

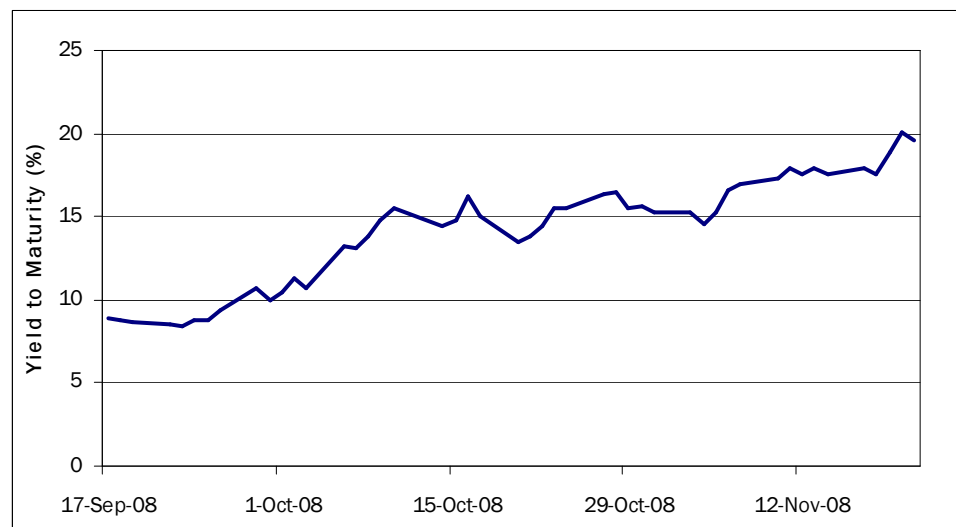
## Energy -- Oil and Gas, Exploration and Production

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### INTERNATIONAL E&P VALUATION ADJUSTMENT

World credit conditions have deteriorated significantly over the past few months. Access to capital and debt have become significantly more difficult, and emerging countries and associated companies are facing dramatically higher debt costs since late September as highlighted in the graph below.

**Figure 1: Pacific Rubiales Convertible Debenture - Yield to Maturity**



Source: Bloomberg

As a result, we have re-evaluated the companies that we currently have under coverage to reflect this increased degree of implied risk. Our valuations are primarily based on our discounted cash flow analyses of the companies' oil and gas reserves and exploration assets. With the increase in cost of capital and credit, we are now using a 15% discount factor across the board with the exception of Colombia, where our discount rate for Pacific Rubiales is 20%.

Our revisions to target prices are highlighted below:

**Figure 2: Summary of Coverage Universe Adjustments**

Company Name	Ticker	Recommendation		Target Price (\$C)		Percent Change (%)
		Before	After	Before	After	
Antrim Energy	AEN-T	SPEC BUY	SPEC BUY	1.00	1.00	0%
Canadian Superior Energy	SNG-T	SPEC BUY	SPEC BUY	4.50	2.80	(38%)
Challenger Energy	CHQ-V	SPEC BUY	SPEC BUY	5.25	3.00	(43%)
Coastal Energy	CEN-V	SPEC BUY	SPEC BUY	6.25	4.50	(28%)
Gran Tierra Energy	GTE-T	BUY	BUY	6.25	5.50	(12%)
Heritage Oil	HOC-T	SPEC BUY	SPEC BUY	8.75	6.00	(31%)
Ithaca Energy	IAE-V	SPEC BUY	SPEC BUY	1.50	1.50	0%
Pacific Rubiales Energy	PRE-T	SPEC BUY	BUY	17.50	10.00	(43%)

Source: Canaccord Adams

## COVERAGE UNIVERSE VALUATION ADJUSTMENTS

### Antrim Energy (AEN : TSX : C\$0.30 | SPECULATIVE BUY, C\$1.00 target)

The company is scaling back its capital spending for 2009 in response to lower commodity prices and the global credit crisis. Antrim has initiated plans to cease drilling in Argentina for the majority of 2009 and harvest cash flow from existing production.

We revised our target price down for Antrim on November 18. Our target price of C\$1.00 is based on a higher implied risk (through a higher discount rate for net present value purposes) but only on the company's Proven plus Probable reserves as booked at year-end 2007 and evaluated at a 15% net present value discount factor (we previously used 10%). We no longer include potential exploration upside in the UK North Sea, which for Causeway and Fyne and Dandy total an incremental \$2.50/share. We have also excluded Argentinean exploration assets from this target price owing to the uncertainty as to when these might contribute exploration value to the company.

**Figure 3: Antrim Energy Net Asset Value**

* Reserves at Dec. 31/07	Crude Oil (mmbbl)	Natural Gas (bcf)	Total (mmboe)	PV15% (After Tax) (C\$ millions)
Proven	1.4	23.7	5.3	27.8
Probable	31.1	14.9	33.6	57.9
Total 2P Reserves	32.4	38.6	38.9	85.6
Working Capital (Estimate)				47.0
<b>Total Asset Value</b>				<b>132.6</b>
<i>Total Asset Value - \$ per basic share</i>				<b>0.98</b>
<i>Total Asset Value - \$ per fully diluted share</i>				<b>1.14</b>

Source: Canaccord Adams

**Canadian Superior Energy (SNG : TSX : C\$1.42 | SPECULATIVE BUY, C\$2.80 target)**

The company is approaching the completion of drilling on its final exploration well, Endeavour, in Block 5(c) offshore Trinidad. The well is expected to reach total depth in late November with flow test results expected to be available 30 to 45 days later.

Notwithstanding the earlier success of the nearby Victory and Bounty wells, the Endeavour prospect is currently rated with only a 30% chance of success. However, we note that there may be significant upside potential if the Endeavour prospect is actually connected to the Bounty prospect. The fault that defines and separates the two prospects may not actually separate the two compartments, giving a combined Bounty/Endeavour prospect significantly bigger resource potential than the combined Victory and Bounty discoveries.

On November 21, the company announced a \$16 million flow-through share financing. The issue was priced at \$1.55 a share and is expected to close on or about December 5, 2008, with funds being used for Canadian exploration expenses.

We rate Canadian Superior as a SPECULATIVE BUY and have revised our 12-month target price from C\$4.50 to C\$2.80. Our target price is based on a risked net asset valuation of the company's development projects in Canada and Trinidad and Tobago. The significant decrease in our target price is in part a result of the modest dilution from the announced flow through share issue, but is primarily a reflection of the recent deterioration in the world credit markets. Our previous target price was based on a 10% after tax discount factor while our new target price is based on net present value of after tax cash flow discounted at 15%.

**Figure 4: Canadian Superior Energy Net Asset Value for Canadian Assets**

	NPV 15% BT (\$mm)
Proven Reserves	91.3
Probable Reserves	32.9
Total Proved plus Probable	124.3
Estimated net debt	11.3
Total Value	135.6
NAV: \$/ basic share	0.80
NAV: \$/FD share	1.02

Source: Canaccord Adams

**Figure 5: Valuation Grid for Block 5(c) – per share (in Canadian dollars) for Canadian Superior Energy**

Gross Recoverable Reserves (Tcf)	NPV After-Tax @ 15% per Basic Share Outstanding (C\$)									
	Long-term Natural Gas Price (US\$/mmbtu)									
	\$5.00	\$6.00	\$7.00	\$8.00	\$9.00	\$10.00	\$12.50	\$15.00	\$17.50	\$20.00
5.0	(\$2.12)	(\$0.75)	(\$0.05)	(\$0.14)	\$0.45	\$1.10	\$2.45	\$3.45	\$5.01	\$5.90
4.5	(\$2.32)	(\$1.16)	(\$0.55)	(\$0.63)	(\$0.09)	\$0.35	\$1.39	\$2.28	\$3.18	\$4.39
4.0	(\$2.34)	(\$1.19)	(\$0.58)	(\$0.15)	(\$0.14)	\$0.30	\$1.32	\$2.18	\$3.06	\$4.25
3.5	(\$2.45)	(\$1.42)	(\$0.87)	(\$0.42)	(\$0.20)	(\$0.08)	\$0.78	\$1.60	\$2.42	\$3.09
3.0	(\$2.66)	(\$1.95)	(\$1.49)	(\$1.16)	(\$0.86)	(\$0.58)	(\$0.06)	\$0.51	\$0.75	\$1.27

Source: Canaccord Adams

Note: Grey shading assumes transportation costs for LNG sales into North America only

**Challenger Energy (CHQ : TSX-V : C\$1.57 | SPECULATIVE BUY, C\$3.00 target)**

Challenger is a partner in the Endeavour well currently drilling offshore Trinidad. As highlighted above, the Endeavour well should reach total depth shortly with flow test results available 30 to 45 days later.

We maintain a SPECULATIVE BUY recommendation but have revised our 12-month target price from C\$5.25 down to C\$3.00. Our target price is based on a risked net asset valuation of the company's development projects in Canada and Trinidad and Tobago. The significant decrease in target price is a reflection of the recent deterioration in the world credit markets and an increasing cost in risk capital. Our previous target price was based on a 10% after tax discount factor while our new target price is based on an after tax cash flow net present values using a 15% discount rate.

**Figure 6: Valuation Grid for Block 5(c) – per share (in Canadian dollars) for Challenger Energy**

NPV After-Tax @ 15% per Basic Share Outstanding (C\$)										
Gross Recoverable Reserves (Tcf)	Long-term Natural Gas Price (US\$/mmbtu)									
	\$5.00	\$6.00	\$7.00	\$8.00	\$9.00	\$10.00	\$12.50	\$15.00	\$17.50	\$20.00
5.0	(\$4.59)	(\$2.16)	(\$0.92)	(\$1.08)	(\$0.05)	\$1.11	\$3.50	\$5.27	\$8.04	\$9.62
4.5	(\$4.95)	(\$2.89)	(\$1.81)	(\$1.95)	(\$1.01)	(\$0.21)	\$1.63	\$3.20	\$4.80	\$6.94
4.0	(\$4.57)	(\$2.94)	(\$1.87)	(\$1.11)	(\$1.08)	(\$0.31)	\$1.50	\$3.03	\$4.59	\$6.69
3.5	(\$5.17)	(\$3.35)	(\$2.38)	(\$1.58)	(\$1.01)	(\$0.97)	\$0.55	\$1.99	\$3.46	\$4.64
3.0	(\$5.56)	(\$4.29)	(\$3.47)	(\$2.89)	(\$2.36)	(\$1.87)	(\$0.94)	\$0.06	\$0.49	\$1.42

Source: Canaccord Adams

Note: Grey shading assumes transportation costs for LNG sales into North America only

**Coastal Energy (CEN : TSX-V : C\$1.37 | SPECULATIVE BUY, C\$4.50 target)**

Coastal Energy continues with the company's development drilling program offshore Thailand on the Songkhla field. With two successful wells, the company is well placed to exceed production estimates for the field in 2009. Production is currently underway through long-term testing facilities on location with the one well producing at approximately 5,000 bbl/d while the drilling rig continues to drill development locations. The drilling of the third well, a proposed water injector, will be completed shortly. After drilling is complete in the area Coastal Energy will install a production barge which should result in approximately 10,000 bbl/d of production from the Songkhla field being brought onstream prior to the end of 2008. Management has indicated that with permanent facilities installed, the wells should beat previous expectations with field production of approximately 15,000 bbl/d by mid-2009.

We rate Coastal as a SPECULATIVE BUY and have revised our 12-month target price from C\$6.25 to C\$4.50. Our target price is based on a risked net asset valuation of the company's proven and probable reserves as well as recognizing the potential upside from five offshore oil exploration prospects.

The significant decrease in our target price is a reflection of the recent deterioration in the world credit markets. Our previous target price was based on net present values using a 10% after tax discount rate while our new target price is based on net present values calculated at 15% after tax. We believe that this is more reflective of the current risk associated with foreign markets for companies with potential financing needs.

**Figure 7: Coastal Energy Net Asset Value**

	Crude Oil (mmbbl)	Natural Gas (bcf)	Total (mmbbl)	PV15% (After Tax) (US\$ millions)
<b>* Reserves at Dec 31/07</b>				
Proven	8.7	62.3	19.1	106.9
Probable	18.6	46.9	26.4	384.1
Total 2P Reserves	27.3	109.2	45.5	491.0
Possible	8.1	0.0	8.1	133.9
Total 3P Reserves	35.4	109.2	53.6	624.9
Estimated Current 2P Reserves			45.5	491.0
Estimated Current 3P Reserves			53.6	624.9
Net Debt (Q4/08)				(71.0)
<b>Total Asset Value</b>				
Proven				35.9
Proven + Probable				420.0
Proven + Probable + Possible				553.9
<b>Total Asset Value - \$ per basic share</b>				
Proven				0.38
Proven + Probable				4.49
Proven + Probable + Possible				5.92
<b>Total Asset Value - \$ per fully diluted share</b>				
Proven				0.63
Proven + Probable				4.52
Proven + Probable + Possible				5.88

Source: Canaccord Adams

**Gran Tierra Energy (GTE : TSX : C\$2.94 | BUY, C\$5.50 target)**

Gran Tierra recently completed the business combination with Solana Resources, creating a strong company with 100% ownership of the Costayaco oil discovery. The transaction was highly accretive to the company and creates a strong foundation for future growth in South America.

The major asset at Costayaco means significant cash flow and production growth potential over the next two years. Gross production from the field is expected to be approximately 15,000 bbl/d at the end of 2008 with production increasing to approximately 35,000 bbl/d by early 2010 as a result of pipeline expansion and development drilling. Financially, the company is very strong with cash in excess of US\$140 million and another \$150 million of unused credit facilities available. This puts the company at an enormous advantage to many of its peers. The company should be able to execute on its capital expenditure program for 2009 and probably 2010 without any additional outside financing, absent other potential acquisitions.

We are maintaining our BUY rating and have revised our target price from C\$6.25 to C\$5.50 reflecting our estimated of the Net Asset Value of the combined company. Again, reflecting the credit markets around the world, our previous target price was based on an asset value calculation at 10% while our new target price is based on a 15% after tax

discounted cash flow analysis of reserves and exploration upside. This discount rate takes into account that the company does not have any need of capital nor any funding issues with respect to corporate debt. Otherwise we would use a 20% after tax discount rate to reflect the market implied credit risk applicable to Colombia.

**Figure 8: Gran Tierra Energy Net Asset Value**

	Net Reserves	PV15% (After Tax)
* Reserves at December 07	(mmboe)	(US\$ millions)
<b>Gran Tierra Energy:</b>		
Proven	9.8	186.9
Probable	6.2	83.3
Total 2P Reserves	16.0	270.2
Possible	14.9	227.9
Total 3P Reserves	31.0	498.1
<b>Solana Resources:</b>		
Proven	9.7	286.6
Probable	5.7	168.0
Total 2P Reserves	15.4	454.5
Possible	9.8	289.8
Total 3P Reserves	25.2	744.4
<b>Combined:</b>		
Proven	19.5	473.5
Probable	11.9	251.2
Total 2P Reserves	31.4	724.7
Possible	24.8	517.7
Total 3P Reserves	56.2	1242.4
Working Capital (Estimate)		140.0
<b>Total Asset Value</b>		
Proven + Probable		864.7
Proven + Probable + Possible		1,382.4
<b>Total Asset Value - \$ per basic share</b>		
Proven + Probable		3.54
Proven + Probable + Possible		5.66
<b>Total Asset Value - \$ per fully diluted share</b>		
Proven + Probable		3.37
Proven + Probable + Possible		5.34

Source: Canaccord Adams

**Figure 9: Gran Tierra Exploration Upside Potential**

Block	Prospect	Gran Tierra Working Interest %	Gross Recoverable Reserves (mmbbl)			Chance of Success %	Risked Reserves (Net, Best; mmbbl)	Estimated Value (M\$)	\$/share (basic)
			Low	Best	High				
Chaza, Colombia	Costayaco extension	100%	5.0	20.0	40.0	60%	12.0	284.5	1.16
	Exploration	100%	5.0	10.0	20.0	5%	0.5	11.9	0.05
Catguas Block	Exploration	85%	5.0	20.0	50.0	10%	1.7	40.3	0.16
Guachiria	Primavera	70%	2.0	3.0	4.0	75%	1.6	37.3	0.15
	Los Aceites	70%	5.0	8.0	10.0	35%	2.0	46.5	0.19
Surubi, Argentina	Channel (Acarro)	70%	5.0	10.0	25.0	25%	1.8	41.5	0.17
	Proa	85%	5.0	10.0	30.0	50%	4.3	30.8	0.13
<b>Total</b>			<b>32.0</b>	<b>81.0</b>	<b>179.0</b>		<b>23.7</b>	<b>492.8</b>	<b>2.02</b>

Source: Canaccord Adams

**Heritage Oil (HOC : TSX : C\$3.00 | SPECULATIVE BUY, C\$6.00 target)**

The company has an active capital program for the next several months in Uganda. The company expects to commence drilling second prospect (Buffalo) of the three well drilling program on the 50% interest Block 1 shortly. This exploration well is expected to take approximately two to three weeks to drill due to the shallow depth of the target. The third well in the program at Giraffe will then be drilled after Buffalo, but depending on timing results may not be available until early in 2009. Also in Uganda, Heritage Oil is currently drilling the Kingfisher-3 delineation well on the 50% interest Block 3A. Preliminary drilling results from the well are expected in February of next year as the well further delineates the field boundaries and also attempts to determine a regional oil water contact for the field.

Heritage has recently contracted a drilling rig to drill its first exploration well, Miran West-1, on the Miran Block in Kurdistan by the end of 2008. Heritage has an approximate 56% interest in this block. The rig will drill to an estimated depth of over 3,000 meters and target three primary reservoirs known in the immediate area to be prolific. Independent resource assessments of the company's Miran block prospects range from 0.9 billion to 3.5 billion barrels of oil in place.

We are maintaining our SPECULATIVE BUY rating on Heritage and have revised our target price from C\$8.75 to C\$6.00. While the company is fully funded for exploration drilling programs through 2009, our target price is based on our conservative estimate of a risked asset value of C\$6.14 for the company's worldwide assets, discounted at 15% on an after tax basis. Our previous target price was based on a 10% after tax discount rate.

**Figure 10: Heritage Oil Net Asset Value**

	NPV (15%) C\$ million	NPV (15%) C\$/Share
Block 8 (Oman)	29.89	0.09
West Chumpass (Russia)	25.94	0.08
Block 3A (Uganda)	1,564.42	4.84
Miran Block (Kurdistan)	217.78	0.67
Block 1 (Uganda)	0.00	0.00
Blocks 1 & 2 (DRC)	0.00	0.00
<u>Other Corporate assets</u>	<u>22.22</u>	<u>0.07</u>
Asset value	1,860.26	5.75
Net cash	125.56	0.39
Net asset value	1,985.81	C\$6.14

Source: Canaccord Adams

**Ithaca Energy (IAE : TSX-V : C\$0.23 | SPECULATIVE BUY, C\$1.50 target)**

Ithaca Energy recently sold a 25.25% interest in all its assets currently owned by the company for a total consideration of US\$65.6 million. This was done to help bridge the financing gap the company had as a result of its capital spending program for drilling, completions and acquisitions also colliding with the world credit crisis. The asset sale provided Ithaca with the financial resources to close the Beatrice acquisition earlier this month and complete operations to bring on Jacky oilfield in early 2009. As a result, we expect the company to start producing and realizing much needed cash flow in early 2009.

We are maintaining our SPECULATIVE BUY rating and target price of C\$1.50. Our target price is based on the implied value of the whole company based on the price paid for 25.25% of its assets of £40 million (approximately US\$65.6 million).

**Figure 11: Ithaca Energy Net Asset Value**

	Total	PV15% (After Tax)
* Adjusted Reserves (25.25% sale)	(mmboe)	(US\$ millions)
Proven	14.9	148.8
Probable	15.4	178.0
Total 2P Reserves	30.2	326.7
Possible	20.8	250.2
Total 3P Reserves	51.0	576.9
Estimated Current 2P Reserves	30.2	326.7
Estimated Current 3P Reserves	51.0	576.9
Estimated Working Capital		0.0
<b>Total Asset Value</b>		
Proven + Probable		326.7
Proven + Probable + Possible		576.9
<b>Total Asset Value - \$ per basic share</b>		
Proven + Probable		2.01
Proven + Probable + Possible		3.56
<b>Total Asset Value - \$ per fully diluted share</b>		
Proven + Probable		2.04
Proven + Probable + Possible		3.51

Source: Canaccord Adams

**Pacific Rubiales Energy (PEG : TSX : C\$2.00 | BUY, \$10.00 target)**

In light of the possibility of lower commodity prices continuing through 2009, Pacific Rubiales recently announced a new five-year investment plan for the company. The investment program estimates total capital expenditures of \$1.2 billion net to the company for the four-year period from 2009 to 2012. The company plans to finance the expenditures through cash flow and credit facilities already in place and is based on a crude oil price of \$60/bbl.

Pacific Rubiales maintains that this plan should not affect the company's production growth targets significantly as the Rubiales field production growth will still be dependent on the successful completion of the Rubiales pipeline. We note that by year-end, the Rubiales field should be at approximately 60,000 bbl/d of gross production, all of which is currently trucked from the field. The Rubiales pipeline is due to be completed around mid-year 2009 and Pacific Rubiales currently plans to start the shipment of oil through the pipeline (approximately 70,000 bbl/d) plus continue to truck a small amount of oil (up to 20,000 bbl/d) in the second half of 2009. With facility construction in late 2009/early 2010, the Rubiales field will still see gross production of 125,000 bbl/d in 2010, approximately six months later than in the company's previous plan.

We are revising our SPECULATIVE BUY rating to a BUY rating and also adjusting our target price from C\$17.50 to C\$10.00. Current world credit market conditions have

resulted in a significant increase in the cost of Colombian corporate debt as highlighted in Figure 1. Our valuation is a sum of parts of the assets of predecessor companies Pacific Stratus, Petro Rubiales and Kappa Energy's Proven plus Probable (2P) reserves. However, we have increased our after tax discount rate to 20% from 10% to reflect the market implied risk and increased cost of Colombian debt in establishing our new target price.

**Figure 12: Pacific Rubiales Energy Net Asset Value**

	Gross Reserves (mmboe)	PV20% (After Tax) (US\$ millions)
<b>Petro Rubiales Assets:</b>		
Total 2P Reserves	120.9	1,342
<b>Pacific Stratus Assets:</b>		
Total 2P Reserves	99.9	632
<b>Kappa Energy Assets:</b>		
Total 2P Reserves	10.3	146
Estimated net debt		(160)
<b>Total Asset Value</b>		
Proven + Probable		2,104
<b>Total Asset Value - \$ per basic share</b>		
Proven + Probable		9.99
<b>Total Asset Value - \$ per fully diluted share</b>		
Proven + Probable		8.81

Source: Canaccord Adams

Figure 13: 2009 Valuation Comparison

ALL \$ AMOUNTS ARE IN US\$ UNLESS OTHERWISE NOTED								
Financial	Antrim (AEN-T) SPEC BUY	Can Superior (SNG-T) SPEC BUY	Challenger (CHQ-T) SPEC BUY	Coastal (CEN -V) SPEC BUY	Gran Tierra* (GTE-T) BUY	Heritage (HOC-T) SPEC BUY	Ithaca (IAE-V) SPEC BUY	Pacific Rubiales (PRE-T) BUY
Cash Flow (\$M)	(\$4.4)	\$43.8	(\$2.0)	\$140.0	\$252.4	\$17.7	\$60.8	\$397.6
CFPS (fd)	(\$0.03)	\$0.26	(\$0.04)	\$1.45	\$1.08	\$0.34	\$0.37	\$1.89
Net Income (\$M)	(\$10.0)	\$1.1	(\$3.0)	\$107.5	\$202.3	\$6.6	\$34.0	\$276.8
EPS (fd)	(\$0.07)	\$0.01	(\$0.06)	\$1.13	\$0.86	\$0.12	\$0.21	\$1.32
Net Capex (\$M)	\$90.0	\$135.0	\$56.9	\$150.0	\$120.0	\$60.0	\$270.0	\$363.0
Net Debt (surplus) (\$M)	\$50.3	\$140.5	\$67.7	\$81.0	(\$264.0)	\$107.9	\$220.5	\$127.3
<b>Operating</b>								
<b>Production</b>								
Oil & NGLs (b/d)	565	750	0	6,250	15,500	2,225	4,900	26,250
Gas (mmcf/d)	8.5	18.0	0.0	0.0	0.0	0.0	0.0	58.0
Total (boe/d)	1,982	3,750	0	6,250	15,500	2,225	4,900	35,917
<b>Prices</b>								
Oil & NGLs (\$/b)	\$43.72	\$76.68	NA	\$78.00	\$68.45	\$44.40	\$81.20	\$64.44
Gas (\$/mcf)	\$1.62	\$8.39	NA	NA	NA	NA	NA	\$5.50
<b>Valuation</b>								
Current share price - Nov. 21, 2008	C\$0.30	C\$1.42	C\$1.57	C\$1.38	C\$2.78	C\$3.00	C\$0.23	C\$2.00
Target Price	C\$1.00	C\$2.80	C\$3.00	C\$4.50	C\$5.50	C\$6.00	C\$1.50	C\$10.00
Market capitalization (\$M)	\$40.5	\$239.2	\$82.9	\$122.7	\$679.3	\$726.6	\$36.5	\$400.1
EV/boe/d (\$)	NA	\$76,930	NA	\$31,006	\$35,334	\$356,050	\$9,741	\$15,647
Discretionary cash flow multiple	NA	5.5x	NA	0.9x	2.6x	8.5x	0.6x	1.0x
Debt-adjusted multiple	68.9x	8.7x	NA	1.4x	1.6x	8.5x	3.4x	1.2x
Earnings multiple	NA	222.7x	NA	1.2x	3.2x	8.5x	1.1x	1.4x
Target multiple	NA	10.8x	NA	2.9x	5.3x	8.5x	4.0x	5.0x
Debt-adjusted target multiple	142.6x	15.7x	NA	3.3x	4.3x	8.5x	6.1x	5.0x

Source: Canaccord Adams

\* Gran Tierra's production is After Royalties

**Investment risks**

Investors need to be aware of the risks inherent in the oil and gas industry that could affect our valuations. Without limitation, these risks include:

1) trading liquidity risks; 2) geological, engineering, regulatory and environmental risks related to the exploration for and development of crude oil and natural gas resources; and 3) volatility in crude oil and natural gas prices that can materially affect financial performance and the accuracy of our estimates. Risks also include government tax, and potential changes to the royalty regime and regulatory policy pertaining to either income trusts or the oil and gas industry.

Further information on the methodologies used to derive our price targets, and the risks that could impede achievement of these targets, is available upon request. Disclosure information for all Canaccord Adams research coverage can be found at <http://www.canaccordadams.com/research/Disclosure.htm>.

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**Price Chart:\***

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\* Price charts assume event 1 indicates initiation of coverage or the beginning of the measurement period.

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(as of 4 November 2008)

Rating	Coverage Universe		IB Clients	
	#	%	#	%
Buy	371	62.1%	34	34.5%
Speculative Buy	68	11.4%	29	52.9%
Hold	139	23.3%	18	18.0%
Sell	19	3.2%	2	10.5%
	597	100.0%		

**Canaccord Ratings System:**

BUY: The stock is expected to generate risk-adjusted returns of over 10% during the next 12 months.

HOLD: The stock is expected to generate risk-adjusted returns of 0-10% during the next 12 months.

SELL: The stock is expected to generate negative risk-adjusted returns during the next 12 months.

NOT RATED: Canaccord Adams does not provide research coverage of the relevant issuer.

"Risk-adjusted return" refers to the expected return in relation to the amount of risk associated with the designated investment or the relevant issuer.

**Risk Qualifier:**

SPECULATIVE: Stocks bear significantly higher risk that typically cannot be valued by normal fundamental criteria. Investments in the stock may result in material loss.

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