

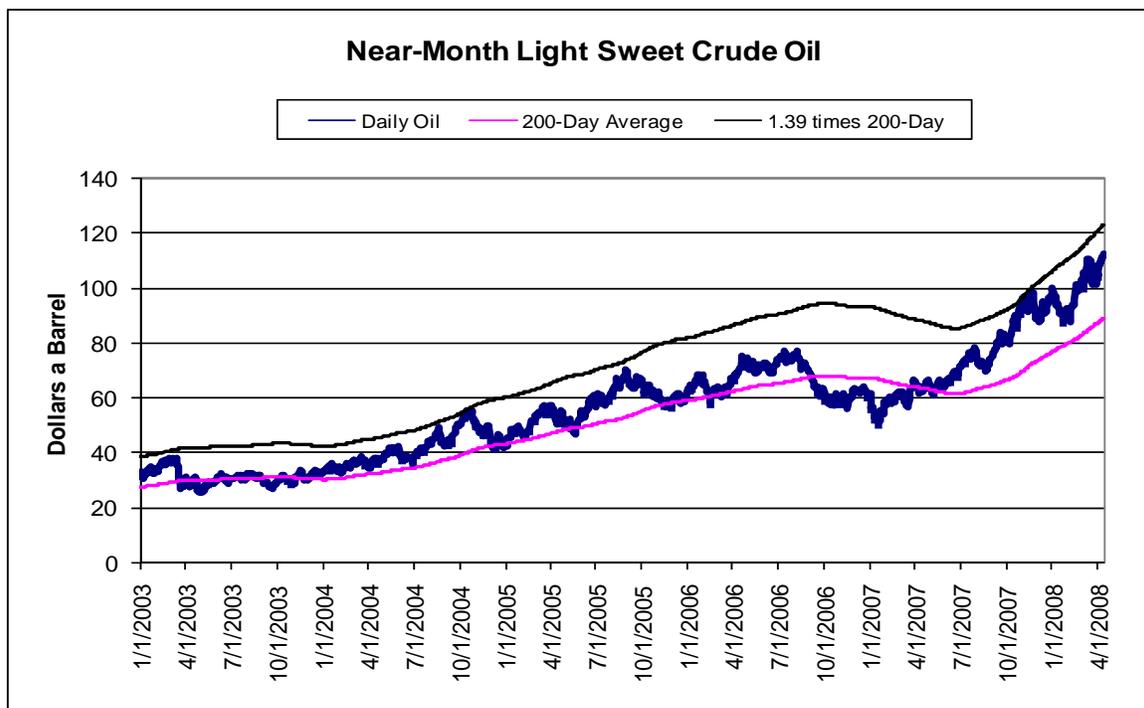


BioFuel and Oil Price

Summary and Recommendation

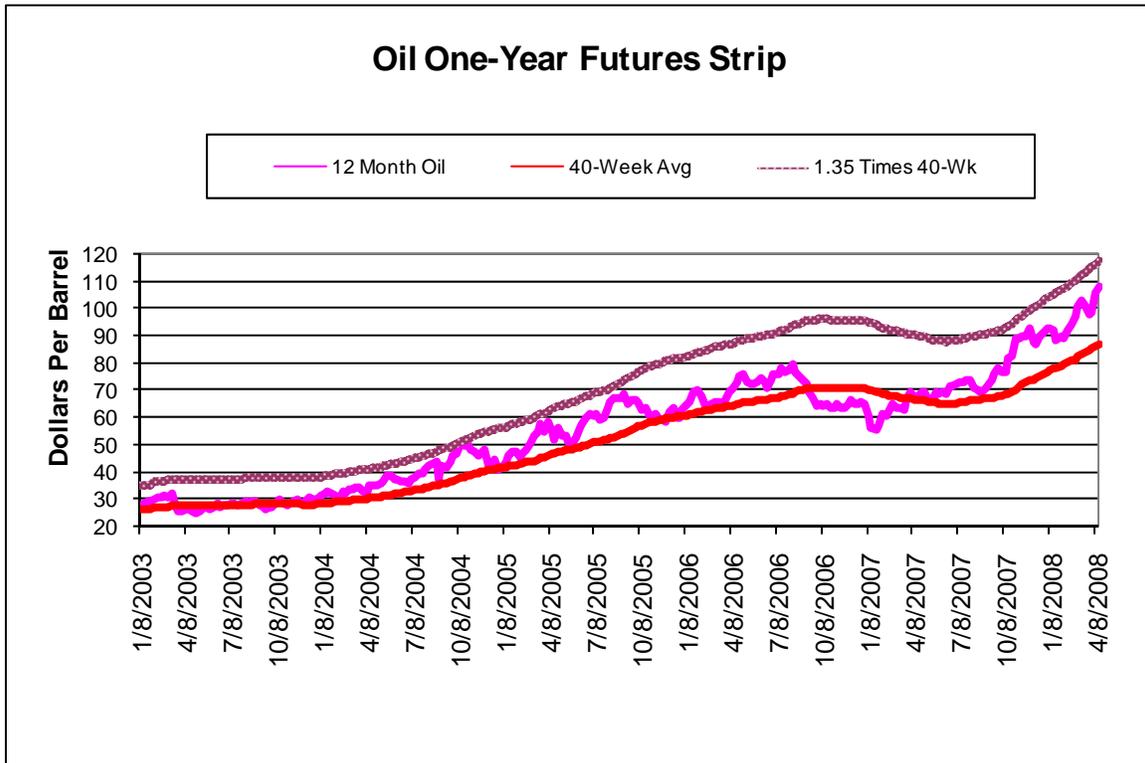
Despite government attempts to restrain oil price by subsidizing alternative energy and to punish oil companies by imposing higher taxes, the outlook continues to be robust for buy-recommended producers **Occidental Petroleum (OXY)**, **Canadian Natural Resources (CNQ)** and **Devon Energy (DVN)**, among others. Ironically, turning food into transportation fuel, supported by all three U.S. presidential candidates, has contributed to food shortages, riots, inflation and hardship among the world's poor. At the same time, higher taxes on oil producers further drives up oil price in a long-term supply-constrained global situation. As a result, our vision of an oil price of \$150 a barrel in 2010 appears more believable. Regardless of the ultimate level, current price is in an upward trend, by definition, as it is quoted above the 200-day, or 40-week, moving average. Current price also remains below an empirical upper limit we have measured over the past five years. During that time, the most oil price went up before falling back was about 37% above the moving average. The popularly quoted near-month futures price, now \$112 a barrel, is advancing within a range between the 200-day average of \$88 and the transitory upper limit at \$123 (see chart, [Near-Month Light Sweet Crude Oil](#)). The one-year price at \$108 is within a range from \$87 to \$117. The six-year price at \$102 is gaining within a range from \$83 to \$112 for now (see charts [Oil One-Year Futures Strip](#) and [Oil Six-Year Futures Strip](#)).

Kurt H. Wulff, CFA

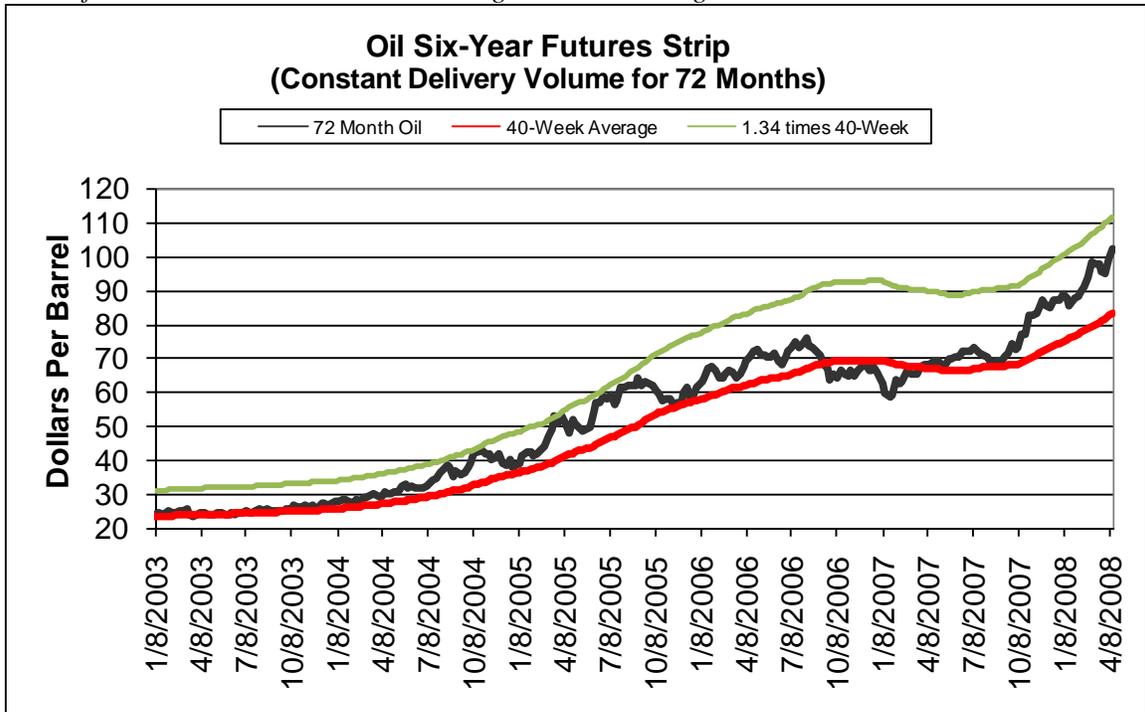


Meter Reader

A Weekly Analysis of Energy Stocks Using the McDep Ratio
April 15, 2008



Prices from New York Mercantile Exchange and Bloomberg.



Meter Reader

A Weekly Analysis of Energy Stocks Using the McDep Ratio

April 15, 2008



Oil and Gas Producers - Rank by McDep Ratio								
			Price			Net		
			(US\$/sh)		Market	Present	Debt/	
	Symbol/		14-Apr	Shares	Cap	Value	Present	McDep
	Rating		2008	(mm)	(US\$m)	(US\$/sh)	Value	Ratio
Mega Cap								
Petrobras	PBR		122.18	2,194	268,000	122.00	0.12	1.00
Exxon Mobil Corporation	XOM	B	89.70	5,454	489,000	102.00	0.05	0.89
BP plc	BP	B	65.61	3,163	208,000	84.00	0.18	0.82
Total S.A.	TOT	B	77.77	2,266	176,000	100.00	0.13	0.81
Chevron Corporation	CVX	B	89.30	2,206	197,000	117.00	0.09	0.79
Gazprom (50%)	OGZPY	B	52.40	2,940	154,100	72.00	0.10	0.76
Royal Dutch Shell plc	RDS-A	B	73.40	3,125	229,000	104.00	0.11	0.74
ConocoPhillips	COP	B	79.81	1,612	129,000	124.00	0.19	0.71
<i>Total or Median</i>					1,850,000		0.11	0.80
Producer/Refiners - Large Cap								
Imperial Oil Limited (30%)	IMO	B	55.25	275	15,170	48.00	0.07	1.14
Suncor Energy	SU	B	107.19	473	50,700	122.00	0.08	0.89
StatoilHydro ASA (29%)	STO	B	32.89	927	30,490	41.00	0.16	0.83
Marathon Oil Corporation	MRO	H	46.31	713	33,020	68.00	0.19	0.74
Petro-Canada	PCZ	B	48.05	489	23,500	72.00	0.15	0.72
PetroChina Company Ltd (14%)	PTR	B	125.92	256	32,260	190.00	0.05	0.68
Lukoil Oil Company	LUKOY	B	85.30	828	71,000	134.00	0.02	0.64
<i>Total or Median</i>					256,000		0.08	0.74
Independent Natural Gas and Oil - Large Cap								
CNOOC Limited (34%)	CEO	H	157.08	149	23,450	125.00	-	1.26
EOG Resources	EOG	B	127.89	249	31,800	115.00	0.06	1.11
Encana Corporation	ECA	B	80.23	755	60,600	75.00	0.22	1.05
XTO Energy Inc.	XTO	B	64.74	491	31,750	68.00	0.17	0.96
Occidental Petroleum Corp.	OXY	B	78.17	833	65,100	86.00	0.06	0.91
Anadarko Petroleum Corp.	APC	B	65.11	470	30,600	82.00	0.31	0.86
Canadian Natural Resources	CNQ	B	80.57	540	43,500	99.00	0.20	0.85
Chesapeake Energy Corporation	CHK		48.55	476	23,110	62.00	0.30	0.85
Devon Energy Corporation	DVN	B	112.06	449	50,300	139.00	0.13	0.83
<i>Total or Median</i>					360,000		0.17	0.91
Independent Natural Gas and Oil - Small Cap								
Berry Petroleum Company	BRY	B	49.79	45	2,250	50.00	0.24	1.00
Birchcliff Energy Ltd. (US\$)	BIR.TO		10.38	88	910	12.00	0.13	0.88
Encore Acquisition Company	EAC	B	43.03	54	2,340	60.00	0.29	0.80
Cimarex Energy Company	XEC	B	58.91	84	4,960	76.00	0.10	0.80
Energy Partners Ltd.	EPL		11.38	32	360	25.00	0.43	0.69
<i>Total or Median</i>					10,800		0.24	0.80
Income								
Kinder Morgan Energy Partners, L.P.	KMP	S	56.49	180	10,160	17.00	0.56	2.03
Kinder Morgan Management, LLC	KMR	S	52.76	64	3,380	17.00	0.56	1.93
Pengrowth Energy Trust	PGH		19.52	247	4,820	19.00	0.27	1.02
Canadian Oil Sands Trust	COSWF	B	42.83	479	20,510	45.00	0.05	0.95
San Juan Basin Royalty Trust	SJT	B	37.61	47	1,750	40.00	-	0.94
Enerplus Resources Fund	ERF		44.37	153	6,790	52.00	0.16	0.88
Penn West Energy Trust	PWE	B	29.28	373	10,910	37.00	0.23	0.84
Hugoton Royalty Trust	HGT	B	28.42	40	1,140	34.00	-	0.84
<i>Total or Median</i>					59,500		0.19	0.95
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								

Meter Reader

A Weekly Analysis of Energy Stocks Using the McDep Ratio

April 15, 2008



Oil and Gas Producers - Rank by EV/Ebitda								
			Price	Adjustd				Divd or
			(US\$/sh)	Resrvs/	PV/	EV/		Distrib
	Symbol/		14-Apr	Prod	Ebitda	Ebitda	P/E	NTM
	Rating		2008	NTM	NTM	NTM	NTM	(%)
Mega Cap								
Petrobras	PBR		122.18	9.5	8.3	8.3	14	1.4
Gazprom (50%)	OGZPY	B	52.40	24.6	9.9	7.5	12	0.8
Exxon Mobil Corporation	XOM	B	89.70	12.0	6.3	5.6	10	1.6
BP plc	BP	B	65.61	9.9	5.9	4.9	8	4.9
Chevron Corporation	CVX	B	89.30	9.6	5.9	4.6	7	2.6
Total S.A.	TOT	B	77.77	8.9	5.7	4.6	8	3.8
Royal Dutch Shell plc	RDS-A	B	73.40	7.5	5.5	4.0	7	4.4
ConocoPhillips	COP	B	79.81	10.6	5.6	4.0	6	2.4
	<i>Median</i>			9.8	5.9	4.7	8	2.5
Producer/Refiners - Large Cap								
Suncor Energy	SU	B	107.19	25.1	9.5	8.4	15	0.4
Imperial Oil Limited (30%)	IMO	B	55.25	12.9	6.7	7.7	13	0.6
PetroChina Company Ltd (14%)	PTR	B	125.92	15.3	7.4	5.0	10	4.1
StatoilHydro ASA (29%)	STO	B	32.89	7.7	5.8	4.8	11	5.1
Marathon Oil Corporation	MRO	H	46.31	8.8	5.8	4.3	7	2.1
Lukoil Oil Company	LUKOY	B	85.30	18.7	6.1	3.9	6	1.9
Petro-Canada	PCZ	B	48.05	6.8	5.1	3.7	7	1.1
	<i>Median</i>			12.9	6.1	4.8	10	1.9
Independent Natural Gas and Oil - Large Cap								
EOG Resources	EOG	B	127.89	10.5	6.6	7.3	16	0.4
XTO Energy Inc.	XTO	B	64.74	12.5	7.3	7.0	18	0.7
Encana Corporation	ECA	B	80.23	8.8	6.2	6.6	13	2.0
Canadian Natural Resources	CNQ	B	80.57	8.4	7.5	6.4	11	0.5
Chesapeake Energy Corporation	CHK		48.55	11.0	7.2	6.1	11	0.6
CNOOC Limited (34%)	CEO	H	157.08	9.3	4.8	6.0	11	2.4
Anadarko Petroleum Corp.	APC	B	65.11	9.9	6.2	5.4	12	1.1
Devon Energy Corporation	DVN	B	112.06	9.5	6.4	5.3	10	0.5
Occidental Petroleum Corp.	OXY	B	78.17	11.7	5.7	5.2	10	1.3
	<i>Median</i>			9.9	6.4	6.1	11	0.7
Independent Natural Gas and Oil - Small Cap								
Birchcliff Energy Ltd. (US\$)	BIR.TO		10.38	7.4	8.6	7.6	61	-
Berry Petroleum Company	BRY	B	49.79	10.3	6.3	6.3	12	0.6
Encore Acquisition Company	EAC	B	43.03	14.2	6.8	5.4	11	-
Cimarex Energy Company	XEC	B	58.91	7.6	4.8	3.8	8	0.3
Energy Partners Ltd.	EPL		11.38	7.4	4.7	3.2	-	-
	<i>Median</i>			7.6	6.3	5.4	11	-
Income								
Kinder Morgan Energy Partners, L.P.	KMP	S	56.49		7.9	15.9	29	6.5
Kinder Morgan Management, LLC	KMR	S	52.76		7.9	15.2	27	7.0
Canadian Oil Sands Trust	COSWF	B	42.83	23.1	8.8	8.4	10	8.2
San Juan Basin Royalty Trust	SJT	B	37.61	10.2	8.7	8.2	10	10.0
Hugoton Royalty Trust	HGT	B	28.42	13.1	8.0	6.7	9	11.7
Pengrowth Energy Trust	PGH		19.52	8.7	6.2	6.3	13	13.6
Enerplus Resources Fund	ERF		44.37	9.6	7.0	6.1	9	11.2
Penn West Energy Trust	PWE	B	29.28	7.3	6.0	5.1	12	13.7
	<i>Median</i>			9.9	7.9	7.4	11	10.6
EV = Enterprise Value = Market Cap and Debt; Ebitda = Earnings before interest, tax, depreciation and amortization; NTM = Next Twelve Months Ended March 31, 2009; P/E = Stock Price to								
Earnings; PV = Present Value of oil and gas and other businesses								

Please see disclosures on the final page.

Meter Reader

A Weekly Analysis of Energy Stocks Using the McDep Ratio

April 15, 2008



McDep Energy Portfolio										
Composite of Buy Recommendations										
						North	Rest			
		Price	Portfolio Weight		Non-	Amer.	of World			
		(US\$/sh)	Equity	EV	U.S.	Natural	Natural	Oil	Down-	
		14-Apr			HQ	Gas	Gas	Prod'n	stream	McDep
	Symbol	2008	(%)	(%)	(%)	(%)	(%)	(%)	(%)	Ratio
Mega Cap										
Exxon Mobil Corporation	XOM	89.70	3.5	3.2		0.2	0.4	1.8	0.7	0.89
BP plc	BP	65.61	2.9	3.2	3.2	0.3	0.3	2.1	0.5	0.82
Total S.A.	TOT	77.77	3.1	3.2	3.2		1.0	1.7	0.6	0.81
Chevron Corporation	CVX	89.30	3.3	3.2		0.1	0.2	2.2	0.7	0.79
Gazprom	OGZPY	52.40	9.7	9.6	9.6		7.5	2.1		0.76
Royal Dutch Shell plc	RDS-A	73.40	3.2	3.2	3.2	0.1	0.5	1.7	1.0	0.74
ConocoPhillips	COP	79.81	5.5	6.4		1.0	0.5	3.6	1.4	0.71
<i>Total or Median</i>				31	32					0.79
Producer/Refiners - Large Cap										
Imperial Oil Limited	IMO	55.25	1.4	1.3	1.3	0.1		1.0	0.2	1.14
Suncor Energy	SU	107.19	1.4	1.3	1.3	0.0		1.2	0.1	0.89
StatoilHydro ASA	STO	32.89	1.5	1.6	1.6		0.5	1.1	-	0.83
Petro-Canada	PCZ	48.05	1.2	1.3	1.3	0.1	0.0	0.9	0.2	0.72
PetroChina Company Ltd (14	PTR	125.92	1.7	1.6	1.6	-	0.1	1.3	0.2	0.68
Lukoil Oil Company	LUKOY	85.30	7.3	6.4	6.4			4.7	1.7	0.64
<i>Total or Median</i>				14	13					0.78
Independent Natural Gas and Oil - Large Cap										
EOG Resources	EOG	127.89	5.3	4.8		3.4	0.3	1.1		1.11
Encana Corporation	ECA	80.23	3.6	3.8	3.8	2.7		0.9	0.3	1.05
XTO Energy Inc.	XTO	64.74	4.6	4.8		3.7		1.1		0.96
Occidental Petroleum Corp.	OXY	78.17	3.5	3.2		0.4	0.0	2.5	0.3	0.91
Anadarko Petroleum Corp.	APC	65.11	3.6	4.8		2.5		2.2	0.1	0.86
Canadian Natural Resources	CNQ	80.57	1.4	1.6	1.6	0.4		1.2		0.85
Devon Energy Corporation	DVN	112.06	6.3	6.4		3.4		3.0		0.83
<i>Total or Median</i>				28	29					0.91
Independent Natural Gas and Oil - Small Cap										
Berry Petroleum Company	BRY	49.79	1.4	1.6		0.4		1.2		1.00
Encore Acquisition Company	EAC	43.03	2.4	3.2		0.5		2.7		0.80
Cimarex Energy Company	XEC	58.91	3.3	3.2		2.1		1.1		0.80
<i>Total or Median</i>				7	8					0.80
Income										
Canadian Oil Sands Trust	COSWF	42.83	5.6	5.1	5.1	(0.5)		5.6		0.95
San Juan Basin Royalty Trust	SJT	37.61	7.5	6.4		6.4				0.94
Penn West Energy Trust	PWE	29.28	2.2	2.6	2.6	0.7		1.9		0.84
Hugoton Royalty Trust	HGT	28.42	3.7	3.2		3.2				0.84
<i>Total or Median</i>				19	17					0.89
Portfolio Composite										
			100	100	46	31	11	50	8	0.83
	Canada				17					
	Russia				16					
	Europe				11					
	China				2					
Note: Percentages in the Portfolio Weight - EV column correspond to unlevered positions ranging from triple at 9.6% to four-tenths at 1.3%.										

Meter Reader

A Weekly Analysis of Energy Stocks Using the McDep Ratio

April 15, 2008



Index of Recent Research

Stock Ideas

<u>Date</u>	<u>Symbol</u>	<u>Subject</u>	<u>Theme</u>
10-Apr	LUKOY	Lukoil Oil Company	Strong Cash, Possibly Lower Tax
27-Mar	CEO	CNOOC Ltd	Dividend Raised 15%
24-Mar	PBR	Petrobras	Oil Growth at a Reasonable Price
21-Mar	* SJT	San Juan Basin Royalty Trust	SJT Timely (Income Weekly)
19-Mar	PTR	PetroChina Company Limited	\$300 a Share in Shanghai
14-Mar	* KMP	Kinder Morgan	General Partner Owner Reneges (Income Weekly)
29-Feb	* EPL	Energy Partners, Ltd.	Discontinue Rating on Smaller Capitalization
28-Feb	* CNQ	Canadian Natural Resources	Horizon Approaching
27-Feb	* STO	StatoilHydro ASA	Dividends in Norwegian Currency
22-Feb	* PWE	Penn West Energy Trust	Acquisitions Expand Cash Flow in 2008 (Income Weekly)
20-Feb	* XEC	Cimarex Energy Company	Strong Performance in 2007
18-Feb	* OGZPY	Gazprom	60-Day Bargain, 200-Day Momentum
15-Feb	* BRY	Berry Petroleum	Postpones Master Limited Partnership
14-Feb	* EAC	Encore Acquisition	Low-Priced Stock Market Oil
14-Feb	* ECA	EnCana Corporation	Overcoming Alberta Tax Hunger
13-Feb	* TOT	Total S.A.	Stock Market Value with Oil Price Momentum
12-Feb	* XTO	XTO Energy Inc.	Raise Net Present Value to \$68 a Share
7-Feb	* EOG	EOG Resources Inc.	Raise Net Present Value to \$115 a Share
6-Feb	* DVN	Devon Energy Corporation	Reserves Grow with Production
5-Feb	* BP	BP p.l.c.	Underlying Resource Strength
5-Feb	* APC	Anadarko Petroleum Corporation	Rising Natural Gas Volume
1-Feb	* CVX	Chevron Corporation	Oil Concentration Rewarded
1-Feb	* XOM	Exxon Mobil Corporation	Global Energy Leader
1-Feb	* IMO	Imperial Oil Limited	Long-Term Canadian Oil Money Maker
31-Jan	* PCZ	Petro-Canada	Facing Oil Sands Investment Decision
31-Jan	* MRO	Marathon Oil Corporation	Downstream Surprise
31-Jan	* RDSA	Royal Dutch Shell plc	Downstream Offset
31-Jan	* COSWF	Canadian Oil Sands Trust	Distribution Nearly Doubles in Two Quarters
29-Jan	* OXY	Occidental Petroleum Corporation	Crude is King
23-Jan	* COP	ConocoPhillips	Cool under Fire
22-Jan	* SU	Suncor Energy	Oil Sands for Taxable Investors
11-Jan	* HGT	Hugoton Royalty Trust	Insider Buying (Income Weekly)

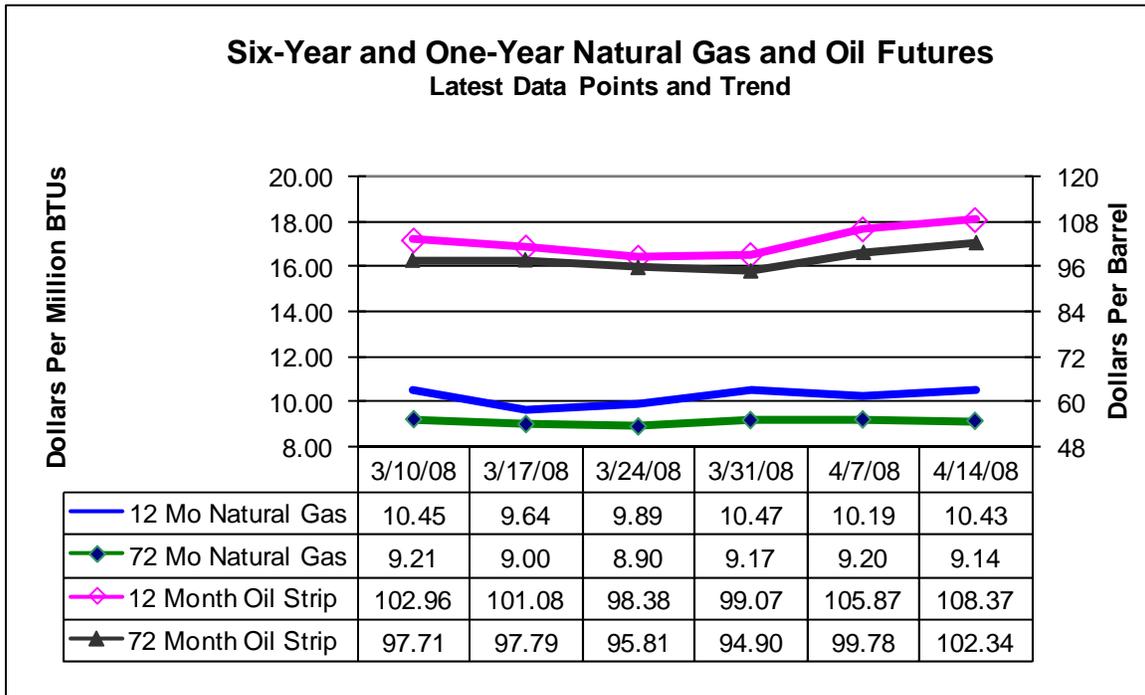
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15-Apr		Weekly	BioFuel and Oil Price
8-Apr		Weekly	Birchcliff and Chesapeake
1-Apr	*	Weekly	Producer Winners, Integrated Values
25-Mar	*	Weekly	Downstream Spring

Oil and Gas Income Stocks

11-Apr		Dorchester Minerals, L.P.	High-Quality Inflation-Protected Income
4-Apr		Weekly	Shoot the Speculator
28-Mar	*	Weekly	Record Natural Gas for Power
21-Mar	*	Weekly	COSWF and SJT Timely

* Archived on www.mcdep.com



Disclaimer: This analysis was prepared by Kurt Wulff, Manager of McDep LLC as of January 1, 2008. Previously Mr. Wulff was doing business as McDep Associates. 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.

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