

# Better Investing

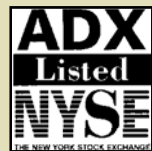
*June 26, 2009*



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**Doug Ober**  
*Portfolio Manager*

## Definition

- A closed-end fund is an investment company that pools the assets of its investors and uses professional managers to invest these assets to meet clearly identified objectives

# Closed-end funds

- Trade as common stocks
- Most are listed on the NYSE
  - 3 letter symbols for listed funds
- Many provide daily net asset values (NAV)
  - Available on websites and often on Bloomberg
  - X<symbol>X or XX<symbol>XX for AMEX

# Current history

- Over 680 Closed-End Funds
  - Largest single industry on the NYSE
  - 63 World Equity Funds
  - 16 Global Income Funds
  - 10 Emerging Market Debt Funds
  - Over 130 Domestic Debt Funds
  - Over 250 Domestic Municipal Bond Funds
  - 143 Sector and Diversified Funds
  - 42 Convertible & Equity Income Funds

Source: Lipper

# Advantages

- Consistency
  - Manager is not buffeted by large cash flows
- Turnover
  - Longer term strategies can be used
- Fees
  - No 12b-1 fees or loads
- Transparency
  - Fully audited by independent auditors and SEC

# Pricing

- Two principal indicators of CEF's value:
  - Net Asset Value (NAV) is the per share market value of the net assets held by the fund
  - Stock Price represents the market value of one share in the open market
- Stock price and NAV are usually different

# Reasons to use CEF's

- Easy entry into desirable funds, asset classes or strategies
  - Energy, real estate, emerging markets, municipal bonds, convertibles and others
- Manager's history
- Cash flow from fund's distribution plan
- Purchase or reinvest at an attractive price
  - Discounts - Get a dollar working for you for less

# Sources of information

- Online information sources on CEF's:
  - CEFA.COM
  - ETFConnect
  - Fund and Manager Websites
  - Lipper
  - Morningstar
  - ICI
  - NYSE



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Protect

Invest

Grow

Insight

Diversification

# Safe Harbor



This presentation contains statements, including projections and estimates, that are considered forward-looking statements within the meaning of the Securities Exchange Act of 1934. These statements reflect the Company's current views with respect to future events and financial performance and are not guarantees of our future performance. These statements are subject to risks, uncertainties and other important factors that could cause our actual performance, returns, or investment decisions to be materially different from what we project. These factors include, but are not limited to, the performance of the portfolio of stocks held by the Fund, the conditions in the U. S. and international financial markets, the prices at which shares of the Fund will trade in the public markets, and other factors discussed in the Company's 2008 Annual Report and other Securities & Exchange Commission filings by the Company. These forward-looking statements are based on management's information and belief at the time of this presentation. We assume no obligation to revise, correct or update these statements.

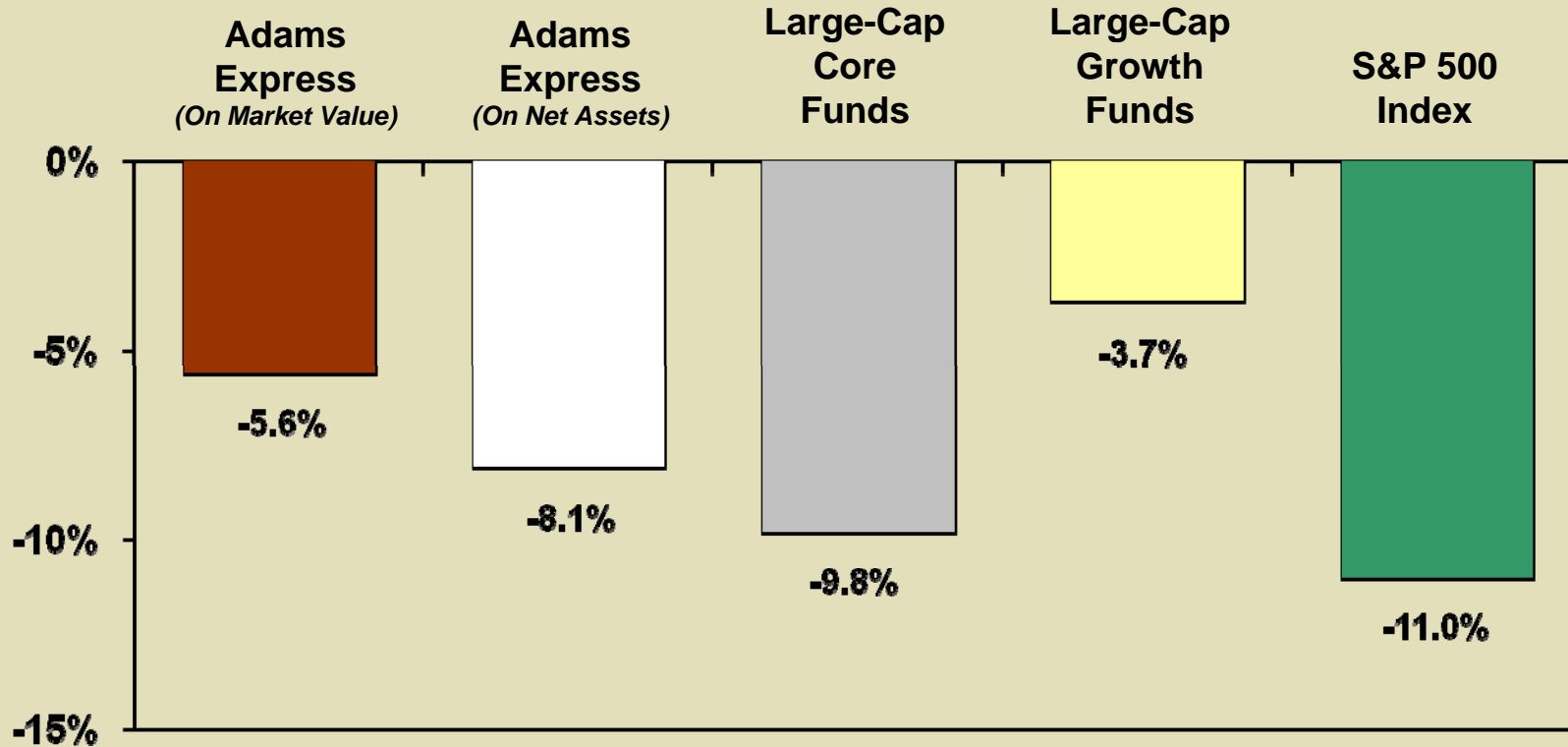
# What are our objectives?



- Generate strong returns with less risk
- Pay out significant income and capital gains

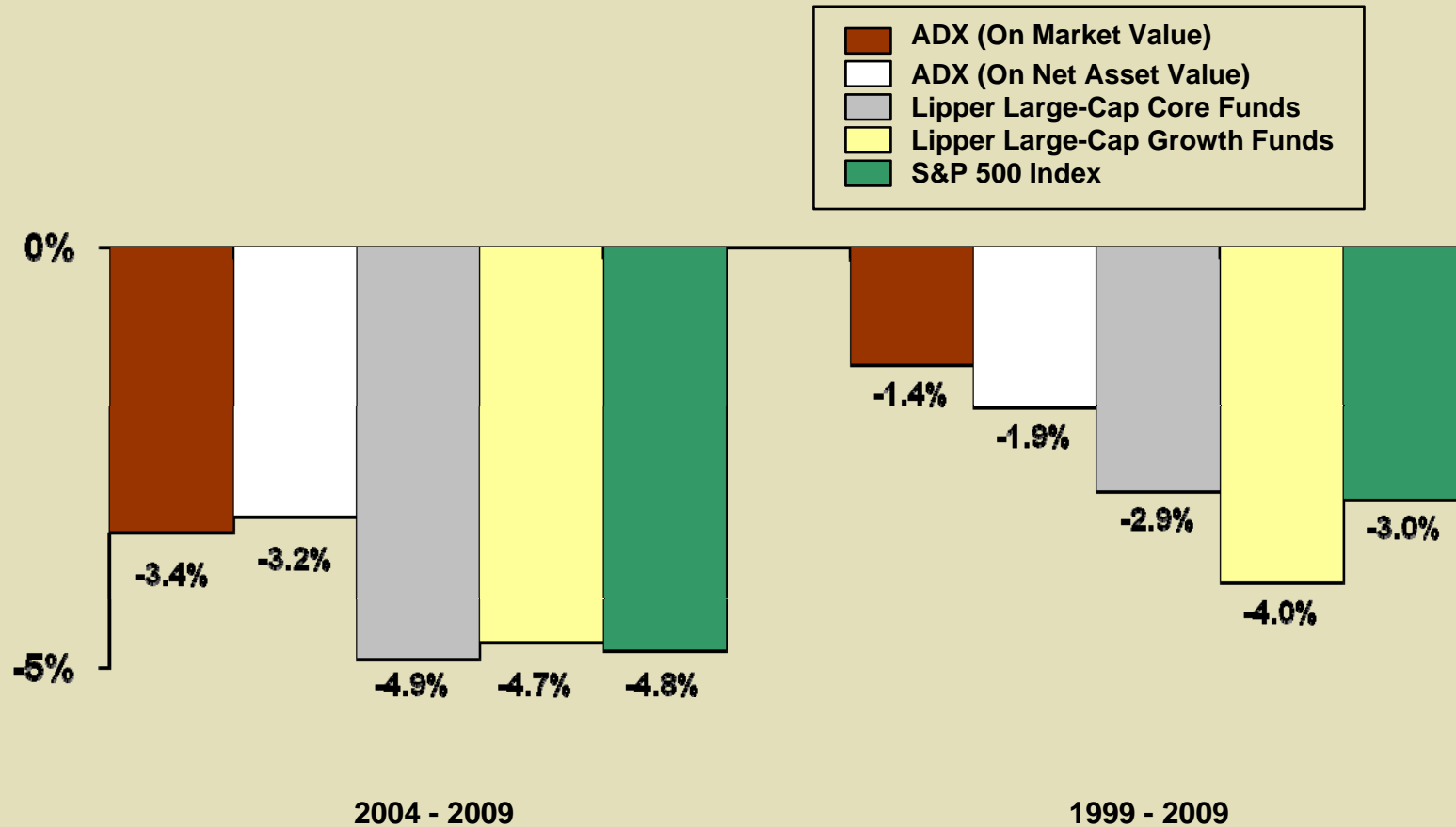
# Comparative Returns

Year to Date 03/31/09



Source: Company, Lipper

# Annualized Returns 5 and 10 Year Periods



Source: Company, Dow Jones, Lipper

# 5 Year Distribution History: 2004 - 2008



	<b>Income Dividends \$</b>	<b>Short-Term Capital Gains \$</b>	<b>Long-Term Capital Gains \$</b>	<b>Total Distributions \$</b>	<b>Dividend Yield * %</b>	<b>Total Distribution * %</b>
<b>2008</b>	<b>0.26</b>	<b>0.01</b>	<b>0.37</b>	<b>0.64</b>	<b>2.3</b>	<b>5.61</b>
<b>2007</b>	<b>0.32</b>	<b>0.08</b>	<b>0.63</b>	<b>1.03</b>	<b>2.2</b>	<b>7.15</b>
<b>2006</b>	<b>0.23</b>	<b>0.04</b>	<b>0.63</b>	<b>0.90</b>	<b>1.7</b>	<b>6.80</b>
<b>2005</b>	<b>0.22</b>	<b>0.09</b>	<b>0.55</b>	<b>0.86</b>	<b>1.7</b>	<b>6.65</b>
<b>2004</b>	<b>0.24</b>	<b>0.02</b>	<b>0.64</b>	<b>0.90</b>	<b>1.9</b>	<b>7.05</b>
				<b>AVERAGE:</b>	<b>2.0%</b>	<b>6.65%</b>

\* Percentage calculated on average daily stock price

# Ten Largest Portfolio Holdings


## March 31, 2009



	Market Value (\$)	% of Net Assets
<b>Petroleum &amp; Resources*</b>	<b>40,017,964</b>	<b>5.3</b>
<b>Microsoft</b>	<b>21,676,600</b>	<b>2.9</b>
<b>Oracle</b>	<b>19,877,000</b>	<b>2.6</b>
<b>PepsiCo</b>	<b>18,532,800</b>	<b>2.4</b>
<b>Teva Pharmaceutical Industries</b>	<b>16,668,500</b>	<b>2.2</b>
<b>Abbott Laboratories</b>	<b>15,264,000</b>	<b>2.0</b>
<b>Pfizer</b>	<b>15,254,400</b>	<b>2.0</b>
<b>Unilever</b>	<b>15,144,000</b>	<b>2.0</b>
<b>General Electric</b>	<b>15,053,680</b>	<b>2.0</b>
<b>Proctor &amp; Gamble</b>	<b>14,833,350</b>	<b>1.9</b>
<b>Total</b>	<b>\$192,312,294</b>	<b>25.3%</b>

\* *Non-controlled affiliate*

Source: Company

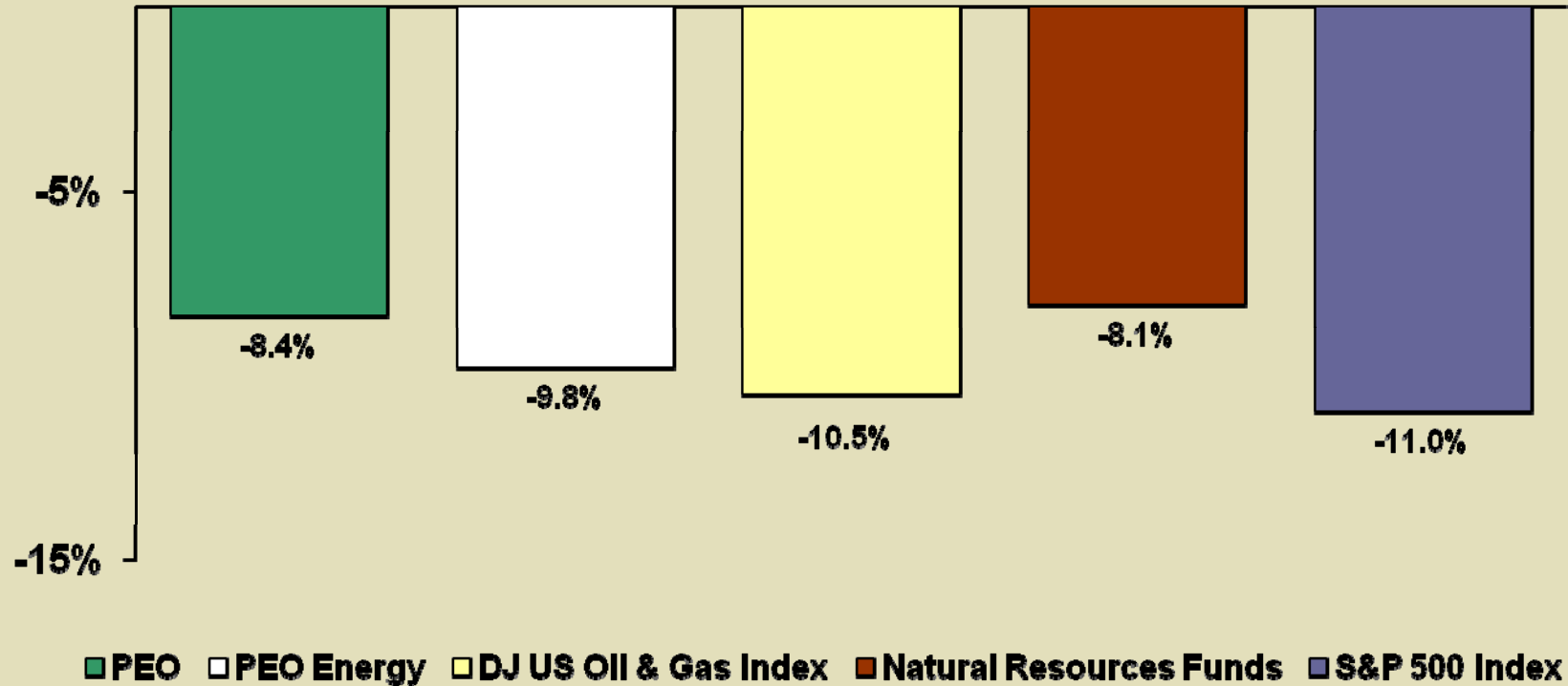
A young boy in a blue striped shirt is reaching up with his right hand towards a white paper airplane flying in a cloudy sky. The scene is captured from a low angle, looking up at the boy and the plane. The sky is filled with soft, white clouds.

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# Comparative Returns

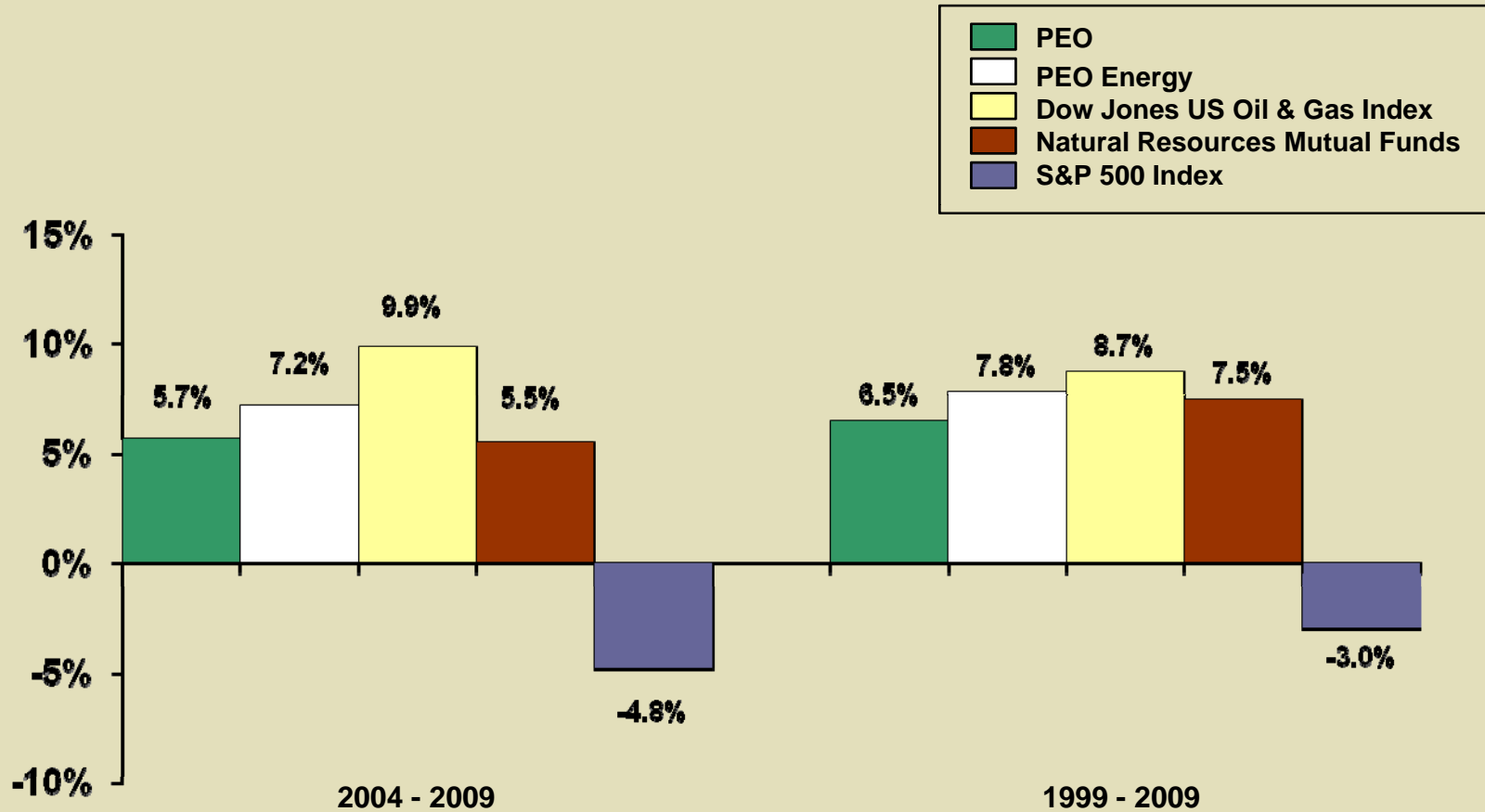
Year to Date 03/31/09



Source: Company, Dow Jones, Lipper

# Annualized Returns 5 and 10 Year Periods

Petroleum  
& Resources  
Corporation<sup>®</sup>



Source: Company, Dow Jones, Lipper

# 5 Year Distribution History: 2004 - 2008



	<b>Income Dividends</b> \$	<b>Short-Term Capital Gains</b> \$	<b>Long-Term Capital Gains</b> \$	<b>Total Distributions</b> \$	<b>Dividend Yield *</b> %	<b>Total Distribution *</b> %
<b>2008</b>	<b>0.38</b>	<b>0.04</b>	<b>2.57</b>	<b>2.99</b>	<b>1.1</b>	<b>8.88</b>
<b>2007</b>	<b>0.49</b>	<b>0.04</b>	<b>3.78</b>	<b>4.31</b>	<b>1.3</b>	<b>11.61</b>
<b>2006</b>	<b>0.47</b>	<b>0.34</b>	<b>2.99</b>	<b>3.80</b>	<b>1.4</b>	<b>11.26</b>
<b>2005</b>	<b>0.56</b>	<b>0.16</b>	<b>1.06</b>	<b>1.78</b>	<b>1.9</b>	<b>5.90</b>
<b>2004</b>	<b>0.44</b>	<b>0.02</b>	<b>0.86</b>	<b>1.32</b>	<b>1.8</b>	<b>5.40</b>
				<b>AVERAGE:</b>	<b>1.5%</b>	<b>8.61%</b>

\* Percentage calculated on average daily stock price

# Ten Largest Portfolio Holdings

## March 31, 2009

Petroleum  
& Resources  
Corporation<sup>®</sup>

	Market Value (\$)	% of Net Assets
<b>Chevron</b>	<b>61,524,600</b>	<b>12.6</b>
<b>Exxon Mobil</b>	<b>60,949,500</b>	<b>12.5</b>
<b>Occidental Petroleum</b>	<b>22,260,000</b>	<b>4.6</b>
<b>Noble Corp.</b>	<b>18,669,750</b>	<b>3.8</b>
<b>Noble Energy</b>	<b>18,319,200</b>	<b>3.8</b>
<b>Transocean</b>	<b>18,119,954</b>	<b>3.7</b>
<b>ConocoPhillips</b>	<b>16,129,651</b>	<b>3.3</b>
<b>XTO Energy</b>	<b>14,927,250</b>	<b>3.1</b>
<b>Apache</b>	<b>12,818,000</b>	<b>2.6</b>
<b>EQT</b>	<b>12,494,404</b>	<b>2.6</b>
<b>Total</b>	<b>\$256,212,309</b>	<b>52.6%</b>

Source: Company

# Outlook

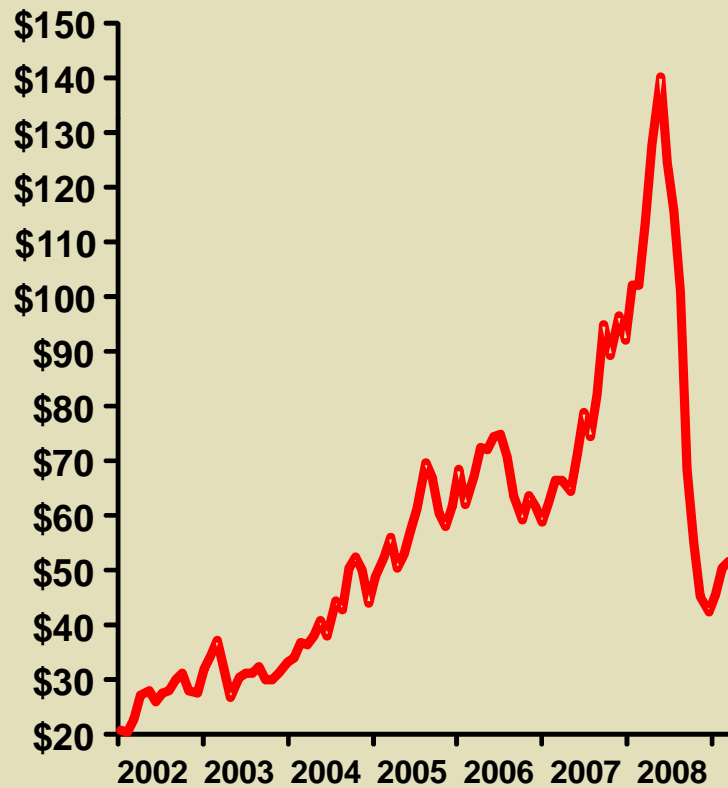


- The Economy

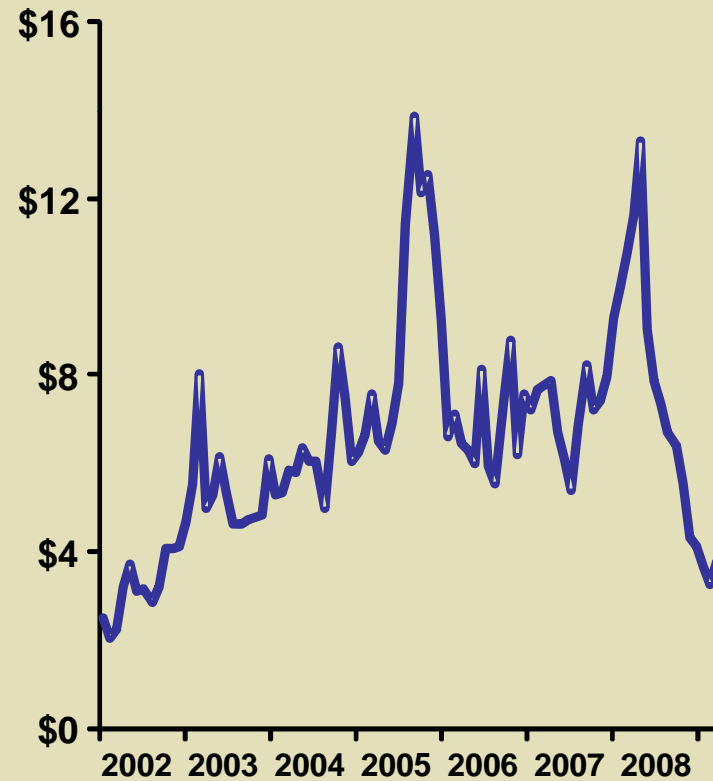
# Commodity Prices



**West Texas Intermediate Crude**  
\$/bbl



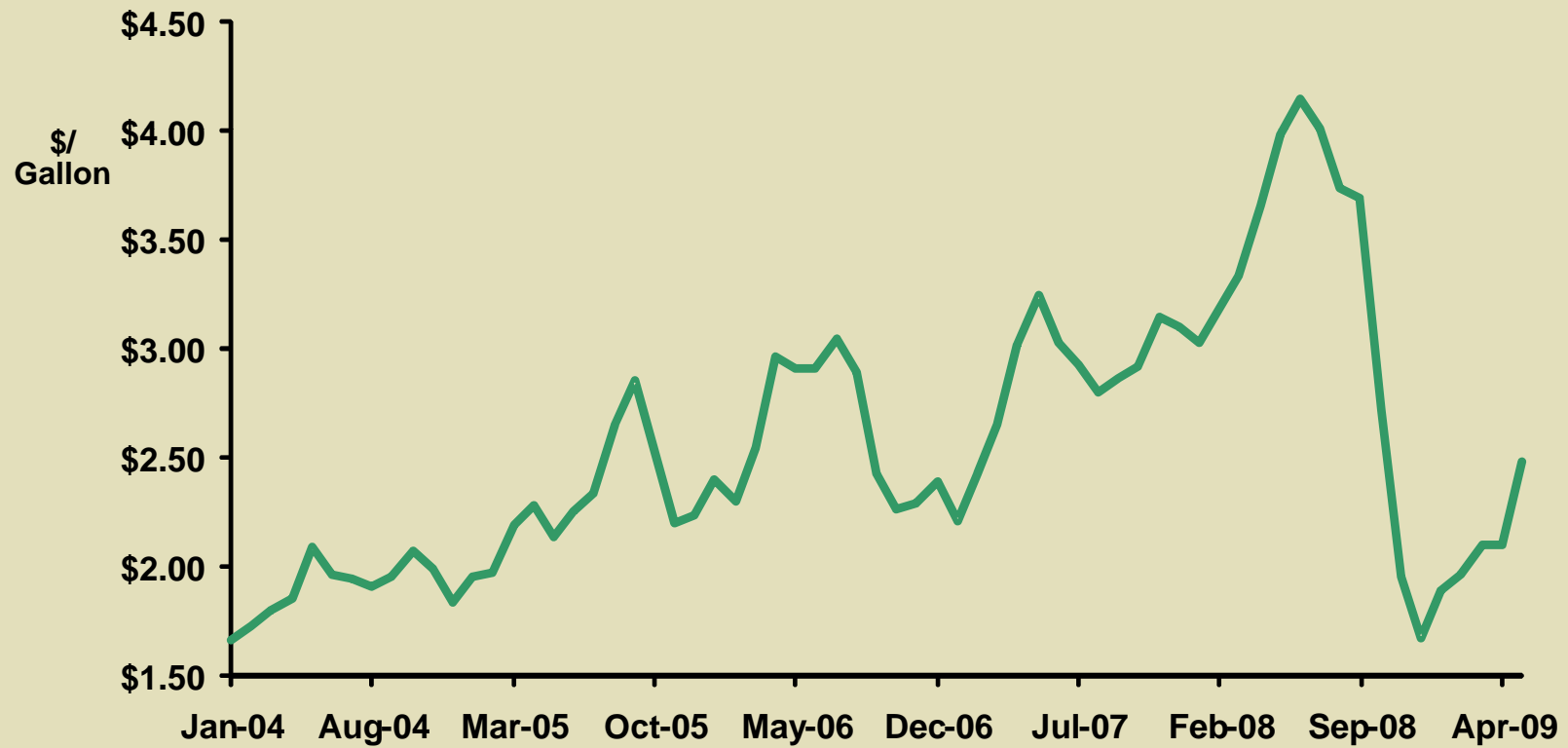
**Henry Hub Natural Gas**  
\$/MCF



Source: Bloomberg

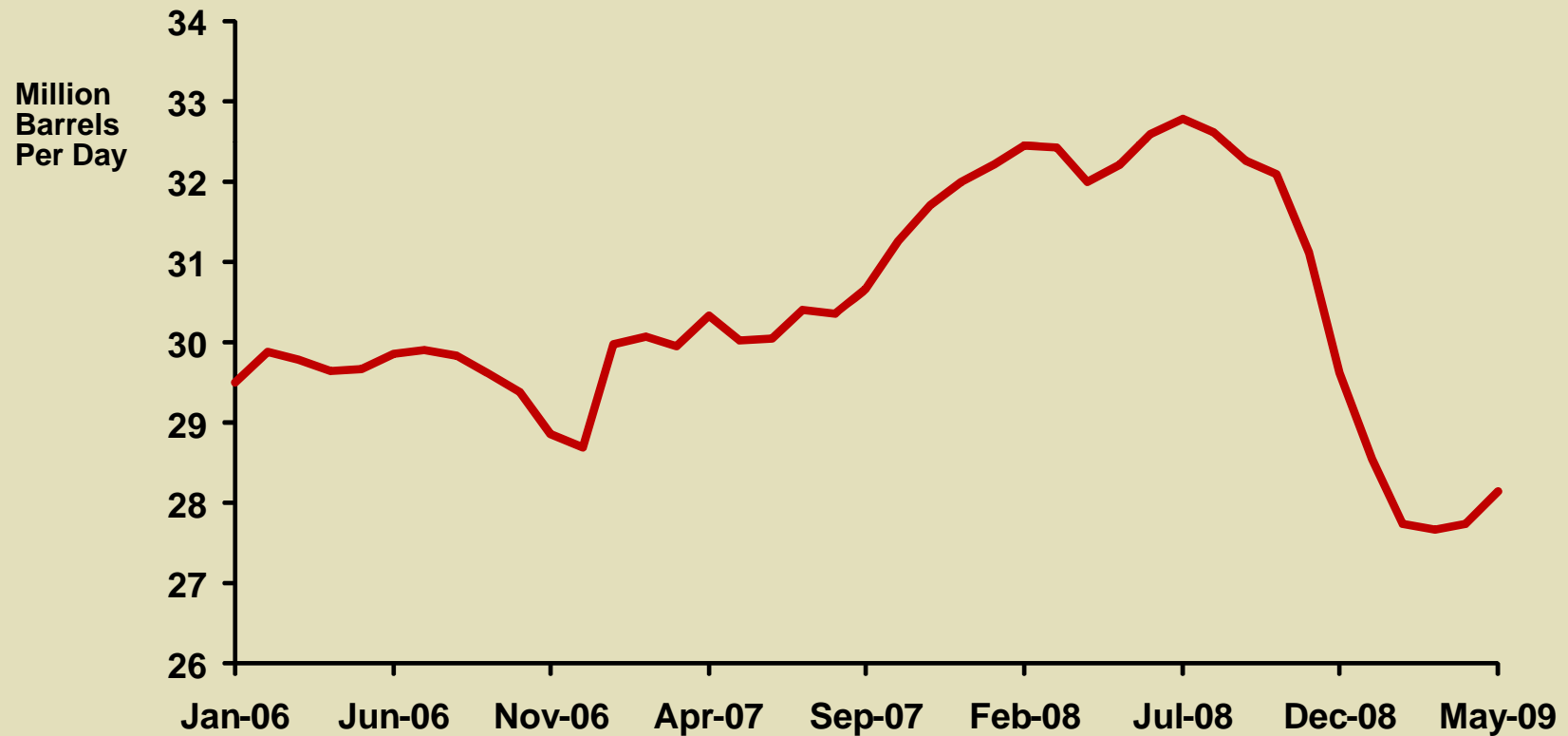
# Gasoline Price

Petroleum  
& Resources  
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Source: Bloomberg

# OPEC Crude Production



Source: Bloomberg

# Outlook



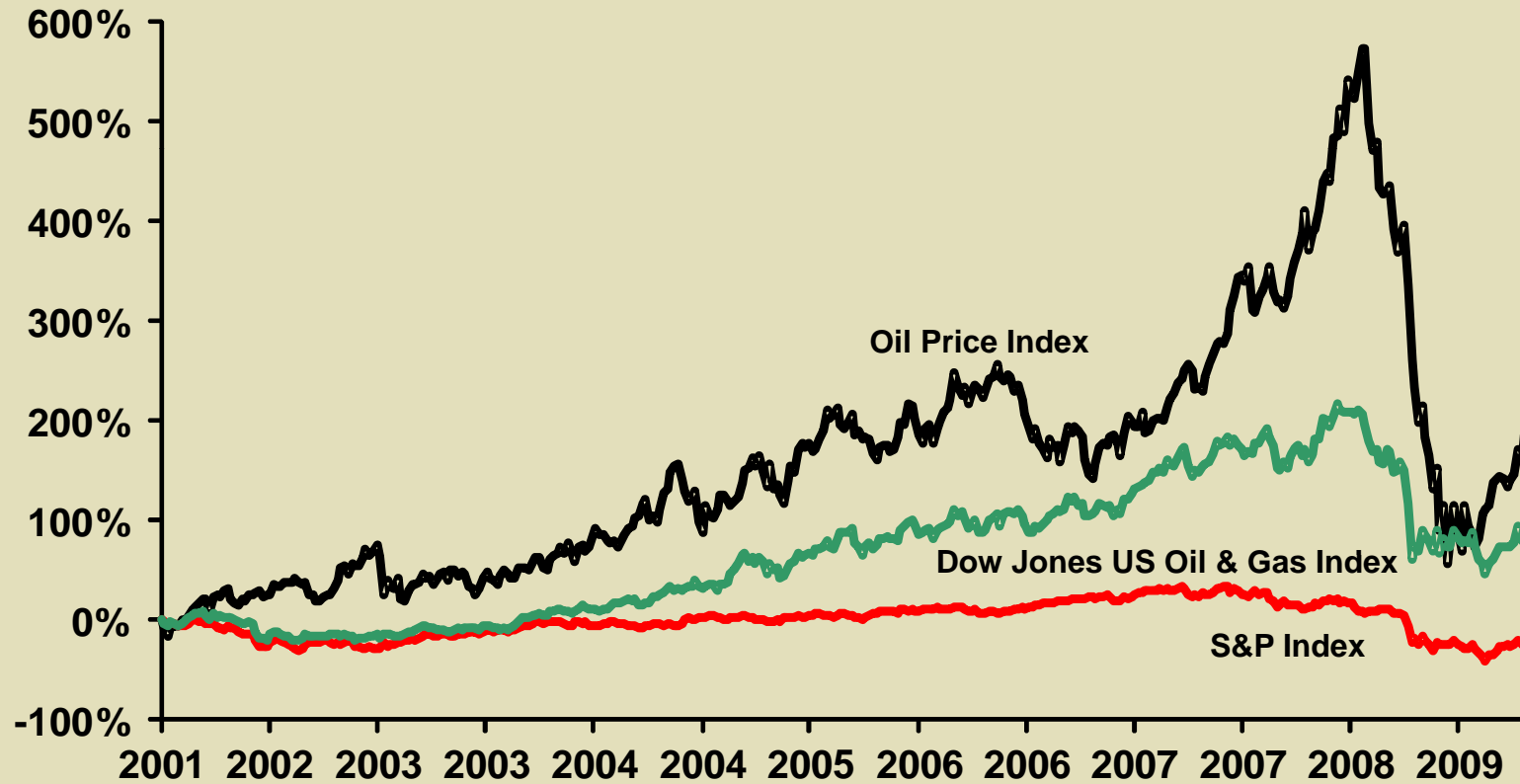
- The Economy
- The Stock Market

# S&P 500 Index: 1996 - June 1, 2009



Source: Bloomberg

# Relative Performance Energy vs. The Market



Source: Bloomberg

# Outlook



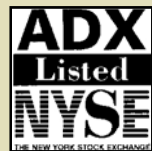
- The Economy
- The Stock Market
- The Portfolios



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