



Figure 48: Scorecards (Defensive and Oil Bounce)

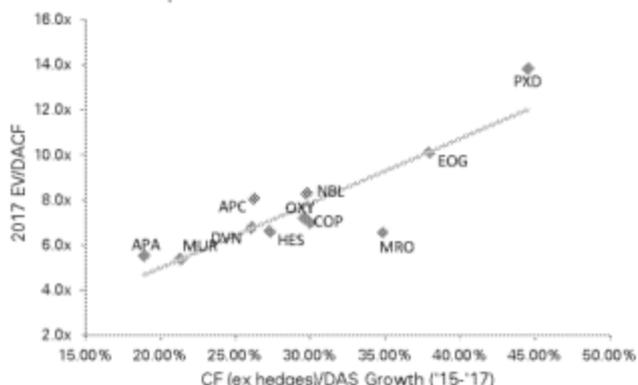
| Tkr | Outspend (4Q15 annualized) | Net Debt/TC | Div Yield | FCF Yield | EV/DACF | CF/DAS | Prod'n CAGR | Liquids leverage | Defensive | Oil Bounce |
|-----|----------------------------|-------------|-----------|-----------|---------|--------|-------------|------------------|-----------|------------|
| OXY | 3 | 1 | 2 | 1 | 7 | 6 | 6 | 2 | 18 | 21 |
| APA | 2 | 3 | 6 | 3 | 2 | 11 | 10 | 7 | 20 | 30 |
| MRO | 9 | 4 | 4 | 2 | 4 | 3 | 4 | 4 | 22 | 15 |
| COP | 8 | 8 | 1 | 6 | 6 | 4 | 7 | 9 | 24 | 26 |
| DVN | 1 | 9 | 8 | 8 | 3 | 9 | 5 | 8 | 30 | 25 |
| EOG | 5 | 6 | 10 | 5 | 10 | 2 | 3 | 6 | 32 | 21 |
| PXD | 4 | 2 | 11 | 7 | 11 | 1 | 2 | 3 | 33 | 17 |
| NBL | 6 | 10 | 5 | 10 | 9 | 5 | 1 | 11 | 34 | 26 |
| APC | 7 | 11 | 9 | 4 | 8 | 8 | 11 | 10 | 37 | 37 |
| MUR | 11 | 7 | 3 | 11 | 1 | 10 | 9 | 5 | 38 | 25 |
| HES | 10 | 5 | 7 | 9 | 5 | 7 | 8 | 1 | 42 | 21 |

| Tkr | Outspend (4Q15 annualized) | Net Debt/TC | Div Yield | FCF Yield | EV/DACF | CF/DAS | Prod'n CAGR | Liquids leverage | Defensive | Oil Bounce |
|-----|----------------------------|-------------|-----------|-----------|---------|--------|-------------|------------------|-----------|------------|
| MRO | 9 | 4 | 4 | 2 | 4 | 3 | 4 | 4 | 22 | 15 |
| PXD | 4 | 2 | 11 | 7 | 11 | 1 | 2 | 3 | 33 | 17 |
| OXY | 3 | 1 | 2 | 1 | 7 | 6 | 6 | 2 | 18 | 21 |
| EOG | 5 | 6 | 10 | 5 | 10 | 2 | 3 | 6 | 32 | 21 |
| HES | 10 | 5 | 7 | 9 | 5 | 7 | 8 | 1 | 42 | 21 |
| DVN | 1 | 9 | 8 | 8 | 3 | 9 | 5 | 8 | 30 | 25 |
| MUR | 11 | 7 | 3 | 11 | 1 | 10 | 9 | 5 | 38 | 25 |
| COP | 8 | 8 | 1 | 6 | 6 | 4 | 7 | 9 | 24 | 26 |
| NBL | 6 | 10 | 5 | 10 | 9 | 5 | 1 | 11 | 34 | 26 |
| APA | 2 | 3 | 6 | 3 | 2 | 11 | 10 | 7 | 20 | 30 |
| APC | 7 | 11 | 9 | 4 | 8 | 8 | 11 | 10 | 37 | 37 |

Source: Deutsche Bank. Notes: Defensive score is calculated using the summation (equal weighting) of the following ranks (Outspend, Net Debt/TC, Div Yield, FCF Yield, EV/DACF, CF/DAS) minus the Liquids Leverage ranking (the lower the ranking, the higher the leverage). Oil Bounce score calculated based on the summation (equal weighting) of the following ranks (EV/DACF, Production CAGR, Liquids Leverage, CF/DAS). Liquids leverage represent total company oil production (global) plus US NGL production divided over worldwide production. EV/DACF, FCF yield, Net debt/TC all based on 2016E (DBE). Production CAGR based on 2015-2017 headline growth.

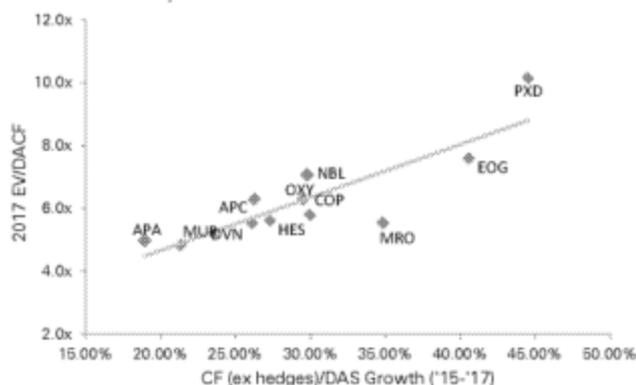
On a 2017 EV/DACF (APC and DVN, ex-MLP value) vs CF/DAS growth (2015-2017, ex hedging) basis, we find that MRO and COP look particularly cheap, with most of the other names hovering in the expected relative value territories.

Figure 49: CF/DAS growth (ex hedging) vs. 2016 EV/DACF multiple



Source: Deutsche Bank. Note: CF calculation strips out impact from hedging

Figure 50: CF/DAS growth (ex hedging) vs. 2017 EV/DACF multiple



Source: Deutsche Bank. Note: CF calculation strips out impact from hedging

We also take a look at the ratio of forecasted exit 2015 outspend (4Q15 annualized, both excluding and including dividend obligations) relative to their 2015-2017 production CAGR (with outspend/growth as the numerator/denominator, the lower the ratio, the better). While using 4Q15 outspend levels as a rough proxy for medium-term outspend has its drawbacks (also not accounting for players with high DUC counts), we believe that in a relatively defensive oil price-minded world, this may be a ratio to consider.