



# Meter Reader

A Weekly Analysis of Large Cap Oil and Gas Stocks

September 18, 2012

## Devon Energy (DVN) Barnett Shale to Permian and Beyond

<i>Symbol</i>	DVN	<i>Ebitda Next Twelve Months ending 9/30/13 (US\$m)</i>	6,000
<i>Rating</i>	Buy	<i>North American Natural Gas/Ebitda (%)</i>	27
<i>Price (\$/sh)</i>	63.14	<i>Natural Gas and Oil Production/Ebitda (%)</i>	100
<i>Pricing Date</i>	9/17/12	<i>Adjusted Reserves/Production NTM</i>	9.7
<i>Shares (mm)</i>	405	<i>EV/Ebitda</i>	5.7
<i>Market Capitalization (\$mm)</i>	25,600	<i>PV/Ebitda</i>	8.3
<i>Debt (\$mm)</i>	8,400	<i>Undeveloped Reserves (%)</i>	26
<i>Enterprise Value (EV) (\$mm)</i>	34,000	<i>Natural Gas and Oil Ebitda (\$/boe)</i>	22.30
<i>Present Value (PV) (\$mm)</i>	49,700	<i>Present Value Proven Reserves(\$/boe)</i>	16.50
<i>Net Present Value (\$/share)</i>	102	<i>Present Value Proven Reserves(\$/mcf)</i>	2.80
<i>Debt/Present Value</i>	0.17	<i>Earnings Next Twelve Months (US\$/sh)</i>	3.67
<i>McDep Ratio - EV/PV</i>	0.68	<i>Price/Earnings Next Twelve Months</i>	17
<i>Dividend Yield (%/year)</i>	1.3	<i>Indicated Annual Dividend (US\$/sh)</i>	0.80
Note: Estimated cash flow and earnings tied to one-year futures prices for natural gas and 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 and natural gas, \$6 a million btu.			
For historical research on Devon since 2004 see <a href="http://www.mcdep.com/3dvn.htm">http://www.mcdep.com/3dvn.htm</a>			

### Summary and Recommendation

Buy-recommended **Devon Energy (DVN)**, offering unlevered appreciation potential of 46% to estimated net present value (NPV) of \$102 a share, nimbly shifts its top growth activity to shale and tight oil in the Permian Basin as its pioneering Barnett Shale gas position matures. Permian at 17% of risked resources has surpassed Barnett as Devon's area of highest potential (see 2012 slide Resource by Asset on page 2). Chronicling some dramatic changes in four years, total risked resources are up 50% and reserves 25% despite the divestiture of offshore and international (see 2008 slide Resource Inventory on page 2). Rapid adaption to trends and a traditional balance of oil and gas enables Devon to take advantage of the gain in oil price to offset the decline in natural gas price to the point where oil now accounts for 54% of NPV (see table Functional Cash Flow and Present Value on page 3). Oil volume is rising while natural gas is declining intentionally (see table Next Twelve Months Operating and Financial Estimates on page 3). Meanwhile, a low McDep Ratio at 0.68 implies that investors underrate the company's prospects (see Table 1 on page 4). Moreover, financial risk is low with a 0.17 ratio of Debt to Present Value (see Table 2 on page 5). Unlevered cash flow multiple (EV/Ebitda) is modest at 5.7 times (see Table 3 on page 6). While the stock is keeping up lately compared to the 50-day average, it is lagging by the 200-day average and is trading nearer the low rather than the high on a 52-week basis (see Table 4 on page 7). Finally we believe DVN has the talents, the energy resources and the balance sheet to make it a prime beneficiary of inflation stemming from the free money created by our monetary authorities.

Kurt H. Wulff, CFA



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## Resource By Asset Strong Foundation for Growth

Data in BBOE

	Unrisked Resource	Proved Reserves	+	Additional Risked Potential	=	Total Risked Resources
Permian Basin	7.6	0.2		2.6		2.8
Barnett Shale	4.3	1.2		1.3		2.5
Cana Woodford Shale	2.8	0.3		1.6		1.9
Canadian Oil Sands	2.1	0.5		0.9		1.4
East Texas/Gulf Coast	0.9	0.2		0.6		0.8
Other U.S.	4.6	0.4		1.7		2.1
Other Canada	3.3	0.2		1.8		2.0
Horn River	1.4	-		1.1		1.1
Sinopec JV Assets (net)	4.8	-		1.6		1.6
<b>Total</b>	<b>31.8</b>	<b>3.0</b>		<b>13.2</b>		<b>16.2</b>

NYSE: DVN

www.devonenergy.com

Slide 30



## Devon Resource Inventory Strong Foundation for Growth

MMBOE

	Total Unrisked Resources	Proved Reserves	Risked			Total Resources
			Probable & Possible Resources	Contingent Resources	Prospective Resources	
Barnett Shale	6,840	720	1,380	950	-	3,050
Gulf of Mexico Deepwater	6,240	60	210	350	1,650	2,270
Canada Oil Sands	1,170	330	140	680	-	1,150
International	4,740	120	120	-	710	950
Canada Conventional	980	400	180	210	-	790
East Texas	890	260	260	-	90	610
Rocky Mountains	830	230	240	90	20	580
Mid Continent	720	140	370	-	-	510
Canada Unconventional	820	-	-	330	-	330
Permian Basin	280	160	80	-	10	250
Gulf of Mexico Shelf	390	50	30	-	100	180
South Texas	180	30	40	-	30	100
<b>Total</b>	<b>24,080</b>	<b>2,500</b>	<b>3,050</b>	<b>2,610</b>	<b>2,610</b>	<b>10,770</b>



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Devon Energy					
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>	
North American Natural Gas	1,600	10.9	14.4	23,000	46%
Oil	4,380	8.3	6.1	26,700	54%
	5,980	9.7	8.3	49,700	100%
Debt (US\$mm)					8,400
Net Present Value (US\$mm)					41,300
Shares (mm)					405
Net Present Value - Standard Estimate (US\$/sh)					102
NPV Approximation by Cash Flow Multiple Depending on Reserve Life (US\$/sh)					109

Devon Energy										
Next Twelve Months Operating and Financial Results										
	<i>Q3</i>	<i>Year</i>	<i>Q1</i>	<i>Q2</i>	<i>Q3E</i>	<i>Year</i>	<i>Q1E</i>	<i>Q2E</i>	<i>Q3E</i>	<i>Next</i>
	<i>9/30/11</i>	<i>2011</i>	<i>3/31/12</i>	<i>6/30/12</i>	<i>9/30/12</i>	<i>2012E</i>	<i>3/31/13</i>	<i>6/30/13</i>	<i>9/30/13</i>	<i>Twelve</i>
										<i>Months</i>
										<i>9/30/13</i>
<b>Volume</b>										
Natural Gas (mmcf)	2,608	2,610	2,628	2,569	2,530	2,562	2,455	2,418	2,382	2,437
Oil (mbd)	226	223	256	271	286	279	320	338	357	329
Total gas & oil (mmboe)	61	240	63	64	65	258	66	67	69	268
Total gas & oil (mboed)		658	694	699	708	705	729	741	754	735
<b>Price</b>										
Natural gas (\$/mcf)										
Henry Hub (\$/mmbtu)	4.19	4.04	2.73	2.21	2.80	2.70	3.44	3.48	3.58	3.39
Company	3.80	3.59	2.34	1.76	2.23	2.19	2.73	2.80	2.88	2.71
Oil (\$/bbl)										
WTI Cushing	89.76	95.12	102.93	93.32	92.84	96.37	97.35	97.67	96.95	97.10
Company	58.12	59.46	58.27	52.94	52.66	54.56	55.23	55.41	55.00	55.09
Total gas & oil (\$/mcf)	5.81	5.73	5.06	4.49	4.87	4.92	5.57	5.74	5.86	5.61
<b>Revenue (\$mm)</b>										
Natural Gas	911	3,422	558	411	518	2,045	604	617	632	2,410
Oil	1,210	4,838	1,357	1,304	1,386	5,568	1,588	1,703	1,806	6,619
Total	2,121	8,260	1,916	1,715	1,904	7,613	2,192	2,320	2,438	9,029
<b>Expense</b>	583	2,318	672	721	644	2,739	741	784	824	3,052
<b>Ebitda (\$mm)</b>	1,538	5,942	1,244	994	1,260	4,874	1,451	1,536	1,614	5,976
Deprec., Deplet., & Amort.	566	2,294	680	684	684	2,732	684	684	684	2,736
Hedging and other	(115)	(652)	(177)	(132)	(37)	(297)	107	171	230	557
<b>Ebit</b>	1,087	4,300	741	442	614	2,439	660	681	700	2,684
Interest	104	352	87	99	99	384	99	99	99	396
<b>Ebt</b>	983	3,948	654	343	515	2,055	561	582	601	2,288
Income Tax	344	1,382	229	120	180	719	196	204	210	801
<b>Net Income (\$mm)</b>	639	2,566	425	223	335	1,335	365	378	391	1,487
<b>Shares (millions)</b>	415	418	405	405	405	405	405	405	405	405
Per Share (\$)	1.54	6.14	1.05	0.55	0.83	3.30	0.90	0.93	0.96	3.67
Ebitda Margin	73%	72%	65%	58%	66%	64%	66%	66%	66%	66%
Tax Rate	35%	35%	35%	35%	35%	35%	35%	35%	35%	35%



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Table 1										
McDep Large Cap Energy Stocks										
Geographic Domicile and Business Segments										
	Symbol/Rating	Price (US\$/sh)	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 = Buy, CB (see below)		17-Sep 2012								
<b>U.S. and Europe Integrated</b>										
BG Group	BRGYY		20.98	1.23	88,000		24	42	34	1.00
Exxon Mobil Corporation	XOM	B	91.91	1.16	497,000	7	20	56	16	0.85
Royal Dutch Shell plc	RDS-A	B	72.65	1.26	286,000	3	22	56	19	0.76
Chevron Corporation	CVX	B	117.14	1.12	258,000	3	11	76	10	0.71
Statoil ASA (33%)	STO	B	26.80	1.47	41,300		34	66	-	0.70
BP plc	BP		43.27	1.62	226,000	4	8	63	25	0.63
Total S.A.	TOT	B	53.96	1.35	165,000		22	64	14	0.61
<i>Total or Median</i>					1,561,000			63		0.71
<b>Brazil/Russia/Australia/China</b>										
Woodside Petroleum Ltd.	WOPEY		36.16	1.26	37,000		68	32	-	0.84
CNOOC Limited (36%)	CEO		206.83	1.01	33,800		9	91	-	0.83
PetroChina Company Ltd (14%)	PTR	CB	127.79	1.37	44,800		15	77	9	0.68
Petrobras	PBR	CB	23.85	1.49	231,000		5	81	14	0.63
Lukoil Oil Company	LUKOY	B	65.65	1.06	54,100			71	29	0.45
Gazprom (50%)	OGZPY	B	10.85	1.26	79,000		11	13	76	0.44
<i>Total or Median</i>					480,000			74		0.65
<b>U.S. Independent</b>										
EOG Resources, Inc.	EOG	B	116.40	1.19	37,300	32	4	64	-	0.91
Southwestern Energy Company	SWN		34.44	1.15	13,800	100			-	0.88
Chesapeake Energy Corp.	CHK		20.17	2.36	35,800	56		44	-	0.87
Anadarko Petroleum Corp.	APC		74.17	1.45	53,900	34		63	3	0.81
Occidental Petroleum Corp.	OXY	CB	90.06	1.12	82,100	8	1	81	10	0.77
ConocoPhillips	COP	B	58.30	1.54	111,000	13	13	74	-	0.70
Devon Energy Corporation	DVN	CB	63.14	1.33	34,000	46		54	-	0.68
Marathon Oil Corporation	MRO	B	30.80	1.41	30,700	7	3	90	-	0.65
<i>Total or Median</i>					399,000			64		0.79
<b>Canada</b>										
Penn West Exploration	PWE		16.38	1.62	11,500	18		82	-	0.83
Imperial Oil Limited (30%)	IMO	B	48.20	1.17	14,400	2		84	14	0.80
Cenovus Energy Inc.	CVE	B	36.31	1.27	34,900	11		73	16	0.80
EnCana Corporation	ECA	B	22.93	1.50	25,300	86		14	-	0.71
Suncor Energy	SU	B	34.88	1.26	68,600	2		80	18	0.60
Canadian Oil Sands Limited	COSWF	B	22.02	1.22	13,100			100	-	0.54
<i>Total or Median</i>					168,000			81		0.75
<b>Composite</b>					2,608,000	8	14	63	16	0.71

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



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			Price (US\$/sh)	Shares	Market Cap (US\$mm)	Net Present Value (US\$/sh)	Debt/ Present Value	McDep Ratio
	Symbol/Rating		17-Sep 2012	(mm)				
B = Buy, CB (see below)								
<b>U.S. and Europe Integrated</b>								
BG Group plc	BRGY		20.98	3,415	71,700	21.00	0.19	1.00
Exxon Mobil Corporation	XOM	B	91.91	4,657	428,000	110.00	0.12	0.85
Royal Dutch Shell plc	RDS-A	B	72.65	3,133	228,000	102.00	0.15	0.76
Chevron Corporation	CVX	B	117.14	1,968	231,000	170.00	0.07	0.71
Statoil ASA (33%)	STO	B	26.80	1,050	28,100	44.00	0.22	0.70
BP plc	BP		43.27	3,214	139,000	84.00	0.24	0.63
Total S.A.	TOT	B	53.96	2,264	122,000	100.00	0.16	0.61
<i>Total or Median</i>					<i>1,248,000</i>		<i>0.16</i>	<i>0.71</i>
<b>Brazil/Russia/Australia/China</b>								
Woodside Petroleum Ltd.	WOPEY		36.16	808	29,200	45.00	0.17	0.84
CNOOC Limited (36%)	CEO		206.83	161	33,400	250.00	0.01	0.83
PetroChina Company Ltd (14%)	PTR	CB	127.79	256	32,700	210.00	0.18	0.68
Petrobras	PBR	CB	23.85	6,522	155,600	45.00	0.21	0.63
Lukoil Oil Company	LUKOY	B	65.65	780	51,200	150.00	0.02	0.45
Gazprom (50%)	OGZPY	B	10.85	5,735	62,200	28.00	0.09	0.44
<i>Total or Median</i>					<i>364,000</i>		<i>0.13</i>	<i>0.65</i>
<b>U.S. Independent</b>								
EOG Resources, Inc.	EOG	B	116.40	270	31,400	130.00	0.14	0.91
Southwestern Energy Company	SWN		34.44	348	12,000	40.00	0.11	0.88
Chesapeake Energy Corp.	CHK		20.17	751	15,200	27.00	0.50	0.87
Anadarko Petroleum Corp.	APC		74.17	500	37,100	100.00	0.25	0.81
Occidental Petroleum Corp.	OXY	CB	90.06	811	73,000	120.00	0.08	0.77
ConocoPhillips	COP	B	58.30	1,230	72,000	96.00	0.25	0.70
Devon Energy Corporation	DVN	CB	63.14	405	25,600	102.00	0.17	0.68
Marathon Oil Corporation	MRO	B	30.80	709	21,840	54.00	0.19	0.65
<i>Total or Median</i>					<i>288,100</i>		<i>0.18</i>	<i>0.79</i>
<b>Canada</b>								
Penn West Exploration	PWE		16.38	474	7,100	20.00	0.32	0.83
Imperial Oil Limited (30%)	IMO	B	48.20	256	12,300	62.00	0.12	0.80
Cenovus Energy Inc.	CVE	B	36.31	758	27,500	48.00	0.17	0.80
EnCana Corporation	ECA	B	22.93	736	16,900	37.00	0.24	0.71
Suncor Energy	SU	B	34.88	1,558	54,300	64.00	0.13	0.60
Canadian Oil Sands Limited	COSWF	B	22.02	485	10,700	45.00	0.10	0.54
<i>Total or Median</i>					<i>129,000</i>		<i>0.15</i>	<i>0.75</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.								



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**Table 3**

**McDep Large Cap Energy Stocks  
Value Multiples and Dividend Yield**

			<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>17-Sep 2012</i>	<i>NTM</i>	<i>NTM</i>	<i>NTM</i>	<i>NTM</i>	<i>(%)</i>
	<i>B = Buy, CB (see below)</i>							
<b>U.S. and Europe Integrated</b>								
BG Group plc	BRGYY		20.98	8.6	7.4	7.4	13	1.2
Exxon Mobil Corporation	XOM	B	91.91	13.1	7.7	6.5	11	2.5
Royal Dutch Shell plc	RDS-A	B	72.65	10.1	6.9	5.2	10	4.7
BP plc	BP		43.27	11.4	8.1	5.1	7	4.4
Chevron Corporation	CVX	B	117.14	9.2	7.0	5.0	10	3.1
Total S.A.	TOT	B	53.96	10.2	7.6	4.7	8	5.6
Statoil ASA (33%)	STO	B	26.80	6.3	6.2	4.3	8	4.0
	<i>Median</i>			<i>10.1</i>	<i>7.4</i>	<i>5.1</i>	<i>10</i>	<i>4.0</i>
<b>Brazil/Russia/Australia/China</b>								
Woodside Petroleum Ltd.	WOPEY		36.16	12.7	8.6	7.2	11	3.6
Petrobras	PBR	CB	23.85	13.1	7.9	5.0	7	4.4
PetroChina Company Ltd (14%)	PTR	CB	127.79	13.0	6.7	4.6	8	3.9
CNOOC Limited (36%)	CEO		206.83	6.6	5.2	4.3	8	2.7
Lukoil Oil Company	LUKOY	B	65.65	16.5	5.9	2.7	5	3.6
Gazprom (50%)	OGZPY	B	10.85	31.2	5.5	2.4	3	5.2
	<i>Median</i>			<i>13.0</i>	<i>6.3</i>	<i>4.4</i>	<i>8</i>	<i>3.8</i>
<b>U.S. Independent</b>								
Southwestern Energy Company	SWN		34.44	7.2	14.1	12.3	28	-
Chesapeake Energy Corp.	CHK		20.17	10.0	11.2	9.8	30	1.7
EOG Resources, Inc.	EOG	B	116.40	9.3	7.2	6.6	24	0.6
Anadarko Petroleum Corp.	APC		74.17	8.3	7.5	6.0	19	0.5
Occidental Petroleum Corp.	OXY	CB	90.06	10.0	7.4	5.7	12	2.4
ConocoPhillips	COP	B	58.30	12.7	8.0	5.7	10	4.5
Devon Energy Corporation	DVN	CB	63.14	9.7	8.3	5.7	17	1.3
Marathon Oil Corporation	MRO	B	30.80	9.7	6.5	4.3	9	2.2
	<i>Median</i>			<i>9.7</i>	<i>7.8</i>	<i>5.9</i>	<i>18</i>	<i>1.5</i>
<b>Canada</b>								
EnCana Corporation	ECA	B	22.93	8.4	13.6	9.7		3.5
Imperial Oil Limited (30%)	IMO	B	48.20	19.3	10.7	8.6	11	1.0
Penn West Exploration	PWE		16.38	7.5	8.9	7.4	14	6.7
Cenovus Energy Inc.	CVE	B	36.31	12.8	8.5	6.8	16	2.5
Canadian Oil Sands Limited	COSWF	B	22.02	19.0	10.7	5.8	8	6.5
Suncor Energy	SU	B	34.88	17.1	9.2	5.5	15	1.5
	<i>Median</i>			<i>15.0</i>	<i>9.9</i>	<i>7.1</i>	<i>14</i>	<i>3.0</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, 2013; 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 (\$/sh)	Enterprise Value/					
	Symbol		17-Sep	52Wk	52Wk	50 Day	200 Day	McDep	
		Rating	2012	High	Low	Avg.	Avg.	Ratio	
<b>U.S. and Europe Integrated</b>									
	Chevron Corporation	CVX	B	117.14	0.99	1.30	1.05	1.09	0.71
	Exxon Mobil Corporation	XOM	B	91.91	0.99	1.29	1.05	1.07	0.85
	Total S.A.	TOT	B	53.96	0.96	1.24	1.09	1.07	0.61
	Statoil ASA (33%)	STO	B	26.80	0.95	1.20	1.06	1.04	0.70
	Royal Dutch Shell plc	RDS-A	B	72.65	0.98	1.19	1.03	1.04	0.76
	BP plc	BP		43.27	0.93	1.16	1.02	1.01	0.63
	BG Group plc	BRGY		20.98	0.87	1.16	1.03	0.98	1.00
	<i>Median</i>				<i>0.96</i>	<i>1.20</i>	<i>1.05</i>	<i>1.04</i>	<i>0.71</i>
<b>Brazil/Russia/Australia/China</b>									
	Lukoil Oil Company	LUKOY	B	65.65	0.99	1.39	1.13	1.13	0.45
	CNOOC Limited (36%)	CEO		206.83	0.89	1.46	1.05	1.04	0.83
	Woodside Petroleum Ltd.	WOPEY		36.16	0.90	1.18	1.03	1.03	0.84
	Gazprom (50%)	OGZPY	B	10.85	0.83	1.20	1.10	1.00	0.44
	Petrobras	PBR	CB	23.85	0.80	1.23	1.09	0.99	0.63
	PetroChina Company Ltd (14%)	PTR	CB	127.79	0.87	1.10	1.03	0.96	0.68
	<i>Median</i>				<i>0.88</i>	<i>1.21</i>	<i>1.07</i>	<i>1.02</i>	<i>0.65</i>
<b>U.S. Independent</b>									
	EOG Resources, Inc.	EOG	B	116.40	0.97	1.56	1.10	1.10	0.91
	Southwestern Energy Company	SWN		34.44	0.80	1.29	1.06	1.08	0.88
	Marathon Oil Corporation	MRO	B	30.80	0.90	1.37	1.10	1.05	0.65
	ConocoPhillips	COP	B	58.30	0.98	1.18	1.03	1.03	0.70
	Anadarko Petroleum Corp.	APC		74.17	0.88	1.20	1.04	1.00	0.81
	Devon Energy Corporation	DVN	CB	63.14	0.86	1.17	1.06	0.99	0.68
	Chesapeake Energy Corp.	CHK		20.17	0.81	1.17	1.02	0.99	0.87
	Occidental Petroleum Corp.	OXY	CB	90.06	0.86	1.31	1.03	0.99	0.77
	<i>Median</i>				<i>0.87</i>	<i>1.24</i>	<i>1.05</i>	<i>1.02</i>	<i>0.79</i>
<b>Canada</b>									
	Suncor Energy	SU	B	34.88	0.95	1.39	1.09	1.09	0.60
	EnCana Corporation	ECA	B	22.93	0.98	1.21	1.04	1.09	0.71
	Imperial Oil Limited (30%)	IMO	B	48.20	0.97	1.40	1.06	1.07	0.80
	Cenovus Energy Inc.	CVE	B	36.31	0.93	1.25	1.08	1.06	0.80
	Canadian Oil Sands Limited	COSWF	B	22.00	0.89	1.22	1.05	1.02	0.54
	Penn West Exploration	PWE		16.38	0.77	1.13	1.04	0.92	0.83
	<i>Median</i>				<i>0.94</i>	<i>1.24</i>	<i>1.06</i>	<i>1.06</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

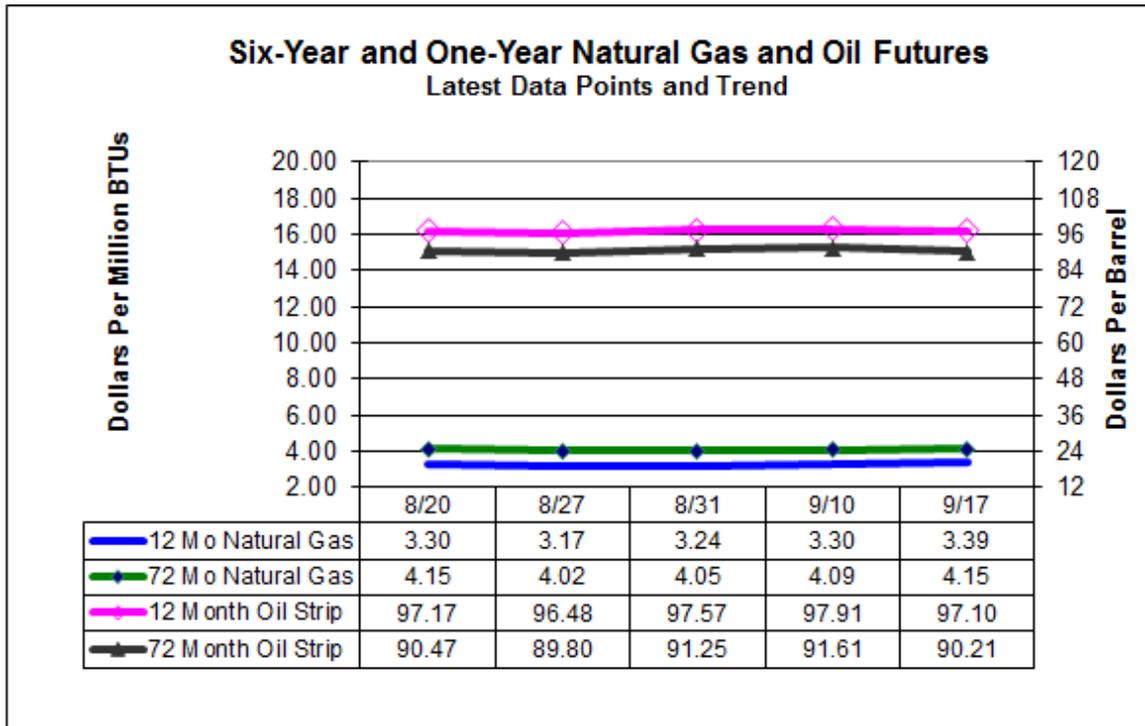
September 18, 2012

<b>Index of Recent Research</b>			
<b>Stock Ideas</b>			
<i>Date</i>	<i>Symbol</i>	<i>Subject</i>	<i>Theme</i>
14-Sep	SJT	SJT and Royalty Trusts	Estimated Distributions Jump (Income and Small Cap Weekly)
7-Sep	PEYUF	Peyto Exploration and Development	Canada Deep Basin Fracker (Income and Small Cap Weekly)
4-Sep	LUKOY	Lukoil	Proven Competitor, Uncommon Value (Meter Reader)
28-Aug	PTR	PetroChina	Pent-Up Profits (Meter Reader)
24-Aug	HGT	Hugoton Royalty Trust	Highest Return for the Next Year (Income and Small Cap Weekly)
21-Aug	TOT	Total	Buy \$100 NPV for \$50 Stock Price (Meter Reader)
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	BRGY	BG Group	Lower NPV to \$21 (6/12/12 Meter Reader, page 2)
13-Jun	ERF	Enerplus Corporation	Dividend Reduced by Half
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)
For historical research by stock, go to <a href="http://mcdep.com">mcdep.com</a> , click on <b>Stock Ideas</b> , click on stock by name.			
<b>Meter Reader</b>			
11-Sep			Thrive and Survive in Oil and Gas Investments
4-Sep	LUKOY	Lukoil	Proven Competitor, Uncommon Value
28-Aug	PTR	PetroChina	Pent-Up Profits
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For earlier editions, go to <a href="http://mcdep.com">mcdep.com</a> , click on <b>Meter Reader</b> .			
<b>Income and Small Cap Weekly</b>			
14-Sep	SJT	SJT and Royalty Trusts	Estimated Distributions Jump
7-Sep	PEYUF	Peyto Exploration and Development	Canada Deep Basin Fracker
31-Aug			Royalty Trust McDep Opportunities
24-Aug	HGT	Hugoton Royalty Trust	Highest Return for the Next Year
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