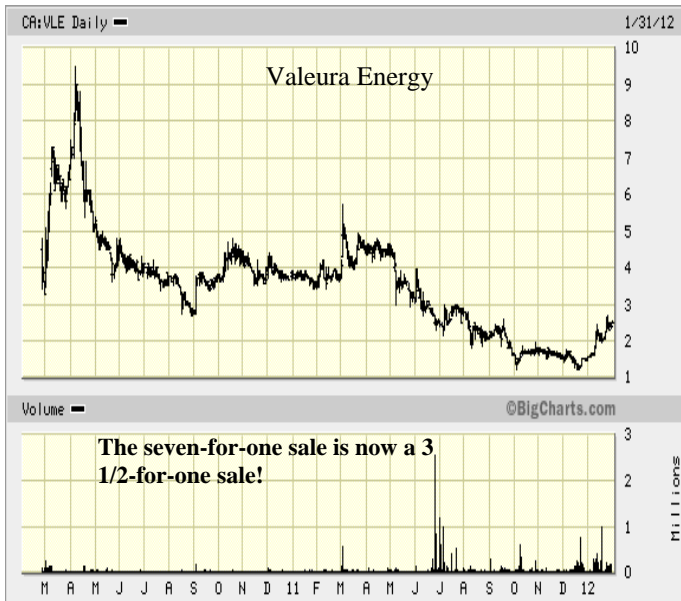


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January 31, 2012



VALEURA ENERGY	(T-VLE)	\$2.49 +0.08
TRANSATLANTIC PETE.	(T-TNP)	\$1.45 +0.15

Jim McFarland is the leader of the team at *Valeura Energy* and he told us yesterday that he's glad that he is now starting to get analysts coverage as *First Energy Capital* starts research on the company, but more importantly they also do a research report on Turkey and the potential for Turkey.

McFarland tells us "there is now four analysts following the company and they have targets of \$6.00, \$7.00, \$8.00 and \$9.00." Well folks, we have been writing up this story for a while now and would be quite happy to see any one of those numbers down the road!

In the meantime, take a look at the two-year chart on the company to the left and you see how it has been pounded like so many other foreign oil explorers because of the European crisis. Also note though, that it is coming back nicely.

McFarland has spent his time in the muck building companies as his last success was building *Verenex Energy* in Libya which was ultimately sold. Now he is in Turkey with Valeura, but he also spent some time on the other side of the tracks in the country club. McFarland is director of corporate biggie *MEG Energy* and also sits on the board with *Pengrowth Energy*.

In the First Energy look at Valeura they write of the Thrace Basin (one of the major assets in Valeura, "The Thrace Basin is Turkey's main producing natural gas region, and contains both conventional and unconventional plays. To date, most exploration and development has been focused on conventional natural gas; however, there are potentially significant unconventional or tight natural gas plays that will be targeted by Valeura. It can be argued that the Basin has been under-explored and under-exploited. Notably, there is only one frac spread in the Country and Valeura is currently one of the few companies using this technology in Turkey. The region contains significant pipeline infrastructure and is a key pathway for the transport of natural gas to European consuming markets.")

And remember folks, natural gas in Europe goes for multiples of North American levels.



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Meanwhile, because of personalities involved, it's also continuing to be interesting to follow TransAtlantic Petroleum because of the Chairman and CEO of that company...Malone Mitchell 3rd, who happens to be one of Forbes 500 richest Americans out there who accidentally got into the oil and gas business when Boone Pickens, a roommate at University talked him into giving the business a try.

The two First Energy reports are must-reading for those following the Valeura Energy story.

Shoal Point Energy Ltd (CNSX : C.SHP)



SHOAL POINT	(CNQ:SHP)	\$0.35 +0.08
CGX ENERGY	(V-OYL)	\$1.48 +0.02

Good grief Batman! Maybe Shoal Point Energy has to be added to the list of 'lottery tickets' for the year after all!

Today CGX Energy hits new highs for the year and I suspect they are just days away from announcing spudding both of their plays offshore Guyana.

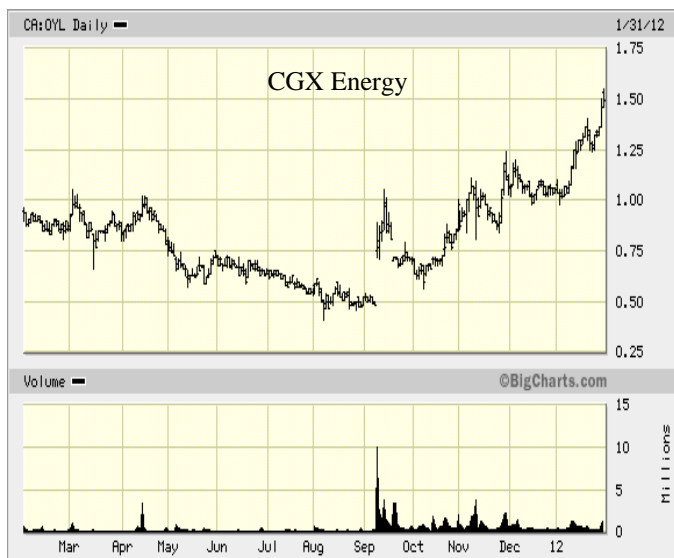
The more work we do on Shoal Point, the more we are convinced that this is a play that is going to take a long time to figure out, but the potential upside could be that big. Again, it's Clive Stockdale, the ex-oil and gas analyst that got us into Ultra Petroleum (UPL) way back when and TAG Oil (TAO) two years ago that is now suggesting this is one of the bigger potential plays out there.

He also points out that there is "so much oil in place" that whether this well being tested flows or not, doesn't put the play in jeopardy...there is just going to be a lot of technical work being done to find out how to get that oil out.

We interview Allen Howard, President of NuTech Energy in Houston and should run that interview this coming Friday. The firm is about 100 folks in Houston, 55 engineers and they are becoming experts on testing the different shale plays around North America and he tells us they have now run data on up to 60,000 wells around North America. And he suggests that the talked-about billions of barrels on the Shoal Point play in Newfoundland, could be/should be there.

One observer gives us this hopeful quote, "One zone alone on this play could equal all of the Eagle Ford shale play" but it is going to take some time to get to that level. Right now Shoal Point is a junior with a lot of stock outstanding, not a lot of money in the bank and has had more than a little difficulty getting their story out and we wonder when promoters might come on board to help get this story out and maybe even some more heft to the board of directors.

Still, President George Langdon is a very respected individual in the business so a story to follow folks!



DEB'S DITTY:

I hate it when I'm singing a song
and the artist gets the words wrong.

To receive the Late Edition and be on our daily circulation simply e-mail Debbie at Debbie.lewis@canaccord.com and give your address, phone number and e-mail and we'll have you on the list tonight.