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Telephone: 415.454.6985

November 20, 2009

Doral Energy Corp.

Symbol	DRLY
Current Price	\$0.34
Fiscal Year End	31-Jul
Dividend Yield (TTM)	NA
52-Week High	\$0.60*
52-Week Low	\$0.28
Daily High Price	\$0.36
Daily Low Price	\$0.33
Previous Close	\$0.34
Daily Volume	308,836
Beta Coefficient	1.9
Shares Outstanding ('000 shares)	88,370
Market Capitalization (M\$)	30.05
Float ('000 shares)	NA
% Float Outstanding	NA
Number of Shareholders on Record	NA



* Adjusted to reflect the Company's 5-for-1 stock split, effected September 14, 2009.

Cohen Short Term Price Target Index	\$0.74
Cohen Long Term Price Target Index	\$1.21

INVESTMENT THESIS & RECOMMENDATION

Doral Energy Corp. ("Doral Energy," "Doral," or the "Company") is an exploitation and production company seeking to acquire oil and natural gas producing properties in the Permian Basin of West Texas and New Mexico. The Company intends to optimize production by leveraging established but under-exploited producing assets with strong proven developed reserves within their existing acreage. Operational and technological improvements to neglected wells can significantly improve production as Doral Energy has demonstrated to date. Doral Energy's Phase 0 initial Routine and Maintenance Program's results reflected a 164% incremental production increase from the pre-job estimate at only 84% of estimated costs. Strategic working interest participation along with shallow drilling allows production at lower costs and also reduces drilling risks.

The Company is currently pursuing opportunities in the Permian Basin, which has an estimated 22% of the United States proven oil reserves and 29% of estimated future oil reserve growth, according to the Department of Energy. The Basin has produced over 30 billion BOE attracting a wide spectrum of companies. We believe Doral is strategically positioned to gain from this opportunity.

Assuming the Company raises approximately \$18 million of capital re-finances their existing \$50 Million Senior Secured Credit Facility with Macquarie Bank Limited, of which approximately \$5.8 Million is drawn, at retains its existing properties, we expect significant top line growth as Doral continues to exploit and optimize production from neglected, non-competitive properties. Expected higher energy prices will further augment the top-line. Total oil and gas revenues are expected to grow at a compound annual growth rate (CAGR) of 114% through 2009-2013. Our short term target price is \$0.74 and long term price target is \$1.21 per share. We believe DRLY might be a compelling investment opportunity for investors seeking to mitigate risk since Doral focuses on exploitation in a known producing oil Basin rather than chasing resource plays that may or may not provide economic returns for DRLY's shareholders. Please note that Doral Energy Corp is an early growth stage organization and investors should realize that although their business model is low risk comparable to their competitors, their financial security is not. Please ensure that you read all disclosures that Doral Energy has filed with the SEC prior to investing and do not solely rely on these financial projections as your basis for such an investment. The financial projections in this report are based on certain assumptions and predictions about the future performance of Doral Energy. Actual results or performance could be materially different.



EXECUTIVE SUMMARY

- Doral Energy is a rapidly growing oil and gas exploitation and production company focused on indentifying, acquiring, operating, and enhancing oil and gas properties in the Permian Basin of West Texas and New Mexico.
- The Permian Basin has 22% of remaining US oil reserves and has multiple productive zones available for exploitation. The Basin provides ample accretive acquisition opportunities in Doral's profile niche. The Company has identified 3 additional acquisition targets in various stages.
- The acquisition economics are very attractive on a proved BOE basis. The cost of the workovers is expected to be minimal relative to the potential near-term increase in production revenue. Doral added incremental proved preserves at a finding cost of \$0.68 per BOE, as well as increasing current production from such wells by 64.5 BOE/D (71% increase), based on the initial repair job workovers performed on 17 wells.
- Doral plans to create additional value by implementing infill development drilling programs. The Company has identified over 172 potential 20 acre infill locations on its Hanson Properties that will add additional reserves and production (based upon in-house engineering estimates). The Company generally holds rights to drill from surface to 3,500 feet in depth, which allows shallow infill drilling programs. This will result in lower costs and fewer operational risks than the deeper wells drilled by Doral Energy's competitors.
- Doral performs repair job workovers and other oil-well enhancement activities on previously neglected and under-performing assets. The Company plans to capitalize on the opportunities identified for operational improvements to existing wells. The first stage plan was implemented on 17 wells. An additional 75 wells have been identified for a similar program capable of creating significant upside in the near-term.
- The Company currently has an average working interest of 97.5% and an average net revenue interest of 73.5% in its Hanson Project properties located in Eddy County, New Mexico, comprising 66 oil producing leases on 7,868 acres with 186 wells.
- Third-party total proved SPE Reserves for the Hanson Project were estimated at 4.48 million BOE as of July 1, 2009, including 138 PUD locations and approximately 90.8% weighted towards crude. The SPE Reserves had an Undiscounted Net Present Value of \$169,559,319 and PV10 of \$63,955,336 as of July 1, 2009.
- Recent third-party total proved SEC Reserves for the Hanson Project have been estimated at 3.35 million BOE as of July 31, 2009, including only 81 PUD locations due to capital constraints imposed under SEC guidelines, and approximately 91.9% weighted towards crude oil. The SEC Reserves have an Undiscounted Net Present Value of \$133,915,302 and PV10 of \$56,509,505 as of July 31, 2009.
- The Company's experienced management has a 36% stake in the Company.
- The Company's scalable corporate infrastructure facilitates rapid growth and increasing profits drive down per unit production costs. Doral's strategy and location creates prime opportunities in the E&P space.
- Doral's underdeveloped and unexploited properties with potential reserves, execution capabilities, low risk exploitation strategy, and experienced management provide the Company with a significant competitive advantage.

Forecast and Valuation

Assuming that Doral Energy raises approximately \$18 million of capital, refinances its loan with Macquarie Bank Limited and retains its existing properties, of which there are no assurances:

- We project consolidated revenues of approximately \$26.0 million in 2010 and \$39.4 million in 2011 based on funding requirements of approximately \$18 million over the forecast period.
- We expect net oil production of 359,197 barrels and gas production of 145,315 MCF in 2010. In 2014, we forecast oil production of 566,006 barrels and gas production of 239,552 MCF.
- We have valued the stock using our Discounted Cash Flow (DCF) method to arrive at our long term price target of \$1.21, reflecting forward P/E multiples of 23.7x and 8.4x our estimated 2010 and 2011 EPS, respectively. Our short-term price target of \$0.74 is based on price/earnings, price/book, and Price/Capital employed ratios. We believe our valuation is conservative.

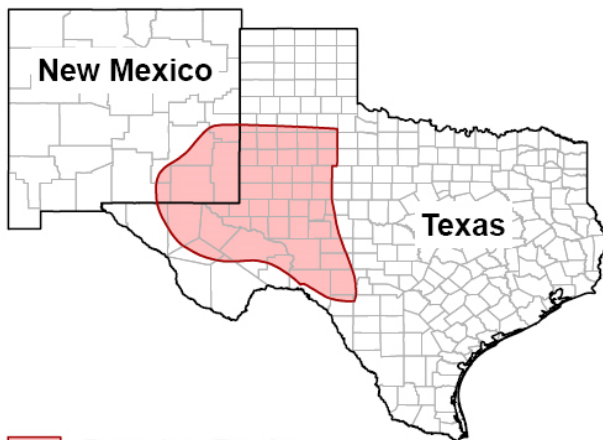


Mission:

The Company's mission is to identify, develop, and produce crude oil and natural gas to help provide the United States with energy for a secure future.

Geographical Focus:

The Permian Basin - The U.S. Oil & Gas Region



 Permian Basin

operators from across the spectrum of energy producing companies. Virtually every major company in the oil and gas industry has operations in the Permian Basin. The region is also home to many independent operators of varying sizes.

Doral has identified the Permian Basin of Texas and New Mexico as the most attractive producing region to grow its presence. The Permian Basin has been a top U.S. oil and gas producing region for over 80 years. The Basin is part of the much larger Mid-Continent Oil Producing Area, which covers parts of Arkansas, Kansas, Louisiana, New Mexico, Oklahoma, and Texas. The Basin has produced over 30 billion BOE. The Department of Energy states that the Permian Basin contains 22% of remaining U.S. proven oil reserves and 29% of estimated future oil reserve growth. Because of its long history as a top producing region, the Permian Basin has attracted

In order to sharpen the Company's Permian Basin focus, Doral has located its corporate headquarters in Midland, Texas, the capital of the Permian Basin oil and gas industry, with an operational field office located outside of Artesia, New Mexico. Furthermore, Doral has been able to attract multiple petroleum engineering professionals with extensive Permian Basin experience in addition to field personnel who



have extensive experience with both Majors and large Independents. The Company's first producing acquisition was the Hanson Project, located on the northwestern end of the Permian Basin.

Projects:

Hanson Project – Eddy County, New Mexico

Doral Energy acquired its Hanson Project in Eddy County, New Mexico in July 2008. The Hanson Project covers 7,868 acres on the northwestern end of the resource-rich Permian Basin in Eddy County, New Mexico, outside the city of Artesia. Doral holds a 97.5% average working interest and a 73.5% average net revenue interest in the 66 leases that comprise the assets. Doral is the sole operator of the Hanson Project properties.

Hanson Project Properties Quick Facts	
Location	Eddy County, New Mexico
Fields	Numerous fields along the Artesia-Vacuum Trend Fren, 7 Rivers, Queen, Grayburg, Premier, Loco Hills,
Reservoirs	San Andres
Leases	66 producing leases totaling 7,868 acres / 186 total wells
Depth Rights	Generally from surface to base of Grayburg or San Andres (3,500')
Ownership	97.5% working interest (average), 73.5% net revenue interest (average)
Current Production	135 BOEPD
3 rd Party Proved Developed SPE Reserves / SEC Reserves ¹	686,330 BOE / 685,607 BOE
3 rd Party Proved Undeveloped SPE Reserves / SEC Reserves ¹	3.790 million BOE / 2.665 million BOE

Doral acquired the Hanson Project properties partly with cash from a \$50 million credit facility extended to the Company by the Energy Capital Group of Macquarie Bank Limited of Sydney, Australia, of which approximately \$5.8 million has been drawn. However, the Company is seeking to re-finance their existing mezzanine bank debt with a more traditional reserve based loan. Additionally, Doral is currently seeking access to the credit markets in order to raise equity capital to potentially migrate proved undeveloped reserves (PUDs) to proved developed producing reserves (PDPs). Note that there are no assurances that this will occur. Doral could also consider other alternatives to repay or refinance

¹ SEC Reserves evaluated using fixed prices of \$65.12/Bbl and \$3.628/MCF, the actual prices received as of Doral's July 31, 2009 fiscal year end. SPE Reserves were evaluated using NYMEX oil and gas prices \$50.00/Bbl & \$3.75 MMBtu for 2009, \$55.00/Bbl and \$4.00/MMBtu for 2010, \$60.00/Bbl & \$4.50/MMBtu for 2011 and \$65.00/Bbl and \$5.00/MMBtu thereafter, with no further escalation. SEC Reserves were calculated using guidelines set by the Securities and Exchange Commission, while SPE Reserves were calculated in accordance with standards set by the Society of Petroleum Engineers. SEC Reserves and SPE Reserves differ mainly in the area of PUD reserves, where only 81 of the 138 PUD locations included in SPE Reserves were included in the SEC Reserves due to capital constraints imposed on future development drilling under SEC guidelines.



the loan from Macquarie Bank Limited, including monetizing the value of the Hanson Project by selling it to third parties.

The Hanson Project properties are located along the Artesia-Vacuum Trend near the north-western edge of the Permian Basin. The Artesia-Vacuum Trend consists of thirteen reservoirs of the Upper San Andres and Grayburg Platform with cumulative production exceeding 800 million BOE. While the Artesia-Vacuum Trend is a relatively mature play, recent development of lower permeability Grayburg sandstones in the Grayburg Jackson reservoir has reversed the decline in production and is currently focused on current and future development. Doral's leases convey shallow rights, generally extending from the surface to 3,500 feet in depth, generating production that is thus primarily from the Upper San Andres and Grayburg formations.

Cave Pool – Eddy County, New Mexico

In October 2009, Doral West Corp., a wholly owned subsidiary of the Company, acquired the Cave Pool Project properties in Eddy County, New Mexico. The Cave Pool Project contains 39 wells and covers approximately 2,800 acres, all centrally located among the Company’s Hanson Project leases, approximately 5 miles NW of Loco Hills, NM. Doral West owns a 40% average working interest and an approximate 27.7% average net revenue interest in the Cave Pool Unit, an inactive Grayburg waterflood, and 10 surrounding leases. Doral envisions the re-development of the Cave Pool Project as a 20-acre 5-spot waterflood project with the possibility of developing approximately 3.0 million barrels of gross undeveloped reserves, based on in-house estimates. Doral is the sole operator of the Cave Pool Project properties.

Cave Pool Project Properties Quick Facts	
Location	Eddy County, New Mexico
Fields	Grayburg Jackson Pool field
Reservoirs	Fren, 7 Rivers, Queen, Loco Hills, Premier, Grayburg
Leases	1 unit & 10 leases totaling 2,800 acres
Depth Rights	Generally from surface to base of Grayburg
Ownership	40.0% working interest (average), 27.7% net revenue interest (approximate average)
Current Production	10 BOEPD
3 rd Party Proved Developed SPE Reserves / SEC Reserves	To be evaluated
3 rd Party Proved Undeveloped SPE Reserves / SEC Reserves	To be evaluated

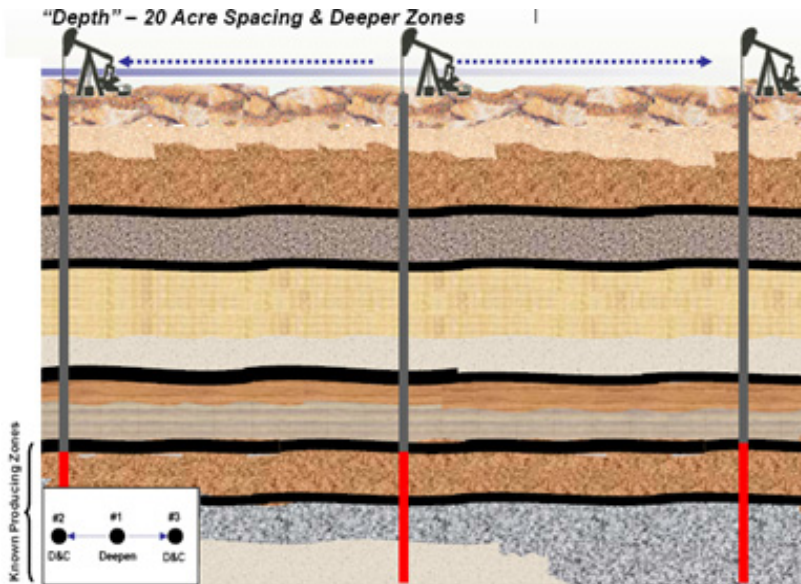
Strategy:

The Company’s long term business strategy involves:

- Aggregation and enhancement of proven reserves
- Gaining access to low risk, bypassed “free” reserves
- Restoring properties to their normal production decline profile



Doral Energy intends to possibly increase shareholder value while potentially bringing attractive returns on investment by identifying and leveraging established but under-exploited producing assets with both proved developed producing reserves (PDPs) as well as proved undeveloped reserves (PUDs). The Company acquires properties that are operating below their potential due to various reasons including outdated technology, failure to keep up with maintenance required for optimal production, and lack of access to growth capital to conduct new drilling on proven undeveloped reserves (PUDs). Management's ability to arrest the mechanical decline profile of these neglected wells is most often associated with lift optimization, formation stimulation, as well as surface equipment optimization.



Over the long-term, the Company targets new exploitation and drilling programs with low-to-medium risk profiles, including infill drilling of proven undeveloped reserves (PUDs) on its existing properties. The goal of the exploitation and drilling program is to provide the potential for significant shareholder returns, while not jeopardizing the overall cash flow generated by Doral's producing properties. The Company identifies the following opportunities before acquiring any property for exploitation and development:

- Oil and gas assets with a decline curve attributable to more of a mechanical reason for decline rather than a formations natural decline model;
- Properties with proven offset infill drilling opportunities – The ability to capitalize on offset operators proven information that would lessen the risk profile of an infill drilling program;
- The ability to minimize cash requirements and leverage assets by partnering with well-capitalized Joint Venture Partners to fund either new exploitation opportunities as well as the opportunity to participate in the further development of Doral's existing properties.

Future Plans and Development:

Doral plans extensive further development of the Hanson Project and Cave Pool Project properties to capitalize on the proved undeveloped reserves. Alternatively, although it has not announced any plans in this regard, Doral could decide to monetize the value of its properties by selling them to third parties. In August, 2009, Doral was able to sell its right to purchase another property, the Miltex Properties, for \$600,000, after having paid \$245,000 and 250,000 shares for the right to purchase those properties.

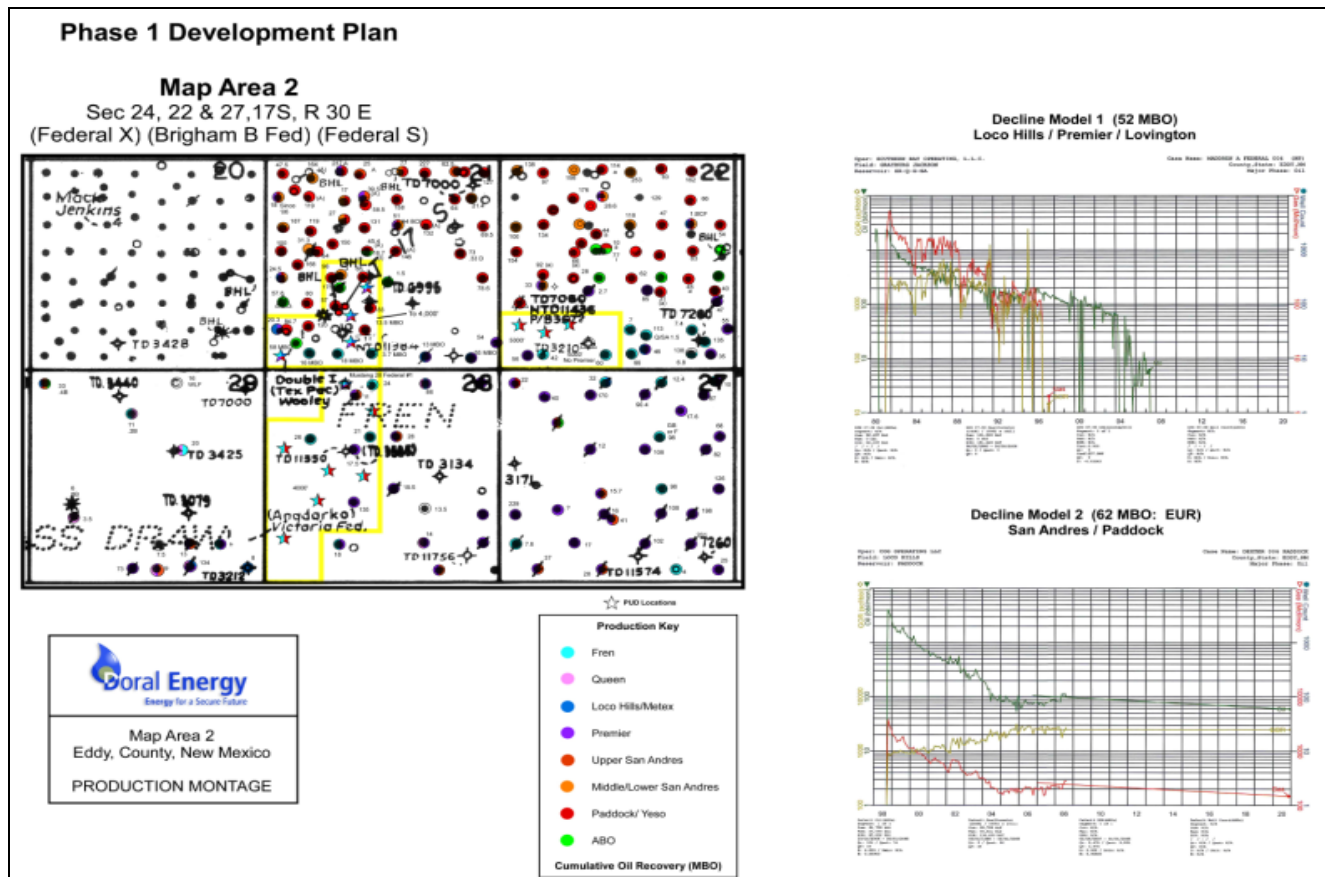


If Doral does retain its properties, its infill drilling program is planned to maximize production from the Hanson and Cave Pool Projects with the goal of potentially creating greater shareholder value from the proved undeveloped reserves (PUDs).

Similar infill drilling programs in the immediate vicinity of Doral's leases have had very good success over the past 20-30 years, helping to guide the Company's strategic planning. Doral's technical team has identified over 172 potential infill locations on the Hanson Project properties that have been classified as containing proved undeveloped reserves. These 172 locations are based on in-house engineering results with Third Party SPE Reserves evaluations containing 138 of these 172 locations.

The shallow rights contained in the Hanson and Cave Pool Project properties are especially attractive because they provide the opportunity to drill and complete wells with lower costs and fewer operational risks than deeper wells. The result is a risk/reward profile that conforms closely to Doral's growth plans while allowing the Company to maximize its upside from its portfolio of properties.

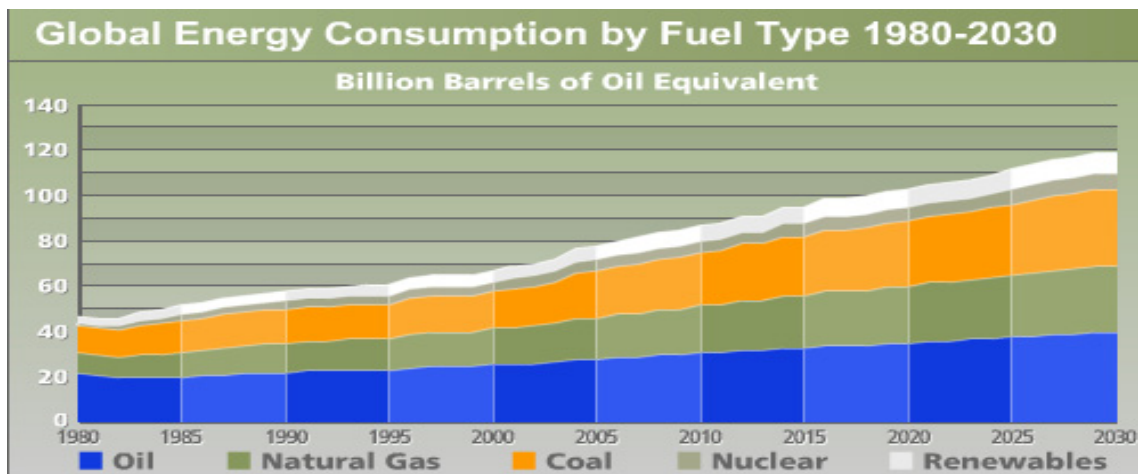
Beyond its current leases, Doral is actively seeking additional acquisitions along the Artesia-Vacuum Trend in Eddy County, New Mexico in order to create economies of scale in its operations and enable tight management focus, utilizing regional expertise developed. There is significant potential in the proved reserves of the Artesia-Vacuum Trend, and Doral would like to make these reserves a significant piece of its portfolio as the Company grows.





The Energy Market:

The rate of increase in use of global use of energy has been on a rise. There has been talk of new and alternative energy sources but none have shown any potential to replace fossil fuel. A growing world will further ensure that oil and gas demand and these commodities are likely to remain critical energy sources for the next several decades. The United States is the world's largest energy consumer and depends largely on oil producing nations such as the Middle East countries and Venezuela. A significant percentage of the foreign oil is derived from countries that are either politically unstable or downright hostile to the US boosting demand for domestic production.

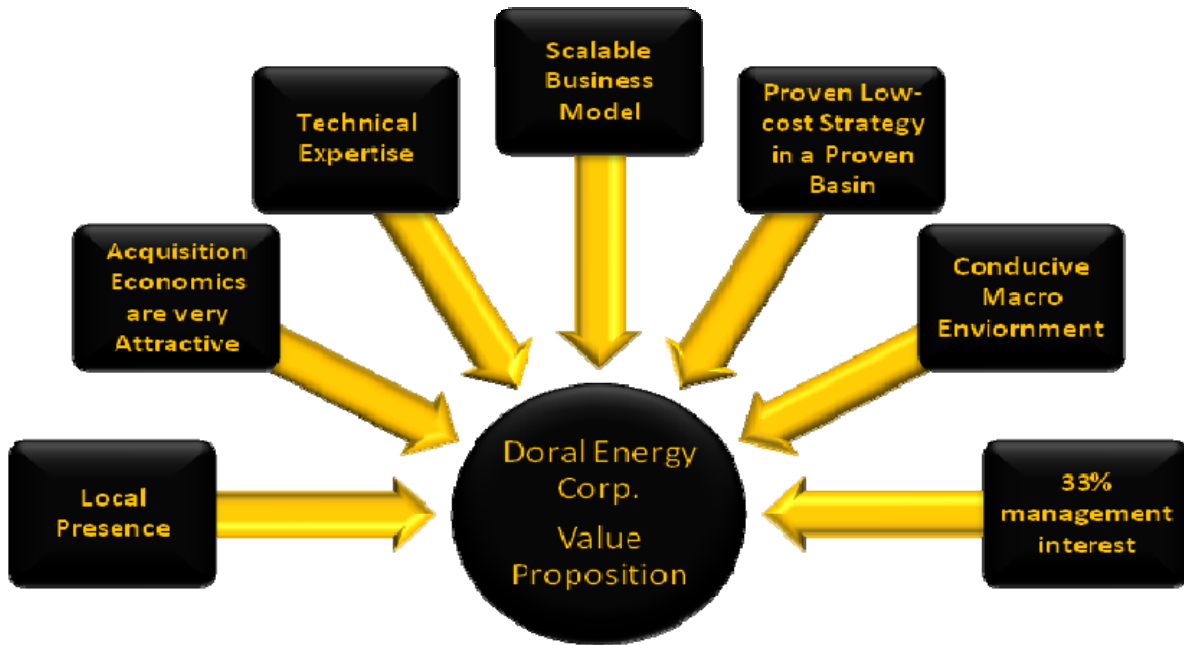


This backdrop enhances the value of companies such as Doral that work on shut-in/under-producing wells that tend to be passed over by the larger independents and majors, in the under-utilized oil fields within the Permian Basin, with the intent of restoring their natural decline curve and thus creating a valuable resource for the country. Doral is not seeking to find new exploration reserves in exotic locations but rather is focusing on adding new proved exploitation reserves by identifying, developing and producing by-passed oil reserves that would have otherwise gone unproduced from the “Mom & Pop” operators that Doral tends to focus on as acquisition targets. The opportunity is clear and Doral is actualizing on this opportunity.



Value Proposition:

Doral's operating expertise, access to new technology, low-cost strategy, experienced management and potential in its marketplace makes the stock a valuable investment proposition.





Projects, Sales, Earnings Margin 5 Year Forecast

Well Count	2010	2011	2012	2013	2014
Producing Wells	175	199	221	235	253
<i>growth</i>		14%	11%	6%	8%
PUD D&C Wells	24	22	14	18	12
<i>growth</i>		-8%	-36%	29%	-33%
WorkOver Wells	15	15	15	15	15
<i>growth</i>		0%	0%	0%	0%
Total Wells	199	221	235	253	265

Assuming that the Company will be able to successfully refinancing its current loan facility with Macquarie Bank Limited, obtain sufficient financing to fund its workover and development programs and retain its oil and gas properties, we expect significant revenue growth as the Company acquires and brings more wells into production in the Permian Basin. The Basin is estimated to contain 22% of the remaining US oil reserves, suggesting significant opportunity for the companies in the region. We believe Doral will be able to capitalize on this opportunity and create a steady revenue stream in the coming months. The Company currently has 198 producing (179 oil and 19 gas) wells on its Hanson and Cave Pool Projects that have proved developed reserves, and also additional potential reserves that are not yet proved reserves because the wells are under-utilized. Doral has already implemented mechanical repair job workovers on 17 of these wells. Initial results showed these repair jobs added 64.5% BOPD to the daily production of those wells. This was a 71% increase in production from the subject wells, and 164% above estimated pre-job projections. The Company has identified 75 additional wells for a similar repair job workover program. The Company's acquisitions have been characterized as low risk with high reward and short payback in historically successful and productive regions.

	2010	2011	2012	2013	2014
Pricing Details					
Nymex Crude	\$ 74.56	\$ 79.50	\$ 81.70	\$ 83.16	\$ 84.76
Nymex Natural Gas	\$ 4.98	\$ 6.28	\$ 6.84	\$ 6.94	\$ 7.06
Oil Differential	-4.66%	-4.66%	-4.66%	-4.66%	-4.66%
Gas Differential	-30.00%	-30.00%	-30.00%	-30.00%	-30.00%
Crude Oil	\$ 71.08	\$ 75.80	\$ 77.89	\$ 79.29	\$ 80.81
Natural Gas	\$ 3.49	\$ 4.40	\$ 4.79	\$ 4.86	\$ 4.95
Oil Revenues (in'000s)	25,533	38,451	40,478	42,863	45,739
Gas Revenues (in'000s)	507	939	975	1,338	1,185
Total Oil & Gas Revenues (in '000s)	26,040	39,390	41,453	44,201	46,924
% Growth		51%	5%	7%	6%



	Gross Daily Production	% Working Interest	Avg. Net revenue Int.	2010	2011	2012	2013	2014
Productive Wells								
Oil (in BOPD)								
PDP Production	150.0	97.5%	73.5%	39,436	37,424	35,815	33,803	32,193
PUD Wells	150.0	97.5%	73.5%	252,288	268,640	210,240	204,984	131,400
<i>Production Rate</i>				24	20	12	9	5
<i>Probability</i>				80%	80%	80%	80%	80%
Workovers	150.0		73.5%	67,473	201,206	273,641	301,809	402,413
<i>Production Rate</i>				34	50	68	75	100
Total Oil Production				359,197	507,271	519,695	540,596	566,006
Gas (in MCFD)								
PDP Production	25.0	97.5%	73.5%	6,553	6,237	5,922	5,607	5,332
Workovers	25.0	97.5%	73.5%	13,495	40,241	54,728	60,362	80,483
PUD Wells	25.0	97.5%	73.5%	125,268	167,024	142,825	209,255	153,738
<i>Production rate</i>				22	32	43	49	54
<i>Probability</i>				65%	65%	65%	65%	65%
Total Gas Production				145,315	213,503	203,475	275,223	239,552

If Doral retains these properties and is able to fund its planned workover and development programs, they are expecting oil production to increase from 359,197 barrels in 2010 to 566,006 barrels by 2014, representing a compounded annual growth rate of 12%. Gas production is also expected to grow at an impressive double digit rate of 13%, reflecting improvement in gas production from 145,315 MCF in 2010 to 239,552 MCF in 2014. Higher production coupled with upward trending oil and gas prices is expected to drive robust revenue growth. Consolidated oil and gas revenues are expected to increase from \$26.0 million in 2010 to \$46.9 million in 2014.

Sales, Margins and Earnings Forecast

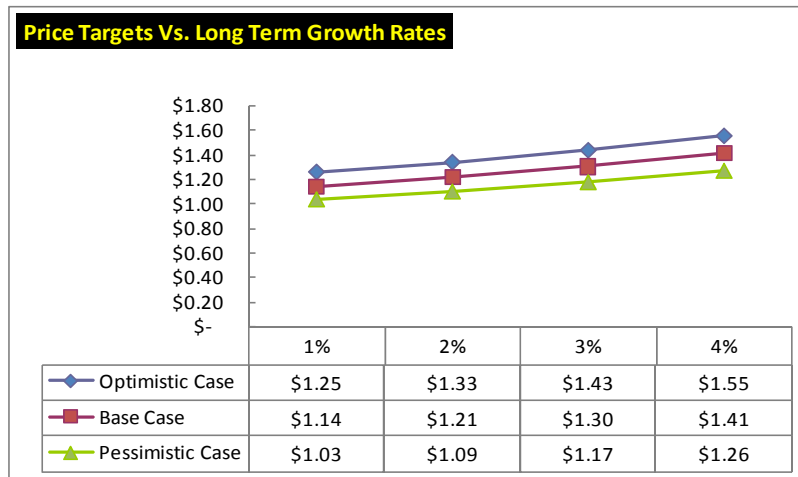
all figures in \$ 000s; unless otherwise	2010E	2011E	2012E	2013E	2014E
Revenues	26,040	39,390	41,453	44,201	46,924
<i>% growth</i>	<i>NM</i>	<i>51.3%</i>	<i>5.2%</i>	<i>6.6%</i>	<i>6.2%</i>
EBIT	10,804	20,136	22,228	24,091	26,178
<i>EBIT Margin</i>	<i>41.5%</i>	<i>51.1%</i>	<i>53.6%</i>	<i>54.5%</i>	<i>55.8%</i>
Net Profit	5,008	14,145	15,586	17,048	18,595
<i>Net Profit Margin</i>	<i>19.2%</i>	<i>35.9%</i>	<i>37.6%</i>	<i>38.6%</i>	<i>39.6%</i>
Earnings Per Share - Diluted	0.05	0.14	0.16	0.17	0.19
Free Cash Flow to Firm	5,172	12,566	11,514	13,089	13,492

Operating margins are expected to improve as the Company increases production scale resulting in cost efficiencies. Operating margins are expected to improve from 41.5% in 2010 to 55.8% in 2014. Net profit margin is also expected to improve to 39.6% by 2014 from 19.2% in 2010. The Company's current growth prospects could potentially add significant reductions in costs due to economies of scale thus potentially providing Doral a competitive advantage over its peer group.



Valuation (Discounted Cash Flow Valuation – DCF) LONG TERM PRICE TARGET \$ 1.21

We have used the Discounted Cash Flow Valuation (DCF) method to create our Per Share Price Target. Using an assumed long term sustainable growth rate of 2.0%, our Base Case target price is valued at \$1.21 per share. Note our three assumed cases: Base, Optimistic, and Pessimistic.



SHORT TERM PRICE TARGET \$0.74

Our Short Term Price Target is based on the average industry multiples for price/earnings, price/book value and price/capital employed ratios. The Company functions in the Oil & Gas Drilling & Exploration industry which has an average Price/Earnings multiple of 6.2x and Price/Book Value multiple of 2.3x. Capital employed ratios are not readily available; hence we have assumed a company multiple of 5.4x based on our capital projection and long term price target from DCF valuation model. We have awarded equal weighting to all the three multiples to arrive at our Short Term Target Price of \$0.74 per share.

Short term price targets can be heavily influenced by investor awareness campaigns. In general, we believe the more money spent on such campaigns, the greater the probability for short term price increases. Long term price targets assume capital raising functions and 5 year Income Statement, Balance Sheet and Cash Flow forecasting. In a perfect world, these assumptions may be realized. We do not give investment advice. However, in the practical/real world, it is very difficult for a small company to reach our theoretical 5 year projections. Investors might be left with the choice of investing short or long term, including taking short term profits vs. holding for long term gains. Our projections assume that Doral is able to refinance its loan from Macquarie Bank Limited, that Doral retains its Hanson and Cave Pool Projects for at least the next 5 years, and that Doral is able to finance its planned workover and development programs. Although we believe these assumptions and predictions are reasonable as of the date of this report, there are no assurances that these assumptions and predictions will prove to be accurate.

Note: How do we calculate our Price Targets?

The Cohen Long Term Price Index is calculated by our Discounted Cash Flow Analysis (DCF) methodology. This method creates a long term price target and values a company today, based on projections of how much future cash will be generated from a company. Future cash is generated by projected future sales. Both future cash and future sales are normally a function of raising capital.



A DCF analysis assumes that a company is worth all of the cash that it can make available to investors in the future. It is called a "discounted" cash flow because cash in the future is worth less than cash today, and therefore must be discounted to today. We forecast various line items to calculate the free cash flow we expect a company to generate during our 5 year forecasted time period. After using a formula to discount free cash flow, we divide the total forecasted equity of the company by the shares of stock outstanding to calculate our DCF (Discounted Cash Flow) valuation, or price per share target. We forecast three assumptions, Base, Optimistic and Pessimistic cases because companies change during 5 years.

Note: What is our formula used to calculate your DCF Price Targets?

Our formula is presented below under the heading "DCF Valuation – Base Case." Some line items include free cash flow to the firm, the weighted average cost of capital (WACC), the total enterprise value of the business less its debt, total equity value, total shares outstanding, and our projected price per share. A DCF cannot be academically calculated without projecting the 5 year cash flow statement.

Risks of DCF Analysis for Creating a Long Term Price Target:

Most micro cap and small cap companies need capital to reach our sales and cash flow projections. In the academic world, The Gordon Growth Model justifies an analyst's decision to forecast for 5 years. However, in the practical/real world, buying a micro cap stock based on 5 year forecasting is highly risky. The investor should do his own research and consider the possibilities of a given company being able to execute over 5 years. Many micro cap companies have exciting growth models in large markets with significant market demand. Few are able to execute over an extended period of time, primarily due to competition, management competence, access to capital, and execution of their master budget. Because of these risks, there is no assurance that Doral Energy will be able to meet our target projections.



Cohen Growth Drivers

Annual Revenues, Margins, Assets, Turns					
all figures in \$ 000s	2010E	2011E	2012E	2013E	2014E
Total Revenues	26,040	39,390	41,453	44,201	46,924
Operating Margin	41.5%	51.1%	53.6%	54.5%	55.8%
Net Margin	19.2%	35.9%	37.6%	38.6%	39.6%
EPS - Diluted	0.05	0.14	0.16	0.17	0.19
EBIT	10,804	20,136	22,228	24,091	26,178
Free Cash Flow	5,172	12,566	11,514	13,089	13,492
Cash	9,759	18,779	33,551	45,578	58,620
Working Capital	2,519	2,846	4,394	6,322	9,630
Long Term Debt	11,031	5,831	8,131	9,631	7,631
Total Debt	12,069	6,869	9,169	10,669	8,669
Total Assets	36,315	49,627	68,747	84,449	102,178
DSO	37	47	58	66	84

Percentage Change in Annual Revenues, Margins, Assets, Turns					
	2010E	2011E	2012E	2013E	2014E
Revenues	NM	51.3%	5.2%	6.6%	6.2%
Operating Margin	NM	9.6%	2.5%	0.9%	1.3%
Net Margin	NM	16.7%	1.7%	1.0%	1.1%
EPS - Diluted	NM	182.4%	10.2%	9.4%	9.1%
EBITDA	NM	86.4%	10.4%	8.4%	8.7%
Free Cash Flow	NM	143.0%	-8.4%	13.7%	3.1%
Cash	NM	92.4%	78.7%	35.8%	28.6%
Working Capital	-1365.8%	13.0%	54.4%	43.9%	52.3%
Total Debt	NM	-43.1%	33.5%	16.4%	-18.7%
Total Assets	67.0%	36.7%	38.5%	22.8%	21.0%
DSO	NM	30.0%	23.1%	12.5%	27.8%

The Cohen Growth Drivers Model is an intelligent road map that many securities analysts use to analyze the forecasted growth of a given company. Doral Energy is expected to drive production and sale of oil and natural gas through aggregation and enhancement of proven under-utilized reserves. The Company will acquire unique assets that fit the investment strategy of the firm. Doral has identified three acquisition opportunities in Eddy County for workover and infill drilling. The Company expects to continue pursuing additional acquisition opportunities in the Permian Basin of West Texas and New Mexico. Initial investment plans for acquisition and work over plans are around \$18 million to \$22 million. These expenditures will be directed toward developing existing proved workovers, drilling, and evaluating new project areas. Doral believes it can potentially increase its gross production rate by at least 30% if they are successful.



Management

Everett Willard (“Will”) Gray, II
Chief Executive Officer and Vice Chairman

Mr. Gray is an experienced executive who has been extensively involved in entrepreneurial ventures in oil field production as an angel investor and advisor/consultant to exploration and production start ups. Mr. Gray played an instrumental role in the early stages of Doral Energy’s development, assisting the Company in the sole identification and negotiation of the acquisition of its oil and gas properties in Eddy County, New Mexico, as well as in obtaining the \$50,000,000 credit facility it used to complete the purchase of the Hanson Project properties.

Mr. Gray previously founded WS Oil & Gas Limited, providing merger and acquisition and capital raising consulting services to businesses in the energy sector. Mr. Gray also has a diverse background gained from sales and marketing positions with a number of Fortune 500 companies, including Prudential Financial, Pharmacia Corp., Medtronic Inc., and Guidant Corporation.

Mr. Gray is a native of the Midland/Odessa, Texas area, which is considered to be the heart of the Permian Basin, and is the location of the Company’s principal executive offices. His network of relationships within the West Texas oil and gas community are instrumental to the Company’s ability to seek out and acquire additional properties within the Permian Basin region.

Mr. Gray received his B.S. in Business Management from Texas State University. While attending Texas State, Mr. Gray was a member of the golf team, earning Southland Conference All-Academic Honors, as well as being a member of the Southland Conference Golf Championship team.

H. Patrick Seale
President and Chief Operating Officer

Pat Seale has over 30 years of petroleum engineering and senior management experience in the domestic and international oil and gas industry, and also in international banking. He has held positions of increasing responsibility in management and all phases of exploration, exploitation, and production, including operations management, reservoir engineering, production engineering, drilling, completion and stimulation design, facility design, and property evaluations. Mr. Seale was previously President of SPI Operations LLC of Midland, Texas, where he was a founder and directed SPI’s production and reserve growth.

Mr. Seale served as Vice President of Cabot Oil and Gas, where he managed Cabot’s 800 BCFE reserve system, including the compilation of the annual reserve reports, certification of reserves for disclosures and SEC reporting, direction of outside reserve audits, and representation of reserves to banks for corporate financing. Mr. Seale also held the position of Vice President of Engineering for NatWest Markets, the corporate and investment banking division of National Westminster Bank, PLC, where he provided engineering analysis of all reserve-based lending facilities throughout the world.



Mr. Seal previously gained international operations and development experience as Vice President of Operations for both Concept Energy Corp. in Columbia, and Frontera Resources Corporation in the Republic of Georgia and the Azerbaijan Republic of the former Soviet Union. Mr. Seale began his career as a petroleum engineer with Exxon Company USA.

Mr. Seale holds a Bachelor of Science in Petroleum Engineering from the University of Texas at Austin, with Highest Honors. Mr. Seale is also a member of the Society of Petroleum Engineers, as well as the Independent Petroleum Association of America.

CONCLUSION

Doral Energy is an early stage development company, focused on generating revenues through the sale of oil and gas. The Company's business strategy involves acquisition of underperforming wells from operators that do not have access to sufficient capital to undertake major workover programs that can boost production. These properties are often available at a significantly lower price than their intrinsic value, making the Company's current strategy possibly very attractive. Doral Energy sees value and opportunity in these types of operators.

The Company seeks to develop these properties by implementing workover programs and production optimization initiatives. Initial results have been positive with daily production levels from seventeen wells increasing by 64.5 BOE at a finding cost of \$0.68 per BOE. We believe the Company has a significant opportunity to perform these jobs and other well enhancement projects to potentially create significant reserve growth, production revenue and value for shareholders.

We believe the Company's entry into the E&P market is very timely as the demand for oil and natural gas is likely to increase due to the America's need for energy independence and an ongoing shift towards green energy, globally. According to the industry estimates, global demand for energy is expected to grow 2.2% annually versus the current 1.7%, suggesting need for additional 33% energy by 2020.

The Company's business model is very scalable and is able to accommodate larger capital infusions with correspondingly larger returns in dollar terms. We believe Doral is a potentially attractive investment opportunity given its sound growth prospects.

PJ/Grass Roots Research and Distribution, Inc.



LATEST PRESS RELEASE

Source: Doral Energy Corp.
On Monday November 16, 2009

Doral Energy Corp. Announces 2009 Year End Results

MIDLAND, TEXAS--(Marketwire - 11/16/09) - Doral Energy Corp. (OTC.BB:DRLY - News) ("Doral" or "the Company"), announced today that it has completed its 10-K Annual Report for the Fiscal Year 2009 ending July 31, 2009, its first full year of operations as an exploitation and production company. Doral's Form 10-K was filed November 13, 2009 and can be viewed on the Doral Website at www.DoralEnergy.com, on the "Investor" page under "SEC Filings".

During the past year, Doral Energy had gross production of 46.2 MBbls (thousand barrels) of crude oil and 12.2 MMCF (million cubic feet) of natural gas or 48.2 MBOE (thousand barrels of oil equivalent), for Company net production of 33.7 MBbls of oil and 8.9 MMCF of gas (35.2 MBOE). With net revenue of \$1.83 million from the sale of oil and gas and \$0.90 million from oil hedge settlements, the Company's year-end financials resulted in net loss of \$1.92 million, however, the Company exhibited a positive year-end EBITDA of \$0.53 million. Additionally, Doral has secured forbearance from Macquarie Bank Limited until January 29, 2010 allowing management the flexibility necessary to satisfy its outstanding debt as it relates to its existing \$50 Million Senior Credit Facility with Macquarie.

E. Will Gray II, CEO & Vice Chairman of Doral, states, "We are pleased to announce to Doral Shareholders the results of our first full year of operations and welcome both current and future shareholders to review these results. Furthermore, Management is diligently working to satisfy our outstanding debt with Macquarie and we will provide additional information as material events arise during this process."

About Doral Energy Corp.

Doral Energy Corp. (OTC.BB:DRLY - News) is an oil and gas exploitation and production company headquartered in Midland, Texas. Doral Energy Corp.'s strategy is to grow a portfolio of under-developed production and exploitation assets with the potential for generating near-term increases in existing production through operational improvements, and longer-term development of proved undeveloped reserves by infill drilling. Doral focuses on identifying acquisitions that generate immediate cash flow from production, but which also have strong proved developed non-producing and proved undeveloped reserves that can be tapped for significant growth. The prolific Permian Basin of Texas and New Mexico is the geographic region of focus for the Company's future acquisition activity. Doral's first producing assets, the Hanson Properties in Eddy County, New Mexico, located in the northwestern Permian Basin of New Mexico.

Further Information

Shareholders and investors are encouraged to visit Doral Energy's website at www.DoralEnergy.com for more information.



On behalf of DORAL ENERGY CORP.

Everett Willard ("Will") Gray, II, Chief Executive Officer

Forward Looking Statements

This news release contains forward-looking statements that are not historical facts and are subject to risks and uncertainties. Forward-looking statements are based on current facts and analyses and other information that are based on forecasts of future results, estimates of amounts not yet determined, and assumptions of management. Forward looking statements are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "aims", "potential", "goal", "objective", "prospective", and similar expressions or that events or conditions "will", "would", "may", "can", "could" or "should" occur. Information concerning oil or natural gas reserve estimates may also be deemed to be forward looking statements, as it constitutes a prediction of what might be found to be present when and if a project is actually developed. In particular, there is no assurance that Doral will be able to re-finance its current credit facility or acquire any future properties.

Actual results may differ materially from those currently anticipated due to a number of factors beyond the reasonable control of the Company. It is important to note that actual outcomes and the Company's actual results could differ materially from those in such forward-looking statements. Factors that could cause actual results to differ materially include misinterpretation of data, inaccurate estimates of oil and natural gas reserves, the uncertainty of the requirements demanded by environmental agencies, the Company's ability to raise financing for operations, breach by parties with whom the Company has contracted, inability to maintain qualified employees or consultants because of compensation or other issues, competition for equipment, inability to obtain drilling permits, potential delays or obstacles in drilling operations and interpreting data, the likelihood that no commercial quantities of oil or gas are found or recoverable, and our ability to participate in the exploration of, and successful completion of development programs on all aforementioned prospects and leases. Additional information on risks for the Company can be found in the Company's filings with the US Securities and Exchange Commission.

Contacts:

Doral Energy Corp.
Brad Holmes
(713) 654-4009 - office
(713) 304-6962 - cell
Email: b_holmes@att.net



HISTORICAL PRESS RELEASE HEADLINES

- 11/16/2009 Doral Energy Corp. Announces 2009 Year End Results
- 11/13/2009 DORAL ENERGY CORP. Files SEC form 10-K, Annual Report
- 11/10/2009 DORAL ENERGY CORP. Files SEC form 8-K, Non-Reliance on Previous Financials, Audits or Interim Review
- 11/ 9/2009 Doral Energy Corp. Reduces Annual Interest Expense by \$5.1 Million for Fiscal Year Ending July 31, 2009
- 10/ 29/2009 Doral Energy Corp. Closes Eddy County, New Mexico Acquisition
- 10/ 23/2009 Doral Energy Corp. Announces Eddy County, New Mexico Acquisition
- 09/ 28/2009 Doral Energy Announces Permian Basin Operational Update
- 09/22/2009 DORAL ENERGY CORP. Files SEC form 8-K, Other Events
- 09/14/2009 DORAL ENERGY CORP. Files SEC form 8-K, Amendments to Articles of Inc. or Bylaws; Change in Fiscal Year, Regulation FD
- 09/02/2009 DORAL ENERGY CORP. Files SEC form 8-K, Entry into a Material Definitive Agreement, Financial Statements and Exhibits
- 08/04/2009 Retransmission: Doral Energy Sells Rights to Miltex Assets Acquisition for Cash Proceeds of \$750,000
- 07/30/2009 Doral Energy Corp. Provides New Mexico Operational Update
- 07/04/2009 DORAL ENERGY CORP. Files SEC form 8-K, Termination of a Material Definitive Agreement, Financial Statements and Exhibit
- 06/30/2009 DORAL ENERGY CORP. Files SEC form 8-K, Entry into a Material Definitive Agreement, Financial Statements and Exhibits
- 06/02/2009 DORAL ENERGY CORP. Files SEC form 8-K, Entry into a Material Definitive Agreement, Creation of a Direct Financial Obl
- 04/30/2009 Doral Energy Executes Binding Letter of Intent to Acquire Two Oil & Gas Corporations Currently Active within the Permian Basin
- 04/22/2009 Doral Energy Corp.: Operations, Acquisitions Update and Capital Budget
- 02/24/2009 Doral Energy Engages C. K. Cooper & Company as Exclusive Financial Advisor
- 02/18/2009 Doral Energy Promotes Marty Bloodworth to Vice President of Operations
- 02/12/2009 Doral Energy Executes Binding Letter of Intent to Acquire a 92% Working Interest in Producing Oil & Gas Assets in West Texas



FINANCIAL EXHIBITS

Income Statement – Base Case

all figures in \$ 000s	2010E	2011E	2012E	2013E	2014E
Total Oil & Gas Revenues	26,040	39,390	41,453	44,201	46,924
Expenses					
Operating Cost	7,291	10,635	10,778	11,050	11,262
Production Taxes	3,646	3,939	4,145	4,420	4,692
Net Production Revenue	15,103	24,816	26,530	28,731	30,970
Depreciation, depletion, and amortization	521	645	850	1,059	1,151
Accretion expense	104	118	124	133	141
General and administrative	3,675	3,916	3,327	3,448	3,500
Total Expenses	4,299	4,679	4,301	4,639	4,791
Operating Profit/ EBIT	10,804	20,136	22,228	24,091	26,178
Other Expense:					
Interest Expense, Net	5,976	718	792	622	552
Price risk management activities	2,083	788	829	884	938
Earnings before other items	6,911	20,206	22,266	24,354	26,565
Income Tax	1,902	6,062	6,680	7,306	7,969
Net Profit/Loss for the period	5,008	14,145	15,586	17,048	18,595
Shares Outstanding - Basic & Diluted	97,865	97,865	97,865	97,865	97,865
EPS - Basic & Diluted	0.05	0.14	0.16	0.17	0.19

**Balance Sheet – Base Case**

all figures in \$ 000s	2010E	2011E	2012E	2013E	2014E
ASSETS					
Current Assets					
Cash	9,759	18,779	33,551	45,578	58,620
Accounts Receivables	2,604	5,121	6,632	7,956	10,792
Restricted Cash - note proceeds restricted as to use	170	170	170	170	170
Current derivative asset	1,100	1,100	1,100	1,100	1,100
Prepaid Insurance	781	1,182	1,451	2,210	2,815
Total Current Assets	14,414	26,351	42,905	57,014	73,498
Office Equipment,Net	311	361	461	461	511
Net Oil & Gas properties	20,702	22,059	24,578	26,224	27,482
Derivative Asset	288	288	288	288	288
Deferred Federal Income Tax	85	85	85	85	85
Deferred Financing Cost	-	-	-	-	-
Security Deposit	539	539	539	539	539
Total Assets	36,315	49,627	68,747	84,449	102,178
LIABILITIES					
Current Liabilities					
Accounts payable	875	3,191	3,772	3,868	3,942
Accounts payable – related party	85	90	94	99	104
Accrued liabilities	391	394	415	442	469
Current portion of long-term debt	-	-	-	-	-
Current deferred income tax	94	94	94	94	94
Other current liabilities	521	788	415	442	469
Total Current Liabilities	1,966	4,556	4,789	4,944	5,078
Notes payable	3,131	5,831	7,131	7,631	7,131
Senior Credit facility	7,900	1,877	3,877	1,877	1,377
Asset retirement obligation	1,038	1,038	1,038	1,038	1,038
Total Liabilities	14,135	13,302	16,836	15,491	14,624
Common Stock	96	96	96	96	96
Additional paid-in capital	19,610	19,610	19,610	19,610	19,610
Accumulated deficit	2,474	16,619	32,205	49,253	67,848
Total Shareholders Equity	22,181	36,325	51,911	68,959	87,554
Total Liabilities, Shareholders Equity, MI	36,315	49,627	68,747	84,449	102,178

**Cash Flow Statement – Base Case**

all figures in \$ 000s	2010E	2011E	2012E	2013E	2014E
Operating Activity					
Net Income	5,008	14,145	15,586	17,048	18,595
Adjustments to Reconcile Cash Flows					
Depreciation, depletion, and amortization	521	645	850	1,059	1,151
Non-cash interest expense	-	-	-	-	-
Amortization of debt discount and deferred financing	-	-	-	-	-
Unrealized gain on derivative instruments, net	(919)	(0)	(0)	(0)	(0)
Contribution of rent and salary	-	-	-	-	-
(Increase)/Decrease in:					
Accounts receivable	(2,371)	(2,517)	(1,512)	(1,324)	(2,836)
Prepaid expenses and other current assets	(780)	(400)	(269)	(759)	(605)
Deposits	-	-	-	-	-
Accounts payable	541	2,316	582	95	74
Accounts payable – related party	4	4	4	5	5
Accrued expenses	335	3	21	27	27
Other current liabilities	183	267	(373)	27	27
Deferred income taxes	-	-	-	-	-
Change in Working Capital	(2,087)	(327)	(1,547)	(1,928)	(3,308)
Cash Flow from Operating Activities	2,523	14,463	14,889	16,179	16,438
Investing Activity					
Deposits paid to Miltex	(329)	-	-	-	-
Net proceeds from sale of right to purchase Miltex pr	-	-	-	-	-
Change in restricted cash	-	-	-	-	-
Purchase of property and equipment	(63)	(50)	(100)	-	(50)
Purchase of oil and gas properties	(1,302)	(1,969)	(3,316)	(2,652)	(2,346)
Other Investing Activities	-	-	-	-	-
Cash Flow from Investing Activities	(1,695)	(2,019)	(3,416)	(2,652)	(2,396)
Financing Activity					
Amounts due to related party	-	-	-	-	-
Proceeds from issuance of notes payable, gross	2,650	2,900	2,000	1,000	-
Repayments of notes payable	(6,636)	(300)	(700)	(500)	(500)
Deferred financing costs incurred	-	-	-	-	-
Change in note proceeds restricted as to use	135	-	-	-	-
Proceeds from sale of common stock	4,500	-	-	-	-
Deposit paid to investment advisor	-	-	-	-	-
Cash Flow from Financing Activities	8,494	(3,423)	3,300	(1,500)	(1,000)
Effect of unrealized exchange rate changes	-	-	-	-	-
Net Change in Cash	9,322	9,020	14,773	12,026	13,042
Opening Cash Balance	437	9,759	18,779	33,551	45,578
Ending Cash Balance	9,759	18,779	33,551	45,578	58,620



DCF Valuation – Base Case

all figures in \$ 000s	2010E	2011E	2012E	2013E	2014E
Net Income	5,008	14,145	15,586	17,048	18,595
Interest Post Tax	4,184	718	792	622	552
NOPLAT	9,192	14,862	16,378	17,669	19,147
Change in Working Capital	(2,718)	(327)	(1,548)	(1,928)	(3,308)
Capital Expenditure	(1,302)	(1,969)	(3,316)	(2,652)	(2,346)
Free Cash Flow	5,172	12,566	11,514	13,089	13,492
Terminal Cash flow	-	-	-	-	123,700
Total Cash Flow	5,172	12,566	11,514	13,089	137,193
PV of Cash Flows	119,998				
Total Enterprise Value	119,998				
Add: Cash	9,759				
Less: Debt	11,031				
Total Equity Value	118,726				
Total Shares Outstanding	97,865				
Total Diluted Shares	97,865				
Price Target per Share	\$1.21				

Sensitivity Analysis

	Weighted Average Cost of Capital				
		12%	13%	14%	15%
Terminal Growth Rates	1%	\$ 1.24	\$ 1.14	\$ 1.06	\$ 0.98
	2%	\$ 1.33	\$ 1.21	\$ 1.11	\$ 1.03
	3%	\$ 1.44	\$ 1.30	\$ 1.19	\$ 1.09
	4%	\$ 1.58	\$ 1.41	\$ 1.27	\$ 1.16

Short Term Price Target	Company Values	Price-to-Earnings	Price-to-Book Value	Price-to-Cap.
Industry Averages -OIL & GAS DRILLING & EXPLORATION		6.2x	2.3x	NA
Price to Total Capital Employed (company)				5.4x
Earnings Per Share	\$0.05			
Book Value Per Share	\$0.23			
Capital Employed Per Share (less financing)	\$0.26			
Price Based on Multiples		\$0.32	\$0.52	\$1.41
% Weightage		33%	33%	33%
Short term Price Target per Share	\$0.74			

**Financial Summary – Base Case**

Sales Metrics	2010E	2011E	2012E	2013E	2014E
G&A/Sales (%)	14.1%	9.9%	8.0%	7.8%	7.5%
Receivables/Sales (%)	10.0%	13.0%	16.0%	18.0%	23.0%
Short Term Forward P/E Multiple	14.5x	5.1x	4.7x	4.3x	3.9x
Long Term Forward P/E Multiple	23.7x	8.4x	7.6x	7.0x	6.4x
Receivables per day of Sales (Days)	37	47	58	66	84

Profitability Metrics	2010E	2011E	2012E	2013E	2014E
EBIT Margin	41.5%	51.1%	53.6%	54.5%	55.8%
Pre Tax profit Margin	26.5%	51.3%	53.7%	55.1%	56.6%
Net profit Margin	19.2%	35.9%	37.6%	38.6%	39.6%
Effective Tax Rate	27.5%	30.0%	30.0%	30.0%	30.0%

Performance Metrics	2010E	2011E	2012E	2013E	2014E
Return on Equity (ROE)	22.6%	38.9%	30.0%	24.7%	21.2%
Return on Assets(ROA)	13.8%	28.5%	22.7%	20.2%	18.2%
Return on Invested Capital (ROI)	15.1%	33.6%	26.0%	21.7%	19.5%

Production Units	2010E	2011E	2012E	2013E	2014E
Oil	359,197	507,271	519,695	540,596	566,006
Gas	145,315	213,503	203,475	275,223	239,552

Per Share Data	2010E	2011E	2012E	2013E	2014E
Sales per Share	\$0.27	\$0.40	\$0.42	\$0.45	\$0.48
Cash per Share	\$0.10	\$0.19	\$0.34	\$0.47	\$0.60
Current Assets per Share	\$0.15	\$0.27	\$0.44	\$0.58	\$0.75
Total Assets per Share	\$0.37	\$0.51	\$0.70	\$0.86	\$1.04
Tangible Book Value per Share	\$0.37	\$0.51	\$0.70	\$0.86	\$1.04
Long Term Debt - per Share	\$0.14	\$0.14	\$0.17	\$0.16	\$0.15
Working Capital per Share	\$0.03	\$0.03	\$0.04	\$0.06	\$0.10
Free Cash Flow per Share	\$0.05	\$0.15	\$0.12	\$0.13	\$0.14



Disclaimer

This report/release/advertisement contains forward looking statements, identified by words such as “plan,” “anticipate,” “believe,” “estimate,” “should,” “expect,” “project” and similar expressions. These statements include expectations, predictions and assumptions regarding the Company’s future financial position, operating results and business strategy. Although we believe that these expectations, predictions and assumptions are reasonable at the time of this report, actual results are subject to risks, uncertainties and other factors that may cause the Company’s actual results, performance or achievements to be materially different from those described in the forward-looking statements. Such risks and uncertainties include those set forth in the Company’s Annual Report on Form 10-K, filed with the SEC and elsewhere. In particular, there is no assurance that the Company will be able to refinance its loan with Macquarie Bank Limited or be able to obtain sufficient financing to proceed with its development plans for its existing properties. An inability to obtain future financing could cause the Company to lose its existing properties or be unable to proceed with its development plans. In addition, the projections contained in this report assume that the Company will retain its properties for at least the next 5 years. Interested investors should carefully review the reports and documents the Company files from time to time with the United States Securities and Exchange Commission (the “SEC”), and should consult their own financial advisors prior to investing in the Company.

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