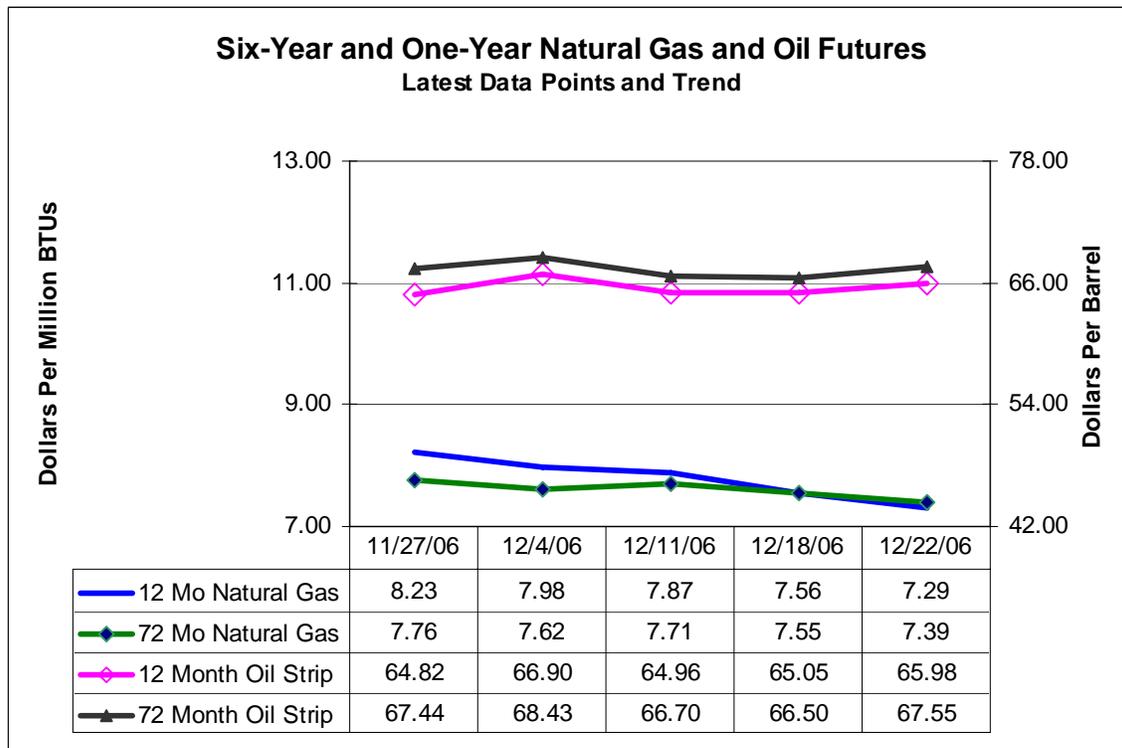


## Respectable Return in 2006

### Summary and Recommendation

Lowest McDep Ratio stocks in each of five groups returned 23% to investors in the past year compared to Highest McDep Ratio stocks that returned 6% in stock price change and distributions adjusted for debt. Buy recommendations in place for the whole period scored a total return of 20% compared to 14% for the S&P 500 (see table, page 2, Fifty-Two Weeks Total Return). In 2005, an unusually strong year, low McDep Ratio stocks appreciated 66%, High McDep Ratio stocks 27%, buy recommendations 49% and the S&P 500 3%, respectively (see *Meter Reader*, February 28, 2006). We believe there continues to be a good valuation case for buy-recommended **Gazprom (OGZPY)** among last year's winners at the same time investors should be alert to portfolio rebalancing opportunities. We are also optimistic that buy-recommended **Cimarex (XEC)** among small cap, income and natural gas stocks that did less well in 2006 will do better in 2007.

Kurt H. Wulff, CFA



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| Oil and Gas Producers  |                   |    |                  |                  |                |                  |                |                        |                   |
|--|-------------------|----|------------------|------------------|----------------|------------------|----------------|------------------------|-------------------|
| Fifty-Two Weeks Total Return   |                   |    |                  |                  |                |                  |                |                        |                   |
|  |                   |    | Price<br>(\$/sh) | Debt/<br>Present | McDep<br>Ratio | Price<br>(\$/sh) | Stock<br>Split | Total Return(%)<br>Raw | Debt-<br>Adjusted |
|  | Symbol/<br>Rating |    | 19-Dec<br>2005   | Value            |                | 22-Dec<br>2006   | Factor         |                        |                   |
| <b>Five Groups</b>   |                   |    |                  |                  |                |                  |                |                        |                   |
| Highest McDep Ratio  |                   |    |                  |                  |                |                  |                | 9                      | 6                 |
| Continuing Buy Recommendations   |                   |    |                  |                  |                |                  |                | 20                     | 21                |
| Lowest McDep Ratio   |                   |    |                  |                  |                |                  |                | 23                     | 23                |
| <i>Average</i>   |                   |    |                  |                  |                |                  |                | 16                     | 16                |
| <b>S&amp;P 500</b>   |                   |    |                  |                  |                |                  |                |                        |                   |
| <i>Average</i>   |                   |    |                  |                  |                |                  |                | 14                     |                   |
| <b>Mega Cap</b>  |                   |    |                  |                  |                |                  |                |                        |                   |
| BP plc   | BP                | B  | 65.28            | 0.11             | 0.86           | 66.53            |                | 5                      | 5                 |
| Total S.A.   | TOT               | B  | 127.79           | 0.12             | 0.82           | 70.46            | 2              | 16                     | 16                |
| Exxon Mobil Corporation  | XOM               | B  | 57.70            | 0.04             | 0.79           | 75.41            |                | 33                     | 37                |
| Royal Dutch Shell plc  | RDS-A             | B  | 61.55            | 0.10             | 0.76           | 71.05            |                | 17                     | 17                |
| Chevron Corporation  | CVX               | B  | 56.75            | 0.13             | 0.71           | 72.73            |                | 32                     | 32                |
| <i>Average</i>   |                   |    |                  |                  |                |                  |                | 21                     | 22                |
| <b>Producer/Refiners - Large Cap and Mid Cap</b>                                       |                   |    |                  |                  |                |                  |                |                        |                   |
| Kinder Morgan, Inc.  | KMI               | S2 | 92.44            | 0.71             | 1.52           | 105.51           |                | 18                     | 6                 |
| Imperial Oil Limited (30%)   | IMO               | B  | 99.00            | 0.10             | 1.16           | 35.68            | 3              | 9                      | 9                 |
| Petro-Canada   | PCZ               | B  | 40.05            | 0.19             | 0.96           | 41.06            |                | 3                      | 3                 |
| Marathon Oil Corporation   | MRO               | B  | 61.40            | 0.27             | 0.96           | 90.77            |                | 51                     | 42                |
| Lukoil Oil Company   | LUKOY             | B  | 61.10            | 0.03             | 0.94           | 86.25            |                | 44                     | 49                |
| Suncor Energy  | SU                | B  | 62.75            | 0.11             | 0.93           | 77.91            |                | 25                     | 25                |
| Norsk Hydro ASA  | NHY               | B  | 101.75           | 0.11             | 0.81           | 30.07            | 5              | 51                     | 52                |
| PetroChina Company Ltd (10%)   | PTR               | B  | 80.70            | 0.01             | 0.68           | 132.9            |                | 72                     | 82                |
| Gazprom (50%)  | OGZPF             | B  | 78.50            | 0.03             | 0.67           | 47.10            | 2.5            | 51                     | 57                |
| ConocoPhillips   | COP               | B  | 58.60            | 0.15             | 0.65           | 71.05            |                | 24                     | 23                |
| <i>Average</i>   |                   |    |                  |                  |                |                  |                | 35                     | 35                |
| <b>Independent Natural Gas and Oil - Large Cap and Mid Cap</b>                         |                   |    |                  |                  |                |                  |                |                        |                   |
| XTO Energy Inc.  | XTO               | B  | 45.58            | 0.20             | 0.96           | 48.47            |                | 11                     | 11                |
| Encana Corporation   | ECA               | B  | 46.73            | 0.20             | 0.93           | 46.88            |                | 1                      | 1                 |
| CNOOC Limited (29%)  | CEO               | B  | 68.18            | 0.00             | 0.81           | 88.01            |                | 34                     | 39                |
| Devon Energy Corporation   | DVN               | B  | 64.60            | 0.15             | 0.79           | 68.11            |                | 8                      | 8                 |
| Anadarko Petroleum Corp.   | APC               | B  | 95.97            | 0.12             | 0.72           | 42.14            | 2              | (12)                   | (12)              |
| Occidental Petroleum Corp.   | OXY               | B  | 81.60            | 0.11             | 0.72           | 49.13            | 2              | 22                     | 23                |
| <i>Average</i>   |                   |    |                  |                  |                |                  |                | 11                     | 11                |
| <b>Independent Natural Gas and Oil - Small Cap</b>                                     |                   |    |                  |                  |                |                  |                |                        |                   |
| Berry Petroleum Company  | BRY               | B  | 59.57            | 0.11             | 0.93           | 31.26            | 2              | 6                      | 6                 |
| Encore Acquisition Company   | EAC               | B  | 32.71            | 0.21             | 0.73           | 24.87            |                | (24)                   | (22)              |
| Cimarex Energy Company   | XEC               | B  | 40.70            | 0.11             | 0.68           | 37.37            |                | (8)                    | (8)               |
| Energy Partners Ltd.   | EPL               | B  | 22.19            | 0.19             | 0.66           | 24.97            |                | 13                     | 12                |
| <i>Average</i>   |                   |    |                  |                  |                |                  |                | (3)                    | (3)               |
| <b>Income</b>  |                   |    |                  |                  |                |                  |                |                        |                   |
| Kinder Morgan Energy Partners, L.P.  | KMP               | S3 | 48.95            | 0.55             | 2.01           | 47.94            |                | 5                      | 3                 |
| Kinder Morgan Management, LLC  | KMR               | S3 | 47.00            | 0.55             | 1.96           | 45.59            |                | 5                      | 3                 |
| Pengrowth Energy Trust   | PGH               |    | 23.37            | 0.16             | 1.14           | 17.45            |                | (13)                   | (13)              |
| Enerplus Resources Fund  | ERF               |    | 48.60            | 0.14             | 1.14           | 45.30            |                | 1                      | 1                 |
| Penn West Energy Trust   | PWTFF             | B  | 31.99            | 0.15             | 1.12           | 31.29            |                | 7                      | 7                 |
| San Juan Basin Royalty Trust   | SJT               |    | 44.10            | -                | 1.10           | 34.25            |                | (16)                   | (18)              |
| Canadian Oil Sands Trust (US\$)  | COSWF             | B  | 111.48           | 0.11             | 0.84           | 27.59            | 5              | 26                     | 26                |
| <i>Average</i>   |                   |    |                  |                  |                |                  |                | 2                      | 1                 |
| B = Buy, S2 = Short half unlevered position, S3 = Short quarter unlevered position     |                   |    |                  |                  |                |                  |                |                        |                   |
| McDep Ratio = Market cap and Debt to present value of oil and gas and other businesses |                   |    |                  |                  |                |                  |                |                        |                   |
| Raw Total Return from Bloomberg  |                   |    |                  |                  |                |                  |                |                        |                   |

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**Oil and Gas Producers**  
**Rank by McDep Ratio: Market Cap and Debt to Present Value**

|  | Symbol/<br>Rating |    | Price<br>(US\$/sh)<br>22-Dec<br>2006 | Shares<br>(mm) | Market<br>Cap<br>(US\$mm) | Net<br>Present<br>Value<br>(US\$/sh) | Debt/<br>Present<br>Value | McDep<br>Ratio |
|--|-------------------|----|--------------------------------------|----------------|---------------------------|--------------------------------------|---------------------------|----------------|
| <b>Mega Cap</b>                                    |                   |    |                                      |                |                           |                                      |                           |                |
| Exxon Mobil Corporation                            | XOM               | B  | 75.41                                | 5,922          | 447,000                   | 78.00                                | 0.04                      | 0.97           |
| Total S.A.   | TOT               | B  | 70.46                                | 2,302          | 162,000                   | 80.00                                | 0.14                      | 0.90           |
| BP plc   | BP                | B  | 66.53                                | 3,303          | 220,000                   | 80.00                                | 0.16                      | 0.86           |
| Gazprom (50%)                                      | OGZPY             | B  | 47.10                                | 2,850          | 134,200                   | 56.00                                | 0.06                      | 0.85           |
| Royal Dutch Shell plc                              | RDS-A             | B  | 69.42                                | 3,200          | 222,000                   | 84.00                                | 0.13                      | 0.85           |
| Chevron Corporation                                | CVX               | B  | 72.73                                | 2,206          | 160,000                   | 92.00                                | 0.10                      | 0.81           |
| ConocoPhillips                                     | COP               | B  | 71.05                                | 1,676          | 119,000                   | 100.00                               | 0.21                      | 0.77           |
| <i>Total or Median</i>                             |                   |    |                                      |                | <i>1,464,000</i>          |                                      | <i>0.13</i>               | <i>0.85</i>    |
| <b>Producer/Refiners - Large Cap</b>               |                   |    |                                      |                |                           |                                      |                           |                |
| Kinder Morgan, Inc.                                | KMI               | S2 | 105.51                               | 135            | 14,240                    | 33.00                                | 0.75                      | 1.54           |
| Norsk Hydro ASA                                    | NHY               | B  | 30.07                                | 1,236          | 37,170                    | 31.00                                | 0.15                      | 0.97           |
| Imperial Oil Limited (30%)                         | IMO               | H  | 35.68                                | 292            | 10,430                    | 37.00                                | 0.07                      | 0.97           |
| PetroChina Company Ltd (10%)                       | PTR               | B  | 132.90                               | 179            | 23,790                    | 140.00                               | 0.04                      | 0.95           |
| Petro-Canada                                       | PCZ               | B  | 41.06                                | 506            | 20,780                    | 49.00                                | 0.17                      | 0.87           |
| Marathon Oil Corporation                           | MRO               | B  | 90.77                                | 359            | 32,590                    | 110.00                               | 0.12                      | 0.85           |
| Suncor Energy                                      | SU                | B  | 77.91                                | 461            | 35,920                    | 95.00                                | 0.06                      | 0.83           |
| Lukoil Oil Company                                 | LUKOY             | B  | 86.25                                | 830            | 72,000                    | 110.00                               | 0.02                      | 0.79           |
| <i>Total or Median</i>                             |                   |    |                                      |                | <i>247,000</i>            |                                      | <i>0.10</i>               | <i>0.91</i>    |
| <b>Independent Natural Gas and Oil - Large Cap</b> |                   |    |                                      |                |                           |                                      |                           |                |
| XTO Energy Inc.                                    | XTO               | B  | 48.47                                | 371            | 17,980                    | 52.00                                | 0.16                      | 0.94           |
| CNOOC Limited (34%)                                | CEO               | B  | 88.01                                | 140            | 12,310                    | 98.00                                | -                         | 0.90           |
| Encana Corporation                                 | ECA               | B  | 46.88                                | 824            | 38,600                    | 65.00                                | 0.12                      | 0.76           |
| Anadarko Petroleum Corp.                           | APC               | B  | 42.14                                | 463            | 19,500                    | 75.00                                | 0.42                      | 0.74           |
| Occidental Petroleum Corp.                         | OXY               | B  | 49.13                                | 860            | 42,300                    | 69.00                                | 0.09                      | 0.74           |
| EOG Resources                                      | EOG               | B  | 64.31                                | 246            | 15,800                    | 92.00                                | 0.04                      | 0.71           |
| Devon Energy Corporation                           | DVN               | B  | 68.11                                | 447            | 30,400                    | 115.00                               | 0.13                      | 0.64           |
| <i>Total or Median</i>                             |                   |    |                                      |                | <i>177,000</i>            |                                      | <i>0.12</i>               | <i>0.74</i>    |
| <b>Independent Natural Gas and Oil - Small Cap</b> |                   |    |                                      |                |                           |                                      |                           |                |
| Energy Partners Ltd.                               | EPL               | B  | 24.97                                | 41             | 1,010                     | 31.00                                | 0.25                      | 0.85           |
| Berry Petroleum Company                            | BRY               | B  | 31.26                                | 45             | 1,400                     | 44.00                                | 0.22                      | 0.77           |
| Cimarex Energy Company                             | XEC               | B  | 37.37                                | 84             | 3,150                     | 68.00                                | 0.08                      | 0.59           |
| Encore Acquisition Company                         | EAC               | B  | 24.87                                | 54             | 1,340                     | 54.00                                | 0.19                      | 0.56           |
| <i>Total or Median</i>                             |                   |    |                                      |                | <i>6,900</i>              |                                      | <i>0.20</i>               | <i>0.68</i>    |
| <b>Income</b>                                      |                   |    |                                      |                |                           |                                      |                           |                |
| Kinder Morgan Energy Partners, L.P.                | KMP               | S3 | 47.94                                | 168            | 8,040                     | 15.00                                | 0.54                      | 2.01           |
| Kinder Morgan Management, LLC                      | KMR               | S3 | 45.59                                | 61             | 2,760                     | 15.00                                | 0.54                      | 1.94           |
| Enerplus Resources Fund                            | ERF               |    | 45.30                                | 123            | 5,580                     | 47.00                                | 0.11                      | 0.97           |
| Pengrowth Energy Trust                             | PGH               |    | 17.45                                | 241            | 4,210                     | 20.00                                | 0.27                      | 0.91           |
| San Juan Basin Royalty Trust                       | SJT               | B  | 34.25                                | 47             | 1,600                     | 40.00                                | -                         | 0.86           |
| Penn West Energy Trust                             | PWE               | B  | 31.29                                | 239            | 7,480                     | 39.00                                | 0.13                      | 0.83           |
| Canadian Oil Sands Trust                           | COSWF             | B  | 27.59                                | 479            | 13,220                    | 35.00                                | 0.09                      | 0.81           |
| <i>Total or Median</i>                             |                   |    |                                      |                | <i>42,900</i>             |                                      | <i>0.13</i>               | <i>0.91</i>    |

B = Buy, S2 = Short half unlevered position, S3 = Short quarter unlevered position, H = Hold

Present Value = Shares times Net Present Value divided by (1-Debt/Present Value).

Debt = Present Value times Debt/Present Value

McDep Ratio = Market cap and Debt to present value of oil and gas and other businesses

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**Oil and Gas Producers**

**Rank by EV/Ebitda: Enterprise Value to Earnings Before Interest, Tax, Deprec.**

|  | Symbol/<br>Rating |    | Price<br>(US\$/sh)<br>22-Dec<br>2006 | Adjustd<br>Resrvs/<br>Prod<br>NTM | PV/<br>Ebitda<br>NTM | EV/<br>Ebitda<br>NTM | P/E<br>NTM | Divd or<br>Distrib<br>NTM<br>(%) |     |
|--|-------------------|----|--------------------------------------|-----------------------------------|----------------------|----------------------|------------|----------------------------------|-----|
| <b>Mega Cap</b>                                    |                   |    |                                      |                                   |                      |                      |            |                                  |     |
| Gazprom (50%)                                      | OGZPY             | B  | 47.10                                | 24.0                              | 8.8                  | 7.5                  | 12         | 0.2                              |     |
| Exxon Mobil Corporation                            | XOM               | B  | 75.41                                | 11.4                              | 6.4                  | 6.2                  | 11         | 1.7                              |     |
| Total S.A.   | TOT               | B  | 70.46                                | 9.7                               | 6.6                  | 5.9                  | 10         | 3.0                              |     |
| BP plc   | BP                | B  | 66.53                                | 9.5                               | 6.4                  | 5.5                  | 9          | 3.5                              |     |
| Chevron Corporation                                | CVX               | B  | 72.73                                | 10.9                              | 6.2                  | 5.0                  | 9          | 2.9                              |     |
| ConocoPhillips                                     | COP               | B  | 71.05                                | 11.0                              | 6.3                  | 4.9                  | 8          | 2.0                              |     |
| Royal Dutch Shell plc                              | RDS-A             | B  | 69.42                                | 7.4                               | 5.7                  | 4.8                  | 9          | 3.8                              |     |
|  | <i>Median</i>     |    |                                      |                                   | 10.9                 | 6.4                  | 5.5        | 9                                | 2.9 |
| <b>Producer/Refiners - Large Cap</b>               |                   |    |                                      |                                   |                      |                      |            |                                  |     |
| Kinder Morgan, Inc.                                | KMI               | S2 | 105.51                               |                                   | 8.8                  | 13.6                 | 22         | 3.3                              |     |
| Suncor Energy                                      | SU                | B  | 77.91                                | 20.8                              | 11.4                 | 9.5                  | 17         | 0.4                              |     |
| Imperial Oil Limited (30%)                         | IMO               | H  | 35.68                                | 10.3                              | 7.9                  | 7.6                  | 13         | 0.8                              |     |
| Petro-Canada                                       | PCZ               | B  | 41.06                                | 7.2                               | 7.0                  | 6.0                  | 11         | 1.1                              |     |
| PetroChina Company Ltd (10%)                       | PTR               | B  | 132.90                               | 15.1                              | 6.3                  | 6.0                  | 12         | 3.7                              |     |
| Lukoil Oil Company                                 | LUKOY             | B  | 86.25                                | 18.7                              | 7.4                  | 5.8                  | 10         | 1.5                              |     |
| Marathon Oil Corporation                           | MRO               | B  | 90.77                                | 8.6                               | 6.1                  | 5.1                  | 9          | 1.5                              |     |
| Norsk Hydro ASA                                    | NHY               | B  | 30.07                                | 8.1                               | 5.1                  | 4.9                  | 11         | 2.4                              |     |
|  | <i>Median</i>     |    |                                      |                                   | 10.3                 | 7.2                  | 6.0        | 11                               | 1.5 |
| <b>Independent Natural Gas and Oil - Large Cap</b> |                   |    |                                      |                                   |                      |                      |            |                                  |     |
| XTO Energy Inc.                                    | XTO               | B  | 48.47                                | 11.3                              | 6.9                  | 6.5                  | 11         | 0.7                              |     |
| EOG Resources                                      | EOG               | B  | 64.31                                | 9.3                               | 8.2                  | 5.9                  | 15         | 0.4                              |     |
| CNOOC Limited (34%)                                | CEO               | B  | 88.01                                | 10.6                              | 6.4                  | 5.8                  | 11         | 3.2                              |     |
| Anadarko Petroleum Corp.                           | APC               | B  | 42.14                                | 11.5                              | 7.7                  | 5.7                  | 8          | 1.7                              |     |
| Encana Corporation                                 | ECA               | B  | 46.88                                | 8.7                               | 7.2                  | 5.5                  | 11         | 0.9                              |     |
| Occidental Petroleum Corp.                         | OXY               | B  | 49.13                                | 11.0                              | 7.2                  | 5.3                  | 10         | 1.8                              |     |
| Devon Energy Corporation                           | DVN               | B  | 68.11                                | 8.2                               | 7.1                  | 4.6                  | 9          | 0.7                              |     |
|  | <i>Median</i>     |    |                                      |                                   | 10.6                 | 7.2                  | 5.7        | 11                               | 0.9 |
| <b>Independent Natural Gas and Oil - Small Cap</b> |                   |    |                                      |                                   |                      |                      |            |                                  |     |
| Berry Petroleum Company                            | BRY               | B  | 31.26                                | 10.1                              | 8.4                  | 6.5                  | 11         | 1.0                              |     |
| Encore Acquisition Company                         | EAC               | B  | 24.87                                | 15.5                              | 9.2                  | 5.2                  | 13         | -                                |     |
| Energy Partners Ltd.                               | EPL               | B  | 24.97                                | 5.0                               | 4.7                  | 4.0                  | -          | -                                |     |
| Cimarex Energy Company                             | XEC               | B  | 37.37                                | 7.8                               | 6.8                  | 4.0                  | 10         | 0.4                              |     |
|  | <i>Median</i>     |    |                                      |                                   | 9.0                  | 7.6                  | 4.6        | 11                               | 0.2 |
| <b>Income</b>                                      |                   |    |                                      |                                   |                      |                      |            |                                  |     |
| Kinder Morgan Energy Partners, L.P.                | KMP               | S3 | 47.94                                |                                   | 7.8                  | 15.7                 | 33         | 6.8                              |     |
| Kinder Morgan Management, LLC                      | KMR               | S3 | 45.59                                |                                   | 7.8                  | 15.1                 | 31         | 7.1                              |     |
| Canadian Oil Sands Trust                           | COSWF             | B  | 27.59                                | 23.0                              | 12.8                 | 10.3                 | 14         | 6.6                              |     |
| San Juan Basin Royalty Trust                       | SJT               | B  | 34.25                                | 9.3                               | 10.7                 | 9.1                  | 11         | 9.0                              |     |
| Enerplus Resources Fund                            | ERF               |    | 45.30                                | 9.5                               | 7.6                  | 7.4                  | 16         | 9.6                              |     |
| Penn West Energy Trust                             | PWE               | B  | 31.29                                | 8.1                               | 8.4                  | 6.9                  | 12         | 11.3                             |     |
| Pengrowth Energy Trust                             | PGH               |    | 17.45                                | 7.1                               | 7.1                  | 6.4                  | 11         | 14.9                             |     |
|  | <i>Median</i>     |    |                                      |                                   | 9.3                  | 7.8                  | 9.1        | 14                               | 9.0 |

EV = Enterprise Value = Market Cap and Debt; Ebitda = Earnings before interest, tax, depreciation and amortization; NTM = Next Twelve Months Ended December 31, 2007; P/E = Stock Price to Earnings; PV = Present Value of oil and gas and other businesses

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**Oil and Gas Producers  
Portfolio Composite of Buy Recommendations**

| Symbol   | Price<br>(US\$/sh)<br>22-Dec<br>2006 | Portfolio Weight |            | Non-<br>U.S.<br>HQ<br>(%) | North<br>Amer.<br>Natural<br>Gas<br>(%) | Rest<br>of World<br>Natural<br>Gas<br>(%) | Oil<br>Prod'n<br>(%) | Down-<br>stream<br>(%) | McDep<br>Ratio |             |
|--|--------------------------------------|------------------|------------|---------------------------|---|---|----------------------|------------------------|----------------|-------------|
|  |                                      | Equity<br>(%)    | EV<br>(%)  |                           |   |   |                      |                        |                |             |
| <b>Mega Cap</b>                                    |                                      |                  |            |                           |   |   |                      |                        |                |             |
| Exxon Mobil Corporation                            | XOM                                  | 75.41            | 3.2        | 2.9                       |   | 0.2                                       | 0.5                  | 1.3                    | 0.9            | 0.97        |
| Total S.A.   | TOT                                  | 70.46            | 2.8        | 2.9                       | 2.9                                     |   | 0.9                  | 1.2                    | 0.8            | 0.90        |
| BP plc   | BP                                   | 66.53            | 1.4        | 1.4                       | 1.4                                     | 0.1                                       | 0.2                  | 0.7                    | 0.4            | 0.86        |
| Gazprom  | OGZPY                                | 47.10            | 9.3        | 8.6                       | 8.6                                     |   | 6.8                  | 1.8                    |                | 0.85        |
| Royal Dutch Shell plc                              | RDS-A                                | 69.42            | 2.8        | 2.9                       | 2.9                                     | 0.1                                       | 0.5                  | 1.1                    | 1.1            | 0.85        |
| Chevron Corporation                                | CVX                                  | 72.73            | 5.8        | 5.7                       |   | 0.4                                       | 0.4                  | 3.4                    | 1.5            | 0.81        |
| ConocoPhillips                                     | COP                                  | 71.05            | 4.8        | 5.7                       |   | 0.9                                       | 0.4                  | 3.0                    | 1.3            | 0.77        |
| <b>Producer/Refiners - Large Cap</b>               |                                      |                  |            |                           |   |   |                      |                        |                |             |
| Norsk Hydro ASA                                    | NHY                                  | 30.07            | 2.8        | 2.9                       | 2.9                                     |   | 0.7                  | 1.1                    | 1.0            | 0.97        |
| PetroChina Company Ltd.                            | PTR                                  | 132.90           | 3.2        | 2.9                       | 2.9                                     |   | 0.2                  | 2.4                    | 0.2            | 0.95        |
| Petro-Canada                                       | PCZ                                  | 41.06            | 1.3        | 1.4                       | 1.4                                     | 0.2                                       | 0.0                  | 0.9                    | 0.2            | 0.87        |
| Marathon Oil Corporation                           | MRO                                  | 90.77            | 1.4        | 1.4                       |   | 0.1                                       | 0.1                  | 0.6                    | 0.6            | 0.85        |
| Suncor Energy                                      | SU                                   | 77.91            | 1.5        | 1.4                       | 1.4                                     | 0.1                                       |                      | 1.3                    | 0.1            | 0.83        |
| Lukoil Oil Company                                 | LUKOY                                | 86.25            | 6.5        | 5.7                       | 5.7                                     |   |                      | 4.3                    | 1.4            | 0.79        |
| <b>Independent Natural Gas and Oil - Large Cap</b> |                                      |                  |            |                           |   |   |                      |                        |                |             |
| XTO Energy Inc.                                    | XTO                                  | 48.47            | 2.8        | 2.9                       |   | 2.2                                       |                      | 0.7                    |                | 0.94        |
| CNOOC Limited                                      | CEO                                  | 88.01            | 3.3        | 2.9                       | 2.9                                     |   | 0.3                  | 2.6                    |                | 0.90        |
| Encana Corporation                                 | ECA                                  | 46.88            | 5.6        | 5.7                       | 5.7                                     | 4.1                                       |                      | 1.2                    | 0.4            | 0.76        |
| Anadarko Petroleum Corp.                           | APC                                  | 42.14            | 1.5        | 2.9                       |   | 1.6                                       |                      | 1.2                    | 0.1            | 0.74        |
| Occidental Petroleum Corp                          | OXY                                  | 49.13            | 2.9        | 2.9                       |   | 0.4                                       | 0.0                  | 2.1                    | 0.3            | 0.74        |
| EOG Resources                                      | EOG                                  | 64.31            | 6.3        | 5.7                       |   | 4.4                                       | 0.4                  | 1.0                    |                | 0.71        |
| Devon Energy Corporation                           | DVN                                  | 68.11            | 5.3        | 5.7                       |   | 3.1                                       |                      | 2.6                    |                | 0.64        |
| <b>Independent Natural Gas and Oil - Small Cap</b> |                                      |                  |            |                           |   |   |                      |                        |                |             |
| Energy Partners Ltd.                               | EPL                                  | 24.97            | 1.2        | 1.4                       |   | 0.8                                       |                      | 0.7                    |                | 0.85        |
| Berry Petroleum Company                            | BRY                                  | 31.26            | 1.2        | 1.4                       |   | 0.2                                       |                      | 1.2                    |                | 0.77        |
| Cimarex Energy Company                             | XEC                                  | 37.37            | 2.8        | 2.9                       |   | 2.0                                       |                      | 0.9                    |                | 0.59        |
| Encore Acquisition Compæ                           | EAC                                  | 24.87            | 2.2        | 2.9                       |   | 0.7                                       |                      | 2.1                    |                | 0.56        |
| <b>Income</b>                                      |                                      |                  |            |                           |   |   |                      |                        |                |             |
| San Juan Basin Royalty Tr                          | SJT                                  | 34.25            | 6.6        | 5.7                       |   | 5.7                                       |                      |                        |                | 0.86        |
| Penn West Energy Trust                             | PWE                                  | 31.29            | 5.6        | 5.7                       | 5.7                                     | 1.8                                       |                      | 4.0                    |                | 0.83        |
| Canadian Oil Sands Trust                           | COSWF                                | 27.59            | 5.9        | 5.7                       | 5.7                                     |   |                      | 5.7                    |                | 0.81        |
| <b>Portfolio Composite</b>                         |                                      |                  | <b>100</b> | <b>100</b>                | <b>50</b>                               | <b>29</b>                                 | <b>12</b>            | <b>49</b>              | <b>11</b>      | <b>0.79</b> |

Historical independent energy investment analysis by Kurt Wulff doing business as McDep Associates is posted at [www.mcdep.com](http://www.mcdep.com). Analyses are prepared from sources and data believed to be reliable, but no representation is made as to their accuracy or completeness. Mr. Wulff is not paid by covered companies. Neither he nor his spouse trade a subject stock within a week before or after a change in rating.

**Index of Recent Research****Stock Ideas**

| <u>Date</u> | <u>Symbol</u> | <u>Stock</u>                     | <u>Theme</u>                                  |
|-------------|---------------|----------------------------------|---|
| 22-Dec      | OGZPY         | Gazprom                          | World's Greatest Energy Company               |
| 19-Dec      | NHY           | Norsk Hydro ASA                  | Happy Holidеals!                              |
| 11-Dec      | COSWF         | Canadian Oil Sands Trust         | Tax Bomb Opportunity                          |
| 28-Nov      | * PTR         | PetroChina Company Limited       | U.S./China Dollar Devaluation Accelerates     |
| 28-Nov      | * CEO         | CNOOC Ltd                        | U.S./China Dollar Devaluation Accelerates     |
| 20-Nov      | * EPL         | Energy Partners, Ltd.            | Hostile Bidder Withdraws                      |
| 17-Nov      | * SJT         | San Juan Basin Royalty Trust     | Dip/Rebound and New Shale Potential           |
| 14-Nov      | * PWE         | Penn West Energy Trust           | Canada's Dastardly Deed                       |
| 9-Nov       | * BRY         | Berry Petroleum                  | Election Winner                               |
| 9-Nov       | * TOT         | Total S.A.                       | Steady High Return                            |
| 7-Nov       | * APC         | Anadarko Petroleum Corporation   | Hedging and Deleveraging                      |
| 7-Nov       | * XEC         | Cimarex Energy Company           | Steady Operations                             |
| 7-Nov       | * EPL         | Energy Partners, Ltd.            | Buyers Looking                                |
| 6-Nov       | * BRY         | Berry Petroleum                  | Raise NPV to \$44 a Share on Election Eve     |
| 3-Nov       | * EOG         | EOG Resources Inc.               | Stealth Explorer                              |
| 3-Nov       | * IMO         | Imperial Oil Limited             | Hold While Six-Year Oil below 40-Week Average |
| 3-Nov       | * EAC         | Encore Acquisition Company       | Brown Bassett Wolfcamp                        |
| 2-Nov       | * DVN         | Devon Energy Corporation         | Deep Gulf Explorer                            |
| 1-Nov       | * MRO         | Marathon Oil Corporation         | Raise NPV to \$110 a Share                    |
| 30-Oct      | * CVX         | Chevron Corporation              | Raise NPV to \$92 a Share                     |
| 27-Oct      | * XOM         | Exxon Mobil Corporation          | Oil Production Per Share Grows                |
| 27-Oct      | * SU          | Suncor Energy Inc.               | Next Milestone 2008                           |
| 27-Oct      | * PCZ         | Petro-Canada                     | Volume Growth around the Corner               |
| 26-Oct      | * RDSA        | Royal Dutch Shell plc            | New Structure Working                         |
| 26-Oct      | * ECA         | EnCana Corporation               | Beating Cost Inflation                        |
| 26-Oct      | * COP         | ConocoPhillips                   | Volume Growth Adjusted for Debt and Shares    |
| 25-Oct      | * XTO         | XTO Energy Inc.                  | CEO May Be Winning Billion Dollar Bet         |
| 25-Oct      | * BP          | BP p.l.c.                        | Solid Cash Flow                               |
| 20-Oct      | * LUKOY       | Lukoil Oil Company               | Presents to Investors in New York             |
| 19-Oct      | * KMX         | Kinder Morgan                    | Dilution Ahead                                |
| 19-Oct      | * OXY         | Occidental Petroleum Corporation | Stock Cheaper than Oil                        |

**Meter Reader - A Weekly Analysis**

|        |   |                            |
|--------|---|----------------------------|
| 26-Dec |   | Respectable Return in 2006 |
| 19-Dec | * | Happy Holidеals!           |
| 12-Dec | * | Four More Years            |
| 5-Dec  | * | Six-Year Oil Rebounds      |

**Natural Gas and Oil Royalty Trusts - A Weekly Analysis**

|        |   |                             |
|--------|---|-----------------------------|
| 22-Dec |   | Canadians Fighting Back     |
| 15-Dec |   | Distribution Anomalies      |
| 8-Dec  | * | A Thousand Barrels a Second |
| 1-Dec  | * | Al Gore's Movie             |

\* Archived on [www.mcdep.com](http://www.mcdep.com)

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