



Meter Reader

A Weekly Analysis of Large Cap Oil and Gas Stocks

October 18, 2011

Anadarko and BP Settle Oil Spill Dispute

Summary and Recommendation

We confirm estimated Net Present Value (NPV) of \$90 a share (0.88 McDep Ratio) for **Anadarko Petroleum (APC)** after the company settles for \$4 billion a \$6 billion claim made by BP for oil spill cleanup. We revise NPV to \$85 a share (0.59 McDep Ratio) from \$93 for **BP plc (BP)** to bring it more in line with peer companies considering adjusted reserve life and projected cash flow. As a result, there is no longer an unknown legal/political liability overhanging APC stock and investors can focus on the company's exciting exploration potential offshore Africa. Having operating responsibility for the Macondo well that spilled oil in the Gulf of Mexico, BP is still dealing with the political fallout. As time passes, cooler heads are prevailing and the mob atmosphere to lynch BP has died down. We expect that the steep valuation penalty reflected in BP stock will gradually disappear. Our quantitative valuation of the two stocks is supported in the discussion and tables that follow. Meanwhile, the latest industry deal in which buy-recommended **Statoil (STO)** offers to acquire independent Bakken oil explorer Brigham Exploration for \$4.4 billion further attests to the value that knowledgeable operators place on the resources of oil and gas companies trading at depressed stock prices.

Confidence in Underlying Value of APC and BP

Oil production is the most important component of value at 59% for APC and 65% for BP (see tables Functional Cash Flow and Present Value on page 2). Cash flow margin at 65% is higher for Anadarko than 48% for BP (see tables Next Twelve Months Operating and Financial Estimates on pages 3-4). Present value cash flow multiples (PV/Ebitda) for both companies are close to the trend line for 15 companies with APC slightly above at 5.7 and BP also above at 8.5 (see chart Reserve Life and Cash Flow Multiple on page 5).

BP appears near most undervalued in its group while APC ranks near the upper end of its group (see Tables 1-4 on pages 6-9). Commodity market measures of value have U.S. crude oil for the next six years quoted at \$89 a barrel, up \$1 from a week ago and below the 40-week average of \$98. Natural gas for six years settled at \$4.96 a million btu, up 0.02 from a week ago and also below the 40-week average at \$5.39 (see charts Six-Year Commodity Price Meter on page 6 and Six-Year and One-Year Natural Gas and Oil Futures on page 11).

Kurt H. Wulff, CFA



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Anadarko Petroleum 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	2,070	8.3	11.6	24,000	38%
Oil	5,510	5.7	6.9	38,000	59%
Downstream and Minerals	240		8.3	2,000	3%
	7,820	7.2	8.2	64,000	100%
Debt (US\$mm)					19,000
Net Present Value (US\$mm)					45,000
Shares (mm)					500
Net Present Value - Standard Estimate (US\$/sh)					90
NPV Approximation by Cash Flow Multiple Depending on Reserve Life (US\$/sh)					88
Note: Debt includes \$4 billion for oil spill liability.					

BP plc					
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	900	17.4	17.8	16,000	5%
Rest of World Natural Gas	3,350	10.0	7.8	26,000	7%
Oil	26,660	10.7	8.5	226,000	65%
Downstream	14,000		5.7	80,000	23%
	44,910	11.1	7.7	348,000	100%
Debt (US\$mm)					77,100
Net Present Value (US\$mm)					270,800
Shares (mm)					3,186
Net Present Value - Standard Estimate (US\$/sh)					85
NPV Approximation by Cash Flow Multiple Depending on Reserve Life (US\$/sh)					76
Note: Debt reduced by \$10 billion for potential overbooking of oil spill liabilities					



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Anadarko Petroleum Corporation									
Next Twelve Months Operating and Financial Estimates									
									<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>9/30/12</i>
	<i>9/30/10</i>	<i>6/30/11</i>	<i>9/30/11</i>	<i>12/31/11</i>	<i>2011E</i>	<i>3/31/12</i>	<i>6/30/12</i>	<i>9/30/12</i>	<i>9/30/12</i>
Volume									
Natural gas (bcf)	206	212	207	213	849	219	212	207	851
Natural Gas (mmcf)	2,234	2,326	2,250	2,315	2,325	2,412	2,326	2,250	2,326
Days	92	91	92	92	365	91	91	92	366
Oil (mmb)	24	27	25	27	105	26	26	25	105
Oil (mbd)	257	297	275	290	287	290	290	275	286
Total gas & oil (bcf)	347	374	359	373	1,478	378	370	359	1,480
Total gas & oil (mmcf)	3,776	4,108	3,900	4,055	4,050	4,152	4,066	3,900	4,043
Price									
Natural gas (\$/mcf)									
Henry Hub (\$/mmbtu)	4.38	4.32	4.19	3.77	4.10	4.04	4.04	4.15	4.00
Company (\$/mcf)	3.94	4.11	3.99	3.59	3.82	3.84	3.48	3.57	3.62
Oil (\$/bbl)									
WTI Cushing	76.08	102.55	89.76	85.90	93.08	87.03	87.34	87.65	86.98
Company	64.68	96.19	84.20	80.58	86.05	81.64	81.93	82.22	81.58
Total gas & oil (\$/mcf)	6.73	9.28	8.24	7.81	8.30	7.93	7.83	7.86	7.86
Revenue (\$mm)									
Natural Gas	810	870	826	765	3,244	844	736	738	3,083
Oil	1,529	2,600	2,130	2,150	9,029	2,154	2,162	2,080	8,547
Other	211	206			529				-
Total	2,550	3,676	2,957	2,915	12,801	2,998	2,898	2,818	11,629
Expense (\$mm)									
Exploration and Production	1,576	2,254	1,926	1,899	7,956	1,953	1,888	1,836	7,577
Other	60	60	60	60	240	60	60	60	240
Total	1,636	2,314	1,986	1,959	8,196	2,013	1,948	1,896	7,817
Exploration	296	236	236	236	887	236	236	236	944
Deprec., Deplet., & Amort.	962	985	985	985	3,940	985	985	985	3,940
Ebit (\$mm)									
Ebit	378	1,093	765	738	3,369	792	727	675	2,933
Interest	218	216	216	216	868	216	216	216	864
Ebt (\$mm)									
Ebt	160	877	549	522	2,501	576	511	459	2,069
Income Tax	56	307	192	183	875	202	179	161	724
Net Income (\$mm)									
Net Income	104	570	357	339	1,626	375	332	298	1,345
Shares (millions)									
Shares	496	500	500	500	500	500	500	500	500
Per share (\$)	0.21	1.14	0.71	0.68	3.25	0.75	0.66	0.60	2.69
Ebitda Margin (E&P)	67%	65%	65%	65%	65%	65%	65%	65%	65%
Tax Rate	35%	35%	35%	35%	35%	35%	35%	35%	35%



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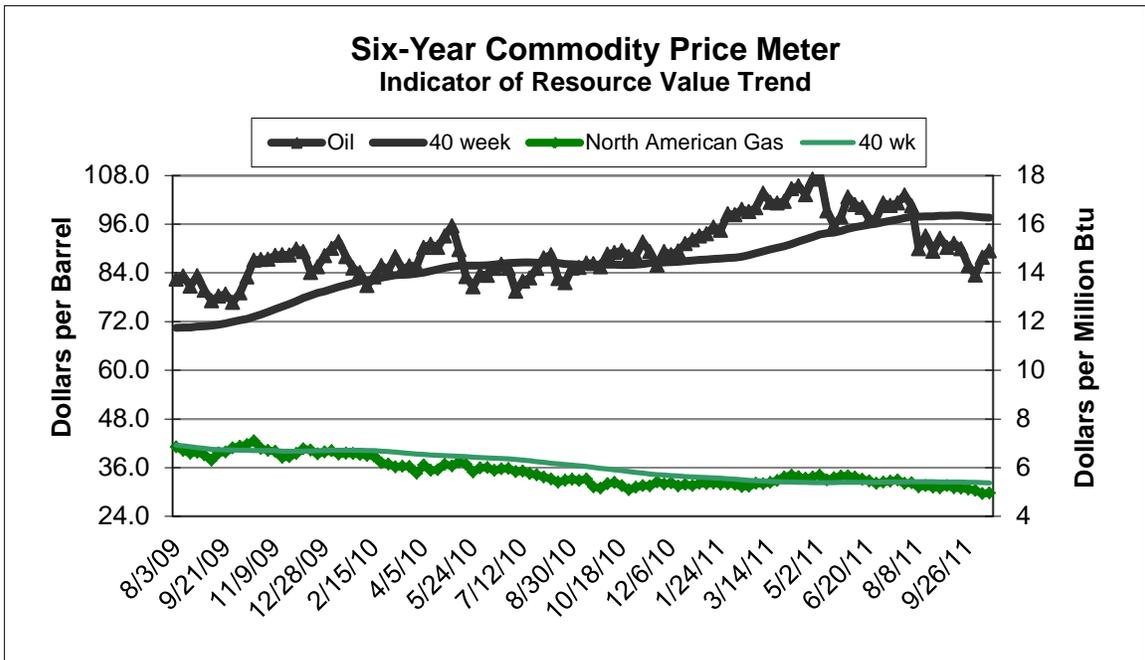
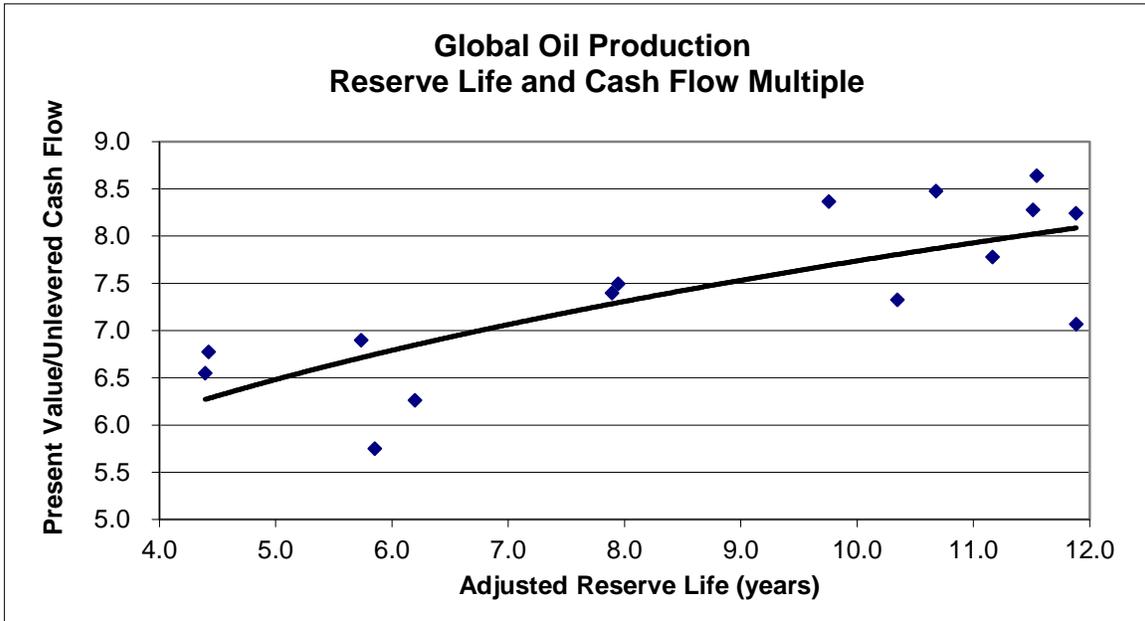
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BP plc									
Next Twelve Months Operating and Financial Estimates									
	Q3	Q2	Q3E	Q4E	Year	Q1E	Q2E	Q3E	Next Twelve Months
	9/30/10	6/30/11	9/30/11	12/31/11	2011E	3/31/12	6/30/12	9/30/12	9/30/12
Volume									
Natural Gas (mmcf)									
U.S.	2,190	1,833	1,833	1,833	1,851	1,833	1,833	1,833	1,833
Overseas (or Int'l)	6,174	5,730	6,174	6,075	5,917	5,681	5,730	6,174	5,917
Total	8,364	7,563	8,007	7,908	7,768	7,514	7,563	8,007	7,750
Oil (mbd)	2,321	2,129	2,129	2,129	2,164	2,129	2,129	2,129	2,129
Total gas & oil (mmb)	342	308	319	317	1,262	304	308	319	1,249
Total gas & oil (mmb)	3,715	3,390	3,464	3,447	3,458	3,381	3,390	3,464	3,421
Price									
Natural gas (\$/mcf)									
Henry Hub (\$/mmbtu)	4.38	4.32	4.19	3.77	4.10	4.04	4.04	4.15	4.00
U.S.	3.73	3.61	3.67	3.43	3.48	3.67	3.68	3.52	3.57
Overseas (or Int'l)	3.99	4.84	4.23	4.05	4.41	4.11	4.12	4.13	4.10
Total	3.92	4.54	4.11	3.91	4.19	4.00	4.01	3.99	3.98
Oil (\$/bbl)									
WTI Cushing	76.08	102.55	89.76	85.90	93.08	87.03	87.34	87.65	86.98
Worldwide	70.47	106.99	93.65	89.63	96.00	90.80	91.13	91.45	90.75
Total gas & oil (\$/bbl)	52.85	77.33	67.06	64.32	69.46	66.06	66.19	65.45	65.49
NY Harbor 3-2-1 (\$/bbl)	8.31	27.68	35.09	32.79	28.31	29.64	30.44	27.70	30.14
BP Refining Indicator	4.53	13.92							
Revenue (\$mm)									
Natural Gas									
U.S.	752	602	620	579	2,349	606	613	594	2,391
Overseas (or Int'l)	2,265	2,522	2,405	2,265	9,518	2,099	2,148	2,349	8,861
Total	3,016	3,125	3,025	2,844	11,867	2,705	2,762	2,942	11,253
Oil	15,048	20,728	18,344	17,555	75,816	17,398	17,655	17,912	70,520
Other	56,588	79,995	79,995	79,995	306,234	79,995	79,995	79,995	319,981
Total	74,652	103,848	101,364	100,394	393,917	100,099	100,412	100,849	401,754
Expense (\$mm)									
Production	11,219	14,583	13,341	12,856	55,351	12,505	12,662	12,881	50,904
Other	53,052	76,859	76,226	77,182	292,088	76,853	75,721	76,226	305,981
Ebitda (\$mm)									
Exploration and Production	6,845	9,270	8,076	7,709	32,549	7,598	7,716	7,882	30,905
Other	3,536	3,137	3,769	2,814	14,145	3,143	4,275	3,769	14,000
Total Ebitda	10,380	12,406	11,845	10,523	46,694	10,741	11,991	11,651	44,905
Exploration	160	679	500	500	2,078	500	500	500	2,000
Deprec., Deplet., & Amort.	2,754	2,671	2,671	2,671	10,848	2,671	2,671	2,671	10,684
Ebit (\$mm)									
Interest	348	314	314	314	1,250	314	314	314	1,256
Ebt (\$mm)									
Income Tax	2,491	3,060	2,926	2,463	11,381	2,539	2,977	2,858	10,838
Net Income (\$mm)									
Exploration and Production	6,541	7,313							
Other	1,626	1,392							
Unallocated	(3,540)	(3,023)							
Total	4,627	5,682	5,434	4,575	21,137	4,716	5,529	5,308	20,127
Shares (millions)									
Per share (\$)	1.47	1.78	1.71	1.44	6.64	1.48	1.74	1.67	6.32
Ebitda Margin (E&P)	38%	39%	38%	38%	37%	38%	38%	38%	38%
Tax Rate	35%	35%	35%	35%	35%	35%	35%	35%	35%



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	Symbol/Rating B = Buy, CB (see below)	Price (US\$/sh) 17-Oct 2011	EV/ Market Cap	Enterprise Value (\$mm)	Present Value by Segment (%)					McDep Ratio
					North Amer. Natural Gas	Rest of World Natural Gas	Oil Prod'n	Down- stream		
U.S. Integrated										
Exxon Mobil Corporation	XOM CB	77.47	1.19	452,000	9	19	56	16		0.73
ConocoPhillips	COP CB	68.34	1.44	136,000	14	11	59	17		0.66
Chevron Corporation	CVX CB	98.61	1.14	225,000	3	10	78	9		0.61
<i>Total or Median</i>				<i>813,000</i>			<i>59</i>			<i>0.66</i>
Europe										
BG Group	BRGXF	21.15	1.20	86,800		34	45	21		0.87
Royal Dutch Shell plc	RDS-A CB	68.64	1.30	277,000	3	22	54	21		0.76
Statoil ASA (33%)	STO CB	24.27	1.47	37,500		34	66	-		0.64
BP plc	BP	40.17	1.60	205,000	5	7	65	23		0.59
Total S.A.	TOT CB	50.62	1.38	157,000		20	67	13		0.58
<i>Total or Median</i>				<i>763,000</i>			<i>65</i>			<i>0.64</i>
Brazil/Russia/Australia/China										
Woodside Petroleum Ltd.	WOPEY	35.27	1.23	34,000		72	28	-		0.82
CNOOC Limited (36%)	CEO	169.28	1.01	27,600		9	91	-		0.68
PetroChina Company Ltd (14%)	PTR CB	121.05	1.32	41,000		14	69	16		0.64
Petrobras	PBR CB	23.68	1.40	215,000		2	83	15		0.46
Gazprom (50%)	OGZPY CB	10.25	1.25	74,000		84	16	-		0.42
Lukoil Oil Company	LUKOY CB	53.70	1.10	47,400			72	28		0.38
<i>Total or Median</i>				<i>439,000</i>			<i>72</i>			<i>0.55</i>
U.S. Independent										
Southwestern Energy Company	SWN	38.89	1.11	15,100	100			-		0.93
Chesapeake Energy Corp.	CHK	27.30	1.75	35,900	73		27	-		0.89
Anadarko Petroleum Corp.	APC	74.44	1.51	56,200	38		59	3		0.88
Occidental Petroleum Corp.	OXY CB	82.68	1.11	74,400	10	1	79	9		0.69
EOG Resources, Inc.	EOG CB	81.41	1.25	25,400	43	4	53	-		0.68
Devon Energy Corporation	DVN CB	59.68	1.22	30,600	55		45	-		0.58
Marathon Oil Corporation	MRO CB	23.84	1.30	22,200	7	4	89	-		0.51
<i>Total or Median</i>				<i>260,000</i>			<i>59</i>			<i>0.69</i>
Canada										
Cenovus Energy Inc.	CVE CB	34.71	1.25	32,900	16		74	9		0.75
Imperial Oil Limited (30%)	IMO CB	39.65	1.15	11,700	3		86	11		0.67
Penn West Exploration	PWE	15.60	1.53	11,100	16		84	-		0.61
EnCana Corporation	ECA CB	19.79	1.75	25,600	90		10	-		0.53
Suncor Energy	SU CB	29.10	1.28	59,200	3		81	17		0.52
Canadian Oil Sands Limited	COSWF CB	21.77	1.13	11,900			100	-		0.45
<i>Total or Median</i>				<i>152,000</i>			<i>82</i>			<i>0.57</i>
Composite				2,427,000	9	15	62	14		0.63

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



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McDep Large Cap Energy Stocks								
Net Present Value and McDep Ratio								
			Price (US\$/sh)	Shares	Market Cap (US\$mm)	Net Present Value (US\$/sh)	Debt/ Present Value	McDep Ratio
	Symbol/Rating		17-Oct 2011	(mm)				
	B = Buy, CB (see below)							
U.S. Integrated								
Exxon Mobil Corporation	XOM	CB	77.47	4,912	381,000	112.00	0.11	0.73
ConocoPhillips	COP	CB	68.34	1,380	94,000	119.00	0.20	0.66
Chevron Corporation	CVX	CB	98.61	2,009	198,000	170.00	0.07	0.61
	<i>Total or Median</i>				673,000		0.11	0.66
Europe								
BG Group plc	BRGXF		21.15	3,410	72,100	25.00	0.15	0.87
Royal Dutch Shell plc	RDS-A	CB	68.64	3,114	214,000	96.00	0.18	0.76
Statoil ASA (33%)	STO	CB	24.27	1,050	25,500	44.00	0.21	0.64
BP plc	BP		40.17	3,186	128,000	85.00	0.22	0.59
Total S.A.	TOT	CB	50.62	2,256	114,000	100.00	0.16	0.58
	<i>Total or Median</i>				554,000		0.18	0.64
Brazil/Russia/Australia/China								
Woodside Petroleum Ltd.	WOPEY		35.27	787	27,800	45.00	0.16	0.82
CNOOC Limited (36%)	CEO		169.28	162	27,400	250.00	0.01	0.68
PetroChina Company Ltd (14%)	PTR	CB	121.05	256	31,000	210.00	0.16	0.64
Petrobras	PBR	CB	23.68	6,513	154,200	62.00	0.13	0.46
Gazprom (50%)	OGZPY	CB	10.25	5,750	58,900	28.00	0.08	0.42
Lukoil Oil Company	LUKOY	CB	53.70	802	43,100	150.00	0.03	0.38
	<i>Total or Median</i>				342,000		0.11	0.55
U.S. Independent								
Southwestern Energy Company	SWN		38.89	350	13,600	42.00	0.09	0.93
Chesapeake Energy Corp.	CHK		27.30	751	20,500	33.00	0.38	0.89
Anadarko Petroleum Corp.	APC		74.44	500	37,200	90.00	0.30	0.88
Occidental Petroleum Corp.	OXY	CB	82.68	813	67,200	123.00	0.07	0.69
EOG Resources, Inc.	EOG	CB	81.41	250	20,400	130.00	0.13	0.68
Devon Energy Corporation	DVN	CB	59.68	423	25,200	112.00	0.10	0.58
Marathon Oil Corporation	MRO	CB	23.84	717	17,090	54.00	0.12	0.51
	<i>Total or Median</i>				201,200		0.12	0.69
Canada								
Cenovus Energy Inc.	CVE	CB	34.71	758	26,300	49.00	0.15	0.75
Imperial Oil Limited (30%)	IMO	CB	39.65	256	10,200	62.00	0.09	0.67
Penn West Exploration	PWE		15.60	467	7,300	31.00	0.21	0.61
EnCana Corporation	ECA	CB	19.79	739	14,600	51.00	0.23	0.53
Suncor Energy	SU	CB	29.10	1,587	46,200	64.00	0.11	0.52
Canadian Oil Sands Limited	COSWF	CB	21.77	485	10,600	52.00	0.05	0.45
	<i>Total or Median</i>				115,000		0.13	0.57

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\$100 a barrel and natural gas, \$8 a million btu.



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			<i>Price (US\$/sh)</i>	<i>Adjustd Resrvs/ Prod</i>	<i>PV/ Ebitda</i>	<i>EV/ Ebitda</i>	<i>P/E</i>	<i>Divd or Distrib NTM</i>
	<i>Symbol/Rating</i>		<i>17-Oct 2011</i>	<i>NTM</i>	<i>NTM</i>	<i>NTM</i>	<i>NTM</i>	<i>(%)</i>
	<i>B = Buy, CB (see below)</i>							
U.S. Integrated								
Exxon Mobil Corporation	XOM	CB	77.47	14.1	7.9	5.7	10	2.4
ConocoPhillips	COP	CB	68.34	12.0	8.1	5.3	10	3.9
Chevron Corporation	CVX	CB	98.61	8.5	7.1	4.4	8	3.2
	<i>Total or Median</i>			<i>12.0</i>	<i>7.9</i>	<i>5.3</i>	<i>10</i>	<i>3.2</i>
Europe								
BG Group plc	BRGXF		21.15	17.1	10.2	8.8	17	1.1
Royal Dutch Shell plc	RDS-A	CB	68.64	9.0	7.1	5.4	9	4.9
Statoil ASA (33%)	STO	CB	24.27	6.8	7.2	4.6	10	4.6
BP plc	BP		40.17	11.1	7.7	4.6	6	4.2
Total S.A.	TOT	CB	50.62	9.9	7.8	4.5	7	6.2
	<i>Total or Median</i>			<i>9.9</i>	<i>7.7</i>	<i>4.6</i>	<i>9</i>	<i>4.6</i>
Brazil/Russia/Australia/China								
Woodside Petroleum Ltd.	WOPEY		35.27	20.3	10.5	8.6	15	3.1
Petrobras	PBR	CB	23.68	13.5	11.6	5.4	8	5.3
PetroChina Company Ltd (14%)	PTR	CB	121.05	13.1	7.2	4.6	10	4.5
CNOOC Limited (36%)	CEO		169.28	6.9	5.8	3.9	7	3.8
Lukoil Oil Company	LUKOY	CB	53.70	16.4	6.6	2.5	4	3.6
Gazprom (50%)	OGZPY	CB	10.25	30.2	5.5	2.3	3	3.0
	<i>Total or Median</i>			<i>14.9</i>	<i>6.9</i>	<i>4.3</i>	<i>7</i>	<i>3.7</i>
U.S. Independent								
Southwestern Energy Company	SWN		38.89	7.5	11.9	11.1	23	-
Chesapeake Energy Corp.	CHK		27.30	10.5	11.2	10.0	9	1.3
Anadarko Petroleum Corp.	APC		74.44	7.2	8.2	7.2		0.5
Occidental Petroleum Corp.	OXY	CB	82.68	11.5	8.7	6.1	12	2.2
Devon Energy Corporation	DVN	CB	59.68	10.2	9.7	5.6	11	1.1
EOG Resources, Inc.	EOG	CB	81.41	9.2	8.0	5.4	20	0.8
Marathon Oil Corporation	MRO	CB	23.84	10.3	7.1	3.6	9	2.5
	<i>Total or Median</i>			<i>10.2</i>	<i>8.7</i>	<i>6.1</i>	<i>11</i>	<i>1.1</i>
Canada								
Cenovus Energy Inc.	CVE	CB	34.71	22.3	11.9	9.0	22	2.3
Imperial Oil Limited (30%)	IMO	CB	39.65	42.9	12.7	8.5	13	1.1
EnCana Corporation	ECA	CB	19.79	11.9	13.9	7.3	70	4.0
Penn West Exploration	PWE		15.60	8.5	10.9	6.6	11	6.8
Canadian Oil Sands Limited	COSWF	CB	21.77	25.8	11.9	5.3	8	5.4
Suncor Energy	SU	CB	29.10	25.2	10.0	5.2	13	1.5
	<i>Total or Median</i>			<i>23.8</i>	<i>11.9</i>	<i>7.0</i>	<i>13</i>	<i>3.1</i>
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 September 30, 2012; 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 Stocks									
Rank by Enterprise Value to 200 Day Average									
			Price						
	Symbol		(\$/sh)	Enterprise Value/					
			17-Oct	52Wk	52Wk	50 Day	200 Day	McDep	
	Rating		2011	High	Low	Avg.	Avg.	Ratio	
U.S. Integrated									
	Chevron Corporation	CVX	CB	98.61	0.91	1.19	1.03	0.99	0.61
	Exxon Mobil Corporation	XOM	CB	77.47	0.90	1.16	1.05	0.98	0.73
	ConocoPhillips	COP	CB	68.34	0.88	1.11	1.03	0.96	0.66
	<i>Median</i>			<i>0.90</i>	<i>1.16</i>	<i>1.03</i>	<i>0.98</i>	<i>0.66</i>	
Europe									
	Royal Dutch Shell plc	RDS-A	CB	68.64	0.91	1.14	1.05	0.99	0.76
	Statoil ASA (33%)	STO	CB	24.27	0.87	1.14	1.05	0.98	0.64
	BG Group plc	BRGXF		105.75	0.84	1.17	1.04	0.95	0.87
	BP plc	BP		40.17	0.87	1.11	1.03	0.95	0.59
	Total S.A.	TOT	CB	50.62	0.83	1.18	1.07	0.94	0.58
	<i>Median</i>			<i>0.87</i>	<i>1.15</i>	<i>1.05</i>	<i>0.97</i>	<i>0.65</i>	
Brazil/Russia/Australia/China									
	PetroChina Company Ltd (14%)	PTR	CB	121.05	0.81	1.06	0.99	0.91	0.64
	Lukoil Oil Company	LUKOY	CB	53.70	0.73	1.20	0.98	0.86	0.38
	Woodside Petroleum Ltd.	WOPEY		35.27	0.72	1.16	1.00	0.85	0.82
	Gazprom (50%)	OGZPY	CB	10.25	0.64	1.14	0.95	0.79	0.42
	Petrobras	PBR	CB	23.68	0.63	1.10	0.93	0.77	0.46
	CNOOC Limited (36%)	CEO		169.28	0.62	1.20	0.95	0.77	0.68
	<i>Median</i>			<i>0.68</i>	<i>1.15</i>	<i>0.97</i>	<i>0.82</i>	<i>0.55</i>	
U.S. Independent									
	Anadarko Petroleum Corp.	APC		74.44	0.91	1.20	1.05	0.99	0.88
	Southwestern Energy Company	SWN		41.75	0.81	1.23	1.05	0.97	0.93
	Chesapeake Energy Corp.	CHK		27.30	0.85	1.15	0.96	0.93	0.89
	Occidental Petroleum Corp.	OXY	CB	82.68	0.72	1.22	1.02	0.87	0.69
	EOG Resources, Inc.	EOG	CB	81.41	0.72	1.17	0.96	0.84	0.68
	Devon Energy Corporation	DVN	CB	59.68	0.68	1.14	0.96	0.79	0.58
	Marathon Oil Corporation	MRO	CB	23.84					0.51
	<i>Median</i>			<i>0.76</i>	<i>1.18</i>	<i>0.99</i>	<i>0.90</i>	<i>0.69</i>	
Canada									
	Cenovus Energy Inc.	CVE	CB	34.71	0.88	1.21	1.03	0.98	0.75
	Imperial Oil Limited (30%)	IMO	CB	39.65	0.74	1.20	1.02	0.89	0.67
	Suncor Energy	SU	CB	29.10	0.66	1.21	0.99	0.80	0.52
	Canadian Oil Sands Limited	COSWF	CB	21.73	0.64	1.23	1.00	0.80	0.45
	EnCana Corporation	ECA	CB	19.79	0.69	1.07	0.92	0.78	0.53
	Penn West Exploration	PWE		15.60	0.64	1.15	0.93	0.76	0.61
	<i>Median</i>			<i>0.69</i>	<i>1.20</i>	<i>0.99</i>	<i>0.80</i>	<i>0.61</i>	
CB=Contrarian Buy, Stock Price may be in downtrend compared to 200-day average.									



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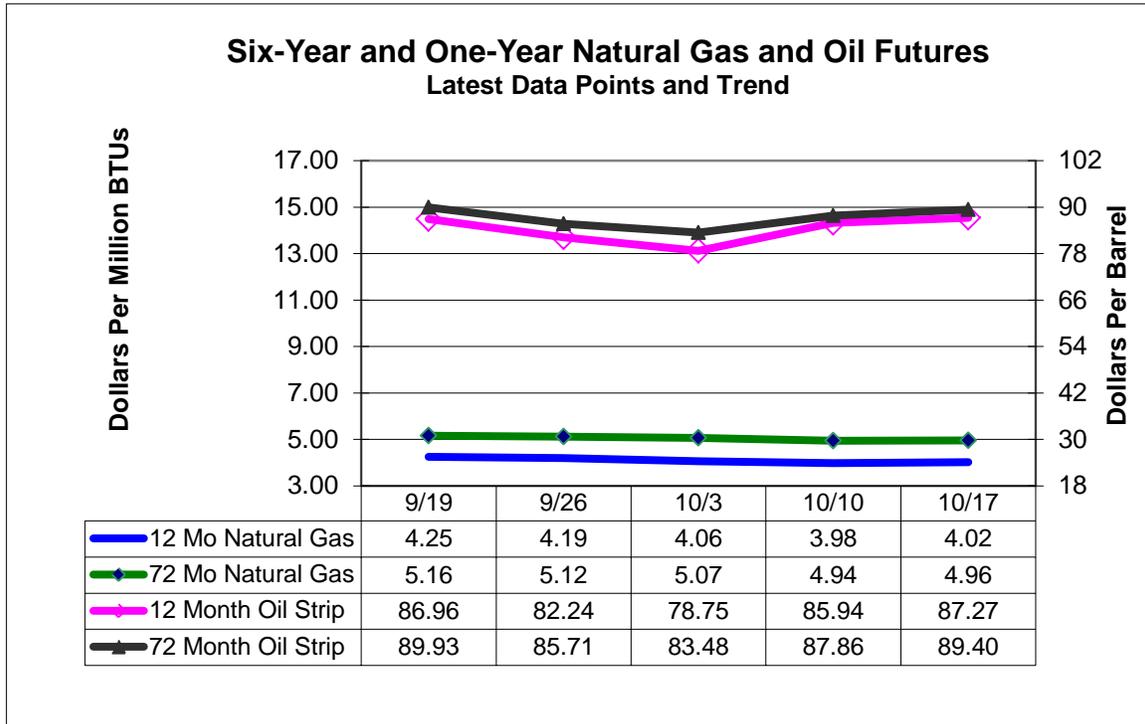
Index of Recent Research			
Stock Ideas			
<i>Date</i>	<i>Symbol</i>	<i>Subject</i>	<i>Theme</i>
14-Oct	ERF	Enerplus Corporation	Marcellus, Bakken and Canada with 8% Income (ISCW)
3-Oct	STO	Statoil	Giant North Sea Oil Discovery (Meter Reader)
7-Oct	BIREF	Birchcliff Energy	Seeks Offers to Acquire the Company (ISCW)
30-Sep	RRC, WLL, XEC, LINE, LGCY		5 Ideas from IPAA San Francisco
23-Sep	SJT, HGT	San Juan Basin RT, Hugoton RT	Transfer Buy to SJT from HGT (Income and Small Cap Wkly)
16-Sep	FRHLF, PBT, SBR, DMLP, CRT		Volume Upside in Top Line Cash Payers (Income and Small Cap)
13-Sep	EOG	EOG Resources	Horizontal Leads Renewed U.S. Oil Growth (Meter Reader)
6-Sep	LUKOY	Lukoil	Capitalist Success with Upside (Meter Reader)
2-Sep	XEC	Cimarex Energy	Solid Company, Bouncy Stock (Income and Small Cap Weekly)
30-Aug	PTR	PetroChina	China Growth at Low Stock Market Value (Meter Reader)
23-Aug	PBR	Petrobras	Product Price Controls Delay Cash Growth (Meter Reader)
19-Aug	DMLP	Dorchester Minerals, L.P.	Preferred Risk 7% Income with Oil and Gas Upside (ISCW)
16-Aug	COSWF	Canadian Oil Sands Limited	Undervalued Laggard (Meter Reader)
9-Aug	HK	Petrohawk	Discontinue on Pending Acquisition at NPV Premium (ISCW)
9-Aug	RRC	Range Resources	Raise NPV to \$70 from \$60 a Share (Income and Small Cap)
2-Aug	CVX	Chevron	Raise NPV to \$170 from \$154 on Cash Flow Margin
2-Aug	TOT	Total	Lower NPV to \$100 from \$111 on Cash Flow Margin (MReader)
27-Jul	APC	Anadarko Petroleum	Raise NPV to \$90 from \$78 on Oil Growth
26-Jul	ECA	Encana	High Margin at Low Natural Gas Price (Meter Reader)
19-Jul	COP	ConocoPhillips	Downstream Spinoff Promises to Unlock Value (Meter Reader)
5-Jul	DVN	Devon Energy	Thermal Oil Growth in Canada (Meter Reader)
28-Jun	MRO	Marathon Oil	Buy New U.S. Independent Producer (Meter Reader)
21-Jun	WOPEY	Woodside Petroleum	Remove Buy on Costs and Delay (Meter Reader)
17-Jun	PEYUF	Peyto Exploration	Update Growth (Income and Small Cap)
14-Jun	CVE	Cenovus Energy	Accelerating Deep Oil Sands (Meter Reader)
7-Jun	IMO	Imperial Oil	Double Oil Production by 2020 (Meter Reader)
31-May	OXY	Occidental Petroleum	Triple California Oil Production by 2020 (Meter Reader)
29-Mar	XOM	Exxon Mobil	Natural Gas Enhanced by Nuclear (Meter Reader)
22-Feb	OGZPY	Gazprom	Nearer Accord on Natural Gas to China (Meter Reader)
For historical research by stock, go to mcdep.com , click on Stock Ideas , click on stock by name.			
Meter Reader			
11-Oct	CVE, DVN, ECA, EOG, MRO, COSWF		Ideal for Deals
4-Oct	STO	Statoil	Giant North Sea Oil Discovery
27-Sep			Stocks Pricing Long-Term Oil at \$60 a Barrel?
20-Sep			20% More Oil for the Buck
For earlier editions, go to mcdep.com , click on Meter Reader .			
Income and Small Cap Weekly			
14-Oct	ERF	Enerplus Corporation	Marcellus, Bakken and Canada with 8% Income
7-Oct	BIREF	Birchcliff Energy	Seeks Offers to Acquire the Company
30-Sep	RRC, WLL, XEC, LINE, LGCY		5 Ideas from IPAA San Francisco
23-Sep	SJT, HGT	San Juan Basin RT, Hugoton RT	Transfer Buy to SJT from HGT
For earlier editions, go to mcdep.com , click on Energy Income .			
Industry Ideas			
10-Oct	China Buys More Oil and Gas in Canada		Sinopec Bids for Daylight Energy



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