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Subject: Pioneer Natural Resources [I]
Date: Wed, 10 Jun 2015 20:37:41 +0000
Attachments: FITT_piece.pdf

Classification: **For internal use only**

Jeffrey – you earlier asked about time frame for price targets. DB Research price targets are set for a period of 12 months forward.

In terms of Pioneer, the price target was set on 5/31/15. Additionally, we asked your question to DB Global Markets Research analyst for Pioneer, Igor Grinman ("why is pioneer a hold if the price target is so much higher than today's price"). Igor stated:

> PXD has a top-tier resource (high quality, multi-stacked zone) opportunity amongst the peers in the Midland basin. However, the market's willingness to pay for it has outstripped our own valuation framework (expensive on a 2017 EV/DACF multiple basis vs peers; our NAV-based valuation of $175 implies 15.7% upside, below the average of our BUY rated names). Overall, we find more attractive investment cases elsewhere in the group on both, valuation and given our relatively more defensive view on the group over the near term (PXD is a levered oil bounce play).

We have also attached the team's recent research piece on US Integrated oils. Their equity outlook is on page 29. They are also available for a call if you would like to discuss.

Daniel Sabba
Key Client Partners
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