



Independent Stock Idea

February 3, 2016

ExxonMobil (XOM) For Nervous Investors Seeking Reliable Income

| | | | |
|--|---------|--|--------|
| <i>Symbol</i> | XOM | <i>Ebitda Next Twelve Months ending 12/31/16 (US\$m)</i> | 40,700 |
| <i>Rating</i> | | <i>North American Natural Gas/Ebitda (%)</i> | 6 |
| <i>Price (\$/sh)</i> | 74.59 | <i>Natural Gas and Oil Production/Ebitda (%)</i> | 52 |
| <i>Pricing Date</i> | 2/2/16 | <i>Adjusted Reserves/Production NTM</i> | 13.5 |
| <i>Shares (mm)</i> | 4183 | <i>EV/Ebitda</i> | 9.7 |
| <i>Market Capitalization (\$mm)</i> | 312,000 | <i>PV/Ebitda</i> | 12.3 |
| <i>Debt (\$mm)</i> | 84,000 | <i>Undeveloped Reserves (%)</i> | 35 |
| <i>Enterprise Value (EV) (\$mm)</i> | 396,000 | <i>Natural Gas and Oil Ebitda (\$/boe)</i> | 13.70 |
| <i>Present Value (PV) (\$mm)</i> | 502,000 | <i>Present Value Proven Reserves(\$/boe)</i> | 10.30 |
| <i>Net Present Value (\$/share)</i> | 100 | <i>Present Value Proven Reserves(\$/mcf)</i> | 1.70 |
| <i>Debt/Present Value</i> | 0.17 | <i>Earnings Next Twelve Months (US\$/sh)</i> | 3.13 |
| <i>McDep Ratio - EV/PV</i> | 0.79 | <i>Price/Earnings Next Twelve Months</i> | 24 |
| <i>Dividend Yield (%/year)</i> | 3.9 | <i>Indicated Annual Dividend (US\$/sh)</i> | 2.92 |
| Note: Estimated cash flow and earnings tied to one-year futures prices for oil and natural gas. 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\$70 a barrel and natural gas, \$4.00 a million bt For historical analysis of XOM since 2001 see www.mcdep.com/1xom.htm | | | |

Summary and Recommendation

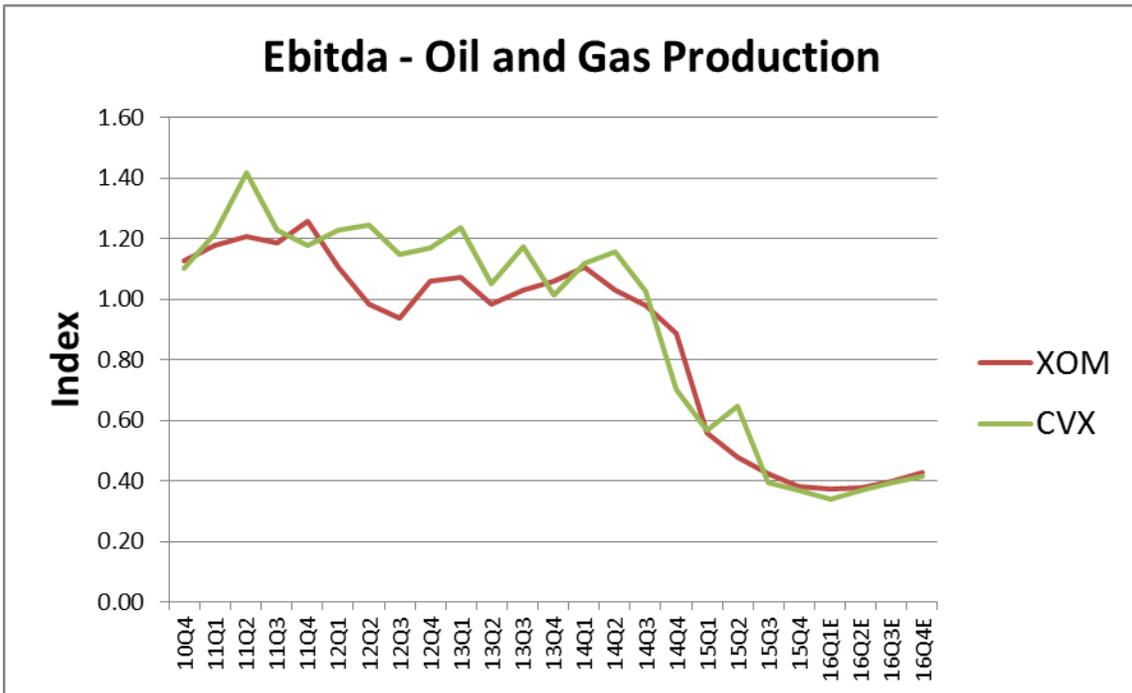
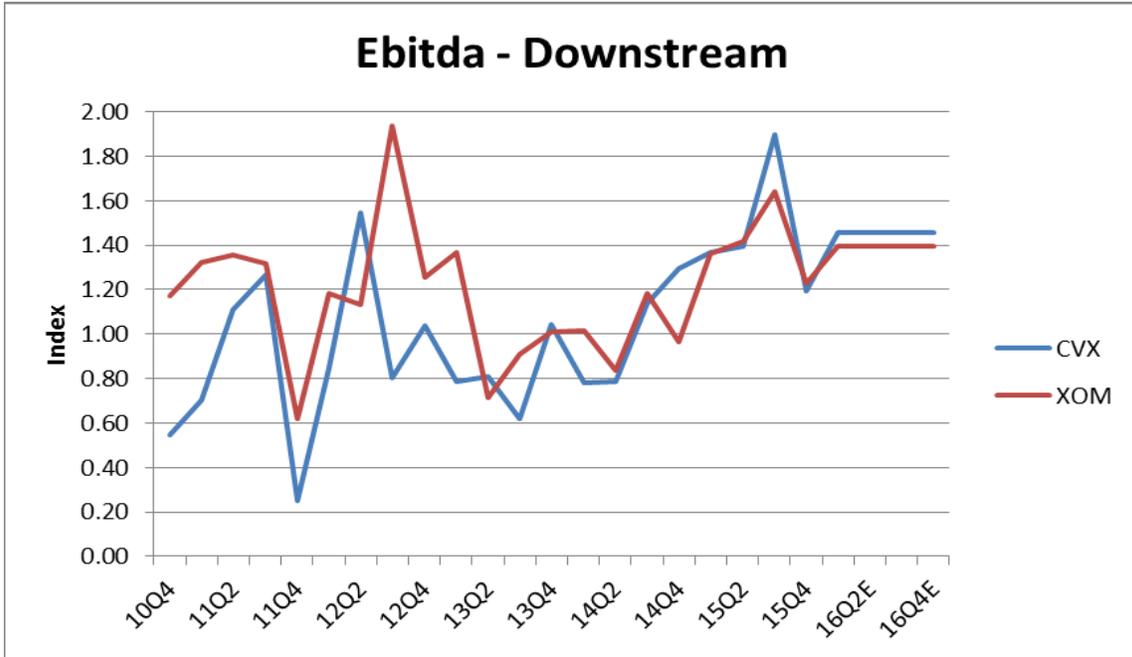
Trading near \$75 a share compared to our Net Present Value (NPV) of \$100, the stock of **ExxonMobil (XOM)** offers attractive potential gain in the next few years with downside protection from global diversification, functional integration and low debt. Latest quarterly results reported on February 2 confirm strong cash flow from downstream refining and chemicals businesses (see chart Ebitda – Downstream) on page 2). Better downstream results counter the trend to lower cash flow from Upstream Oil and Gas Production businesses (see chart Ebitda – Oil and Gas Production on page 2). The combination of higher downstream and lower upstream minimizes the decline in total cash flow (see chart Ebitda on page 3). Long life resources and an expected recovery in oil and gas price lead us to estimate higher value for upstream at 79% of NPV (see tables Present Value and Operating and Financial Estimates on pages 3 and 4). In our experience, XOM stock tends to go down less in difficult times. It is less exciting on the upside in good times. The combination has resulted in practically unmatched long-term performance. It looks like a great stock for nervous investors who need reliable income with its current dividend yield of 3.8%. We see it as a core position in an energy portfolio to moderate the volatility of Buy recommendations (see Tables 1-4 on pages 5-8).

Kurt H. Wulff, CFA



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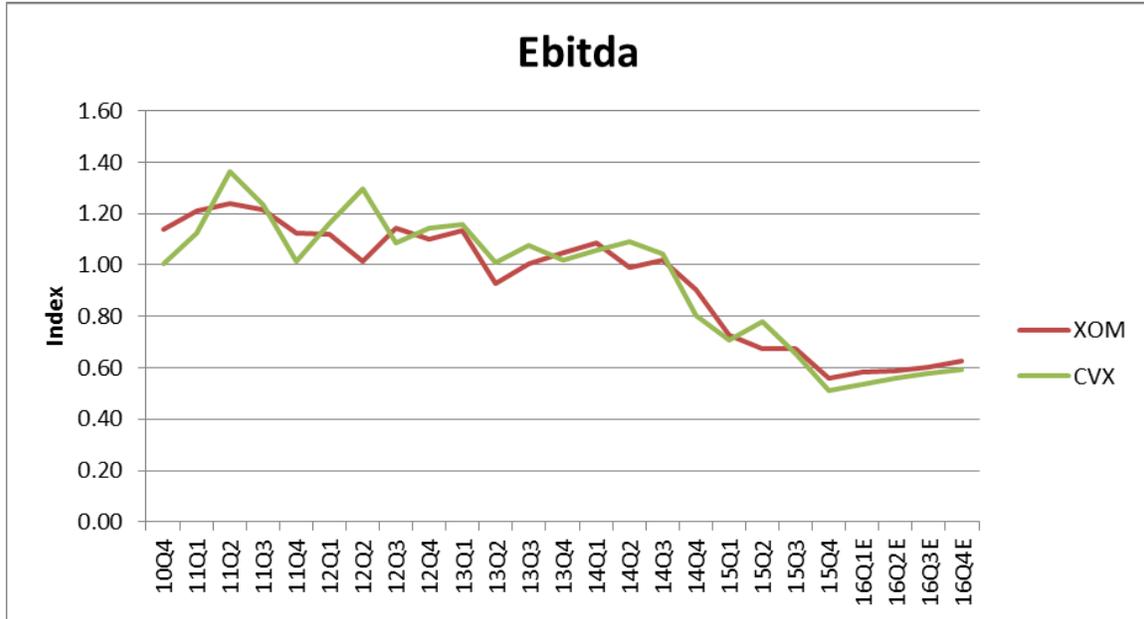
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| Exxon Mobil Corporation | | | | | |
|---|----------------------|-------------------|----------------------|---------------------|---------|
| Functional Cash Flow and Present Value | | | | | |
| | <i>NTM</i> | <i>Adjusted</i> | <i>PV/</i> | <i>Present</i> | |
| | <u><i>Ebitda</i></u> | <u><i>R/P</i></u> | <u><i>Ebitda</i></u> | <u><i>Value</i></u> | |
| North American Natural Gas | 1,200 | 17.7 | 23.3 | 28,000 | 6% |
| Rest of World Natural Gas | 6,300 | 14.5 | 10.6 | 67,000 | 13% |
| Oil | 13,700 | 12.1 | 22.0 | 302,000 | 60% |
| Downstream | 19,600 | | 5.4 | 105,000 | 21% |
| | 40,800 | 13.5 | 12.3 | 502,000 | 100% |
| Debt | | | | | 84,000 |
| Net Present Value (\$mm) | | | | | 418,000 |
| Shares | | | | | 4,183 |
| Net Present Value - Standard Estimate (US\$/sh) | | | | | 100 |
| NPV Approximation by Cash Flow Multiple Depending on Reserve Life (US\$/sh) | | | | | 97 |



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| Exxon Mobil Corporation | | | | | | | | | | |
|--|----------|----------------|---------|----------|----------------|---------|---------|---------|----------|--------------------------|
| Next Twelve Months Operating and Financial Estimates | | | | | | | | | | |
| | Q4 | Year | Q3 | Q4 | Year | Q1E | Q2E | Q3E | Q4E | Next Twelve Months |
| | 12/31/14 | 2014 | 9/30/15 | 12/31/15 | 2015E | 3/31/16 | 6/30/16 | 9/30/16 | 12/31/16 | 12/31/16 |
| Volume | | | | | | | | | | |
| Natural Gas (mmcf) | | | | | | | | | | |
| North America | 3,691 | 3,715 | 3,323 | 3,364 | 3,407 | 3,330 | 3,297 | 3,264 | 3,231 | 3,280 |
| Overseas | 7,543 | 7,431 | 6,201 | 7,239 | 7,107 | 8,215 | 6,646 | 6,139 | 7,167 | 7,036 |
| Total | 11,234 | 11,145 | 9,524 | 10,603 | 10,515 | 11,545 | 9,943 | 9,403 | 10,398 | 10,317 |
| Oil (mbd) | 2,182 | 2,106 | 2,331 | 2,481 | 2,346 | 2,496 | 2,511 | 2,526 | 2,541 | 2,519 |
| Total gas & oil (mmb) | 373 | 1,447 | 360 | 391 | 1,496 | 398 | 379 | 377 | 393 | 1,547 |
| Total gas & oil (mbd) | 4,054 | 3,964 | 3,918 | 4,248 | 4,098 | 4,420 | 4,168 | 4,093 | 4,274 | 4,238 |
| Price | | | | | | | | | | |
| Natural gas (\$/mcf) | | | | | | | | | | |
| Henry Hub (\$/mmbtu) | 4.02 | 4.43 | 2.76 | 2.28 | 2.67 | 2.29 | 2.37 | 2.46 | 2.61 | 2.43 |
| U.S. | 3.72 | 4.22 | 2.40 | 1.80 | 2.26 | 2.29 | 2.37 | 2.46 | 2.61 | 2.43 |
| International | 9.09 | 9.34 | 6.29 | 5.80 | 6.57 | 5.80 | 5.80 | 5.80 | 5.80 | 5.80 |
| Total | 7.33 | 7.63 | 4.93 | 4.53 | 5.17 | 4.79 | 4.66 | 4.64 | 4.81 | 4.73 |
| Oil (\$/bbl) | | | | | | | | | | |
| WTI Cushing | 73.18 | 93.04 | 46.39 | 42.21 | 48.79 | 33.00 | 36.69 | 39.70 | 41.29 | 37.67 |
| Worldwide | 68.15 | 91.09 | 44.32 | 36.47 | 45.75 | 30.94 | 34.40 | 37.22 | 38.72 | 35.37 |
| Total gas & oil (\$/bbl) | 56.98 | 69.86 | 38.35 | 32.61 | 39.46 | 29.98 | 31.84 | 33.63 | 34.71 | 32.53 |
| Revenue (\$mm) | | | | | | | | | | |
| Natural Gas | | | | | | | | | | |
| U.S. | 1,263 | 5,724 | 734 | 557 | 2,812 | 686 | 711 | 740 | 775 | 2,911 |
| International | 6,308 | 25,318 | 3,588 | 3,863 | 17,039 | 4,288 | 3,508 | 3,276 | 3,824 | 14,896 |
| Total | 7,571 | 31,042 | 4,322 | 4,420 | 19,852 | 4,974 | 4,218 | 4,016 | 4,599 | 17,807 |
| Oil | 13,680 | 70,032 | 9,504 | 8,324 | 39,166 | 6,951 | 7,860 | 8,650 | 9,052 | 32,513 |
| Other | 66,024 | 312,112 | 53,518 | 47,064 | 209,864 | 47,064 | 47,064 | 47,064 | 47,064 | 188,255 |
| Total | 87,276 | 413,186 | 67,344 | 59,807 | 268,882 | 58,989 | 59,142 | 59,729 | 60,714 | 238,574 |
| Expense (\$mm) | | | | | | | | | | |
| Production | 9,365 | 47,348 | 8,142 | 7,598 | 34,278 | 6,917 | 7,005 | 7,346 | 7,917 | 29,185 |
| Other | 62,629 | 298,060 | 47,746 | 42,747 | 190,007 | 42,164 | 42,164 | 42,164 | 42,164 | 168,655 |
| bitda (\$mm) | | | | | | | | | | |
| Exploration and Production | 11,887 | 53,726 | 5,683 | 5,146 | 24,741 | 5,009 | 5,073 | 5,320 | 5,733 | 21,134 |
| Other | 3,395 | 14,052 | 5,772 | 4,317 | 19,857 | 4,900 | 4,900 | 4,900 | 4,900 | 19,600 |
| Total Ebitda | 15,282 | 67,778 | 11,456 | 9,463 | 44,598 | 9,909 | 9,973 | 10,220 | 10,633 | 40,734 |
| Exploration | 592 | 1,943 | 325 | 531 | 1,570 | 531 | 531 | 531 | 531 | 2,124 |
| Deprec., Deplet., & Amort. | 4,458 | 17,297 | 4,542 | 4,542 | 17,835 | 4,542 | 4,542 | 4,542 | 4,542 | 18,168 |
| bit | 10,232 | 48,538 | 6,589 | 4,390 | 25,193 | 4,836 | 4,900 | 5,147 | 5,560 | 20,442 |
| Interest | 68 | 286 | 78 | 78 | 329 | 78 | 78 | 78 | 78 | 312 |
| bt | 10,164 | 48,252 | 6,511 | 4,312 | 24,864 | 4,758 | 4,822 | 5,069 | 5,482 | 20,130 |
| Income Tax | 3,557 | 16,888 | 2,279 | 1,509 | 8,702 | 1,665 | 1,688 | 1,774 | 1,919 | 7,046 |
| Net Income (\$mm) | | | | | | | | | | |
| Exploration and Production | 5,468 | 26,218 | 1,358 | 857 | | | | | | |
| Other | 1,724 | 7,260 | 3,260 | 2,314 | | | | | | |
| Unallocated | (585) | (2,114) | (386) | (368) | | | | | | |
| Total | 6,607 | 31,364 | 4,232 | 2,803 | 16,161 | 3,092 | 3,134 | 3,295 | 3,563 | 13,085 |
| Shares (millions) | 4,235 | 4,285 | 4,190 | 4,183 | 4,198 | 4,183 | 4,183 | 4,183 | 4,183 | 4,183 |
| Per share (\$) | 1.56 | 7.32 | 1.01 | 0.67 | 3.85 | 0.74 | 0.75 | 0.79 | 0.85 | 3.13 |
| Ebitda Margin (E&P) | 56% | 53% | 41% | 40% | 42% | 42% | 42% | 42% | 42% | 42% |
| Tax Rate | 35% | 35% | 35% | 35% | 35% | 35% | 35% | 35% | 35% | 35% |



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| Symbol/Rating | | Price (US\$/sh) | EV/ Market Cap | Enterprise Value (\$mm) | Present Value by Segment (%) | | | | Dist. Yield | McDep Ratio | | | |
|--|---------|--------------------|----------------------|-------------------------------|------------------------------|---------------|-----------------|-------------------------|----------------|----------------|-------------------------|---------------|-----------------|
| | | | | | 2-Feb 2016 | Market Cap | Value (\$mm) | North | | | Rest of | Oil Prod'n | Down- stream |
| | | | | | | | | Amer. Natural Gas | | | World Natural Gas | | |
| Global Integrated | | | | | | | | | | | | | |
| Exxon Mobil Corporation | XOM | 74.59 | 1.27 | 396,000 | 6 | 13 | 60 | 21 | 3.9 | 0.79 | | | |
| Chevron Corporation | CVX | 81.24 | 1.38 | 209,000 | 2 | 9 | 69 | 19 | 5.3 | 0.68 | | | |
| Royal Dutch Shell (BG pro form) | RDS-A B | 41.52 | 1.76 | 290,000 | 2 | 17 | 56 | 26 | 9.1 | 0.65 | | | |
| Total S.A. | TOT B | 41.54 | 1.60 | 154,000 | | 17 | 60 | 23 | 6.4 | 0.58 | | | |
| <i>Total or Median</i> | | | <i>1.49</i> | <i>1,049,000</i> | | | <i>60</i> | <i>22</i> | <i>5.8</i> | <i>0.66</i> | | | |
| Large Independent | | | | | | | | | | | | | |
| Occidental Petroleum Corp. | OXY | 65.49 | 1.18 | 58,900 | 3 | 1 | 86 | 9 | 4.6 | 0.89 | | | |
| EOG Resources, Inc. | EOG | 67.16 | 1.19 | 43,700 | 11 | 3 | 87 | | 1.0 | 0.78 | | | |
| ConocoPhillips | COP | 36.59 | 1.83 | 83,000 | 12 | 11 | 77 | | 8.1 | 0.61 | | | |
| Devon Energy Corporation | DVN B | 24.69 | 2.29 | 23,100 | 23 | | 66 | 11 | 3.9 | 0.58 | | | |
| Marathon Oil Corporation | MRO B | 8.74 | 2.56 | 15,200 | 7 | 1 | 92 | | 2.3 | 0.42 | | | |
| <i>Total or Median</i> | | | <i>1.83</i> | <i>224,000</i> | <i>11</i> | | <i>86</i> | | <i>3.9</i> | <i>0.61</i> | | | |
| Small Independent | | | | | | | | | | | | | |
| Range Resources | RRC | 26.98 | 1.92 | 8,700 | 75 | | 25 | | 0.6 | 0.87 | | | |
| California Resources | CRC | 1.05 | 18.00 | 7,200 | 10 | | 90 | | - | 0.83 | | | |
| Cimarex Energy Company | XEC | 84.40 | 1.14 | 9,000 | 31 | | 69 | | 0.8 | 0.80 | | | |
| Continental Resources (32%) | CLR B | 18.92 | 2.03 | 4,500 | 16 | | 84 | | - | 0.51 | | | |
| Whiting Petroleum Corporation | WLL B | 6.01 | 5.48 | 6,700 | 6 | | 94 | | - | 0.48 | | | |
| <i>Total or Median</i> | | | <i>2.03</i> | <i>36,000</i> | <i>16</i> | | <i>84</i> | | <i>-</i> | <i>0.80</i> | | | |
| Income | | | | | | | | | | | | | |
| San Juan Basin Royalty Trust | SJT | 4.54 | 1.00 | 210 | 100 | | - | | 5.7 | 0.57 | | | |
| Sabine Royalty Trust | SBR | 32.08 | 1.00 | 470 | 38 | | 62 | | 7.3 | 0.53 | | | |
| Permian Basin RT | PBT B | 5.27 | 1.00 | 250 | 23 | | 77 | | 5.9 | 0.48 | | | |
| Cross Timbers Royalty Trust | CRT | 13.87 | 1.00 | 80 | 64 | | 36 | | 6.7 | 0.48 | | | |
| Dorchester Minerals, L.P. | DMLP B | 10.20 | 1.00 | 310 | 28 | | 72 | | 7.8 | 0.43 | | | |
| <i>Total or Median</i> | | | <i>1.00</i> | <i>1,300</i> | <i>38</i> | | <i>62</i> | | <i>6.7</i> | <i>0.48</i> | | | |
| Canada | | | | | | | | | | | | | |
| EnCana Corporation | ECA | 3.98 | 3.54 | 12,000 | 47 | | 53 | | 1.5 | 0.88 | | | |
| Imperial Oil Limited (30%) | IMO | 29.26 | 1.35 | 10,100 | 1 | | 73 | 27 | 1.4 | 0.82 | | | |
| Suncor Energy | SU | 22.22 | 1.40 | 44,800 | - | | 81 | 19 | 3.7 | 0.71 | | | |
| Canadian Oil Sands Limited | COSWF | 6.21 | 1.93 | 5,800 | | | 100 | | 2.3 | 0.67 | | | |
| Cenovus Energy Inc. | CVE | 11.29 | 1.39 | 13,000 | 11 | | 82 | 7 | 4.1 | 0.64 | | | |
| Birchcliff Energy Ltd. | BIREF B | 3.42 | 2.01 | 1,100 | 68 | | 32 | | - | 0.48 | | | |
| <i>Total or Median</i> | | | <i>1.66</i> | <i>87,000</i> | | | <i>77</i> | | <i>1.9</i> | <i>0.69</i> | | | |
| Estimated present value presumes a long-term price for oil of US\$70 a barrel and natural gas, \$4.00 a million btu. | | | | | | | | | | | | | |
| McDep Ratio = Market cap and Debt to present value of oil and gas and other businesses | | | | | | | | | | | | | |
| For historical research see www.mcdep.com | | | | | | | | | | | | | |



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| McDep Energy Stocks | | | | | | | | |
|--|------------------------|---|------------------|---------------|----------------|------------------|----------------|-------------|
| Net Present Value and McDep Ratio | | | | | | | | |
| | | | <i>Price</i> | | | <i>Net</i> | | |
| | | | <i>(US\$/sh)</i> | | <i>Market</i> | <i>Present</i> | <i>Debt/</i> | |
| | <i>Symbol/Rating</i> | | <i>2-Feb</i> | <i>Shares</i> | <i>Cap</i> | <i>Value</i> | <i>Present</i> | |
| | <i>B = Buy</i> | | <i>2016</i> | <i>(mm)</i> | <i>(US\$m)</i> | <i>(US\$/sh)</i> | <i>Value</i> | |
| | | | | | | | <i>McDep</i> | |
| | | | | | | | <i>Ratio</i> | |
| Global Integrated | | | | | | | | |
| Exxon Mobil Corporation | XOM | | 74.59 | 4,183 | 312,000 | 100.00 | 0.17 | 0.79 |
| Chevron Corporation | CVX | | 81.24 | 1,874 | 152,000 | 135.00 | 0.18 | 0.68 |
| Royal Dutch Shell (BG pro forma) | RDS-A | B | 41.52 | 3,965 | 165,000 | 80.00 | 0.28 | 0.65 |
| Total S.A. | TOT | B | 41.54 | 2,312 | 96,000 | 90.00 | 0.22 | 0.58 |
| | <i>Total or Median</i> | | | | <i>725,000</i> | | <i>0.20</i> | <i>0.66</i> |
| Large Independent | | | | | | | | |
| Occidental Petroleum Corp. | OXY | | 65.49 | 763 | 50,000 | 75.00 | 0.13 | 0.89 |
| EOG Resources, Inc. | EOG | | 67.16 | 549 | 36,900 | 90.00 | 0.12 | 0.78 |
| ConocoPhillips | COP | | 36.59 | 1,242 | 45,000 | 80.00 | 0.27 | 0.61 |
| Devon Energy Corporation | DVN | B | 24.69 | 411 | 10,100 | 65.00 | 0.33 | 0.58 |
| Marathon Oil Corporation | MRO | B | 8.74 | 677 | 5,920 | 40.00 | 0.25 | 0.42 |
| | <i>Total or Median</i> | | | | <i>147,900</i> | | <i>0.25</i> | <i>0.61</i> |
| Small Independent | | | | | | | | |
| Range Resources | RRC | | 26.98 | 167 | 4,500 | 35.00 | 0.41 | 0.87 |
| California Resources | CRC | | 1.05 | 382 | 400 | 5.00 | 0.78 | 0.83 |
| Cimarex Energy Company | XEC | | 84.40 | 93 | 7,900 | 108.00 | 0.10 | 0.80 |
| Continental Resources (32%) | CLR | B | 18.92 | 118 | 2,200 | 56.00 | 0.26 | 0.51 |
| Whiting Petroleum Corporation | WLL | B | 6.01 | 204 | 1,200 | 42.00 | 0.39 | 0.48 |
| | <i>Total or Median</i> | | | | <i>16,000</i> | | <i>0.39</i> | <i>0.80</i> |
| Income | | | | | | | | |
| San Juan Basin Royalty Trust | SJT | | 4.54 | 47 | 210 | 8.00 | - | 0.57 |
| Sabine Royalty Trust | SBR | | 32.08 | 15 | 470 | 60.00 | - | 0.53 |
| Permian Basin RT | PBT | B | 5.27 | 47 | 250 | 11.00 | - | 0.48 |
| Cross Timbers Royalty Trust | CRT | | 13.87 | 6 | 80 | 29.00 | - | 0.48 |
| Dorchester Minerals, L.P. | DMLP | B | 10.20 | 31 | 310 | 24.00 | - | 0.43 |
| | <i>Total or Median</i> | | | | <i>1,300</i> | | <i>-</i> | <i>0.48</i> |
| Canada | | | | | | | | |
| EnCana Corporation | ECA | | 3.98 | 843 | 3,400 | 6.00 | 0.63 | 0.88 |
| Imperial Oil Limited (30%) | IMO | | 29.26 | 255 | 7,500 | 38.00 | 0.21 | 0.82 |
| Suncor Energy | SU | | 22.22 | 1,446 | 32,100 | 35.00 | 0.20 | 0.71 |
| Canadian Oil Sands Limited | COSWF | | 6.21 | 485 | 3,000 | 12.00 | 0.33 | 0.67 |
| Cenovus Energy Inc. | CVE | | 11.29 | 827 | 9,300 | 20.00 | 0.18 | 0.64 |
| Birchcliff Energy Ltd. | BIREF | B | 3.42 | 154 | 500 | 11.00 | 0.24 | 0.48 |
| | <i>Total or Median</i> | | | | <i>56,000</i> | | <i>0.23</i> | <i>0.69</i> |
| Estimated present value presumes a long-term price for oil of US\$70 a barrel and natural gas, \$4.00 a million btu. | | | | | | | | |
| McDep Ratio = Market cap and Debt to present value of oil and gas and other businesses | | | | | | | | |
| For historical research see www.mcdep.com | | | | | | | | |



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| Table 3 | | | | | | | |
|----------------------------------|---------------------|---|--------------------|----------------------------|---------------|---------------|-----------------|
| McDep Energy Stocks | | | | | | | |
| Value Multiples and Dividend | | | | | | | |
| Ranked by EV/Ebitda | | | | | | | |
| | | | Price (US\$/sh) | Adjustd Resrvs/ Prod | PV/ Ebitda | EV/ Ebitda | Dividend NTM |
| | Symbol/Rating | | 2-Feb 2016 | NTM | NTM | NTM | NTM |
| | B = Buy | | | | | | |
| Global Integrated | | | | | | | |
| Exxon Mobil Corporation | XOM | | 74.59 | 13.5 | 12.3 | 9.7 | 24 |
| Chevron Corporation | CVX | | 81.24 | 8.9 | 12.0 | 8.1 | 35 |
| Royal Dutch Shell (BG pro forma) | RDS-A | B | 41.52 | 9.9 | 9.9 | 6.5 | 16 |
| Total S.A. | TOT | B | 41.54 | 9.9 | 10.1 | 5.8 | 11 |
| | <i>Median</i> | | | 9.9 | 11.0 | 7.3 | 20 |
| Large Independent | | | | | | | |
| EOG Resources, Inc. | EOG | | 67.16 | 9.0 | 19.1 | 14.8 | 0.67 |
| Occidental Petroleum Corp. | OXY | | 65.49 | 8.9 | 15.3 | 13.7 | 3.00 |
| ConocoPhillips | COP | | 36.59 | 11.4 | 17.5 | 10.6 | 2.96 |
| Devon Energy Corporation | DVN | B | 24.69 | 10.2 | 17.0 | 9.9 | 49 |
| Marathon Oil Corporation | MRO | B | 8.74 | 12.1 | 19.6 | 8.2 | 0.20 |
| | <i>Median</i> | | | 10.2 | 17.5 | 10.6 | 49 |
| Small Independent | | | | | | | |
| California Resources | CRC | | 1.05 | 12.7 | 42.0 | 35 | - |
| Range Resources | RRC | | 26.98 | 13.8 | 25.7 | 22.2 | 0.16 |
| Cimarex Energy Company | XEC | | 84.40 | 7.7 | 20.6 | 16.6 | 0.64 |
| Continental Resources (32%) | CLR | B | 18.92 | 11.4 | 24.1 | 12.2 | - |
| Whiting Petroleum Corporation | WLL | B | 6.01 | 11.4 | 21.4 | 10.3 | - |
| | <i>Median</i> | | | 11.4 | 24.1 | 16.6 | |
| Income | | | | | | | |
| Cross Timbers Royalty Trust | CRT | | 13.87 | 12.5 | 31.1 | 14.8 | 15 |
| Sabine Royalty Trust | SBR | | 32.08 | 7.7 | 25.5 | 13.7 | 14 |
| San Juan Basin Royalty Trust | SJT | | 4.54 | 8.6 | 22.8 | 12.9 | 18 |
| Permian Basin RT | PBT | B | 5.27 | 9.7 | 24.6 | 11.8 | 17 |
| Dorchester Minerals, L.P. | DMLP | B | 10.20 | 7.1 | 20.2 | 8.6 | 19 |
| | <i>Median</i> | | | 8.6 | 24.6 | 12.9 | 17 |
| Canada | | | | | | | |
| EnCana Corporation | ECA | | 3.98 | 8.2 | 30.7 | 27.0 | 67 |
| Canadian Oil Sands Limited | COSWF | | 6.21 | 18.0 | 33.1 | 22.3 | 0.14 |
| Cenovus Energy Inc. | CVE | | 11.29 | 15.0 | 18.2 | 11.7 | 0.46 |
| Imperial Oil Limited (30%) | IMO | | 29.26 | 23.4 | 13.3 | 10.9 | 18 |
| Suncor Energy | SU | | 22.22 | 17.9 | 14.9 | 10.6 | 0.83 |
| Birchcliff Energy Ltd. | BIREF | B | 3.42 | 12.6 | 17.0 | 8.1 | - |
| | <i>Median</i> | | | 16.5 | 17.6 | 11.3 | 42 |
| | <i>Grand Median</i> | | | 11 | 20 | 12 | |

EV = Enterprise Value = Market Cap and Debt; Ebitda = Earnings before interest, tax, depreciation and amortization; NTM = Next Twelve Months Ended December 31, 2016; P/E = Stock Price to Earnings; PV = Present Value of oil and gas and other businesses For historical research see www.mcdep.com



Independent Stock Idea

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| Table 4 | | | | | | | | | | |
|----------------------------------|---|---------|---------|---------|--------|----------|--------|-----------|--------|------|
| McDep Energy Stocks | | | | | | | | | | |
| Total Return Year-to-Date 2016 | | | | | | | | | | |
| Ranked by Unlevered Total Return | | | | | | | | | | |
| | | | Price | Price | | | Equity | Unlevered | | |
| | | | (\$/sh) | (\$/sh) | Price | Cash | Total | Total | | |
| | Symbol/Rati | | 2-Feb | 31-Dec | Change | Distrib. | Return | Debt | Return | |
| | | | 2016 | 2015 | (%) | (%) | (%) | (\$/sh) | (%) | |
| | | | | | | | | | McDep | |
| | | | | | | | | | Ratio | |
| Global Integrated | | | | | | | | | | |
| | Exxon Mobil Corporation | XOM | 74.59 | 77.95 | (4) | - | (4) | 20 | (3) | 0.79 |
| | Total S.A. | TOT B | 41.54 | 44.95 | (8) | - | (8) | 25 | (5) | 0.58 |
| | Royal Dutch Shell (BG pro forma) | RDS-A B | 41.52 | 45.79 | (9) | - | (9) | 32 | (6) | 0.65 |
| | Chevron Corporation | CVX | 81.24 | 89.96 | (10) | - | (10) | 31 | (7) | 0.68 |
| | <i>Median</i> | | | | (8) | | (8) | | (5) | 0.66 |
| Large Independent | | | | | | | | | | |
| | Occidental Petroleum Corp. | OXY | 65.49 | 67.61 | (3) | - | (3) | 12 | (3) | 0.89 |
| | EOG Resources, Inc. | EOG | 67.16 | 70.79 | (5) | - | (5) | 12 | (4) | 0.78 |
| | Devon Energy Corporation | DVN B | 24.69 | 32.00 | (23) | - | (23) | 32 | (11) | 0.58 |
| | ConocoPhillips | COP | 36.59 | 46.69 | (22) | - | (22) | 30 | (13) | 0.61 |
| | Marathon Oil Corporation | MRO B | 8.74 | 12.58 | (31) | - | (31) | 14 | (15) | 0.42 |
| | <i>Median</i> | | | | (22) | | (22) | | (11) | 0.61 |
| Small Independent | | | | | | | | | | |
| | Range Resources | RRC | 26.98 | 24.62 | 10 | - | 10 | 25 | 5 | 0.87 |
| | Cimarex Energy Company | XEC | 84.40 | 89.38 | (6) | - | (6) | 12 | (5) | 0.80 |
| | California Resources | CRC | 1.05 | 2.33 | (55) | - | (55) | 18 | (6) | 0.83 |
| | Whiting Petroleum Corporation | WLL B | 6.01 | 9.44 | (36) | - | (36) | 27 | (9) | 0.48 |
| | Continental Resources (32%) | CLR B | 18.92 | 22.98 | (18) | - | (18) | 19 | (10) | 0.51 |
| | <i>Median</i> | | | | (18) | | (18) | | (6) | 0.80 |
| Income | | | | | | | | | | |
| | Sabine Royalty Trust | SBR | 32.08 | 26.26 | 22 | - | 22 | - | 22 | 0.53 |
| | San Juan Basin Royalty Trust | SJT | 4.54 | 4.14 | 10 | - | 10 | - | 10 | 0.57 |
| | Cross Timbers Royalty Trust | CRT | 13.87 | 13.01 | 7 | - | 7 | - | 7 | 0.48 |
| | Permian Basin RT | PBT B | 5.27 | 5.06 | 4 | - | 4 | - | 4 | 0.48 |
| | Dorchester Minerals, L.P. | DMLP B | 10.20 | 9.89 | 3 | - | 3 | - | 3 | 0.43 |
| | <i>Median</i> | | | | 7 | | 7 | | 7 | 0.48 |
| Canada | | | | | | | | | | |
| | Birchcliff Energy Ltd. | BIREF B | 3.42 | 2.93 | 17 | - | 17 | 3 | 8 | 0.48 |
| | Canadian Oil Sands Limited | COSWF | 6.21 | 5.96 | 4 | - | 4 | 6 | 2 | 0.67 |
| | EnCana Corporation | ECA | 3.98 | 5.09 | (22) | - | (22) | 10 | (7) | 0.88 |
| | Imperial Oil Limited (30%) | IMO | 29.26 | 32.52 | (10) | - | (10) | 10 | (8) | 0.82 |
| | Cenovus Energy Inc. | CVE | 11.29 | 12.62 | (11) | - | (11) | 4 | (8) | 0.64 |
| | Suncor Energy | SU | 22.22 | 25.80 | (14) | - | (14) | 9 | (10) | 0.71 |
| | <i>Median</i> | | | | (10) | | (10) | | (7) | 0.69 |
| | <i>Grand Median</i> | | | | (8) | | (8) | | (5) | 0.64 |
| | Natural Gas (\$/mmbtu) | | 2.04 | 2.33 | (12) | | | | | |
| | Oil - West Texas Intermediate (\$/bbl) | | 29.90 | 37.06 | (19) | | | | | |
| | S&P 500 | | 1,903 | 2,044 | (7) | | | | | |

Source: McDep LLC, Yahoo, CME Group, Bloomberg

For historical research see www.mcdep.com



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February 3, 2016

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

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