



21 October 2009

Daily Oil & Gas Filter

IN TODAY'S ISSUE

- SALAMANDER ENERGY
- SERICA ENERGY
- GEOPARK HOLDINGS
- MATRA PETROLEUM

MACRO NEWS

Oil's run higher took a breather yesterday as the US dollar strengthened and equity markets were lower. Previously, these factors had been supportive while oil prices broke above \$80. After hours, API inventory data was bearish with crude stocks rising more than expected and products falling less so.

Comment: The API data was a timely reminder that the oil markets fundamentals remain less than robust. These weaker fundamentals should cap or at least slow oil's ascendancy over the next few months.

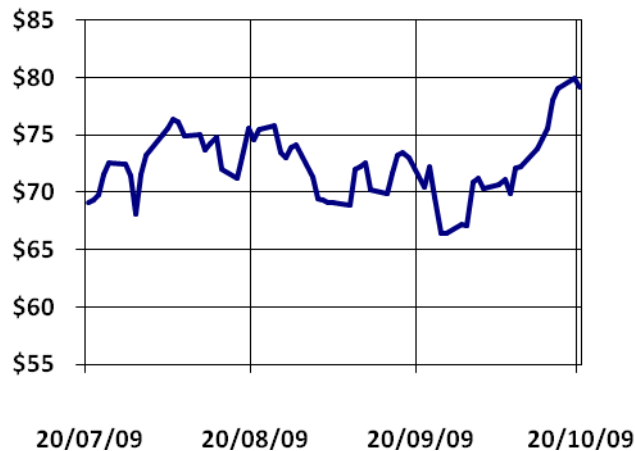
OIL & GAS PRICES (Yesterday's Close)

WTI*	\$79.12	-\$0.84
Brent*	\$77.24	-\$0.53
Henry Hub Gas	\$4.60	+\$0.42

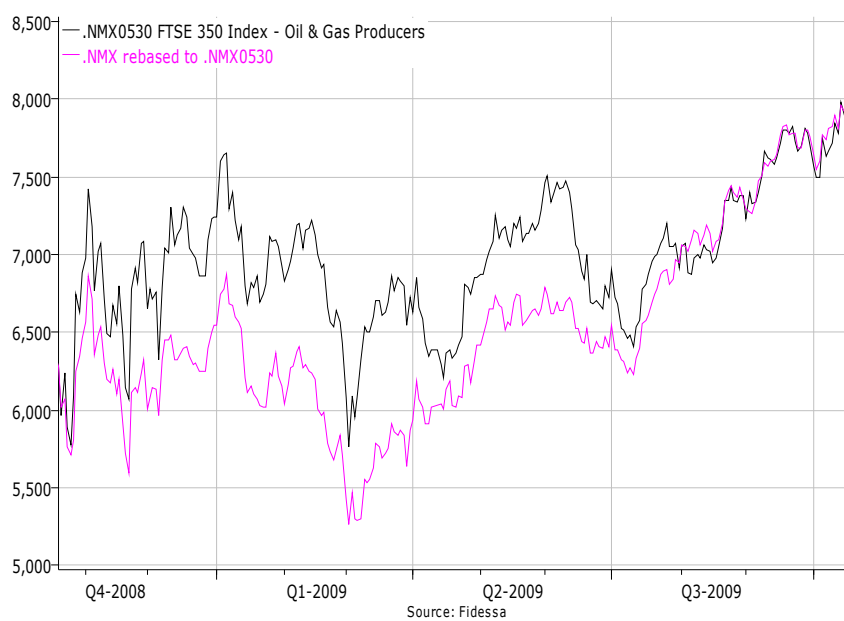
* December contract

This morning, WTI and Brent are trading lower at \$78.39 and \$76.68, respectively.

WTI (DEC09) CRUDE 3-MONTH PERFORMANCE



OIL INDICES PERFORMANCE



DAILY SECTOR PERFORMANCE

Yesterday's % Change

FTSE 350 - Oil & Gas	-0.55%
FTSE 350 Index	-0.71%
FTSE AIM Oil & Gas	0.85%
FTSE AIM All-Share Index	-0.25%

COMPANY NEWS

SALAMANDER ENERGY and **SERICA ENERGY** have announced the Belawan Power plant in Indonesia is ready to recommence receiving gas following the repair of gas turbines. Sales will not resume however, until the completion of an investigation into the cause of the turbine failures. Gas supplied by the companies' Kambuna field was within specification and is not thought to be the source of the problem.

Comment: Take or pay provisions within the gas sales agreement will mitigate the impact of this unexpected downtime. We retain our **BUY** recommendation of Salamander.

GEOPARK HOLDINGS announced another successful drilling result in Chile with the Yagan Norte 1 discovery well (Geopark 100% working interest). An initial production test, over a 10m perforated interval, flowed at a rate of 610 bopd with no water. Further testing will determine stabilised rates and

the extent of the reservoir. Yagan Norte 1, part of a nine well programme, is the sixth successful well out of six drilled and also resulted in a discovery from a new (non-conventional) reservoir, the Tobifera formation. Drilling has started on the next well, Pampa Larga 15, in the programme. In addition, Geopark are due to begin shooting seismic on two additional blocks, the Tranquilo and Otway, in December 2009 and March 2010 respectively.

MATRA PETROLEUM announced the interim generator the company was sourcing to mitigate delays in installing power to the rig to drill the Sokolovskoe-13 well has not been made available due to third party operational requirements. While attempting to source the generator, work to connect the rig to the local electricity supply has been completed and the rig is now ready to drill once final inspections are carried out. The approvals could be received as early as later this week.

Note: HansonWesthouse is broker to Matra and is paid fees for these services.

THIS MORNING'S BULLS

Description	Mid	Chg	%chg
TXO ORD 5P	4.13	1.50	57.14
GEOPARK COM SHS USD0.001	318.50	28.50	9.83
SEFTON RES. COM SHS NPV	3.00	0.25	9.09

THIS MORNING'S BEARS

NIGHTHAWK ORD 0.25P	43.50	-2.00	-4.40
ITHACA ENERGY COM SHS NPV (DI)	48.75	-2.75	-5.34
CASPIAN HLDGS. ORD 0.1P	1.48	-0.10	-6.35
GASOL ORD 0.5P	2.70	-0.23	-7.69
GULF KEYSTONE COM SHS USD0.01 (DI)	111.25	-12.75	-10.28

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