

Energy Watch List

New Ideas of Interest

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Steven Buytels / (403) 509-2670

steven.buytels@dundeesecurities.com

Aaron Swanson / (403) 206-3928

aaron.swanson@dundeesecurities.com

Rolling out the Dundee Energy Watch List

Looking Beyond the Horizon

- Since the lows in March, 2009, the equity markets and in particular the energy space has had an incredible run. Given the average Junior E&P company is up 85% over the past six months, we at Dundee want to take a more proactive approach. This enables us to provide investors with exposure to the up and coming names in the sector that we feel have not received as much attention as they may deserve.
- Our goal is to incorporate a broad range of both conventional and unconventional stories that offer investors varying degrees of risk and return profiles.
- We want to provide investor's exposure to the companies that have excellent management teams with a solid track record of success, a strong financial footing, and potential growth catalysts that if given success could result in higher valuations. However, given the relative size and liquidity, a higher level of investment risk is present.

What Companies fit the Bill?

We have focused on the following criteria for the initial launch of the Watch List:

1) Catalysts

The potential for the companies to capitalize on short term catalysts to drive the story now and in turn set up the company for growth on a go forward basis. These catalysts include: active drilling programs with reserve growth potential, current and potential land positions, the potential for M&A activity and lastly, competitor activity that is essentially de-risking the play allowing for future development.

2) Management

Management teams that are both strong technically and have a successful track record. This is an important aspect as it provides comfort for investors and correspondingly increases our confidence in their ability to execute on their business plans.

3) Financials

Lastly, our list incorporates companies that have both the financial flexibility and strength to carry out their near term goals.

Standard Report Template

- We are launching the "Watch List" on 6 names and plan to add additional names to the list over time. The first six names include: **Canadian Spirit Resources (SPI-V)**, **DeeThree Exploration (DTX-V)**, **IronHorse Oil and Gas (IOG-V)**, **Renegade Petroleum (RPL-V)**, **Second Wave Petroleum (SCS-V)** and **Sure Energy (SHR-T)**.
- To provide potential investors with a quick overview, we use a standardized two page layout. Our plan is to follow the companies and update investors on material events going forward.
- We will maintain and monitor up to date quarterly financials on the respective companies, but we do not plan to publish detailed estimates, ratings or target prices at this time.

Dundee Securities Corporation has not initiated formal continuing coverage of the companies mentioned in this report, and provides no ratings or target prices as per our normal disclosure at the back of this report. Dundee clients should consult their investment advisor as to the appropriateness of an investment in the securities mentioned.

