



27 October 2009

## Daily Oil & Gas Filter

### IN TODAY'S ISSUE

- BP
- MATRA  
PETROLEUM
- AMINEX
- GLOBAL  
PETROLEUM

### MACRO NEWS

As with Friday last week, lower equity markets and a stronger US dollar kept the pressure on oil prices yesterday. Adding further weight is uncertainty regarding whether or not OPEC will increase production quotas in December and news of another cease fire in Nigeria.

### OIL & GAS PRICES (Yesterday's Close)

WTI*	\$78.68	-\$1.82
Brent*	\$78.92	-\$1.59
Henry Hub Gas	\$4.51	-\$0.38

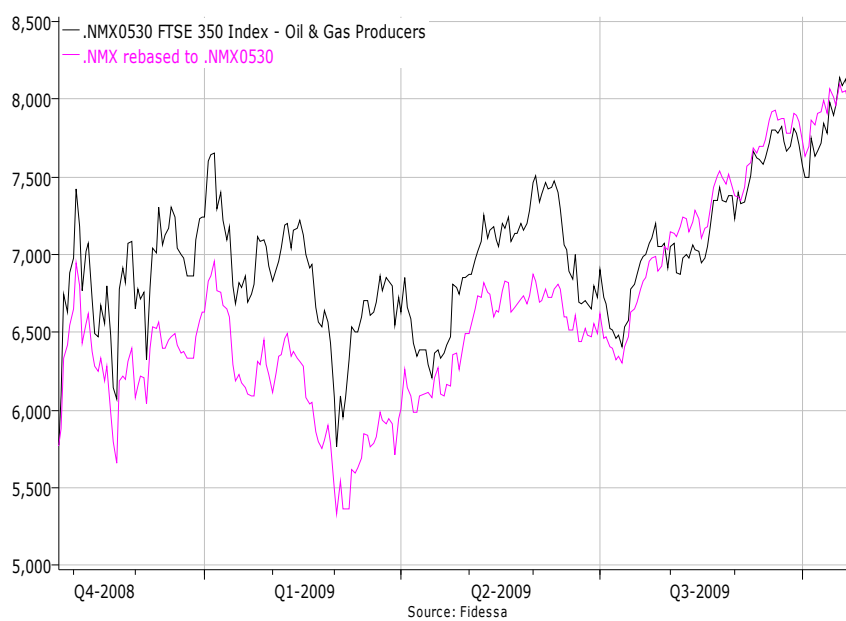
\* December contract

This morning, WTI and Brent are trading marginally lower at \$78.60 and \$77.21, respectively.

WTI (DEC09) CRUDE 3-MONTH PERFORMANCE



## OIL INDICES PERFORMANCE



### DAILY SECTOR PERFORMANCE

### Yesterday's % Change

FTSE 350 - Oil & Gas	-0.21%
FTSE 350 Index	-1.03%
FTSE AIM Oil & Gas	-1.95%
FTSE AIM All-Share Index	-0.88%

### COMPANY NEWS

**BP** announced third quarter results this morning which were ahead of market expectations. Highlights included:

- Replacement cost profit, excluding non-operating items and fair value accounting effects, was \$4.7bn, compared with \$8.9bn in 2008
- Net cash provided by operating activities for the quarter was \$8.1bn versus \$14.9bn last year
- Net debt at the end of the quarter was \$26.3bn. The ratio of net debt to net debt plus equity was 21% compared with 17% a year ago
- Cash costs for the nine months are more than \$3bn lower than a year ago and for the full year are expected to be around \$4bn lower
- Capital expenditure for the quarter and nine months was \$5.0bn and \$14.4bn respectively. Full year expenditure is still expected to be around \$20bn
- The quarterly dividend will be \$0.14 per share, the same as last year

**Comment:** Despite the fall from last year, this is a solid result from BP and well ahead of expectations of \$3.2bn in adjusted replacement cost profit. Exploration and Production was impacted by lower oil and gas prices but higher production and lower costs helped mitigate the impact. Meanwhile, Refining and Marketing did significantly better than expected despite the collapse in refining margins. Lower costs were again evident in helping to offset the adverse impact of declining margins as well as improved operational performance and the absence of last year's unfavourable FX effects. Significantly, the dividend was held flat as we expected and the cost cutting programme continues to go from strength to strength. Company guidance is now for an additional \$1bn in savings this year bringing the total to \$4bn.

These results confirm our positive outlook of BP and we reiterate our **BUY** recommendation.

**MATRA PETROLEUM** has spudded the A-13 appraisal well on the Arkhangelovskoe licence in Russia. The well, which will cost \$4.5m and drill to 3,850m, is expected to take around four months.

**AMINEX** announced the South Malak-1 well, onshore Gulf of Suez in Egypt, has drilled to a total depth of 11,200 feet. The well will now be tested over four zones after encountering both oil and high gas readings. Aminex has a 10% carried interest in the well.

**GLOBAL PETROLEUM** announced the Tyler Ranch #4 well on the Leighton project has reached a total depth of 3,359m. The well intersected oil and gas shows in the Olmos and Eagle Ford shale reservoirs and will be placed on production once casing has been run and the Olmos fracture stimulated. Further analysis of the Eagle Ford shale is being undertaken to determine commerciality. The deeper Edwards limestone, originally a target of this well, will be tested with a future well after drilling difficulties encountered this time precluded drilling further.

**THIS MORNING'S BULLS**

Description	Mid	Chg	%chg
AMINEX ORD	9.25	0.62	7.18
NTHN.PETRO. ORD	167.25	8.25	5.19
BP	591.40	24.30	4.28

**THIS MORNING'S BEARS**

AURELIAN ORD	17.75	-1.75	-8.97
ROC OIL ORD SHS	35.00	-3.50	-9.09
SAN LEON ORD	22.50	-2.50	-10.00
NOSTRA TERRA ORD	1.20	-0.16	-11.76
TXO ORD	3.13	-0.63	-16.67

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