



# Meter Reader

A Weekly Analysis of Large Cap Oil and Gas Stocks

August 21, 2012

## Total S.A. (TOT)

### Buy \$100 NPV for \$50 Stock Price

<i>Symbol</i>	TOT	<i>Ebitda Next Twelve Months ending 6/30/13 (US\$mm)</i>	34,600
<i>Rating</i>	Buy	<i>North American Natural Gas/Ebitda (%)</i>	0
<i>Price (US\$/sh)</i>	50.00	<i>Natural Gas and Oil Production/Ebitda (%)</i>	85
<i>Pricing Date</i>	8/20/12	<i>Adjusted Reserves/Production NTM</i>	10.2
<i>Shares (mm)</i>	2264	<i>EV/Ebitda</i>	4.5
<i>Market Capitalization (US\$mm)</i>	113,000	<i>PV/Ebitda</i>	7.8
<i>Debt (US\$mm)</i>	42,000	<i>Undeveloped Reserves (%)</i>	48
<i>Enterprise Value (EV) (US\$mm)</i>	155,000	<i>Natural Gas and Oil Ebitda (US\$/boe)</i>	36.10
<i>Present Value (PV) (US\$mm)</i>	268,000	<i>Present Value Proven Reserves(US\$/boe)</i>	19.87
<i>Net Present Value (US\$/share)</i>	100	<i>Present Value Proven Reserves(US\$/mcfe)</i>	3.31
<i>Debt/Present Value</i>	0.16	<i>Earnings Next Twelve Months (US\$/sh)</i>	6.63
<i>McDep Ratio - EV/PV</i>	0.58	<i>Price/Earnings Next Twelve Months</i>	8
<i>Dividend Yield (%/year)</i>	5.8	<i>Indicated Annual Dividend (US\$/sh)</i>	2.91
Note: Estimated cash flow and earnings tied to one-year futures prices for oil.			
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\$100 a barrel			
For historical analysis of TOT since 2004 see <a href="http://www.mcdep.com/1tot.htm">www.mcdep.com/1tot.htm</a>			

## Summary and Recommendation

French oil major, buy-recommended **Total (TOT)**, offers the recovery potential of Euro stocks at a steep discount to estimated Net Present Value of \$100 a share (see table [Functional Cash Flow and Present Value](#) on page 2 and table [Next Twelve Months Operating and Financial Estimates](#) on page 3). With most of its oil production outside North America, the company receives a crude oil price near the global Brent benchmark and above the interior North America Nymex benchmark (see chart [Quarterly Crude Oil Price](#) on page 2). McDep Ratio at 0.58 is the lowest among Europe and U.S Integrated Producers (see [Table 1](#) on page 4). Financial risk is low at a 0.16 ratio of Debt/Present Value (see [Table 2](#) on page 5). Cash flow multiple (EV/Ebitda at 4.5 times) is below the median while reserve life (Adjusted Reserves/Production) of 10.2 years is at the median. Dividend yield at 5.8% a year is the highest among peer companies (see [Table 3](#) on page 6). The dividend rate for the quarter was just increased in euros after being unchanged for four years. That positive sign from management may have sparked Total stock to demonstrate some of its recovery potential as the company's Enterprise Value is currently 1.07 times the 50-day average, highest in the integrated group (see [Table 4](#) on page 7). While Total's stock also trades above the 200-day average, the average price of Nymex crude oil for the next six years at \$90 is below the 200-day average of \$93 a barrel (see chart [Six-Year and One-Year Natural Gas and Oil Futures](#) on page 9). The current more globally representative Brent futures average \$100 a barrel for the next six years, coincidentally our long-term price assumption for estimating NPV. Finally, the strong analytical case we see for Total stock offers a thick cushion against economic and political risk.

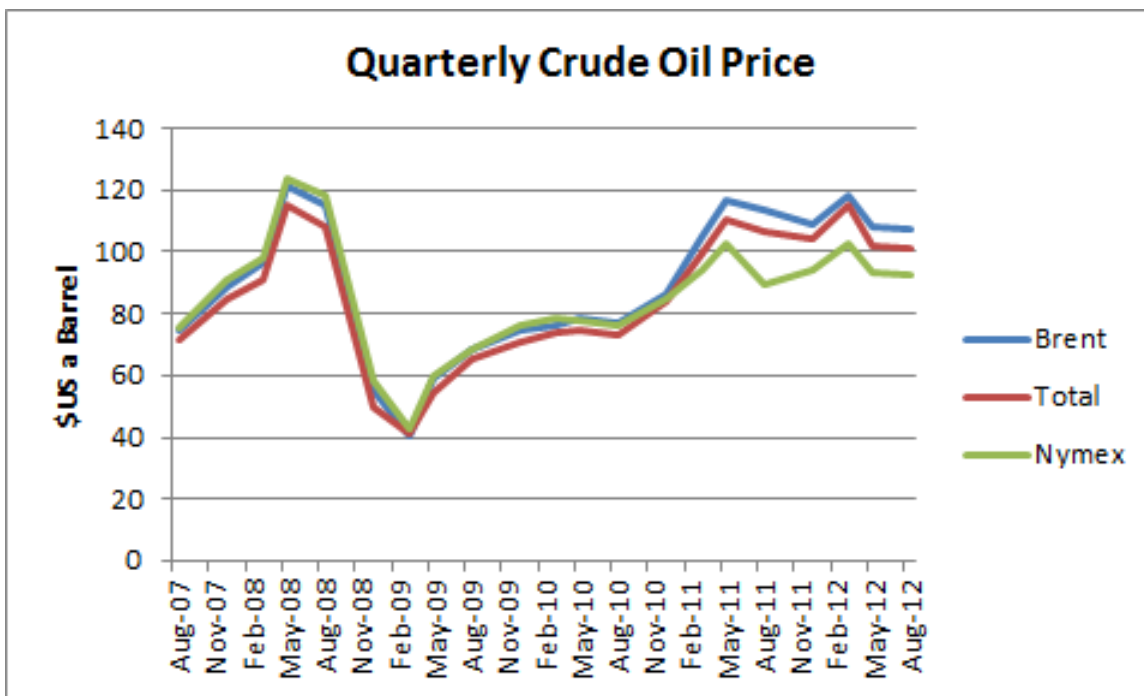
Kurt H. Wulff, CFA



# Meter Reader

A Weekly Analysis of Large Cap Oil and Gas Stocks

August 21, 2012



<b>Total</b>					
<b>Functional Cash Flow and Present Value</b>					
	<i>NTM Ebitda</i>	<i>Adjusted</i>	<i>PV/</i>	<i>Present</i>	
	<i>(US\$m)</i>	<i>R/P</i>	<i>Ebitda</i>	<i>Value</i>	
				<i>(US\$m)</i>	
Rest of World Natural Gas	7,450	11.4	8.1	60,000	22%
Oil	21,950	9.2	7.7	170,000	63%
Downstream	5,200		7.3	38,000	14%
	34,600	10.2	7.7	268,000	100%
Debt (US\$m)					42,000
Net Present Value (US\$m)					226,000
Shares (mm)					2,264
Net Present Value - Standard Estimate (US\$/sh)					100
NPV Approximation by Cash Flow Multiple Depending on Reserve Life (US\$/sh)					92



# Meter Reader

A Weekly Analysis of Large Cap Oil and Gas Stocks

August 21, 2012

Total S.A.									
Next Twelve Months Operating and Financial Estimates									
	Q2	Year	Q1	Q2	Q3E	Q4E	Year	Q2E	Next
	6/30/11	2011	3/31/12	6/30/12	9/30/12	12/31/12	2012E	6/30/13	Twelve
									Months
									6/30/13
<b>Volume</b>									
Natural Gas (mmcf/d)	6,077	<b>6,098</b>	6,226	5,722	6,228	6,201	<b>6,112</b>	5,722	<b>6,095</b>
Days	91	<b>365</b>	91	91	92	92	<b>366</b>	91	<b>365</b>
Oil (mmb)	109	<b>447</b>	112	111	112	112	<b>447</b>	111	<b>445</b>
Oil (mbd)	1,197	<b>1,225</b>	1,229	1,218	1,218	1,218	<b>1,221</b>	1,218	<b>1,218</b>
Total gas & oil (mmb)	201	<b>818</b>	206	198	208	207	<b>819</b>	198	<b>815</b>
Total gas & oil (mbd)	2,210	<b>2,242</b>	2,267	2,172	2,256	2,252	<b>2,239</b>	2,172	<b>2,234</b>
<b>Price</b>									
Dollar (euro/\$)	1.44	<b>1.39</b>	1.31	1.28	1.23	1.23	<b>1.27</b>	1.23	<b>1.23</b>
Natural gas (\$/mmbtu)	6.60	<b>6.54</b>	7.16	7.10	7.10	7.10	<b>7.12</b>	7.10	<b>7.10</b>
Oil (\$/bbl)									
WTI Cushing	102.55	<b>95.12</b>	102.93	93.32	92.63	96.59	<b>96.37</b>	97.72	<b>96.13</b>
Brent	117.00	<b>111.28</b>	118.60	108.30	107.50	112.09	<b>111.62</b>	113.40	<b>111.56</b>
Company	110.60	<b>105.25</b>	115.20	101.60	100.85	105.16	<b>105.68</b>	106.39	<b>104.65</b>
Total gas & oil (\$/bbl)	78.06	<b>75.34</b>	82.13	75.69	74.05	76.44	<b>77.09</b>	78.38	<b>76.43</b>
NY Harbor 3-2-1 (\$/bbl)	27.68	<b>25.56</b>	24.31	30.77	30.86	26.19	<b>28.03</b>	26.15	<b>26.63</b>
Europe (\$/t)	16.30	<b>17.35</b>	20.90	38.20	38.32	32.52	<b>32.48</b>	32.47	<b>33.06</b>
<b>Revenue (mmeuro)</b>									
Natural gas	2,536	<b>10,464</b>	3,095	2,885	3,296	3,281	<b>12,557</b>	2,995	<b>12,795</b>
Oil	8,371	<b>33,818</b>	9,829	8,788	9,155	9,546	<b>37,318</b>	9,553	<b>37,690</b>
Total production	10,908	<b>44,282</b>	12,924	11,673	12,451	12,827	<b>49,875</b>	12,548	<b>50,484</b>
Other	29,557	<b>122,268</b>	33,851	32,903	32,903	32,903	<b>132,559</b>	32,903	<b>131,611</b>
Total	40,465	<b>166,550</b>	46,775	44,576	45,354	45,730	<b>182,434</b>	45,450	<b>182,095</b>
<b>Expense</b>									
Production	5,718	<b>22,188</b>	6,999	6,478	6,866	7,055	<b>27,397</b>	6,932	<b>27,840</b>
Other	28,629	<b>118,644</b>	32,738	31,343	31,850	31,850	<b>127,780</b>	31,850	<b>127,398</b>
<b>Ebitda (mmeuro)</b>									
Production	5,190	<b>22,094</b>	5,925	5,196	5,873	6,051	<b>23,044</b>	5,919	<b>23,814</b>
Other	928	<b>3,624</b>	1,113	1,560	1,053	1,053	<b>4,779</b>	1,053	<b>4,213</b>
Total Ebitda	6,118	<b>25,718</b>	7,038	6,756	6,926	7,104	<b>27,824</b>	6,972	<b>28,026</b>
Exploration	179	<b>1,019</b>	356	269	269	269	<b>1,163</b>	200	<b>938</b>
Deprec., Deplet., & Amort.	1,531	<b>6,725</b>	1,838	1,982	1,982	1,982	<b>7,784</b>	1,982	<b>7,928</b>
Excess tax and other	(1,488)	<b>(6,435)</b>	(1,935)	(1,288)					
<b>Operating Income</b>									
Upstream	5,390	<b>22,474</b>	6,457	4,998					
Downstream	228	<b>1,238</b>	322	795					
Chemicals	278	<b>697</b>	369	330					
Total operating income	5,896	<b>24,409</b>	6,779	5,793					
Excess tax and other	1,488	<b>6,435</b>	1,935	1,288					
<b>Ebit</b>	4,408	<b>17,974</b>	4,844	4,505	4,675	4,853	<b>18,877</b>	4,790	<b>19,160</b>
Interest	104	<b>398</b>	105	116	116	116	<b>453</b>	116	<b>464</b>
<b>Ebt</b>	4,304	<b>17,576</b>	4,739	4,389	4,559	4,737	<b>18,424</b>	4,674	<b>18,696</b>
Income Tax	1,506	<b>6,152</b>	1,659	1,536	1,596	1,658	<b>6,448</b>	1,636	<b>6,544</b>
<b>Net Income (mmeuro)</b>	2,797	<b>11,424</b>	3,080	2,853	2,963	3,079	<b>11,975</b>	3,038	<b>12,153</b>
<b>Shares (millions)</b>	2,256	<b>2,258</b>	2,265	2,264	2,264	2,264	<b>2,264</b>	2,264	<b>2,264</b>
Per share (euro)	1.24	<b>5.06</b>	1.36	1.26	1.31	1.36	<b>5.29</b>	1.34	<b>5.37</b>
Ebitda Margin (E&P)	48%	<b>50%</b>	46%	45%	47%	47%	<b>46%</b>	47%	<b>47%</b>
Tax Rate	35%	<b>35%</b>	35%	35%	35%	35%	<b>35%</b>	35%	<b>35%</b>



# Meter Reader

A Weekly Analysis of Large Cap Oil and Gas Stocks

August 21, 2012

<b>Table 1</b>										
<b>McDep Large Cap Energy Stocks</b>										
<b>Geographic Domicile and Business Segments</b>										
	Symbol/Rating B = Buy, CB (see below)	Price (US\$/sh) 20-Aug 2012	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		
<b>U.S. and Europe Integrated</b>										
BG Group	BRGYY	20.71	1.23	87,100		24	42	34	0.99	
Exxon Mobil Corporation	XOM B	87.95	1.17	478,000	7	20	56	16	0.82	
Royal Dutch Shell plc	RDS-A B	70.74	1.26	280,000	3	22	56	19	0.74	
Chevron Corporation	CVX B	112.52	1.12	248,000	3	11	76	10	0.69	
Statoil ASA (33%)	STO CB	25.23	1.49	39,400		35	65	-	0.67	
BP plc	BP	42.69	1.63	224,000	4	8	63	25	0.63	
Total S.A.	TOT B	50.00	1.37	155,000		22	63	14	0.58	
<i>Total or Median</i>				<i>1,512,000</i>			<i>63</i>		<i>0.69</i>	
<b>Brazil/Russia/Australia/China</b>										
Woodside Petroleum Ltd.	WOPEY	36.65	1.26	37,000		69	31	-	0.85	
CNOOC Limited (36%)	CEO	201.02	1.02	33,000		9	91	-	0.81	
PetroChina Company Ltd (14%)	PTR CB	127.59	1.37	44,800		15	70	14	0.68	
Petrobras	PBR CB	22.38	1.52	222,000		5	81	14	0.60	
Gazprom (50%)	OGZPY CB	9.68	1.34	74,000		11	13	76	0.41	
Lukoil Oil Company	LUKOY B	58.39	1.01	46,800			71	29	0.39	
<i>Total or Median</i>				<i>458,000</i>			<i>71</i>		<i>0.64</i>	
<b>U.S. Independent</b>										
EOG Resources, Inc.	EOG B	109.57	1.20	35,400	32	4	64	-	0.87	
Chesapeake Energy Corp.	CHK	19.40	2.43	35,500	64		36	-	0.86	
Southwestern Energy Company	SWN	32.18	1.16	13,000	100			-	0.83	
Anadarko Petroleum Corp.	APC	69.60	1.48	51,600	34		63	3	0.77	
Occidental Petroleum Corp.	OXY CB	88.62	1.13	80,900	8	1	81	10	0.76	
ConocoPhillips	COP CB	57.03	1.55	110,000	13	13	74	-	0.69	
Devon Energy Corporation	DVN CB	59.26	1.35	32,400	46		54	-	0.65	
Marathon Oil Corporation	MRO CB	27.16	1.46	28,200	7	3	90	-	0.60	
<i>Total or Median</i>				<i>387,000</i>			<i>64</i>		<i>0.77</i>	
<b>Canada</b>										
Penn West Exploration	PWE	14.71	1.66	11,700	18		82	-	0.83	
Imperial Oil Limited (30%)	IMO B	46.99	1.17	14,100	2		84	14	0.79	
Cenovus Energy Inc.	CVE CB	33.30	1.29	32,500	11		73	16	0.74	
EnCana Corporation	ECA B	22.35	1.51	24,800	86		14	-	0.70	
Suncor Energy	SU B	32.62	1.28	65,000	2		80	18	0.57	
Canadian Oil Sands Limited	COSWF B	22.17	1.22	13,100			100	-	0.54	
<i>Total or Median</i>				<i>161,000</i>			<i>81</i>		<i>0.72</i>	
<b>Composite</b>				<b>2,518,000</b>	<b>8</b>	<b>14</b>	<b>63</b>	<b>16</b>	<b>0.68</b>	

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

August 21, 2012

			Price (US\$/sh)	Shares	Market Cap (US\$mm)	Net Present Value (US\$/sh)	Debt/ Present Value	McDep Ratio
	Symbol/Rating		20-Aug 2012	(mm)				
B = Buy, CB (see below)								
<b>U.S. and Europe Integrated</b>								
BG Group plc	BRGYY		20.71	3,415	70,700	21.00	0.19	0.99
Exxon Mobil Corporation	XOM	B	87.95	4,657	410,000	110.00	0.12	0.82
Royal Dutch Shell plc	RDS-A	B	70.74	3,133	222,000	102.00	0.15	0.74
Chevron Corporation	CVX	B	112.52	1,968	221,000	170.00	0.07	0.69
Statoil ASA (33%)	STO	CB	25.23	1,050	26,500	44.00	0.22	0.67
BP plc	BP		42.69	3,214	137,000	84.00	0.24	0.63
Total S.A.	TOT	B	50.00	2,264	113,000	100.00	0.16	0.58
<i>Total or Median</i>					<i>1,200,000</i>		<i>0.16</i>	<i>0.69</i>
<b>Brazil/Russia/Australia/China</b>								
Woodside Petroleum Ltd.	WOPEY		36.65	797	29,200	45.00	0.17	0.85
CNOOC Limited (36%)	CEO		201.02	161	32,400	250.00	0.02	0.81
PetroChina Company Ltd (14%)	PTR	CB	127.59	256	32,700	210.00	0.18	0.68
Petrobras	PBR	CB	22.38	6,522	146,000	45.00	0.21	0.60
Gazprom (50%)	OGZPY	CB	9.68	5,750	55,700	28.00	0.10	0.41
Lukoil Oil Company	LUKOY	B	58.39	794	46,400	150.00	0.00	0.39
<i>Total or Median</i>					<i>342,000</i>		<i>0.14</i>	<i>0.64</i>
<b>U.S. Independent</b>								
EOG Resources, Inc.	EOG	B	109.57	270	29,600	130.00	0.14	0.87
Chesapeake Energy Corp.	CHK		19.40	753	14,600	27.00	0.51	0.86
Southwestern Energy Company	SWN		32.18	348	11,200	40.00	0.11	0.83
Anadarko Petroleum Corp.	APC		69.60	500	34,800	100.00	0.25	0.77
Occidental Petroleum Corp.	OXY	CB	88.62	811	71,900	120.00	0.08	0.76
ConocoPhillips	COP	CB	57.03	1,236	71,000	96.00	0.25	0.69
Devon Energy Corporation	DVN	CB	59.26	405	24,000	102.00	0.17	0.65
Marathon Oil Corporation	MRO	CB	27.16	709	19,260	54.00	0.19	0.60
<i>Total or Median</i>					<i>276,400</i>		<i>0.18</i>	<i>0.77</i>
<b>Canada</b>								
Penn West Exploration	PWE		14.71	473	7,000	20.00	0.33	0.83
Imperial Oil Limited (30%)	IMO	B	46.99	256	12,000	62.00	0.11	0.79
Cenovus Energy Inc.	CVE	CB	33.30	758	25,200	48.00	0.17	0.74
EnCana Corporation	ECA	B	22.35	736	16,400	37.00	0.24	0.70
Suncor Energy	SU	B	32.62	1,558	50,800	64.00	0.12	0.57
Canadian Oil Sands Limited	COSWF	B	22.17	485	10,800	45.00	0.10	0.54
<i>Total or Median</i>					<i>122,000</i>		<i>0.15</i>	<i>0.72</i>

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, \$6 a million btu.



# Meter Reader

A Weekly Analysis of Large Cap Oil and Gas Stocks

August 21, 2012

			<i>Price</i> <i>(US\$/sh)</i>	<i>Adjustd</i> <i>Resrvs/</i>	<i>PV/</i>	<i>EV/</i>		<i>Dividend</i>
	<i>Symbol/Rating</i>		<i>20-Aug</i>	<i>Prod</i>	<i>Ebitda</i>	<i>Ebitda</i>	<i>P/E</i>	<i>NTM</i>
	<i>B = Buy, CB (see below)</i>		<i>2012</i>	<i>NTM</i>	<i>NTM</i>	<i>NTM</i>	<i>NTM</i>	<i>(%)</i>
<b>U.S. and Europe Integrated</b>								
BG Group plc	BRGYY		20.71	8.9	7.7	7.6	14	1.2
Exxon Mobil Corporation	XOM	B	87.95	13.1	7.8	6.4	11	2.6
Royal Dutch Shell plc	RDS-A	B	70.74	10.1	7.0	5.2	10	4.9
BP plc	BP		42.69	11.4	8.3	5.2	7	4.5
Chevron Corporation	CVX	B	112.52	9.2	7.2	4.9	10	3.2
Total S.A.	TOT	B	50.00	10.2	7.8	4.5	8	5.8
Statoil ASA (33%)	STO	CB	25.23	6.3	6.3	4.2	8	4.2
	<i>Median</i>			<i>10.1</i>	<i>7.7</i>	<i>5.2</i>	<i>10</i>	<i>4.2</i>
<b>Brazil/Russia/Australia/China</b>								
Woodside Petroleum Ltd.	WOPEY		36.65	13.2	8.7	7.4	11	3.0
Petrobras	PBR	CB	22.38	13.1	8.1	4.9	7	4.6
PetroChina Company Ltd (14%)	PTR	CB	127.59	13.0	6.9	4.7	9	4.0
CNOOC Limited (36%)	CEO		201.02	6.9	5.6	4.5	9	3.4
Gazprom (50%)	OGZPY	CB	9.68	31.2	5.7	2.4	3	5.8
Lukoil Oil Company	LUKOY	B	58.39	16.3	5.6	2.2	4	4.0
	<i>Median</i>			<i>13.2</i>	<i>6.3</i>	<i>4.6</i>	<i>8</i>	<i>4.0</i>
<b>U.S. Independent</b>								
Southwestern Energy Company	SWN		32.18	7.5	15.9	13.2	26	-
Chesapeake Energy Corp.	CHK		19.40	9.8	10.4	9.0	17	1.8
EOG Resources, Inc.	EOG	B	109.57	9.2	7.5	6.5	25	0.6
Anadarko Petroleum Corp.	APC		69.60	8.3	7.8	6.0	20	0.5
Occidental Petroleum Corp.	OXY	CB	88.62	10.0	7.6	5.8	12	2.4
Devon Energy Corporation	DVN	CB	59.26	9.9	8.8	5.8	17	1.3
ConocoPhillips	COP	CB	57.03	12.7	8.3	5.7	10	4.6
Marathon Oil Corporation	MRO	CB	27.16	9.7	6.8	4.0	8	2.5
	<i>Median</i>			<i>9.8</i>	<i>8.0</i>	<i>5.9</i>	<i>17</i>	<i>1.6</i>
<b>Canada</b>								
EnCana Corporation	ECA	B	22.35	8.8	15.8	11.0		3.6
Imperial Oil Limited (30%)	IMO	B	46.99	36.9	11.6	9.1	12	1.0
Penn West Exploration	PWE		14.71	7.3	8.6	7.1	19	7.4
Cenovus Energy Inc.	CVE	CB	33.30	13.1	9.2	6.8	16	2.7
Canadian Oil Sands Limited	COSWF	B	22.17	19.4	11.4	6.2	9	6.4
Suncor Energy	SU	B	32.62	17.1	9.4	5.4	14	1.6
	<i>Median</i>			<i>15.1</i>	<i>10.4</i>	<i>7.0</i>	<i>14</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 June 30, 2013; P/E = Stock Price to Earnings; PV = Present Value of oil and gas and other businesses								



# Meter Reader

A Weekly Analysis of Large Cap Oil and Gas Stocks

August 21, 2012

<b>Table 4</b>								
<b>McDep Large Cap Energy Stocks</b>								
<b>Rank by Enterprise Value to 200 Day Average</b>								
			<i>Price</i>					
	<i>Symbol</i>		<i>(\$/sh)</i>	<i>Enterprise Value/</i>				
			<i>20-Aug</i>	<i>52Wk</i>	<i>52Wk</i>	<i>50 Day</i>	<i>200 Day</i>	<i>McDep</i>
	<i>Rating</i>		<i>2012</i>	<i>High</i>	<i>Low</i>	<i>Avg.</i>	<i>Avg.</i>	<i>Ratio</i>
<b>U.S. and Europe Integrated</b>								
Chevron Corporation	CVX	B	112.52	0.99	1.26	1.05	1.06	0.69
Exxon Mobil Corporation	XOM	B	87.95	0.99	1.24	1.03	1.04	0.82
Royal Dutch Shell plc	RDS-A	B	70.74	0.96	1.17	1.03	1.02	0.74
Total S.A.	TOT	B	50.00	0.91	1.17	1.07	1.01	0.58
BP plc	BP		42.69	0.92	1.15	1.03	1.00	0.63
Statoil ASA (33%)	STO	CB	25.23	0.91	1.15	1.04	1.00	0.67
BG Group plc	BRGY		20.71	0.86	1.14	1.03	0.97	0.99
	<i>Median</i>			<i>0.92</i>	<i>1.17</i>	<i>1.03</i>	<i>1.01</i>	<i>0.69</i>
<b>Brazil/Russia/Australia/China</b>								
Woodside Petroleum Ltd.	WOPEY		36.65	0.91	1.19	1.07	1.04	0.85
Lukoil Oil Company	LUKOY	B	58.39	0.89	1.26	1.05	1.02	0.39
CNOOC Limited (36%)	CEO		201.02	0.86	1.41	1.02	1.01	0.81
PetroChina Company Ltd (14%)	PTR	CB	127.59	0.87	1.10	1.00	0.96	0.68
Petrobras	PBR	CB	22.38	0.77	1.18	1.08	0.94	0.60
Gazprom (50%)	OGZPY	CB	9.68	0.77	1.09	1.02	0.91	0.41
	<i>Median</i>			<i>0.87</i>	<i>1.19</i>	<i>1.03</i>	<i>0.98</i>	<i>0.64</i>
<b>U.S. Independent</b>								
EOG Resources, Inc.	EOG	B	109.57	0.93	1.48	1.11	1.05	0.87
Southwestern Energy Company	SWN		32.18	0.75	1.21	1.04	1.00	0.83
Chesapeake Energy Corp.	CHK		19.40	0.77	1.15	1.02	0.97	0.86
Occidental Petroleum Corp.	OXY	CB	88.62	0.85	1.29	1.03	0.97	0.76
Marathon Oil Corporation	MRO	CB	27.16	0.83	1.25	1.04	0.97	0.60
Anadarko Petroleum Corp.	APC		69.60	0.84	1.15	1.02	0.95	0.77
Devon Energy Corporation	DVN	CB	59.26	0.82	1.12	1.02	0.94	0.65
ConocoPhillips	COP	CB	57.03					0.69
	<i>Median</i>			<i>0.83</i>	<i>1.21</i>	<i>1.03</i>	<i>0.97</i>	<i>0.77</i>
<b>Canada</b>								
EnCana Corporation	ECA	B	22.35	0.91	1.18	1.04	1.08	0.70
Imperial Oil Limited (30%)	IMO	B	46.99	0.96	1.37	1.09	1.06	0.79
Suncor Energy	SU	B	32.62	0.90	1.32	1.07	1.04	0.57
Canadian Oil Sands Limited	COSWF	B	22.28	0.90	1.23	1.10	1.04	0.54
Cenovus Energy Inc.	CVE	CB	33.30	0.87	1.17	1.03	0.99	0.74
Penn West Exploration	PWE		14.71	0.77	1.12	1.06	0.91	0.83
	<i>Median</i>			<i>0.90</i>	<i>1.21</i>	<i>1.07</i>	<i>1.04</i>	<i>0.72</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

August 21, 2012

<b>Index of Recent Research</b>			
<b>Stock Ideas</b>			
<i>Date</i>	<i>Symbol</i>	<i>Subject</i>	<i>Theme</i>
17-Aug	HK	Halcón Resources	Billion Barrel Resource Potential (Income and Small Cap Weekly)
14-Aug	APC	Anadarko Petroleum	Raise NPV to \$100 as Growth Trumps Legal Issues (Meter Reader)
10-Aug	CLR	Continental Resources	Bakken Billions (ISCW)
7-Aug	SU	Suncor Energy	New CEO, New Focus on Shareholder Return (Meter Reader)
3-Aug	XEC	Cimarex Energy	West Texas Wolfcamp Shale Oil (ISCW)
31-Jul	OXY	Occidental Petroleum	California Oil Growth Accelerates (Meter Reader)
30-Jul	COSWF	Canadian Oil Sands Limited	Robust Volume Outlook
27-Jul	RRC	Range Resources	Oil-Enhanced Natural Gas Growth (ISCW)
24-Jul	CEO	CNOOC Ltd.	60% Premium in \$21 Billion Deal (Meter Reader)
20-Jul	BRY	Berry Petroleum	Momentum Resuming (Income and Small Cap Weekly)
17-Jul	XOM	Exxon Mobil	Low U.S. Energy Price Outperformer (Meter Reader)
10-Jul	MRO	Marathon Oil	Shale Growth, Dollar Hedge (Meter Reader)
3-Jul	OGZPY	Gazprom	Dividend Double Approved (Meter Reader)
26-Jun	STO	Statoil	Financially Strong Norse Explorers (Meter Reader)
19-Jun	CVE	Cenovus	Deep Oil Sands Growth at Lower Price (Meter Reader)
12-Jun	PBR	Petrobras	Deep Water Oil Growth, Lower NPV to \$45 (Meter Reader)
12-Jun	BRGYY	BG Group	Lower NPV to \$21 (6/12/12 Meter Reader, page 2)
13-Jun	ERF	Enerplus Corporation	Dividend Reduced by Half
8-Jun	SJT	San Juan Basin Royalty Trust	Price Decline Action in SJT and Royalty Trusts (ISCW)
5-Jun	WOPEY	Woodside Petroleum Ltd.	Pluto LNG Delivering (Meter Reader)
25-May	HGT	Hugoton Royalty Trust	HGT Bargain (Income and Small Cap Weekly)
18-May	BIREF	Birchcliff Energy	Contrarian Buy at Lower NPV (Income and Small Cap Weekly)
15-May	EOG	EOG Resources	Raise NPV to \$130 a Share on Oil Volume (Meter Reader)
11-May	DMLP	Dorchester Minerals, L.P.	Rising Oil Production (Income and Small Cap Wkly)
8-May	ECA	Encana	Long-Term Natural Gas Appeal (Meter Reader)
4-May	WLL	Whiting Petroleum	Oil Price Discount Narrows (Income and Small Cap Weekly)
1-May	RDS	Royal Dutch Shell	LNG and GTL Profit Gains (Meter Reader)
17-Apr	COP	ConocoPhillips	Largest North American Independent Producer Debut (MR)
10-Apr	DVN	Devon Energy	Shale Oil Excitement at a Favorite Value Stock (Meter Reader)
3-Apr	PTR	PetroChina	Global Growth in Oil and Gas (Meter Reader)
20-Mar	CVX	Chevron	Investing in Australian LNG for Growth (Meter Reader)
6-Mar	IMO	Imperial Oil	Kearl Startup Late This Year (Meter Reader)
13-Feb	TOT	Total	Sharpening Competitive Edge (Meter Reader)
3-Feb	CRT	Cross Timbers Royalty Trust	Firm Oil Balances Soft Natural Gas (ISCW)
For historical research by stock, go to <a href="http://mcdep.com">mcdep.com</a> , click on <a href="#">Stock Ideas</a> , click on stock by name.			
<b>Meter Reader</b>			
14-Aug	APC	Anadarko Petroleum	Raise NPV to \$100 as Growth Trumps Legal Issues
7-Aug	SU	Suncor Energy	New CEO, New Focus on Shareholder Return
31-Jul	OXY	Occidental Petroleum	California Oil Growth Accelerates
24-Jul	CEO	CNOOC Ltd.	60% Premium in \$21 Billion Deal
For earlier editions, go to <a href="http://mcdep.com">mcdep.com</a> , click on <a href="#">Meter Reader</a> .			
<b>Income and Small Cap Weekly</b>			
17-Aug	HK	Halcón Resources	Billion Barrel Resource Potential
10-Aug	CLR	Continental Resources	Bakken Billions
3-Aug	XEC	Cimarex Energy	West Texas Wolfcamp Shale Oil
27-Jul	RRC	Range Resources	Oil-Enhanced Natural Gas Growth
For earlier editions, go to <a href="http://mcdep.com">mcdep.com</a> , click on <a href="#">Energy Income</a> .			

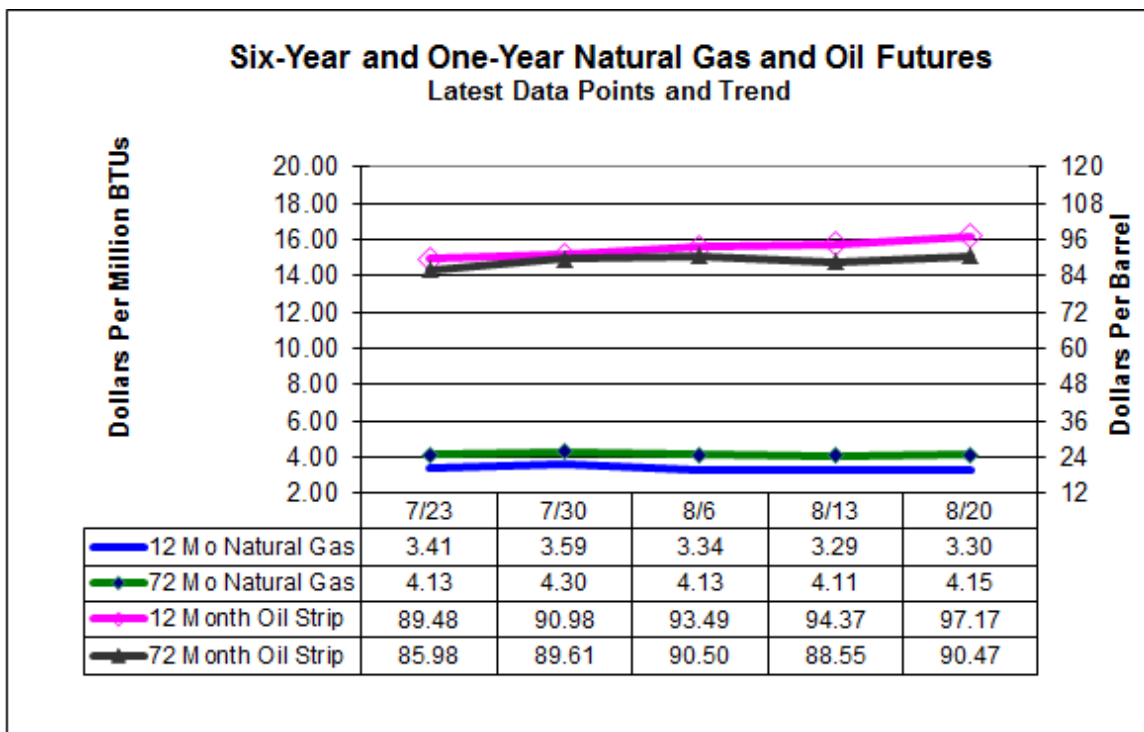




# Meter Reader

A Weekly Analysis of Large Cap Oil and Gas Stocks

August 21, 2012



**Disclaimer:** This analysis was prepared by Kurt Wulff, Manager of McDep LLC. The firm used sources and data believed to be reliable, but makes no representation as to their accuracy or completeness. This analysis is intended for informational purposes and is not a solicitation to buy or sell a security. Past performance is no guarantee of future results.

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

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

**Research Methodology/Ratings Description:** McDep LLC is an independent research originator focused on oil and gas stocks exclusively. The firm applies the forty years of experience of its analyst to estimate a present value of the oil and gas resources and other businesses of covered companies. That value is compared with a company's stock market capitalization and debt. Stocks with low market cap and debt relative to present value tend to outperform stocks with high market cap and debt relative to present value. Buy recommendations are expected to deliver a total return better than 7% per year above inflation. Hold recommendations assume the attributes of the underlying business are reflected in the current price of the stock. Sell recommendations are expected to deliver a total return less than inflation.