

Speculative Trade Alert – East West Petroleum – Oct 28th 2010

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A few times a year I come across some stocks which I think are priced right and strategically positioned for potentially very large gains. This is a speculative play for those of you with some high risk capital who can handle up to 15-20% daily price fluctuations. This is a very thinly traded stock so it will take some time to accumulate some shares.

Below is some detailed information on the stock provided by my partner, David Banister, chief strategist for ActiveTradingPartners.com which specializes mostly in small cap stocks.

***Disclosure:** David and I have a long position in this stock. I believe this is a ground floor opportunity with high potential, and I want members to have a shot at it for those who can tolerate volatility and early speculation.*

EW.V - East West Petroleum- .90 cents Canadian as of this writing.

EW.V- Canadian Toronto Venture Exchange - EWPMF- Pink Sheet List U.S. (Most micro-cap Canadian stocks have a US symbol on Pink Sheets to facilitate trading in a Canadian “listed” stock)

Newly Trading on Venture Exchange in Canada on September 16th. You may need to call your broker-dealer to place order if in the USA.

45 million shares outstanding, 31 million market cap as of October 12th.

Expertise in Unconventional Oil-Gas development/exploration

.90 cents Canadian, look to accumulate a small position between .86 – 99 cents.

USE LIMIT ORDERS ONLY – There are sellers out there so let the market come down to fill your order.

MAY TAKE A FEW WEEKS TO GET YOUR POSITION

One of the fastest ways to build an oil-gas company is to buy assets that are left behind by owners who do not know what to do with them, and/or to acquire assets at auction or in distressed situations. Sometimes a large oil-gas field owner doesn't understand unconventional exploration and extraction techniques, nor do they care to, so they are willing to part with property outside of their core competency. However, it's not enough to do buy up assets alone, an exploration/production company has to have the right people involved with significant experience and know how in the oil-gas field. You need people who have done it before and make investors money. I had recommended MHR last fall at \$1.65 a share, and we got stopped out around \$1.40 or so. The stock then roared over \$5 per share as a group of very experienced oil and gas people acquired up assets on the cheap, raised money, acquired more, raised more money, acquired more. Eventually their production and reserve profile soared so fast that the paper was absorbed by the market and then the public valuation soared.

This brings us to East West Petroleum. A former CPC in Canada that had raised the initial seed round capital many moons ago, but in Canada you need to make a "qualifying transaction" that meets the exchanges requirements in order to actively trade/list your stock on at least the tier 2 exchange. East West (hereinafter referred to as EW) completed this recently and the stock began trading just a month ago.

Some of the early investors in EW read like a who is who in Canada in terms of successful investors, financiers, and exploration experts. John Tognetti is the Chairman of Haywood Capital (Haywood Securities parent) and he bought 800,000 shares in the placement. David Lyall, Head of Institutional Sales for Haywood picked up 700,000 shares. Robert Sali, A Director of Equity Sales and Trading operations for Dundee Securities and currently a Senior Investment Advisor bought 700,000 as well. Rounding out the list is David Elliott, part owner of Haywood and Treasurer, and David Elliott, V.P. in charge of trading operations.

Not only that, but they have the right Unconventional oil and gas experts involved to not only buy up the assets and develop them around the world, but also the right people as you can see above (and some not mentioned) to promote the company, raise funds, and grow the stock for shareholders long term. Yes, you do need the right people to get the shares into the right hands in order to virally build a following, volume in your stock, and later price expansion. I've seen some of the people involved here do this over and over and over again, so why not bet on the jockeys? Some of the group that just invested in the now closed private placement at 25 cents are behind huge winners like RES.V, QRM.V, AAU, TSM.V and many others. I know this group very well, and I know their track record and when they get involved I like to get involved.

EW acquired a 4 block package of property in Romania very prospective for unconventional oil and gas exploration/exploitation in July of this year. However, that did not qualify them as a qualifying transaction. For an Oil and Gas company, the exchange requires some level of reserves and production. They accomplished that recently by picking up some producing properties in the Horseshoe Canyon area of Canada known for its coalbed methane reserves and Oil-Gas production.

They spent just over \$1 million to do this, mostly to get the requirements met to begin trading again on the Tier 2 venture exchange. The big prize is actually the development of the 1 million odd acres in Romania which they are looking for partners on as they have publicly stated. They are also exploring for opportunities in North America as well as overseas in the Middle East. With the vast connections of their CEO (From Mobil Canada), Greg Renwick, and their advisory board members, this should not be a problem.

CLICK TO LEARN ABOUT ROMANIAN PROJECT also review the corporate presentation link at top of this alert:

<http://www.eastwestpetroleum.ca/projects/index.html>

EW plans to specialize in unconventional oil and gas exploration and production. They have some of the world's top experts involved to help them, as well as top notch financiers and promoters. **The main person I keep hearing amazing things about is Dr. R. Marc Bustin. In order to learn more about his background, which is quite impressive, A foremost expert on unconventional exploitation/exploration of oil-gas assets. Read Here:** http://www.eastwestpetroleum.ca/about/advisory_board/

In addition, in the Oil-Gas field, a team of experts with the right contacts can acquire property for pennies on the eventual shareholder dollar. They can make multiples over the cost of capital and quickly build reserves and production. This is a bet on the EW team doing just that, and building shareholder value, especially for the early investors...

The stock is now at 86-99 cents per share trading range, with a limited supply of shares available. There were some early CPC shares issued at 10 cents which is common, and some of those will come out over the next few weeks creating a float of shares trading. They also just closed a financing at 25 cents, raising 3.4 million dollars to move forward with plans quickly. I suspect they will raise more funds, but at higher prices down the road if they are successful. Buying the stock now therefore is a little tricky because you don't want to push the shares up too high into a thin float, but by the same token you don't want to miss out on a potentially very valuable long term growth stock either on the ground floor.

The advice is to have a small position, but try to pay between 86 and 99 cents Canadian. To my knowledge, there is not yet a US trading symbol, so you have to call in this trade to your broker dealer and see if they can buy the Canadian stock. They will convert back to US dollars for you, and use limit orders as well. One of the ways I have been successful recommending Canadian exploration stocks to my partners over time is by finding the right timing when shares are coming loose and keeping the stock down so we can accumulate at a reasonable price. Given that some early investors may be tempted to cash some of their shares out here, I am hoping they will provide us some liquidity with which to accumulate.



Corporate Presentation (MUST READ):

http://www.eastwestpetroleum.ca/assets/downloads/EWP_CORPORATE_PRESENTATION.pdf

Action: Buy SMALL POSITION up to 99 cents Canadian, preferably 86-95 cents or less if at all possible. Plan to hold at least 90 days and hopefully longer as they build the asset base. Once this matures a bit, we can look to add more shares to our position at the appropriate time. Do not let greed run your portfolio, keep positions inline with how much money you are willing to risk on a penny stock.

MAY TAKE A FEW WEEKS TO GET YOUR POSITION, SO HANG IN THERE.