



06 January 2010

Daily Oil & Gas Filter

IN TODAY'S ISSUE

- VICTORIA OIL & GAS
- NOSTRA TERRA OIL & GAS

MACRO NEWS

The weather continues to be the story in the oil and natural gas markets as cold temperatures across much of the northern hemisphere continued to lend support yesterday. After hours in the US, API inventory data showed a draw in crude, but surprisingly large builds in products. The EIA is releasing its data later this afternoon.

Comment: We anticipate the current cold snap and related increase in heating oil demand to eventually filter through to lower stocks of distillate fuel. This will support oil prices as refiners will be able to increase runs and also reduce crude stocks.

OIL & GAS PRICES (Yesterday's Close)

WTI*	\$81.77	+\$0.26
Brent*	\$80.59	+\$0.47
Henry Hub Gas	\$6.16	+\$0.08

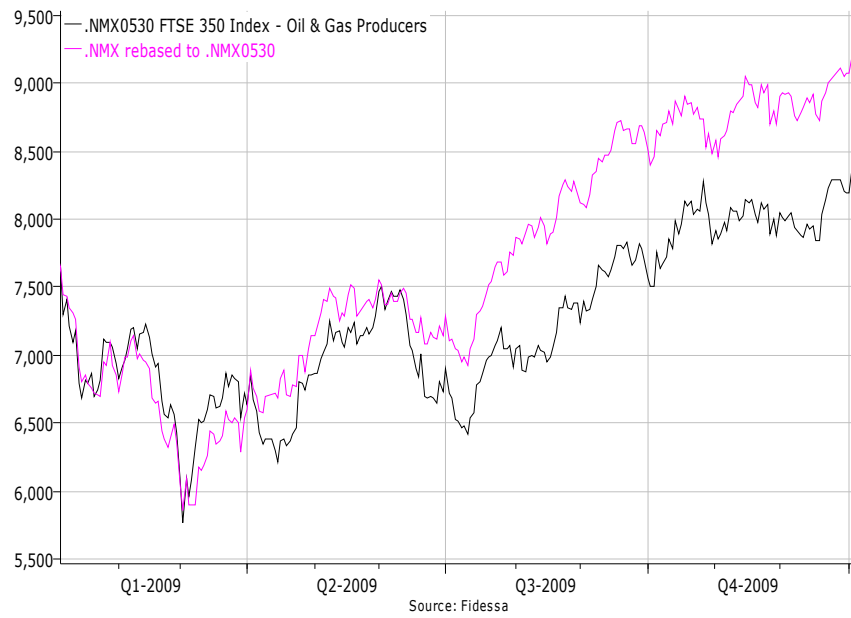
* February contract

This morning, WTI and Brent are trading marginally lower at \$81.64 and \$80.45 respectively.

WTI (FEB10) CRUDE 3-MONTH PERFORMANCE



OIL INDICES PERFORMANCE



DAILY SECTOR PERFORMANCE

Yesterday's % Change

FTSE 350 - Oil & Gas	0.78%
FTSE 350 Index	0.41%
FTSE AIM Oil & Gas	1.96%
FTSE AIM All-Share Index	1.29%

COMPANY NEWS

VICTORIA OIL & GAS has announced that the La-105 well, located in its Logbaba project in Cameroon, has reached total depth at 8,920 feet. Multiple gas bearing sands, in excess of 300 feet of gross pay, were encountered as well as the presence of gas in shale which could add additional upside to pre-drill expectations. The well, following logging, will be prepared for testing and future production.

Comment: While La-105 was expected to encounter gas, the additional potential upside from the gas in shale is a positive development for Victoria.

NOSTRA TERRA OIL & GAS announced that initial production from its Boxberger property in Kansas, USA has been encouraging. However, unseasonal weather conditions have delayed the completion of production facilities and the ability to evaluate stable flow rates from the project.

THIS MORNING'S BULLS

Description	Mid	Chg	%chg
VICTORIA OIL ORD 0.5P	5.75	0.50	9.52
SPITFIRE OIL ORD USD0.0005 (DI)	10.50	0.50	5.00
CDS OIL & GAS ORD 10P	3.25	0.13	4.00
AFREN ORD 1P	93.50	3.50	3.89

THIS MORNING'S BEARS

MELROSE RES. ORD 10P	289.50	-8.50	-2.85
HAIKE CHEMICAL ORD USD0.002 (DI)	24.00	-1.00	-4.00
LANSDOWNE OIL ORD 5P	4.88	-0.25	-4.88
EUROPA OIL&GAS ORD 1P	13.25	-1.25	-8.62

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