



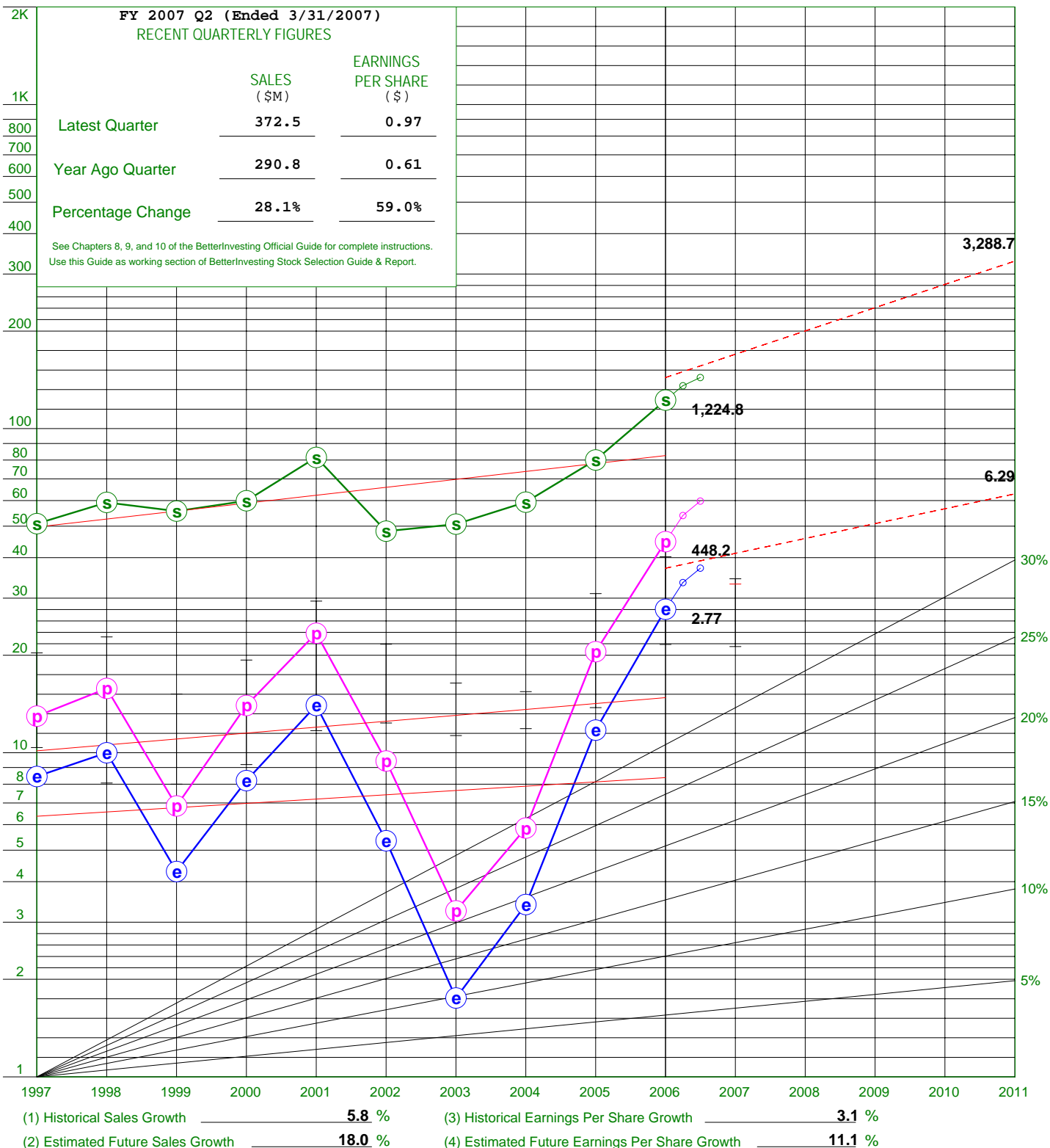
Stock Selection Guide[®]

The most widely used aid to good investment judgment

Company	HELMERICH & PAYNE		Date	06/12/07	
Prepared by	jah		Data taken from	NAIC Data	
Where traded	NYSE		Major product/service	Oil & Gas D	
CAPITALIZATION --- Outstanding Amounts			Reference		
Preferred (\$M)	0.0	% Insiders	%		
Common (M Shares)	103.2	0.0	%		
Debt (\$M)	330.0	% to Tot.Cap.	19.4	% Potential Dil.	None

1 VISUAL ANALYSIS of Sales, Earnings and Price

HP



2 EVALUATING MANAGEMENT

Company **HELMERICH & PAYNE** (HP)

06/12/07

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	LAST 5 YEAR AVG.	TREND	
												UP	DOWN
A % Pre-tax Profit on Sales (Net Before Taxes ÷ Sales)	25.5	26.7	12.3	23.4	28.7	19.5	6.4	9.9	25.6	36.6	19.6	UP	
B % Earned on Equity (E/S ÷ Book Value)	10.8	12.5	5.0	8.6	13.6	6.0	1.9	3.8	11.3	20.8	8.8	UP	

3 PRICE-EARNINGS HISTORY as an indicator of the future

This shows how stock prices have fluctuated with earnings and dividends. It is a building block for translating earnings into future stock prices.

PRESENT PRICE 33.160 HIGH THIS YEAR 34.410 LOW THIS YEAR 21.260

Year	PRICE		C Earnings Per Share	D Price Earnings Ratio		F Dividend Per Share	G % Payout F ÷ C X 100	H % High Yield F ÷ B X 100	
	HIGH	LOW		HIGH A ÷ C	LOW B ÷ C				
1 2002	21.6	12.4	0.54	40.4	23.2	0.152	28.4	1.2	
2 2003	16.4	11.3	0.18	93.7	64.6	0.160	91.4	1.4	
3 2004	15.4	11.9	0.34	45.3	35.0	0.161	47.4	1.4	
4 2005	31.0	13.8	1.18	26.4	11.7	0.165	14.0	1.2	
5 2006	40.2	21.6	2.77	14.5	7.8	0.169	6.1	0.8	
6 TOTAL		71.0		220.3	142.3		187.3		
7 AVERAGE		14.2		44.1	28.5		37.5		
8 AVERAGE PRICE EARNINGS RATIO	36.3			9	CURRENT PRICE EARNINGS RATIO		8.9		

4 Proj. P/E [8.04] Based on Next 4 qtr. EPS [4.12] Current P/E Based on Last 4 qtr. EPS [3.71] EVALUATING RISK and REWARD over the next 5 years PEG=72

Assuming one recession and one business boom every 5 years, calculations are made of how high and how low the stock might sell. The upside-downside ratio is the key to evaluating risk and reward.

A HIGH PRICE -- NEXT 5 YEARS

Avg. High P/E ~~44.1~~ 15.0 X Estimate High Earnings/Share 6.29 = Forecast High Price \$ 94.3
(3D7 as adj.) (4A1)

B LOW PRICE -- NEXT 5 YEARS

(a) Avg. Low P/E ~~28.5~~ 8.0 X Estimated Low Earnings/Share ~~2.77~~ 3.71 = \$ 29.7
(3E7 as adj.)

(b) Avg. Low Price of Last 5 Years = 14.2
(3B7)

(c) Recent Severe Market Low Price = 13.8

(d) Price Dividend Will Support $\frac{\text{Present Divd.}}{\text{High Yield (H)}} = \frac{0.180}{0.014} = 12.7$

Selected Estimate Low Price = \$ 14.2
(4B1)

C ZONING

94.3 (4A1) High Forecast Price Minus 14.2 (4B1) Low Forecast Price Equals 80.1 (C) Range. 1/3 of Range = 20.0 (4CD)

(4C2) Lower 1/3 = (4B1) 14.2 to 34.2 (Buy) Note: Ranges changed to 25%/50%/25%

(4C3) Middle 1/3 = 34.2 to 74.3 (Maybe)

(4C4) Upper 1/3 = 74.3 to 94.3 (4A1) (Sell)

Present Market Price of 33.160 is in the Buy (4C5) Range

D UP-SIDE DOWN-SIDE RATIO (Potential Gain vs. Risk of Loss)

High Price (4A1) 94.3 Minus Present Price 33.160 = 61.1 = 3.2 To 1
Present Price 33.160 Minus Low Price (4B1) 14.2 = 19.0 (4D)

E PRICE TARGET (Note: This shows the potential market price appreciation over the next five years in simple interest terms.)

High Price (4A1) 94.3
Present Market Price 33.160 = (2.844) X 100 = (284.4) - 100 = 184.4 (4E) % Appreciation

Relative Value: 24.5% Proj. Relative Value: 22.2%

5 5-YEAR POTENTIAL

This combines price appreciation with dividend yield to get an estimate of total return. It provides a standard for comparing income and growth stocks.

Note: Results are expressed as a simple rate; use the table below to convert to a compound rate.

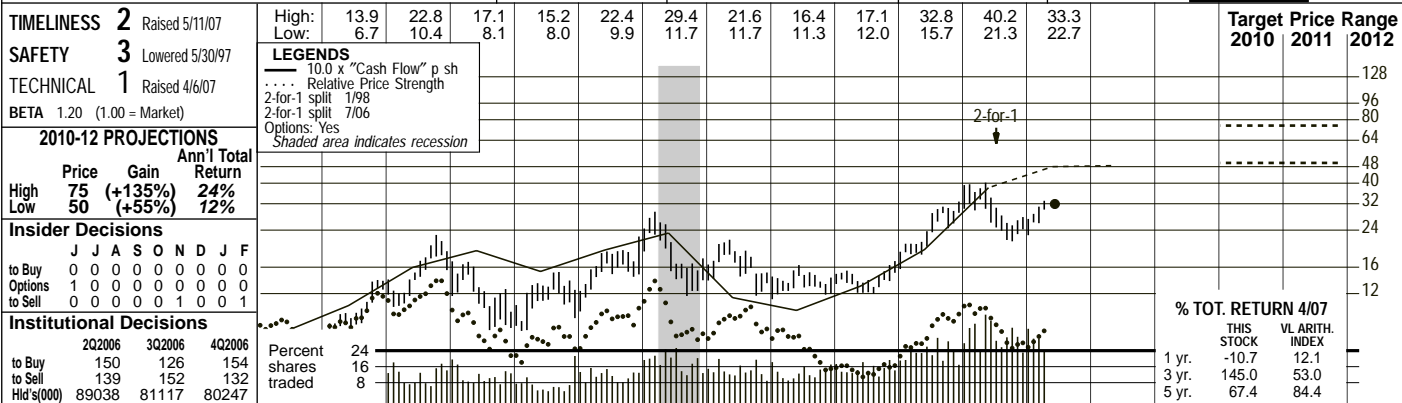
A Present Full Year's Dividend \$ 0.180
Present Price of Stock \$ 33.160 = 0.005 X 100 = 0.5 (5A) Present Yield or % Returned on Purchase Price

B AVERAGE YIELD OVER NEXT 5 YEARS

Avg. Earnings Per Share Next 5 Years 5.09 X Avg. % Payout (3G7) 37.5 = 190.9 = 5.8 (5B) %
Present Price \$ 33.160

C ESTIMATED AVERAGE ANNUAL RETURN OVER NEXT FIVE YEARS

5 Year Appreciation Potential (4E) <u>184.4</u>				P.A.R.	Tot. Ret.
$\frac{5}{184.4}$	<u>36.9</u> %			Average Yield	<u>2.5</u> %
Average Yield (5B) <u>0.5</u> %				Annual Appreciation	<u>16.9</u> %
Average Total Annual Return Over the Next 5 Years (5C) <u>42.7</u> %				% Compd Ann Rate of Ret	<u>20.1</u> %
					<u>23.2</u> %
					<u>25.7</u> %



1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	© VALUE LINE PUB., INC.	10-12
2.18	2.44	3.20	3.33	3.30	3.95	5.18	6.45	5.69	6.31	8.29	5.11	5.14	6.19	7.70	11.79	16.25	17.55	Revenues per sh ^A	25.25
.63	.60	.74	.72	.79	1.05	1.60	1.92	1.53	1.93	2.32	1.15	1.00	1.30	1.94	3.81	4.80	4.85	"Cash Flow" per sh	7.00
.22	.11	.25	.22	.24	.46	.89	1.00	.43	.82	1.42	.54	.18	.36	1.02	2.77	3.50	3.60	Earnings per sh ^B	5.10
.12	.12	.12	.12	.13	.13	.13	.14	.14	.15	.15	.16	.16	.16	.17	.17	.18	.18	Div'ds Decl'd per sh ^C	.20
1.01	.83	.51	1.04	1.12	1.10	1.61	2.70	1.24	1.32	2.75	3.12	2.46	.89	.83	5.09	7.20	7.50	Cap'l Spending per sh	7.50
5.01	5.02	5.16	5.30	5.69	6.48	7.80	8.03	8.55	9.56	10.30	8.95	9.15	9.12	10.38	13.30	13.80	19.75	Book Value per sh	30.35
97.95	98.31	98.55	98.84	98.84	99.67	100.06	98.77	99.25	99.96	99.71	100.02	100.28	100.28	104.02	103.87	104.50	105.50	Common Shs Outst'g ^D	107.00
28.6	50.1	28.9	32.1	29.6	18.2	15.5	14.6	26.0	17.8	13.8	24.1	78.2	37.3	20.4	11.0	10.0	11.0	Avg Ann'l P/E Ratio	12.0
1.83	3.04	1.71	2.11	1.98	1.14	.89	.76	1.48	1.16	.71	1.32	4.46	1.97	1.09	.59	.59	.59	Relative P/E Ratio	.80
1.8%	2.1%	1.6%	1.8%	1.8%	1.5%	.9%	1.0%	1.3%	1.0%	.8%	1.2%	1.2%	1.2%	.8%	.6%	.6%	.6%	Avg Ann'l Div'd Yield	.6%

CAPITAL STRUCTURE as of 12/31/06				2005	2006	12/31/06	© VALUE LINE PUB., INC.		10-12										
Total Debt \$355.0 mill. Due in 5 Yrs \$53.7 mill.				517.9	636.6	564.3	631.1	826.9	510.9	515.3	620.9	800.7	1224.8	1620	1850	Revenues (\$mill) ^A	2700		
LT Debt \$330.0 mill. LT Interest \$6.6 mill.				46.2%	43.8%	38.6%	47.9%	48.1%	30.1%	25.0%	26.8%	34.4%	41.8%	42.0%	40.0%	Operating Margin	40.0%		
Leases, Uncapitalized Annual Rentals \$3.7 mill.				71.7	88.4	109.2	110.9	87.3	61.4	82.5	94.4	96.3	101.6	120	130	Depreciation (\$mill)	200		
Pension Assets-9/06 \$66.8 mill. Oblig. \$87.7 mill.				88.3	101.2	42.8	82.3	144.3	53.7	17.9	36.1	105.8	293.9	365	380	Income Tax Rate	38.0%		
Pfd Stock None				35.8%	37.2%	39.6%	42.2%	39.6%	44.5%	43.2%	40.5%	40.0%	35.0%	38.0%	38.0%	Net Profit Margin	20.5%		
Common Stock 103,314,928 shares as of 4/30/07				17.1%	15.9%	7.6%	13.0%	17.4%	10.5%	3.5%	5.8%	13.2%	24.0%	22.5%	20.5%	Working Cap'l (\$mill)	160		
MARKET CAP: \$3.3 billion (Mid Cap)				62.8	58.9	88.7	186.2	210.2	105.9	108.9	186.0	410.3	164.1	375	380	Long-Term Debt (\$mill)	250		
CURRENT POSITION				--	50.0	50.0	50.0	100.0	200.0	200.0	200.0	200.0	175.0	300	225	Share Equity (\$mill)	3250		
Cash Assets				11.3%	12.0%	5.0%	8.3%	13.6%	5.4%	2.1%	3.8%	8.8%	19.1%	23.5%	17.5%	Return on Total Cap'l	15.5%		
Receivables				11.3%	12.8%	5.0%	8.6%	14.1%	6.0%	1.9%	4.0%	9.8%	21.3%	26.5%	18.0%	Return on Shr. Equity	17.0%		
Inventory (Avg Cst)				9.7%	11.0%	3.4%	7.1%	12.6%	4.3%	.2%	2.2%	8.2%	20.0%	25.0%	17.5%	Retained to Com Eq	16.0%		
Other				15%	14%	32%	17%	10%	28%	90%	45%	16%	6%	5%	5%	All Div'ds to Net Prof	4%		
Current Assets				<p>BUSINESS: Helmerich & Payne, Inc. provides contract drilling services to oil and gas producers primarily in the United States, Argentina, Colombia, Ecuador, and Venezuela. Fleet consists of over 110 U.S. land rigs, 9 U.S. platform rigs located in the Gulf of Mexico, and 27 international rigs. Maintains a portfolio of equity and real estate holdings. Spun off production operations on 9/30/02.</p>															
Accts Payable				<p>Has about 5,700 employees. 2006 Depreciation rate: 6.8%. All directors and officers own 6.3% of stock; State Farm Mutual Automobile Insurance, 8.0%; Goldman Sachs Asset Mgmt., 5.5% (1/07 Proxy). Chrmn: W. H. Helmerich, III. Pres. & CEO: Hans Helmerich, Inc.: DE. Address: 1437 S Boulder Avenue, Suite 1400, Tulsa, OK 74119. Tel.: (918) 742-5531. Internet: www.hpinc.com.</p>															
Debt Due				<p>Helmerich & Payne continues to impress this fiscal year (ends September 30th). The company had another strong period in the second quarter, when it reported earnings of \$0.79 a share, up almost 30% from the year-ago period. Helmerich continues to build its domestic drilling operations despite weaker market conditions. The company had 12 new rigs deployed in the U.S during the second quarter while operating at a 97% utilization rate. That said, margins continue to be impacted somewhat from decreased pricing power and more capital spending.</p>															
Other				<p>We believe that conditions will continue to get tougher throughout the year, as customers demand more pricing leverage. Prices will likely continue to soften further in the next few quarters. Still, we believe that the oil and gas economy will fare well enough for HP for the remainder of the fiscal year. We target earnings of \$3.50 in fiscal 2007 or a roughly 30% gain. However, we anticipate that HP will feel the pinch in 2008, which will impact bottom-line growth that year. Indeed, our estimate that year targets earnings of \$3.60 a share, a gain of 3%. The company sold eleven of its rigs in the second quarter. These rigs were part of HP's operations abroad, and the company earned about \$0.18 from the sale, which has been excluded from our presentation. The international segment will likely become a smaller portion of revenues in the upcoming year, but this should be temporary. In fact, profitability abroad may increase this year as the company reaps better operating leverage from more efficient <i>FlexRigs</i>. Beyond 2007, we forecast more foreign revenues contracted under the <i>FlexRig</i> system. These shares have a favorable Timeliness rank (2: Above Average). Healthy profit gains for HP recently make this issue a good momentum play for the coming six to 12 months. Additionally, the stock has wide appreciation potential out to the 2010-2012 timeframe. Indeed, we believe that better demand for drilling services over the next few years in the U.S. and abroad ought to lift Helmerich's bottom line at a high-single-digit pace, on average, over that period.</p>															
Current Liab.				<p><i>Garrett Sussman</i> May 18, 2007</p>															

ANNUAL RATES	Past 10 Yrs.	Past 5 Yrs.	Est'd '04-'06	Full Fiscal Year
change (per sh)	10 Yrs.	5 Yrs.	to '10-'12	
Revenues	9.5%	5.0%	18.0%	620.9
"Cash Flow"	10.5%	4.0%	19.0%	800.7
Earnings	16.5%	9.0%	23.0%	1224.8
Dividends	3.0%	3.0%	3.0%	1620
Book Value	6.5%	3.0%	17.5%	1850

Fiscal Year Ends	QUARTERLY REVENUES (\$ mill.) ^A				Full Fiscal Year
	Dec.31	Mar.31	Jun.30	Sep.30	
2004	138.9	152.7	147.9	181.4	620.9
2005	174.7	185.5	207.4	233.2	800.7
2006	255.4	290.8	319.8	358.8	1224.8
2007	386.4	372.5	410	451.1	1620
2008	420	430	480	520	1850

Fiscal Year Ends	EARNINGS PER SHARE ^{AB}				Full Fiscal Year
	Dec.31	Mar.31	Jun.30	Sep.30	
2004	.06	.06	.05	.19	.36
2005	.18	.22	.29	.33	1.02
2006	.48	.61	.75	.93	2.77
2007	1.06	.79	.85	.80	3.50
2008	.90	.90	.90	.90	3.60

Cal-endar	QUARTERLY DIVIDENDS PAID ^C				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2003	.04	.04	.04	.04	.16
2004	.04	.04	.041	.041	.16
2005	.041	.041	.041	.041	.17
2006	.041	.041	.045	.045	.17
2007	.045				

(A) Fiscal year ends September 30th. May not sum due to rounding. (B) Diluted earnings. Incl. investment gains: '98, 23¢; '99, 2¢; '00, 15¢; '01, 1¢; '02, 15¢, '06, 19¢; '07, 15¢. Excl. nonrec. items: '94, d4¢; '95, d13¢; '96, 27¢; '97, d4¢; '02, 10¢; '03, 2¢; '04, 31¢; '05, 21¢; '07, 18¢. Next earnings report due early August. (C) Div'd are paid in early March, June, September, and December. (D) In millions, adjusted for splits.