

**PETRO VISTA ENERGY CORP.**

PTV-TSX-V: \$0.22 — SPECULATIVE BUY

TARGET PRICE: \$0.30 PROJECTED RETURN: 36%

Bill Newman 403.750.1297

[bnewman@mackieresearch.com](mailto:bnewman@mackieresearch.com)

**Exploration Update; Increasing Target**

**EVENT - Management Update**

We spoke with Petro Vista on the current exploration operations underway in Colombia and Brazil.

**HIGHLIGHTS - Potential for substantial production additions**

**Morichito, Colombia (50% W.I.):** On March 25, 2010 Petro Vista announced that its Morichito-5 well in Colombia intersected three potential pay zones with a combined net pay thickness of 16 feet. The lower reservoir swabbed at a rate of 375 bbl/d of 23 degree API oil with no water. Management believes that the zone has the potential to produce at rates up to 1,000 bbl/d (500 bbl/d net) using artificial lift methods. The well is expected to be placed on stream within the next three to four month. The company also announced through mutual agreement with Petroamerica Oil Corp., it will not pursue the farmout of a 25% interest in the Morichito block. As a result, Petro Vista will retain a 50% interest.

**Tartaruga, Brazil (37.5% W.I.):** Petro Vista has a 37.5% working interest (27.23% net revenue interest) in the Tartaruga Block. The company is currently drilling a development well to a total depth of 3,800 metres with results expect in the next one to two weeks. A successful well has the potential to initially produce at 1,500 boe/d (410 boe/d net) and could commence production immediately.

**La Maye, Colombia (25% W.I.):** On November 20, 2009, Petro Visa announced that the Noelia #1 exploration well encountered multiple oil and gas shows. Petro Vista plans to drill a second exploration well in June 2010 and test both wells back-to-back with a service rig to reduce costs. Results of both wells are expected in Q3/10. A successful well has the potential to initially produce at between 400 bbl/d (100 bbl/d net) and 2,500 bbl/d (625 bbl/d net).

**VALUATION - NO CHANGE**

Based upon the initial results of the Morichito #5 well and a 50% working interest as apposed to a 25% interest which assumed a farm out to Petroamerica our risked net asset value increases from 0.23/share to \$0.29/fd share.

**RECOMMENDATION - Upgrading from Hold to Speculative Buy**

Based upon the initial results of Petro Vistas exploration program currently underway which could lead a discoveries on three of its blocks we are upgrading from a HOLD recommendation to a SPECULATIVE BUY and we are increasing our target price from \$0.25 to \$0.30, equivalent to our new risked NAV/fd share. VALUATION CATALYST - Drilling success and production growth

**Per Share Data (C\$)**

Shares O/S (mm):	108.2	Mkt. Cap (\$ mm):	\$23.8
FD Shares (mm):	165.0	W.Capital (\$mm)*:	\$ 1.8
Price:	\$0.22	Ent. Value (\$ mm):	\$22.0
52-Wk High:	\$0.41	52-Wk Low:	\$0.09

\*Estimated working capital March 25, 2010.

**2007A 2008A 2009A 2010E**

<b>Reference Pricing</b>	Fiscal year-ended September 30			
Oil (US\$/bbl WTI)	\$72.19	\$99.92	\$57.76	\$79.03

<b>Production</b>				
Liquids (bbl/d)	-	-	-	300
Gas (mmcf/d)	-	-	-	-
Boe/d (6:1)	-	-	-	300

<b>Financials</b>	<b>(September 30 Fiscal Year End)</b>			
Cash Flow (\$ mm)	na	-\$1.9	-\$2.1	\$4.4
CFPS (FD)	na	-\$0.02	-\$0.04	\$0.09
EV/DACF	na	na	(4.9)	2.3x
D/CF	na	na	na	na

**Target Valuation Parameter**

1.0x Risked NAV/FD share



Courtesy of BigCharts.com

**Key Risks**

*Petro Vista is an early-stage investment in a junior international oil and gas company. The company has limited financial flexibility, and the future profitability of the company is dependent on early exploration success.*

**Corporate Profile**

*Petro Vista Energy Corp. (www.pvecorp.com) is an independent oil and gas exploration and development company with a portfolio of exploration opportunities located in Brazil and Colombia.*

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Toronto 416.860.7600

Montreal 514.399.1500

Vancouver 604.662.1800

Calgary 403.218.6375

Regina 306.566.7550

St. Albert 780.460.6460

