

Client: Equator Exploration
 Source: Shares (Main)
 Date: 02 February 2006
 Page: 50
 Circulation: 12673
 Area(cm²): 305

SHORT TERM PLAYS

BUY Equator Exploration (EEL:AIM) 358p

EEL's goal is to 'build a diversified portfolio of exploration, appraisal and production assets' in Western Africa. The company's share price has risen by 200p to 350p since August. Much of this is attributed to its summer acquisition of a rig in offshore Nigeria from Dolphin Drilling, one of the world's most experienced drilling contractors. In January, EEL had discovered a gas reservoir just off the western Niger Delta. It is evaluating additional opportunities for exploration in Congo and Equatorial Guinea.

Global Trader's head of CFD sales, Robin Brookes, says, 'With its expertise and network of contacts, EEL often secures contracts on favourable terms and also minimises exploration risk. With a strong positive newsflow coming from drilling updates, we expect the demand in EEL shares to continue in the near future.'

BUY Old Mutual (OML) 190.5p

OML has been rising since mid-October and this has seen the share price break through a major technical level. It has been in focus due to its pursuit of Skandia. Towards the end of last month it announced that it had received acceptances from shareholders representing over 70% of the total. With the price pushing out to fresh multi-year highs, market sentiment looks positive and a move past the 200p mark is achievable.

'In both 2000 and 2001, OML's shares failed to break through the 180p level at least three times,' says David Jones, CMC Markets' chief market analyst. 'From a text book point of view, previous levels like these are considered by many technical analysts to be potential resistance in the future – the fact that it has been broken this year may lead some to think there is more strength to come.'

