

# StockAnalysis

Written under AFSL: 259730

October 19th, 2011  
Issue 32, Vol 8

By Peter Strachan

## This Week In This Issue...

### Market Moves

Transerv (TRV)  
Buru (BRU)  
Iron Ore Holdings (IOH)

Page 1

### Catalpa (CAH)

St Barbara's offer of cash plus SBM shares would today be worth \$1.97 per CAH share, compared with Catalpa's current price of \$1.70 per share.

Page 2

### Santa Rally

The market is trying to break its six-month downtrend.

Page 3

### PMI Gold

Recommendation: PMI Gold remains a buy with an assessed value of over \$2 per share.

Page 3

### Ranking Oil and Gas Companies & Best Bets

StockAnalysis finds it useful for value recognition to rank oil & gas companies on the basis of their enterprise value (EV=market capitalisation plus net debt) per barrel of their oil equivalent reserves.

Page 5

### Reminder:

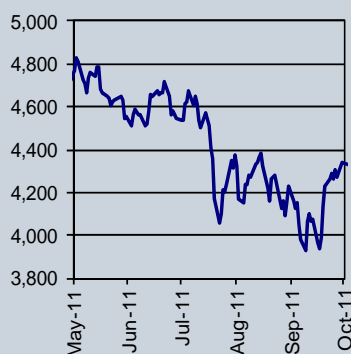
For every friend or colleague who signs up to StockAnalysis and quotes you as a referee, we will add two months to your subscription, free of charge.

### Indices & Prices

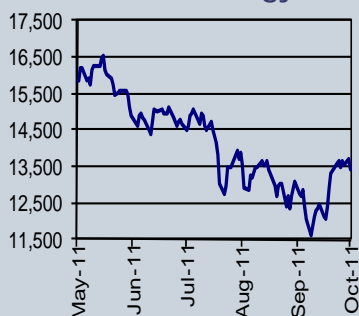
All Ordinaries	4,249.50
Energy Index	13,413.00
Brent AU\$/bbl	108.37
AUS\$/US\$	1.0294

As at Close Oct 18th, 2011

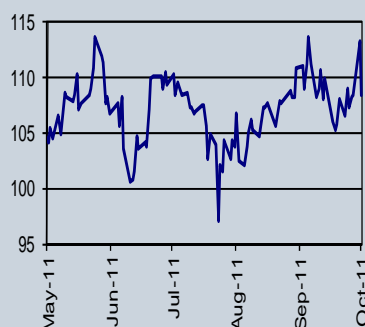
All Ordinaries



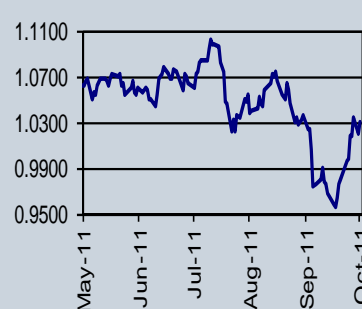
S&P ASX 200 Energy Index



Brent Crude Oil \$A/barrel



A\$/US\$



## In this Issue

### Transerv:

Trumped by Buru?

### Buru:

Ungani oil boosts value

### Iron Ore Holdings:

Stock looks cheap as asset play

### Catalpa:

Poor deal for shareholders gets nod, management happy!

### Santa Rally:

Down trend threatened

### PMI Gold:

Gloat, now worth over \$2 per share

### Ranking Oil and Gas Companies:

Pick of the bunch

## Market Moves

Gas flow results from **Transerv's** Warro-4 well in the Perth Basin have so far been disappointing. In StockAnalysis' opinion, unassisted flows of just over 200 Mcf/day will not be commercial. The well is still producing water which will clearly hinder gas flows. A commercial result will probably have to await on horizontal well completion or possibly, multiple horizontal completions on each well. All that sounds like a very expensive science project, which is something that shareholders of small companies may be reluctant to support. Transerv will be trying to kick a goal in Alberta, where its Duvernay shale interests are for sale, and in the meantime, it may have trouble convincing Alcoa to continue funding its tight gas ambitions in the Perth Basin, especially given Buru's success in the Canning Basin, where Alcoa has provide up-front funding in exchange for future gas deliveries.

**Buru's** success in the Canning Basin continues. A flow of up to 1,600 bbls per day of Brent quality oil has been recorded from the Ungani prospect. An appraisal well will be drilled immediately. If the field has an aerial extent of 4 km<sup>2</sup> it might contain 20 mmbbls of recoverable oil, worth about 85 cps to Buru for its 50% equity.

StockAnalysis values discoveries at Yulleroo (352 Pj plus 13.4 mmbbls of oil), Valhalla (possible 2 Tcf plus 50 mmbbls) Pictor and Ungani, plus net cash, at \$360 million or \$1.52 per share. Exploration upside is too large to sensibly quantify, but could have a risked value of over \$15 per share.

**Recommendation:** *Buru is a buy with a target price of \$1.75 per share over an 18 month time frame.*

### Buru - Capital Structure

Shares	214.0 m.
Options	24.3 m.
	<u>238.2 m.</u>
Price	\$ 0.90
Market cap	\$ 193

(Continued on page 2)

**Iron Ore Holdings** (IOH) has sold two parcels of low grade, high phosphorus content hematite ore in the Pilbara, building its cash position to an estimated \$112 million (67 cps). The company is now left with about 547 million tonnes of hematite ore plus 310 million tonnes of magnetite ore, close to the coast. It also has a 2% FOB royalty over about 106 mt of hematite, worth an estimated \$150 million on an NPV basis.

**Recommendation: Iron Ore Holdings is an asset rich play with upside value to over \$4 per share. In today's market a valuation of \$1.80 per share seems reasonable.**

Assuming a similar value can be achieved for its remaining hematite ore and a value of \$100 million for the magnetite, Iron Ore Holdings can be estimated to be worth about \$760 million or \$4.60 per share. If the company sold all its remaining mineral resources and retained a royalty on their sale, it could effectively become in income stock, passing through the royalty stream to shareholders over decades of mining activity. For example, sales of 10 mt of iron ore per annum might deliver royalty income of \$30 million, which could translate into an annual franked dividend distribution of 12 cps, supporting a share price of \$1.80 per share at a yield of 7% pa.

Code	IOH
Shares	166.1
Options	11.15 m. @ av \$2.31
Price	\$ 1.32
Market Cap	\$ 219
Net Cash (est)	\$ 112
EV	\$ 107

## Catalpa CAH

StockAnalysis believes that Catalpa shareholders would have been better served if Catalpa's Board and management had accepted St Barbara's offer. **St Barbara's offer of cash plus SBM shares would today be worth \$1.97 per CAH share, compared with Catalpa's current price of \$1.70 per share.** The Conquest merger deal looks like an absolute sweetheart deal, which enables the Conquest team, who have a build and sell business model, to cash-out while ensconcing the Catalpa management in place and saving their jobs, whereas St Barbara would have been able to cut costs by rationalising management overheads. Too bad for the Catalpa shareholders who are now stuck with an underperforming team!

Catalpa continues to underperform its early estimates at the Westonia operation where cash operating costs of below \$700/oz were predicted. Cash operating cost at the Edna May mine remain stubbornly over A\$1,150 per ounce while the Cracow mine, which is not operated by Catalpa, has been a saviour, contributing strong production of over 7,500 oz per quarter at a cash cost below A\$700/oz.

Catalpa's net debt increased during September quarter from \$10.9 million at 30 June to \$16.5 million at 30 September '11 as the company struggled to service debt while maintaining ongoing activities.

On a positive note, drilling below the Edna May pit has hit high grade zones, such as 2.35 metres grading 23 g/t Au and 2.3 metres at 44 g/t Au, supporting underground mine development, which should be progressed with all haste.



## Santa Rally



The market is trying to break a 6 month down-trend and has hit strong resistance at 4,350. A rapid bounce from lows of 3,900 in the space of two weeks was bound to hit resistance as it became over bought following its 450 point sprint. The MACD is looking for a turning point, which could see All Ords back to 4,500 points after overcoming short term resistance and digesting the rise so far. Overnight market action on Wall Street supports a break of trend, setting the scene for a further 150 points of upside for the All Ords, but a break at 4350 is required first.

## PMI Gold

## PVM

**Recommendation:** *PMI Gold remains a buy with an assessed value of over \$2 per share.*

PMI Gold was recommended at 55 cents per share by StockAnalysis on the 14<sup>th</sup> of September, saying:

*"StockAnalysis sees room for PMI Gold to triple its market capitalisation as its gold Resource expands and feasibility work determines capital and operating costs for the Obotan project. The company is well funded to complete a preliminary feasibility study and move to a full bankable study by mid 2012."*

A large Resource upgrade at Obotan to over 4.8 million ounces, accompanied by drilling results which show high-grade zones at depths from 150 metres to at least 250 metres below the bottom of the existing open pit, support potential for a deeper open pit operation and ultimately underground mining. Better zones of over 400 gram-metres and up to 500 gram-metres indicate for example, grades of 20 grams per tonne over 20 metre intercepts or a grade of say 7 g/t over 60 to 70 metres. This is a very exciting development which indicates that a large portion of the Resources outlined at the Nkran deposit will be converted into commercial Reserves.

After allowing for equity dilution, StockAnalysis now assesses PMI Gold to have a value of \$711 million, which equates to a modest \$146 per ounce of Resources.

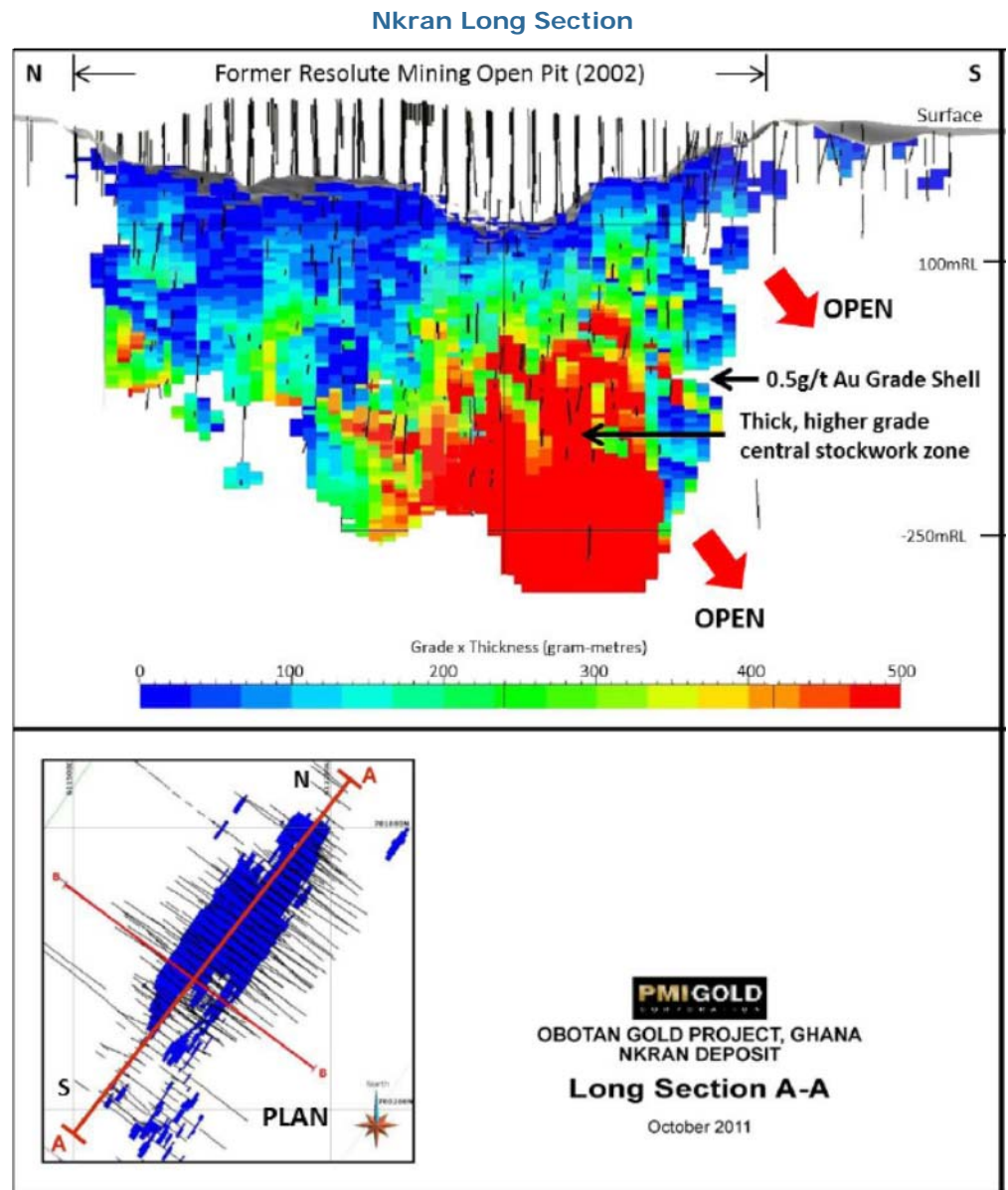
Code	PVM	
Shares	198	m.
Opt's/Warrants *	63	m. Av C\$0.354
Share price	\$1.10	
Market Cap	\$218	m.
Net Cash (est)	\$25	m.

Deposit	mt	grade G/t	Gold Koz
Nkran	43.4	2.6	3520
Asuadai	1.88	1.7	100
Adubiaso	4.57	2.3	330
Abore	9.79	1.8	560
<b>Obotan Total</b>	<b>59.64</b>	<b>2.0</b>	<b>4510</b>
Kubi	1.99	5.42	348
<b>Total</b>	<b>61.4</b>		<b>4858</b>

Valuation	\$m.	\$/share
Obotan	592	\$ 1.91
Kubi	25	\$ 0.08
Net cash	26	\$ 0.08
New Equity	54	\$ 0.17
Exploration	15	\$ 0.05
Options	22	\$ 0.07
Corporate	-24	-\$ 0.08
<b>Total</b>	<b>711</b>	<b>\$ 2.29</b>

Source: Strachan Corporate Pty Ltd

As further drilling and metallurgical results are revealed and capital costs for reopening the Obotan project are estimated, the stock will continue to move towards its assessed value of over \$2 per share.



Source: PVM

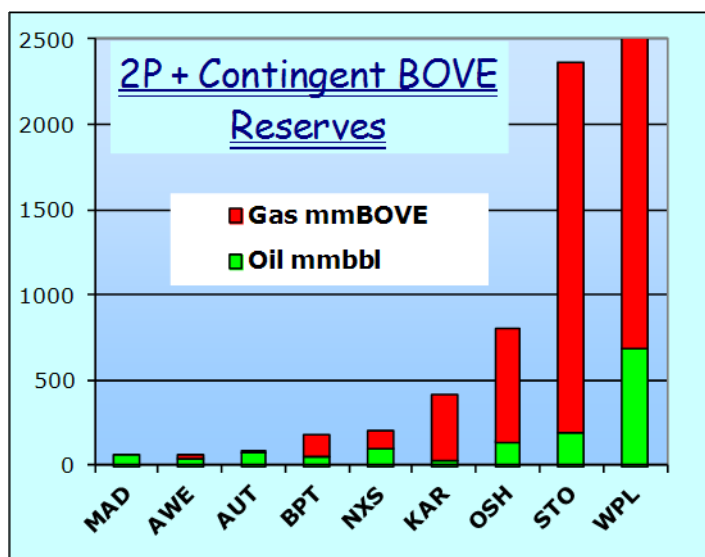
Drilling has revealed that gold mineralisation continues strongly below a depleted zone at the base of the Nkran open pit. Some further deepening of the open pit will almost certainly be possible at the current gold price, but ultimately the mine will make a transition to underground operations, with development paid for by the operating cash flow generated by open pit operations.

## Ranking Oil and Gas Companies & Best Bets

StockAnalysis finds it useful for value recognition to rank oil & gas companies on the basis of their enterprise value (EV=market capitalisation plus net debt) per barrel of their oil equivalent reserves. Valuing resource companies on the basis of their price to earnings ratio or dividend yield is inappropriate. Companies like Oil Search and Woodside, which have vast petroleum resources must be valued by reference to the net present value of future cash flows. Another way of expressing this is to seek an understanding of value for assets still to be exploited, hence this ranking provides a ranking tool, but it must be used in conjunction with ongoing assessment of a company's management, fiscal, political and other risks as well as exploration potential.

Traditionally, gas is converted to oil equivalent on the basis of its energy equivalence, so that 6 GJ of gas converts to about 1 barrel of oil equivalent. However this conversion is misleading since 6 GJ of gas in eastern Australia sells for about \$18 dollars and 6 GJ of gas as LNG, currently sells for \$95, while a barrel of oil sells for about \$110.

Companies with Largest Petroleum Reserves



Source: Company Reports &

StockAnalysis tries to adjust for this discrepancy by factoring in the value of gas held in 2P reserves and takes some license when interpreting the contingent resources held by companies to estimate a barrel of oil value equivalent (BOVE) for each company.

The stock universe studied by StockAnalysis has an average EV/2P BOVE of \$17 with a median of \$11/BOVE and an average EV/2P+ BOVE of \$5.5 with a median of \$5/BOVE. Having regard to the current oil price and its long term positive outlook, StockAnalysis thinks that the oil & gas sector is on average about half its fair value. A median EV/BOVE of \$22 would more accurately reflect the risks and rewards available from this corporate cohort.

The big three with respect to reserves remain Woodside (WPL), Santos (STO) and Oil Search (OSH). Each of these companies has moved to increase the value of their gas reserves by following a commercialisation path involving liquefied natural gas (LNG). Fifteen years ago, Oil Search's gas reserves would have been thought to be virtually worthless, but now, with a new 6.8 mt pa LNG facility due to commission in 2014, that gas is highly valuable, with spot sales of LNG being made at over US\$16/Gj.

Santos has coal seam gas (CSG), Cooper Basin shale gas potential and conventional natural gas to add to its LNG ambitions at Gladstone, in Darwin and for floating LNG (FLNG) in the Browse Basin.

Karoon's (KAR) Poseidon gas find is very much beholden to the actions of its massive partner ConocoPhillips. Ultimately, Karoon will not be able to fund its share of project development without massive equity dilution or farm-down of its ownership in the project or both.

A big surprise is the arrival of Maverick Drilling (MAD) as the ninth largest resource holder, just behind AWE and ahead of Horizon, by StockAnalysis' calculation. MAD has 2P reserves of 52 mmbbls at its Blue Ridge Dome project, from where it presently produces about 800 BOPD. Production should hit 1,000 BOPD during December and will continue to rise as oil from the Boling and Nash salt domes is brought on-stream during 2012. Linc Energy's (LNC) recent purchase of neighbouring producer ERG Resources, valued ERG's 22.3 mmbbls of 2P reserves at \$11.7/bbl, which StockAnalysis estimates to be only slightly below the actual NPV for oil in this location at current oil prices. Linc will need some luck to show that it has not overpaid here. Applying the same multiple to Maverick's 2P reserves delivers a notional value of \$608 million or \$1.65 per share for Maverick, prior to any value for its Boling and Nash domes. Maverick has \$9 million of net cash and its operating cash flow covers all ongoing production and field development costs.

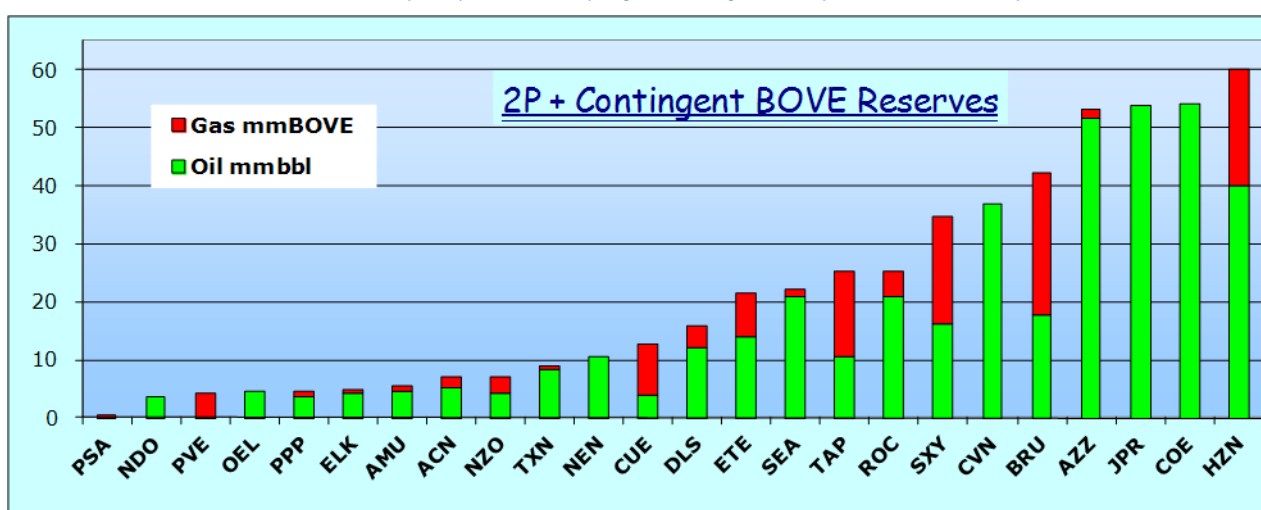
(Continued on page 6)

As a point of comparison, Aurora Oil & Gas (AUT), with 20 mmBOVE of 2P and 82 mmBOVE of 2P plus contingent, has a market capitalisation of over \$1.2 billion, while Maverick languishes with a market cap of around \$80 million. Even though Aurora's production is now 5,000 BOEPD and rising while Maverick is building on its 800 bbls/day, Maverick which trades with an EV of less than \$2/barrel of 2P oil in the ground, is clearly recommended as a buy on the basis of its asset value alone.

Nexus (NXS) has funding and completion risks for development of its Crux project, following the departure of its MD. StockAnalysis thinks that the Board of Nexus needs to take a long hard look in the mirror to search for the problem here.

While Beach Energy trades with an EV of \$32/BOVE of 2P, given its large potential for shale gas, it trades at just \$6/BOVE of 2P+ and represents one of the best funded and most diversified exposures to the industry. Beach has operations in Egypt and Australia with diverse exploration interests in Uganda and the Mediterranean Sea.

AWE ranks as the eighth largest oil company by reserve base and can be bought for \$19/BOVE of its developed petroleum projects, or just \$6 per BOVE if all upside is thrown in.



Source: Company Reports & Strachan Corporate

Horizon Oil (HZN) is just out of the leading pack with 60 mmBOVE of 2P+ and 24.7 mmBOVE on the more conservative 2P basis. Much of Horizon's reserve upside is in PNG at Elevela and Ketu as well as at Stanley and also surrounding Maari. The value of Horizon's PNG gas is uncertain. Small quantities might be sold within this decade for local power and general use, but prices are likely to be less than if the gas was sold as merchant supply to an LNG plant, which StockAnalysis thinks is unlikely until the 2020's. Horizon is extremely cheap. It can be bought for \$10 per BOVE of 2P and \$4/BOVE of 2P+.

Cooper's upside revolves around its holding at the Hammamet West oilfield, where commerciality is still to be established. However, even without Hammamet West, the company can still be bought with an EV of \$18/BOVE and is ridiculously cheap at \$1/BOVE on 2P+ if Hammamet West comes in as commercial.

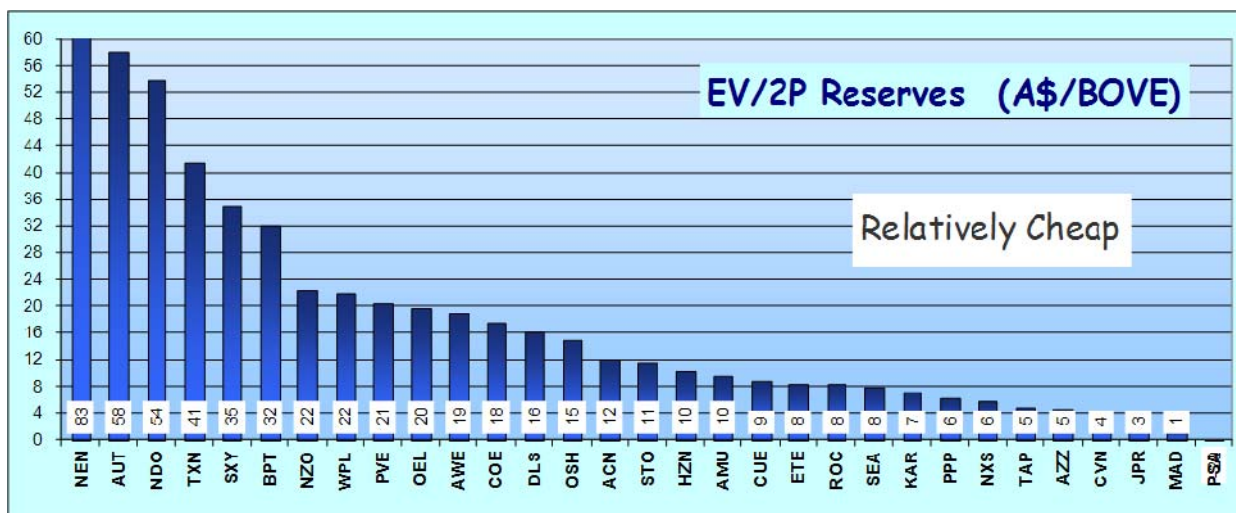
While Jupiter (JPR) has 24 mmbbls of 2P oil and upside of contingent, the company is still a couple of years away from being cash flow positive after a projected \$40 million of capital spending on field development. While Jupiter ranks as very cheap, trading with an EV of \$3 per barrel of 2P, its expected NPV per barrel is likely to be less than \$8 per barrel, given costs and taxes payable at its project in Kazakhstan. Even after dilution for funding, Jupiter looks like it is less than half its actual value and should trade at over \$1 per share.

Antares (AZZ) looks cheap on any measure. It is the 13th largest oil company, excluding BHP, Origin and AGL and trades with an EV of just \$5/barrel of 2P and \$2/BOVE of 2P+. As with Jupiter, access to development funding is an issue, since its operating cash flow is not yet large enough to cover an aggressive development schedule. Antares plans to run as hard as it can, building asset value as a way to build shareholder wealth. StockAnalysis estimates that oil in the Permian Basin has an NPV of \$12-\$14/bbl. Increasing confidence over 50 mmbbls of oil at its Permian projects would lift their value towards \$8/bbl, resulting in an underlying value of \$1.50 per share for Antares.

(Continued on page 7)

Buru's (BRU) reserve situation is still very unsure. It has no 2P reserves. Recent gas discoveries in the Canning Basin have not yet been demonstrated to be commercial, but its Ungani oil discovery is almost certainly commercial. Long term flow tests will be undertaken once an appraisal well has been drilled, most likely in early 2012. Gas in this location could take 4-5 years to be commercialised, but oil at Ungani could be in production within 12 months. Targets are large with many Tcf's of unconventional gas in target along with many hundreds of millions of barrels of oil in both conventional and unconventional plays. The stock now has strong institutional backing, in support of the vision and commitment of its founder and Executive Director who has proceeded on a modest salary, but has nearly 25 million shares and options, providing significant leverage to success. Despite some lingering disquiet about the amount of additional options that might be issued, Buru is well placed to deliver strong value growth to shareholders and is recommended as a buy.

On all the metrics, Carnarvon (CVN) looks very cheap, but the company's operating cash flow has been faltering following a drop in oil production, while exploration in Thailand has so far not lived up to expectations. There may be room for some sort of corporate action here to unlock value for shareholders who cannot currently see a clear catalyst for share price appreciation.



Source: Company Reports & Strachan Corporate

Senex is one of the more expensive stocks as rated by EV/BOVE. The company's high value, Cooper Basin oil, which StockAnalysis estimates has an NPV of close to \$30 per barrel, underpins market appeal, along with its strong support from major shareholder BG and ongoing appeal as a source of merchant gas to feed BG's LNG project.

Roc Oil (ROC) has slipped well down the rankings over the past 5 years. In common with AWE, Roc appears to have forgotten how to grow shareholder wealth with a drill bit. Both companies had disastrous exploration experiences which damaged reputations and shook confidence of management. Roc is now becoming a contractor, who will develop oil for others and receive a fee. This is relatively unattractive and StockAnalysis like the old company that used to have a go with the drill bit, more than this low risk approach. Roc had some excellent, high impact acreage offshore West Africa and SE Africa, which might have been managed to better effect. Exploration results from the one remaining lease offshore Equatorial Guinea in H1 2012 may yet salvage the image of the late John Doran in the eyes of many shareholders.

Tap Oil (TAP) was well reviewed in last week's issue. The stock looks cheap on its EV/BOVE rankings and it has outstanding exploration appeal in the Carnarvon Basin with BHP and in Ghana.

Sundance is largely a shale oil play, where oil in the ground has an estimated NPV of \$10 to \$15/bbl, depending on how good the play is and what costs are involved. All shale plays are very capital intensive and free cash flow is a dream for most companies operating in the sector, so value is often released by asset sales, as we have seen for Antares, Samson and indeed, Sundance. Beach used Sundance as a way to learn about the industry, just as AWE used its purchase of Adelphi as a way to gain exposure and learn on the job so as to translate that experience into Australian opportunities.

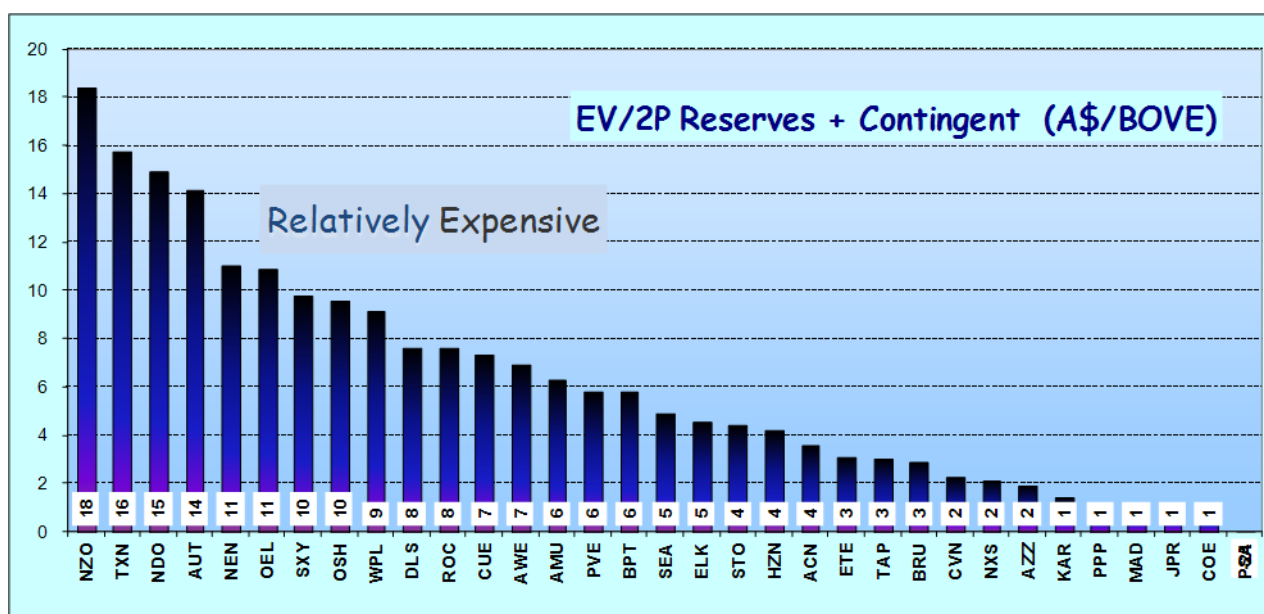
Entek (ETE) ranks well in the sector for its Niobrara shale and GoM oil & gas exposure. The company is relatively under-funded for this high cost business, despite having an attractive operating free cash flow to support ongoing corporate costs. Having regard to the value of shale oil and costs involved, Entek does not look attractive relative to its peers.

Drillsearch (DLS) has made great advances under its current management, reversing a massive period of mismanagement and lost opportunity. The company's relatively high valued Cooper oil and gas potential supports its current ranking.

Cue Energy Resource (CUE) is well ranked by EV/BOVE, even though it is 90% an exploration play. The company is well supported by over 2,000 BOEPD of production from Maari and Oyong, but exploration in the Carnarvon and around Maari are the real potential game changers for the company with drilling coming up in H2 2012. In the meantime two prospects will be drilled in Indonesia where at one point, oil flowed into the pits dug to enable the acquisition of seismic data, so there is definitely oil around in the permit.

Most of the smaller companies are really exploration plays so while it is unfair to rank them alongside more established producers, it does tell us how much of their value is underpinned by reserves. Neon (NEN) has significant upside for Californian and more particularly its Vietnamese exposure. Drilling currently underway at Paloma Deep has potential to add over 70 cps to Neon's value in the case of success. Probably best to wait on drill results at Paloma before buying this one.

Likewise, Texon (TXN) is well on the way to doubling 2P at its Eagle Ford Shale project, especially as recent wells have shown strong production characteristics and it also holds excellent exploration appeal through several undrilled prospects and access to a large 3D seismic database.



Source: Company Reports & Strachan Corporate

Unfortunately, NZOG (NZO) is a slow moving entity which is unlikely to change its spots and create value for shareholders. The company receives good long term cash flow from Tui oil and Kupe gas, but seems content to just pay salaries to its management and Board.

Acer (ACN) is the new vehicle for the Arrow team and is worth watching on the basis of following the jockey, while Amadeus (AMU) is dead in the water, supporting an overly large corporate structure with no plan for creating wealth and dwindling cash flows with which to make anything happen.

Elk looks very cheap as it moves to develop a CO<sub>2</sub>, enhanced oil recovery (EOR) programme in Wyoming. Elk is funded for this work by an experienced partner, but the real action will not be seen until oil flows start in 2014. In the meantime, Elk will be looking for new projects, so investors will need to be patient to see that valuation approach the StockAnalysis target of 46 cps.

Otto and Nido are both priced as exploration plays, even though Otto is far better placed with a strong balance sheet and a funded JV with BHP Petroleum over some exciting prospects in the Philippines.

Remarkably, Petsec (PSA) trades at a discount to its cash holdings with a negative EV, as the market bets that management will not be able to turn the tide for this company for a third time.

## ***Recommendations:***

**Woodside:** For long-term exposure to energy via high quality oil gas and LNG projects in a well regulated environment.

**Beach:** Same as Woodside, but with more leverage to exploration success internationally and potentially massive shale gas upside locally.

**AWE:** For funded exposure to shale gas in the Perth Basin, plus ongoing exploration & development in the Bass and Otway Basins as well as in Indonesia.

**Maverick:** For extreme undervaluation as its 2P reserves are moved into 1P category.

**Buru** Recent Ungani oil discovery could be a game changer providing early operating cash flow to support longer term development.

**Tap:** For solid underpinning value and high impact exploration upside.

**Cue:** Same as Tap

**Otto:** Blood and guts exploration upside with underpinning value for petroleum production.

## Contact

**Peter Strachan:**  
**Pex Publications:**

[Peter@stockanalysis.com.au](mailto:Peter@stockanalysis.com.au)  
[oilinfo@pex.com.au](mailto:oilinfo@pex.com.au)

5/1 Almondbury Rd Mt Lawley, WA 6050

Tel: 08 9272 6555 Fax: 08 9272 5556

Website: [www.stockanalysis.com.au](http://www.stockanalysis.com.au)  
[www.pex.com.au](http://www.pex.com.au)

Small research operations/investment publications like StockAnalysis depend on the cooperation of their subscribers to stay in business. If you pay for and value the information we provide please don't copy StockAnalysis to others.

## Disclaimer

The information or advice (including any financial product advice) herein is believed to be reliable and accurate when issued however, Strachan Corporate Pty Ltd ABN 39 079812945; AFSL 259730 ("Strachan"), does not warrant its completeness, reliability or accuracy. Strachan, its Directors and their Associates from time to time may hold shares in the securities mentioned in this report and therefore may benefit from any increase in the price of those securities. Opinions and estimates constitute Strachan's judgment. The author certifies that the views expressed in this document accurately reflect the analyst's personal views about the subject company and are subject to change without notice. Strachan, its officers, agents and employees exclude all liability whatsoever, in negligence or otherwise, for any loss or damage relating to this document to the full extent permitted by law. This material is not intended as an offer or solicitation for the purchase or sale of any financial instrument. The investments and strategies discussed herein may not be suitable for all investors. In preparing such general advice no account was taken of the investment objectives, financial situation and particular needs of a particular person. Therefore, before acting on the advice, you should consider the appropriateness of the advice, having regard to your objectives, financial situation and needs. There may be a product disclosure statement or other offer document for the securities and financial products we write about in StockAnalysis. You should obtain a copy of the product disclosure statement or offer document before making any decision about whether to acquire the security or product. If you have any doubts you should contact your investment advisor. The investments discussed may fluctuate in price and changes in commodity prices and exchange rates may have adverse effects on the value of investments.

Since January 2010, Strachan Corporate has undertaken commissioned research or provided corporate advisory services to the following companies, for which it has received a fee. Philips River, Jatenergy, TUC Resources, Verus Investments, PMI Gold, Iron Ore Holdings, Grand Gulf, Elk Petroleum, Transerv Energy, Mutiny Gold, Castlemaine Goldfields, European Gas, European Energy, Norwest Energy, Incremental Oil & Gas, Mako Energy, Oilex, Matsa Resources, Mindax Resources, Gold Road, Dragon Mountain Gold, Iron Road, Aurora Minerals, Avalon Minerals, Emerald Oil & Gas, Tangiers Petroleum, Pharmaust, Texon Petroleum and Quest Petroleum. In addition, over that period Strachan Corporate has delivered lectures at several Universities, provided expert witness statements and confidential financial services and advice to listed companies, several private investment companies and institutions as well as private investors. Disclosure of interests in these confidential actions by Strachan Corporate is only appropriate should Strachan Corporate determine a potential for conflict of interest.

The author has small holdings in shares of GLH, NWEQ, ACE, WHE, SRI. Modest holdings in TUC, BFG, MAD, ADX, ROC, NMS, OEL, NXS, UXC, COF, SUN, COE, HZN, TAP, AWE, TLS, PTM, WPL, & and larger holdings in CUE, AZZ & HAV.