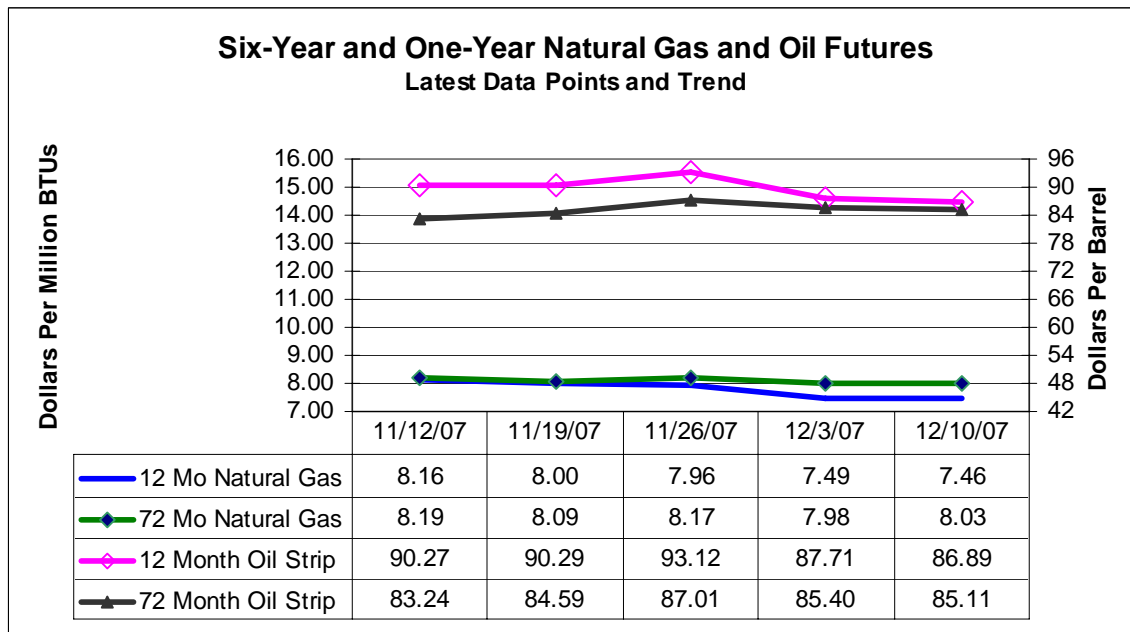


GasPutin for Investors

Summary and Recommendation

Vladimir Putin announced his support for Dmitry Medvedev, the present chairman of buy-recommended **Gazprom (OGZPY)**, to be elected next President of Russia in March 2008. Signaling a choice expected to be investor friendly, stock prices for Gazprom and buy-recommended **Lukoil (LUKOY)** advanced 3% in a positive Russian stock market after the announcement on Russian television on December 10. At age 42, Mr. Medvedev is a new generation Russian having earned his doctorate in law after the country abandoned central planning of its economy. Coincidentally, he would be the youngest leader of Russia since Tsar Nicholas II, who took counsel from Grigori Rasputin about a century ago. Though the last czar and the “Mad Monk” met tragic ends, we are optimistic that Mr. Medvedev and Mr. Putin can help the world’s greatest natural gas company realize its economic potential to the benefit of the Russian people, its customers and its investors. Providing another hint of hope for investors, Deputy Chief Executive Officer Alexander Medvedev, no relation, told Bloomberg on November 30 that it is more than 50% likely that Gazprom shares will trade on the New York Stock Exchange.

Kurt H. Wulff, CFA



Source: New York Mercantile Exchange, McDep

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Oil and Gas Producers - Rank by McDep Ratio

	Symbol/ Rating		Price (US\$/sh) 10-Dec 2007	Shares (mm)	Market Cap (US\$m)	Net Present Value (US\$/sh)	Debt/ Present Value	McDep Ratio
Mega Cap								
BP plc	BP	B	75.39	3,177	240,000	75.00	0.18	1.00
Petrobras	PBR		105.06	2,200	231,130	105.00	0.10	1.00
Exxon Mobil Corporation	XOM	B	92.03	5,536	510,000	92.00	0.05	1.00
Gazprom (50%)	OGZPY	B	58.50	2,945	172,300	62.00	0.07	0.95
Total S.A.	TOT	B	82.71	2,273	188,000	89.00	0.15	0.94
Chevron Corporation	CVX	B	91.72	2,206	202,000	105.00	0.09	0.88
Royal Dutch Shell plc	RDS-A	B	81.58	3,143	256,000	94.00	0.11	0.88
ConocoPhillips	COP	B	83.45	1,644	137,000	112.00	0.19	0.79
<i>Total or Median</i>					<i>1,936,000</i>		<i>0.11</i>	<i>0.94</i>
Producer/Refiners - Large Cap								
Imperial Oil Limited (30%)	IMO	B	52.48	278	14,610	42.00	0.08	1.23
PetroChina Company Ltd (10%)	PTR	H	200.00	178	35,580	166.00	0.06	1.19
Norsk Hydro ASA	NHYDY	H	14.15	1,223	17,310	13.00	0.04	1.08
Suncor Energy	SU	B	103.34	472	48,780	105.00	0.09	0.99
Marathon Oil Corporation	MRO	H	59.02	719	42,440	62.00	0.20	0.96
StatoilHydro ASA (29%)	STO	B	29.70	928	27,560	35.00	0.13	0.87
Petro-Canada	PCZ	B	50.35	493	24,820	65.00	0.15	0.81
Lukoil Oil Company	LUKOY	B	90.90	832	76,000	121.00	0.03	0.76
<i>Total or Median</i>					<i>287,000</i>		<i>0.08</i>	<i>0.97</i>
Independent Natural Gas and Oil - Large Cap								
CNOOC Limited (34%)	CEO	H	176.62	149	26,360	108.00	-	1.64
Encana Corporation	ECA	B	68.41	756	51,700	72.00	0.19	0.96
Occidental Petroleum Corp.	OXY	B	72.00	837	60,300	77.00	0.06	0.94
XTO Energy Inc.	XTO	B	65.68	391	25,680	75.00	0.18	0.90
Anadarko Petroleum Corp.	APC	B	62.33	468	29,200	74.00	0.33	0.90
EOG Resources	EOG	B	88.72	247	22,000	102.00	0.06	0.88
Canadian Natural Resources	CNQ	B	68.34	539	36,800	87.00	0.22	0.83
Devon Energy Corporation	DVN	B	89.15	450	40,100	129.00	0.15	0.74
<i>Total or Median</i>					<i>292,000</i>		<i>0.16</i>	<i>0.90</i>
Independent Natural Gas and Oil - Small Cap								
Berry Petroleum Company	BRY	B	44.60	45	2,010	44.00	0.23	1.01
Encore Acquisition Company	EAC	B	33.02	54	1,790	54.00	0.31	0.73
Cimarex Energy Company	XEC	B	40.30	84	3,390	76.00	0.09	0.57
Energy Partners Ltd.	EPL	B	12.60	32	400	38.00	0.34	0.56
<i>Total or Median</i>					<i>7,600</i>		<i>0.27</i>	<i>0.65</i>
Income								
Kinder Morgan Energy Partners, L.P.	KMP	S	52.65	179	9,440	17.00	0.54	1.97
Kinder Morgan Management, LLC	KMR	S	52.05	63	3,280	17.00	0.54	1.95
Pengrowth Energy Trust	PGH		18.14	247	4,480	17.00	0.27	1.05
Canadian Oil Sands Trust	COSWF	B	36.76	479	17,610	39.00	0.07	0.95
San Juan Basin Royalty Trust	SJT	B	34.37	47	1,600	40.00	-	0.86
Penn West Energy Trust	PWE	B	26.69	243	6,470	34.00	0.22	0.83
Enerplus Resources Fund	ERF		38.43	129	4,970	52.00	0.13	0.77
Hugoton Royalty Trust	HGT	B	23.01	40	920	34.00	-	0.68
<i>Total or Median</i>					<i>48,800</i>		<i>0.17</i>	<i>0.90</i>

B = Buy, S = Sell, 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

	Symbol/ Rating		Price (US\$/sh) 10-Dec 2007	Adjustd Resrvs/ Prod NTM	PV/ Ebitda NTM	EV/ Ebitda NTM	P/E NTM	Divd or Distrib NTM (%)
Mega Cap								
Gazprom (50%)	OGZPY	B	58.50	24.6	8.9	8.5	15	0.7
Petrobras	PBR		105.06	9.8	8.5	8.5	16	1.6
Exxon Mobil Corporation	XOM	B	92.03	12.1	6.3	6.3	11	1.5
BP plc	BP	B	75.39	10.0	6.3	6.3	11	3.4
Total S.A.	TOT	B	82.71	9.6	6.0	5.6	10	3.3
Chevron Corporation	CVX	B	91.72	10.2	5.9	5.2	9	2.5
ConocoPhillips	COP	B	83.45	10.7	6.1	4.9	8	2.0
Royal Dutch Shell plc	RDS-A	B	81.58	8.1	5.5	4.8	9	3.5
	<i>Median</i>			<i>10.1</i>	<i>6.2</i>	<i>6.0</i>	<i>10</i>	<i>2.2</i>
Producer/Refiners - Large Cap								
Suncor Energy	SU	B	103.34	26.6	9.9	9.8	17	0.4
Imperial Oil Limited (30%)	IMO	B	52.48	15.7	7.9	9.7	17	0.7
PetroChina Company Ltd (10%)	PTR	H	200.00	15.0	6.7	8.0	15	2.4
Norsk Hydro ASA	NHYDY	H	14.15	-	6.6	7.1	12	1.3
Marathon Oil Corporation	MRO	H	59.02	8.7	5.7	5.4	9	1.6
Lukoil Oil Company	LUKOY	B	90.90	17.8	6.4	4.9	8	1.7
StatoilHydro ASA (29%)	STO	B	29.70	7.7	5.5	4.8	10	5.6
Petro-Canada	PCZ	B	50.35	6.4	5.1	4.1	8	1.0
	<i>Median</i>			<i>11.9</i>	<i>6.5</i>	<i>6.3</i>	<i>11</i>	<i>1.5</i>
Independent Natural Gas and Oil - Large Cap								
CNOOC Limited (34%)	CEO	H	176.62	10.6	5.5	9.0	16	2.0
XTO Energy Inc.	XTO	B	65.68	11.1	8.9	8.0	15	0.7
Encana Corporation	ECA	B	68.41	8.9	7.3	7.0	13	1.2
EOG Resources	EOG	B	88.72	9.0	7.7	6.8	17	0.4
Canadian Natural Resources	CNQ	B	68.34	8.2	8.1	6.7	13	0.5
Anadarko Petroleum Corp.	APC	B	62.33	11.4	7.1	6.4	16	1.2
Occidental Petroleum Corp.	OXY	B	72.00	11.7	6.2	5.8	11	1.4
Devon Energy Corporation	DVN	B	89.15	8.9	7.5	5.6	11	0.6
	<i>Median</i>			<i>9.8</i>	<i>7.4</i>	<i>6.8</i>	<i>14</i>	<i>0.9</i>
Independent Natural Gas and Oil - Small Cap								
Berry Petroleum Company	BRY	B	44.60	9.9	6.8	6.9	12	0.7
Encore Acquisition Company	EAC	B	33.02	14.5	7.2	5.3	14	-
Cimarex Energy Company	XEC	B	40.30	7.9	6.7	3.8	9	0.4
Energy Partners Ltd.	EPL	B	12.60	6.0	5.9	3.3	-	-
	<i>Median</i>			<i>8.9</i>	<i>6.8</i>	<i>4.6</i>	<i>12</i>	<i>0.2</i>
Income								
Kinder Morgan Energy Partners, L.P.	KMP	S	52.65		7.9	15.6	33	6.7
Kinder Morgan Management, LLC	KMR	S	52.05		7.9	15.4	33	6.8
San Juan Basin Royalty Trust	SJT	B	34.37	10.2	13.4	11.5	14	7.1
Hugoton Royalty Trust	HGT	B	23.01	13.8	11.6	7.8	11	9.1
Canadian Oil Sands Trust	COSWF	B	36.76	20.9	8.1	7.6	9	9.4
Pengrowth Energy Trust	PGH		18.14	7.4	6.6	6.9	22	14.9
Enerplus Resources Fund	ERF		38.43	9.7	8.3	6.4	11	13.1
Penn West Energy Trust	PWE	B	26.69	7.8	6.7	5.6	10	15.3
	<i>Median</i>			<i>9.9</i>	<i>8.0</i>	<i>7.7</i>	<i>13</i>	<i>9.3</i>

EV = Enterprise Value = Market Cap and Debt; Ebitda = Earnings before interest, tax, depreciation and amortization; NTM = Next Twelve Months Ended December 31, 2008; P/E = Stock Price to Earnings; PV = Present Value of oil and gas and other businesses

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**McDep Energy Portfolio
Composite of Buy Recommendations**

Symbol	Price (US\$/sh)	Portfolio Weight		Non- U.S. HQ (%)	North Amer. Natural Gas (%)	Rest of World Natural Gas (%)	Oil Prod'n (%)	Down- stream (%)	McDep Ratio	
		10-Dec 2007	Equity (%)							EV (%)
Mega Cap										
BP plc	BP	75.39	3.1	3.2	3.2	0.3	0.3	2.0	0.6	1.00
Exxon Mobil Corporation	XOM	92.03	3.6	3.2		0.2	0.4	1.8	0.7	1.00
Gazprom	OGZPY	58.50	10.4	9.6	9.6		7.3	2.3		0.95
Total S.A.	TOT	82.71	3.2	3.2	3.2		1.0	1.6	0.6	0.94
Chevron Corporation	CVX	91.72	3.4	3.2		0.2	0.2	2.1	0.8	0.88
Royal Dutch Shell plc	RDS-A	81.58	3.3	3.2	3.2	0.1	0.4	1.6	1.1	0.88
ConocoPhillips	COP	83.45	5.7	6.4		1.0	0.4	3.4	1.5	0.79
<i>Total or Median</i>			32	32						0.94
Producer/Refiners - Large Cap										
Imperial Oil Limited	IMO	52.48	1.4	1.3	1.3	0.1		0.9	0.2	1.23
Suncor Energy	SU	103.34	1.4	1.3	1.3	0.0		1.1	0.1	0.99
StatoilHydro ASA	STO	29.70	1.6	1.6	1.6		0.6	1.0	-	0.87
Petro-Canada	PCZ	50.35	1.2	1.3	1.3	0.2	0.0	0.9	0.2	0.81
Lukoil Oil Company	LUKOY	90.90	7.2	6.4	6.4			4.6	1.8	0.76
<i>Total or Median</i>			13	12						0.87
Independent Natural Gas and Oil - Large Cap										
Encana Corporation	ECA	68.41	3.6	3.8	3.8	2.6		0.9	0.3	0.96
Occidental Petroleum Corp.	OXY	72.00	3.5	3.2		0.4	0.0	2.5	0.3	0.94
XTO Energy Inc.	XTO	65.68	4.5	4.8		3.7		1.0		0.90
Anadarko Petroleum Corp.	APC	62.33	2.4	3.2		1.9		1.3	0.1	0.90
EOG Resources	EOG	88.72	6.9	6.4		5.0	0.2	1.2		0.88
Canadian Natural Resources	CNQ	68.34	1.4	1.6	1.6	0.5		1.1		0.83
Devon Energy Corporation	DVN	89.15	6.0	6.4		3.6		2.8		0.74
<i>Total or Median</i>			28	29						0.90
Independent Natural Gas and Oil - Small Cap										
Berry Petroleum Company	BRY	44.60	1.4	1.6		0.4		1.2		1.01
Encore Acquisition Company	EAC	33.02	2.2	3.2		0.7		2.5		0.73
Cimarex Energy Company	XEC	40.30	3.2	3.2		2.2		1.0		0.57
Energy Partners Ltd.	EPL	12.60	0.7	1.6		0.8		0.8		0.56
<i>Total or Median</i>			7	10						0.65
Income										
Canadian Oil Sands Trust	COSWF	36.76	5.6	5.1	5.1	(0.5)		5.6		0.95
San Juan Basin Royalty Trust	SJT	34.37	7.5	6.4		6.4				0.86
Penn West Energy Trust	PWE	26.69	2.2	2.6	2.6	0.8		1.8		0.83
Hugoton Royalty Trust	HGT	23.01	3.7	3.2		3.2				0.68
<i>Total or Median</i>			19	17						0.84
Portfolio Composite			100	100	44	34	11	47	8	0.84
Canada					17					
Russia					16					
Europe					11					

Note: Percentages in the Portfolio Weight - EV column correspond to unlevered positions ranging from triple at 9.6% to four-tenths at 1.3%.

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Index of Recent Research**Stock Ideas**

<u>Date</u>	<u>Symbol</u>	<u>Subject</u>	<u>Theme</u>
6-Dec	OGZPY	Gazprom	Natural Gas Price Marching Up
28-Nov	CNQ	Canadian Natural Resources	New Buy Recommendation
11-Nov	PBR	Petrobras	Energy Mega Cap
9-Nov	PWE	Penn West Energy Trust	Light Oil Consolidator
8-Nov	PBR	Petrobras	Bonanza Offshore Brazil
7-Nov	XEC	Cimarex Energy Company	Timely Turn to Oil
7-Nov	DVN	Devon Energy Corporation	Oil Strength, Natural Gas Potential
7-Nov	EPL	Energy Partners, Ltd.	Management Scales Back
7-Nov	* TOT	Total S.A.	Global Natural Gas Competitor
6-Nov	* APC	Anadarko Petroleum Corporation	Natural Gas Resource Value
2-Nov	* CVX	Chevron Corporation	A Bias to be Oilier
1-Nov	* MRO	Marathon Oil Corporation	Oil Sands Deal Closed
1-Nov	* CNQ	Canadian Natural Resources	Heavy Oil, Natural Gas and Oil Sands
1-Nov	* XOM	Exxon Mobil Corporation	Energy Money Fund
31-Oct	* COSWF	Canadian Oil Sands Trust	Oil Price Trumps Alberta Tax Hike
31-Oct	* EAC	Encore Acquisition	Oil with Income Alternative in Encore Energy Partners
31-Oct	* BRY	Berry Petroleum	Plans Master Limited Partnership (MLP)
30-Oct	* IMO	Imperial Oil Limited	Oil Price Yes, Alberta Royalties No
30-Oct	* NHY	Norsk Hydro ASA	Real Growth in Materials
30-Oct	* CEO	CNOOC Ltd	Flourishing China Stock Market
29-Oct	* EOG	EOG Resources Inc.	Natural Gas Sleeper
29-Oct	* STO	StatoilHydro ASA	Shtokman Partner
26-Oct	* PTR	PetroChina Company Limited	Revise to Hold from Buy on Price
25-Oct	* ECA	EnCana Corporation	Political Cloud over Canada
25-Oct	* SU	Suncor Energy	Political Pall over Canada
25-Oct	* RDSA	Royal Dutch Shell plc	Healthy Business
25-Oct	* PCZ	Petro-Canada	Political Pall over Canada
24-Oct	* OXY	Occidental Petroleum Corporation	Preferred Operator in the Middle East
24-Oct	* COP	ConocoPhillips	Low Stock Price for Strong Cash Flow
23-Oct	* XTO	XTO Energy Inc.	Raise Net Present Value to \$75 A Share
23-Oct	* BP	BP p.l.c.	Lower Net Present Value to \$75 A Share
17-Oct	* KMP	Kinder Morgan	A Little Corruption, American Style
12-Sep	* LUKOY	Lukoil Oil Company	Emerging Oil Blue Chip
6-Sep	* SJT	San Juan Basin Royalty Trust	Mountains and Valleys
23-Jul	* HGT	Hugoton Royalty Trust	Paying Unitholders to Wait

Meter Reader

11-Dec	Weekly	GasPutin for Investors
4-Dec	Weekly	Weighting for Winners
27-Nov	* Weekly	Alaska Avarice
20-Nov	* Weekly	U.K. Natural Gas Futures Price Triples

Oil and Gas Income Stocks (previously Natural Gas and Oil Royalty Trusts)

7-Dec	Weekly	Price Gap Narrows for Rockies Natural Gas
30-Nov	Weekly	Penn West for Contrarians
23-Nov	* Weekly	Cross Timbers Royalty Trust
16-Nov	* Weekly	Natural Gas Fuels Electricity Growth

* Archived on www.mcdep.com

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