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The Pay Zone: Oil Price, Caza Oil & Gas, Fastnet Oil & Gas, Longreach Oil & Gas, Petroceltic International and others.....

WTI \$101.50 -87c, Brent \$110.44 +25c, Diff \$8.94 +12c, NG \$4.47 +10c

Oil price

It's a quick round up this afternoon as I have been on the road almost all week, lots of company news to come but I have missed a few announcements along the way, obviously more next week.

The WTI price has been virtually unchanged on the week but prices were weak for choice as inventories rose when analysts forecast a flat report. For Brent the market was a little stronger as the June contract expired yesterday at the top end of its recent range and despite increasing supply from Libya the market worried about the IEA report on an OPEC shortfall. It always worries me if the IEA concur with my own thoughts as they are almost always wrong but at the moment I believe that demand is firm despite clarion calls of Chinese malaise and with summer in the Middle East approaching, my old warning about Saudi internal demand rising every year and depressing export availability stands as firmly as ever.

Sundry

So with so many announcements this week I will have to analyse a lot but the following are worth a mention...

Caza (LON:CAZA) is one of my favourite stocks as you know and you will also know that I have been pulling my hair out wondering why the stock has not risen on the tide of good news over recent months. Various stories have been doing the rounds including a tap on the market from a big holder but at long last the buyers have taken over and after wallowing at 8p then hesitating at 11p the shares are now at 17p. As per my last several notes on Caza (see www.malcysblog.com and go to the archive) I think this stock, even at this level is still hugely cheap.

Lamprell (LON:LAM) has had a rights issue this morning and needs money to refinance the rather expensive facility B debt arranged when they were in trouble. They are no longer in trouble and this will repay the old debt and buy some new kit for the facilities in the Gulf. I remain a steadfast fan of Lamprell and this should help, there are plenty of investors out there who, whilst having had their fingers burnt, will remember the bull story and with significant market share and still making top quality rigs in a booming market place opportunities remain. I look forward to meeting the management and hopefully going back on site to see just what has changed.

If you are one of the people who think you missed the **Kentz (LON:KENZ)** story then recent weakness may be right up your street. Today the stock stands around a pound below the peak and yet today's IMS is about as positive as it could get. Admittedly an IMS from a service company doesn't/shouldn't cause any shockwaves as orders are announced as they come in but here is a company with an order book of \$4.5bn and a market cap of £778m, the conversion to revenue and profit is industry leading and the rating undemanding. A small acquisition was tagged on today but basically all is going well at Kentz.

Petrofac (LON:PFC) have also been in the wars lately and didn't get any credit for the \$970m contract in Algeria this morning either. Now I know that there is a lot of unwinding of the mess left by Andy Inglis at IES but without his extreme spending and more ECOM contracts like this the stock is now looking undervalued.

Petroceltic (LON:PCI) has also raised money today, apparently the money from Sonatrach hasn't arrived and needs

bridging whilst the board need money for 'general purposes' whatever that may be. I like Petroceltic but they have also underperformed lately despite having legions of brokers and until I get a quiet word with them I will hold off on the recommendation for the time being.

I had a few calls about **Longreach (CVE:LOI)** yesterday and whilst they never got a London quote which would have been wise on so many levels, the discovery onshore Morocco is an interesting read through for a number of players in-country. The fans of Fastnet (LON:FAST) are probably most happy to see a decent gas discovery but I see that they are going again offshore after the recent duster where I hear that the well may not have been quite as dry as it seemed...

Amongst other companies I am waiting to see are **SOCO (LON:SIA)** who had a statement yesterday, my faith in the company whilst restored when I bought them again below 400p seemed to be knocked again whilst my back was turned yesterday. I have a call in with Roger Cagle and hope to be able to report back before too long.

Range Resources (LON:RRL) has, as you know come back onto my radar screen and having met up with Rory Scott-Russell a while ago I decided to let bygones be bygones as I felt that he was capable of doing a really good job here. I decided to put the company out as a buy, albeit with some risk as there is much reparation work to do on the company. Not least the financing, which was most definitely the worst part of the dogs breakfast that the company had become, so yesterdays fund raising was great news for shareholders who have become decidedly revolting in recent months. At a level 50% above the then current price and leaving the company almost debt free, the company will no longer need to dilute equity holders and whilst asset sales continue the flag ship asset in Trinidad will not have to be mortgaged to keep the company running. Make no mistake there is much to do at Range but I have a good feeling about this one and maybe even the long standing shareholders might give the board the chance to get on and do their work.

Lots more to come next week including comments on a few companies I have met up with this week including updates from Soma Oil, MOG and Sound Oil.

And finally...

Obviously its Cup Final day tomorrow and whilst I usually maintain a scrupulous dignity and take no sides I am really hoping that St Johnstone beat Dundee United in their first ever Scottish Cup Final....Of course the Gooners take on Hull City Tigers at Wembley which isn't even at 3pm any more...

The English cricket season has been going for a while but the fun starts tonight as the T20 Blast gets under way, there are some fantastic international players on display, some who cant even make their own country sides...

And don't miss the rugby as the Saints take on the Tigers in the first semi-final of the play-offs tonight and Sarries host the Quins tomorrow where the former already have their final plans made...

Plus lots more but its nearly closing time! Enjoy the weekend.

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