98.00 | 0.08 | 0.69 |
| | <i>Total or Median</i> | | | | 171,700 | | 0.11 | 0.84 |
| Canada | | | | | | | | |
| Cenovus Energy Inc. | CVE | B | 29.40 | 752 | 22,100 | 37.00 | 0.20 | 0.84 |
| Imperial Oil Limited (30%) | IMO | CB | 38.07 | 257 | 9,800 | 48.00 | 0.08 | 0.81 |
| Canadian Natural Resources | CNQ | B | 35.56 | 1,089 | 38,700 | 50.00 | 0.17 | 0.76 |
| Suncor Energy | SU | B | 32.84 | 1,572 | 51,600 | 48.00 | 0.19 | 0.74 |
| Canadian Oil Sands Trust | COSWF | CB | 26.17 | 484 | 12,700 | 38.00 | 0.07 | 0.71 |
| EnCana Corporation | ECA | CB | 29.72 | 738 | 21,900 | 50.00 | 0.19 | 0.67 |
| | <i>Total or Median</i> | | | | 157,000 | | 0.18 | 0.75 |
| CB=Contrarian Buy, Stock Price may in downtrend compared to 200-day average. | | | | | | | | |
| McDep Ratio = Market cap and Debt to present value of oil and gas and other businesses | | | | | | | | |
| Estimated present value presumes a long-term price for oil of US\$75 a barrel and natural gas, \$8 a million btu. | | | | | | | | |



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| Table 3 | | | | | | | | |
|---|---------------|----|--------------------|----------------------------|---------------|---------------|-----|---------------------------|
| McDep Large Cap Energy Portfolio | | | | | | | | |
| Value Multiples and Distribution Yield | | | | | | | | |
| | | | Price (US\$/sh) | Adjustd Resrvs/ Prod | PV/ Ebitda | EV/ Ebitda | P/E | Divd or Distrib NTM |
| | Symbol/Rating | | 4-Oct 2010 | NTM | NTM | NTM | NTM | (%) |
| B = Buy, CB (see below) | | | | | | | | |
| U.S. Integrated | | | | | | | | |
| Exxon Mobil Corporation | XOM | CB | 62.19 | 13.2 | 8.3 | 6.1 | 11 | 2.8 |
| ConocoPhillips | COP | B | 57.26 | 10.3 | 8.0 | 5.6 | 12 | 3.8 |
| Marathon Oil Corporation | MRO | B | 33.37 | 9.2 | 7.4 | 5.3 | 12 | 3.0 |
| Chevron Corporation | CVX | B | 81.31 | 9.1 | 6.3 | 4.6 | 9 | 3.5 |
| <i>Total or Median</i> | | | | 9.7 | 7.7 | 5.4 | 12 | 3.3 |
| Europe | | | | | | | | |
| BG Group plc | BRGXF | | 18.30 | 14.5 | 8.9 | 7.5 | 14 | 1.1 |
| Royal Dutch Shell plc | RDS-A | B | 60.83 | 8.8 | 6.6 | 5.4 | 10 | 5.5 |
| BP plc | BP | | 40.82 | 10.0 | 7.3 | 5.0 | 7 | - |
| Total S.A. | TOT | CB | 51.44 | 9.7 | 7.2 | 4.6 | 8 | 6.1 |
| Statoil ASA (33%) | STO | CB | 21.14 | 6.5 | 5.8 | 4.1 | 8 | 4.9 |
| <i>Total or Median</i> | | | | 9.7 | 7.2 | 5.0 | 8 | 4.9 |
| Australia/Brazil/China/Russia | | | | | | | | |
| Woodside Petroleum Ltd. | WOPEY | B | 42.94 | 18.0 | 12.0 | 11.8 | 23 | 2.3 |
| CNOOC Limited (34%) | CEO | | 204.06 | 6.6 | 5.7 | 6.8 | 13 | 2.7 |
| PetroChina Company Ltd (14%) | PTR | B | 121.41 | 13.6 | 7.2 | 6.1 | 15 | 3.6 |
| Petrobras | PBR | | 36.59 | 9.6 | 8.5 | 6.0 | 9 | 3.2 |
| Gazprom (50%) | OGZPY | CB | 21.24 | 30.2 | 9.3 | 3.7 | 5 | 0.2 |
| Lukoil Oil Company | LUKOY | CB | 57.15 | 15.8 | 7.5 | 3.4 | 6 | 3.0 |
| <i>Total or Median</i> | | | | 14.7 | 8.0 | 6.0 | 11 | 2.8 |
| U.S. Independent | | | | | | | | |
| Southwestern Energy Company | SWN | | 32.73 | 6.0 | 10.4 | 9.8 | 22 | - |
| Chesapeake Energy Corp. | CHK | | 22.28 | 11.1 | 11.2 | 9.3 | 16 | 1.3 |
| EOG Resources | EOG | CB | 95.72 | 8.8 | 9.4 | 7.7 | 40 | 0.6 |
| Anadarko Petroleum Corp. | APC | | 56.30 | 8.3 | 7.6 | 7.3 | | 0.6 |
| Devon Energy Corporation | DVN | CB | 64.35 | 10.0 | 9.0 | 6.2 | 12 | 1.0 |
| Occidental Petroleum Corp. | OXY | B | 80.59 | 10.5 | 7.2 | 6.2 | 14 | 1.9 |
| <i>Total or Median</i> | | | | 9.4 | 9.2 | 7.5 | 16 | 0.8 |
| Canada | | | | | | | | |
| Cenovus Energy Inc. | CVE | B | 29.40 | 18.3 | 11.6 | 9.7 | 23 | 2.7 |
| EnCana Corporation | ECA | CB | 29.72 | 13.7 | 13.7 | 9.2 | 30 | 2.7 |
| Canadian Oil Sands Trust | COSWF | CB | 26.17 | 29.5 | 12.5 | 8.9 | 16 | 6.4 |
| Imperial Oil Limited (30%) | IMO | CB | 38.07 | 20.6 | 10.6 | 8.6 | 15 | 1.1 |
| Suncor Energy | SU | B | 32.84 | 22.3 | 10.7 | 8.0 | 22 | 1.2 |
| Canadian Natural Resources | CNQ | B | 35.56 | 17.4 | 9.6 | 7.3 | 18 | 0.8 |
| <i>Total or Median</i> | | | | 19.5 | 11.1 | 8.7 | 20 | 1.9 |
| 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 June 30, 2011; P/E = Stock Price to Earnings; PV = Present Value of oil and gas and other businesses | | | | | | | | |



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| Table 4 | | | | | | | | | |
|---|------------------------------|-------|---------|-------------------|-------------|-------------|-------------|-------------|-------------|
| McDep Large Cap Energy Portfolio | | | | | | | | | |
| Rank by Enterprise Value to 200 Day Average | | | | | | | | | |
| | | | Price | | | | | | |
| | | | (\$/sh) | Enterprise Value/ | | | | | |
| | Symbol | | 4-Oct | 52Wk | 52Wk | 50 Day | 200 Day | McDep | |
| | Rating | | 2010 | High | Low | Avg. | Avg. | Ratio | |
| U.S. Integrated | | | | | | | | | |
| | Chevron Corporation | CVX | B | 81.31 | 0.98 | 1.18 | 1.04 | 1.06 | 0.73 |
| | ConocoPhillips | COP | B | 57.26 | 0.96 | 1.14 | 1.02 | 1.05 | 0.70 |
| | Marathon Oil Corporation | MRO | B | 33.37 | 0.95 | 1.13 | 1.02 | 1.04 | 0.71 |
| | Exxon Mobil Corporation | XOM | CB | 62.19 | 0.84 | 1.09 | 1.02 | 0.98 | 0.74 |
| | <i>Median</i> | | | <i>0.96</i> | <i>1.14</i> | <i>1.02</i> | <i>1.04</i> | <i>1.04</i> | <i>0.72</i> |
| Europe | | | | | | | | | |
| | BG Group plc | BRGXF | | 91.50 | 0.92 | 1.26 | 1.08 | 1.06 | 0.85 |
| | Royal Dutch Shell plc | RDS-A | B | 60.83 | 0.97 | 1.17 | 1.05 | 1.05 | 0.82 |
| | Statoil ASA (33%) | STO | CB | 21.14 | 0.86 | 1.09 | 1.02 | 0.97 | 0.71 |
| | Total S.A. | TOT | CB | 51.44 | 0.81 | 1.14 | 1.02 | 0.97 | 0.64 |
| | BP plc | BP | | 40.82 | 0.76 | 1.26 | 1.04 | 0.92 | 0.69 |
| | <i>Median</i> | | | <i>0.89</i> | <i>1.15</i> | <i>1.03</i> | <i>1.01</i> | <i>1.01</i> | <i>0.71</i> |
| Australia/Brazil/China/Russia | | | | | | | | | |
| | CNOOC Limited (34%) | CEO | | 204.06 | 1.00 | 1.48 | 1.15 | 1.21 | 1.19 |
| | Woodside Petroleum Ltd. | WOPEY | B | 42.94 | 0.88 | 1.26 | 1.08 | 1.07 | 0.98 |
| | PetroChina Company Ltd (14%) | PTR | B | 121.41 | 0.91 | 1.18 | 1.07 | 1.05 | 0.84 |
| | Lukoil Oil Company | LUKOY | B | 57.15 | 0.86 | 1.25 | 1.03 | 1.04 | 0.45 |
| | Gazprom (50%) | OGZPY | CB | 21.24 | 0.81 | 1.13 | 1.00 | 0.97 | 0.40 |
| | Petrobras | PBR | | 36.59 | 0.75 | 1.12 | 1.02 | 0.94 | 0.71 |
| | <i>Median</i> | | | <i>0.87</i> | <i>1.22</i> | <i>1.05</i> | <i>1.04</i> | <i>1.04</i> | <i>0.77</i> |
| U.S. Independent | | | | | | | | | |
| | Occidental Petroleum Corp. | OXY | B | 80.59 | 0.89 | 1.11 | 1.04 | 1.00 | 0.86 |
| | Anadarko Petroleum Corp. | APC | | 56.30 | 0.84 | 1.29 | 1.04 | 0.98 | 0.96 |
| | EOG Resources | EOG | CB | 95.72 | 0.85 | 1.16 | 1.02 | 0.97 | 0.82 |
| | Devon Energy Corporation | DVN | CB | 64.35 | 0.85 | 1.09 | 1.02 | 0.97 | 0.69 |
| | Chesapeake Energy Corp. | CHK | | 22.28 | 0.85 | 1.07 | 1.02 | 0.97 | 0.83 |
| | <i>Median</i> | | | <i>0.85</i> | <i>1.11</i> | <i>1.02</i> | <i>1.02</i> | <i>0.97</i> | <i>0.83</i> |
| Canada | | | | | | | | | |
| | Cenovus Energy Inc. | CVE | B | 29.40 | 0.97 | 1.20 | 1.05 | 1.08 | 0.84 |
| | Suncor Energy | SU | B | 32.84 | 0.87 | 1.13 | 1.02 | 1.01 | 0.74 |
| | Canadian Natural Resources | CNQ | B | 35.56 | 0.91 | 1.14 | 1.04 | 1.01 | 0.76 |
| | Imperial Oil Limited (30%) | IMO | CB | 38.07 | 0.89 | 1.07 | 1.00 | 0.99 | 0.81 |
| | Canadian Oil Sands Trust | COSWF | CB | 26.17 | 0.79 | 1.12 | 1.03 | 0.97 | 0.71 |
| | EnCana Corporation | ECA | CB | 29.72 | 0.87 | 1.10 | 1.02 | 0.96 | 0.67 |
| | <i>Median</i> | | | <i>0.88</i> | <i>1.13</i> | <i>1.02</i> | <i>1.02</i> | <i>1.00</i> | <i>0.75</i> |
| CB=Contrarian Buy, Stock Price may be in downtrend compared to 200-day average. | | | | | | | | | |



Meter Reader

A Weekly Analysis of Large Cap Oil and Gas Stocks

October 5, 2010

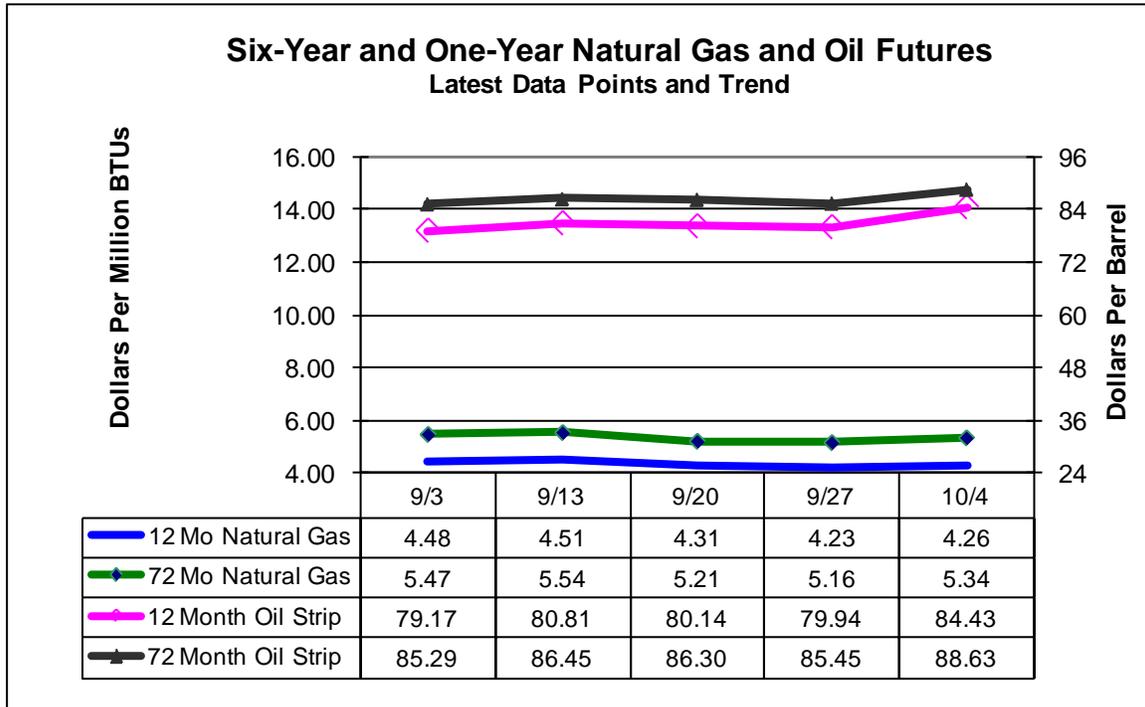
| Index of Recent Research | | | |
|------------------------------------|-----------------|--|---|
| Stock Ideas | | | |
| <u>Date</u> | <u>Symbol</u> | <u>Subject</u> | <u>Theme</u> |
| 21-Sep | PBR | Petrobras | Record Deal, Reasonable Price (Meter Reader) |
| 7-Sep | * LUKOY | Lukoil | Russian Growth in Oil (Meter Reader) |
| 7-Sep | * OGZPY | Gazprom | Russian Growth in Natural Gas (Meter Reader) |
| 31-Aug | * PTR | PetroChina | Leader in Largest Energy Economy (Meter Reader) |
| 24-Aug | * CEO | CNOOC Ltd | Raise NPV on Volume and Profit (Meter Reader) |
| 17-Aug | * ECA, CNQ | Encana, Canadian Natural | Raise NPV for ECA and CNQ on Probable Reserves (MR) |
| 13-Aug | * PEYUF | Peyto Energy Trust | Raise NPV to US\$18 from \$15 (Income and Small Cap Weekly) |
| 13-Aug | * BIREF | Birchcliff Energy Ltd. | Alberta Small Cap Natural Gas Growth |
| 6-Aug | * DMLP | Dorchester Minerals | Free Ride on Bakken and Fayetteville Shale (ISCW) |
| 5-Aug | * XEC | Cimarex Energy Company | Raise NPV to \$80 from \$75 |
| 5-Aug | * DVN | Devon Energy Corporation | Onshore North American Value |
| 30-Jul | * COSWF | Canadian Oil Sands Trust | Distribution Yield of 7% with Long Life and Oil Upside (ISCW) |
| 29-Jul | * XOM | ExxonMobil | Downstream Profits Restored |
| 28-Jul | * COP | ConocoPhillips | From Russia to Australia |
| 27-Jul | * WOPEY | Woodside Petroleum | Double WOPEY LNG in 2011 (Meter Reader) |
| 23-Jul | * HGT | Hugoton Royalty Trust | Pays 8% with Natural Gas Upside (ISCW) |
| 21-Jul | * ECA | Encana | Aggressive Growth at Lower Cost |
| 16-Jul | * SJT | San Juan Basin Royalty Trust | Raise NPV to \$25 from \$23 (Income and Small Cap Weekly) |
| 9-Jul | * HK | Petrohawk | Early in Haynesville (Income and Small Cap Weekly) |
| 7-Jul | * EOG | EOG Resources | Raise NPV to \$120 from \$92 a Share (Meter Reader) |
| 1-Jul | * RRC | Range Resources | First in Marcellus (Income and Small Cap Weekly) |
| 25-Jun | * DNR | Denbury Resources | Small Cap Oil Growth (Income and Small Cap Weekly) |
| 22-Jun | * CVE | Cenovus Energy | Quintuple in Deep Oil Sands (Meter Reader) |
| Meter Reader | | | |
| 5-Oct | | Weekly Valuation | |
| 28-Sep | COP,MRO,CVX,XOM | | Reload Oil Stock Classics |
| 21-Sep | PBR | Petrobras | Record Deal, Reasonable Price |
| 14-Sep | * CVX, RDS, SU | | Promise of High Oil Returns |
| Income and Small Cap Weekly | | | |
| 1-Oct | | Weekly Valuation | The Message of Gold Price |
| 24-Sep | COSWF, PEYUF | | Big Income in Canada |
| 17-Sep | | Weekly Valuation | Natural Gas Opportunity for the Tens Decade |
| 10-Sep | * | Weekly Valuation | Patience is Free |
| | | | |
| | * | Archived on www.mcdep.com | |



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