



09 November 2009

Daily Oil & Gas Filter

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MACRO NEWS

Unemployment data in America on Friday took the wind out of the oil market as prices finished the day down over \$2. Over the weekend, however Hurricane Ida, which we mentioned last week, got the attention of traders and was helping to firm up prices this morning.

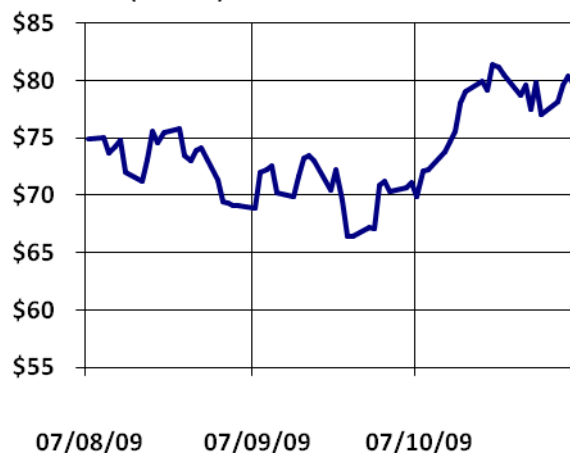
OIL & GAS PRICES (Yesterday's Close)

WTI*	\$77.43	-\$2.19
Brent*	\$75.87	-\$2.12
Henry Hub Gas	\$3.91	-\$0.39

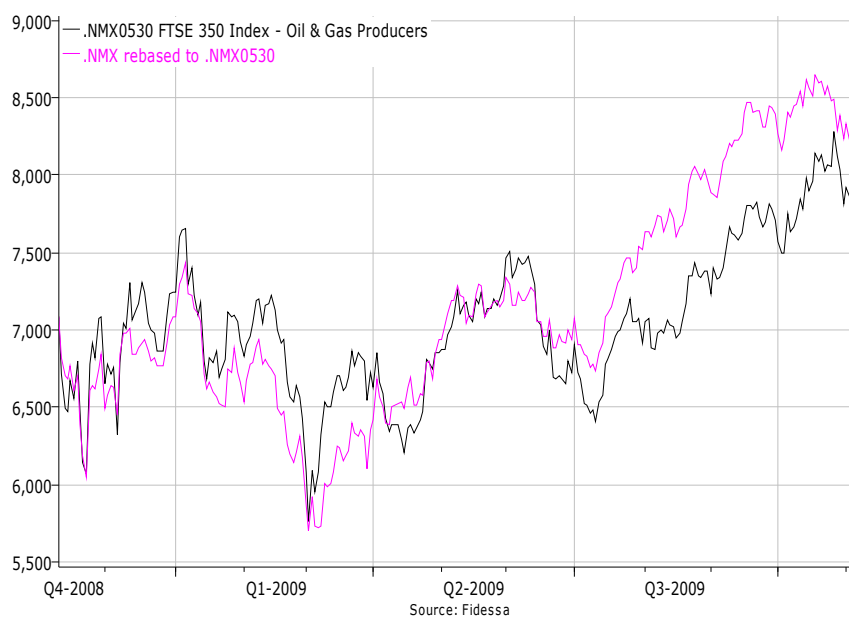
* December contract

This morning, WTI and Brent are trading higher at \$78.78 and \$77.17, respectively.

WTI (DEC09) CRUDE 3-MONTH PERFORMANCE



OIL INDICES PERFORMANCE



DAILY SECTOR PERFORMANCE

Yesterday's % Change

FTSE 350 - Oil & Gas	-0.64%
FTSE 350 Index	0.38%
FTSE AIM Oil & Gas	0.31%
FTSE AIM All-Share Index	-0.06%

COMPANY NEWS

JKX OIL & GAS released an interim management statement for the third quarter. The highlight of the statement was a 24% increase in production to 13,657 boepd compared to last year's 10,978 boepd. Guidance for Q4 and the full year are 13,000 and 11,500 boepd respectively. Factors driving the increase in production were new and worked over wells in Ukraine coming on stream and implementation of system efficiencies. Complimenting the increase in Ukraine was production from the Hajdunanas field in Hungary which began in August. Looking ahead, production is expected to receive another boost late next year when first gas is expected from development and workover activity taking place in Russia. It would also appear likely from the statement that the company is in the process of narrowing down acquisition opportunities with a view to bolstering exploration and development options.

SALAMANDER ENERGY and **SERICA ENERGY** have announced the re-start of production from the Kambuna field offshore Sumatra, Indonesia. Production had been suspended since 25 September due to mechanical problems with the buyer's gas turbine generators. Initial production will be 10 MCF per day with plans to ramp up steadily, and possibly exceeding 35 MCF per day, in the coming weeks.

TOWER RESOURCES has agreed with the Ugandan government the location of the second exploration well in block EA5. The well, to be called Avivi-1, is planned for February 2010. **GLOBAL PETROLEUM** has elected to exercise its option to earn a 25% interest in the licence by funding 25% of the cost of the well.

NAUTICAL PETROLEUM, an exploration and production company focused on heavy oil assets in the UK and Europe, announced its full year results for the year ending 30 June. The focus of the group remains the Mariner and Kraken projects where net best estimate contingent resources stand at 67 and 37 million barrels respectively. A field development plan (FDP) for Mariner is expected in 2011, Kraken's FDP could be submitted as early as next year. From an exploration perspective, the first material activity scheduled is the drilling of the Catcher prospect in Q2 2010. Group finances are underpinned by cash of £19.1 million, an undrawn £7.5 million facility and debt free balance sheet.

Comment: We retain on **BUY** recommendation on the shares.

THIS MORNING'S BULLS

Description	Mid	Chg	%chg
ENEGI OIL ORD 1P	17.75	1.50	9.23
BALTIC OIL ORD 1P	13.75	0.75	5.77
LEED PET. ORD 5P	7.40	0.40	5.71

THIS MORNING'S BEARS

IOFINA ORD 1P	70.00	-2.25	-3.11
LENI GAS ORD 0.05P	3.88	-0.13	-3.13
FORTUNE OIL ORD 1P	8.37	-0.34	-3.90
MERIDIAN PET. ORD 30P	58.50	-2.75	-4.49
XTRACT ORD 0.1P	3.03	-0.23	-6.92

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