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EQUITIES	Close	Change	% +/-	P/E '05	YTD
ISEQ	6597 ↑	12	0.19%	11.0	6.44%
FTSE 100	5260 ↑	14	0.26%	13.5	9.26%
DAX 30	4699 ↑	19	0.41%	15.0	10.42%
DOW	10629 ↑	72	0.68%	19.5	-1.43%
NASDAQ	2153 ↑	9	0.41%	15.6	3.06%
S&P	1227 ↑	3	0.26%	21.0	1.20%

CURRENCIES	Euro	Dollar	Stg	Yen
Euro	1.0000	1.2133	0.6882	135.7500
Dollar	1.2133	1.0000	1.7627	111.8700
Sterling	0.6882	1.7627	1.0000	197.1700
Yen	135.7500	111.8700	197.1700	1.0000
Oil (Nymex)	58.4400			

This Week's Research

Greencore
McInerney
Kingspan
Tullow Oil

Today's Research

Circle Oil

Breaking News

Iona posts wider second-quarter loss

Iona reported a wider second-quarter loss on Thursday and predicted that third-quarter sales will continue to lag behind last year's comparatives. Quarterly losses totaled \$2.3 million, or 7 cents per share, compared with a year-ago loss of \$1.9 million, or 5 cents per share. Revenue fell 8 percent to \$14 million from \$15.2 million. Both product revenue and service revenue declined, despite noting growth in sales of its Artix product. Looking ahead, the company predicted third-quarter revenue of \$15 million to \$16 million and costs ranging from \$16.5 million to \$17.5 million.

British Land says prospects are excellent

British Land's prospects are 'excellent' according to chairman John Ritblat. In a statement prepared for the company's annual meeting today, Ritblat said the group is putting together a new five-year revolving credit facility with its banks, for which 750 million pounds has so far been committed. He said the cash will be used to fund future 'initiatives' by the property company. Ritblat said that after the 'record' performance in the year to March, when underlying earnings per share rose 7 pct and net assets per share rose 19 percent, 'the outlook for the sectors where we are invested remains promising'. He said a 'tougher' retailing climate will underline the strengths of British Land's portfolio, with trends still favouring its out-of-town locations. Meanwhile, London office vacancy rates are declining.

Upbeat US data

US consumer prices held steady in June and retail sales jumped, according to government reports on Thursday that eased concerns over the health of the US economy, with little evidence of inflationary pressure. The unchanged reading in the Labour Department's consumer price index reflected a sharp 0.5 percent drop in energy prices. A separate report from the Commerce Department showed retail sales jumped an unexpectedly large 1.7 percent last month as shoppers took advantage of automaker discounts. Outside of autos, spending gained a solid 0.7 percent.

Circle Oil (39p)

Upcoming developments

Stuart Draper

- **Namibian licence** : With the oil price looking like it will remain above \$50 for some time to come, we are continuing to cover Irish oil and gas companies with major potential, which will be engaged in exploration work over the coming months. Circle Oil listed on AIM in October 2004 and has prospects in 4 locations throughout the world, namely Namibia, Oman, offshore Ireland and Panama. At the end of 2004, an approach was made to the company in relation to its Namibian licence from the Chinese group, China Shine HF.
- **Chinese deal** : China Shine HF agreed that subject to further technical due diligence and various government approvals, and in return for a 72% interest in Circle's reconnaissance licence in northern Namibia, it would carry out a substantial exploration programme and would also develop any discoveries on the licence at no further cost to Circle. This would leave the Irish company with an 18% free carry on the licence, where the next exploration phase is expected to commence shortly.
- **Exploration upside** : The fact that the Chinese are putting over 3,000 people on the ground in Namibia to advance the Circle joint-venture creates the potential for some significant exploration progress to be achieved at this licence by year end.
- **Oman licence** : In Oman, an EPSA (Exploration & Production Sharing Agreement) has been signed with the Omani Oil Minister in relation to Block 49 which covers 15,500 sq. kms onshore. Circle intends to commence an exploration programme on Block 49 in the autumn and is in the final stages of negotiating another EPSA in relation to Block 52.
- **Panama licence** : Circle is also currently awaiting the award of a large licence block offshore Panama, which has the potential to host an untested basin. It the company's intention, following an initial exploration programme, to seek a suitable partner to fund the drilling of a number of wells on this licence.
- **Fund raising** : Prior to obtaining its AIM listing, Circle raised €7.3m and had cash of €5.4m as at 31/12/04. However, it recently indicated that it intends to raise sufficient funds to facilitate its ongoing exploration programme, which may mean that there is currently some share placing risk attaching to the shares. With 126.86m shares in issue, Circle's current mkt cap is c.£49m. Therefore, as a result of its strategy of getting partners to fund drilling programmes, its robust cash position and its focus on low risk regions of the world, Circle Oil would appear to have sufficient potential to outperform within the high risk exploration sector : **Speculative BUY**.

Business Press

- IAWS on path to flotation with name change to One51 (IT)
- Fyffes did not believe data was sensitive (IT)
- McCreevy doesn't want to regulate hedge funds (IE)
- EMI hits right notes (FT)

Investment Press— Lex

- **Apple**: It is always hard to know how many apples can grow from a seed. When the juicy fruits in question are iPods, however, the answer consistently seems to be: more than anyone thought.



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