

CONTENTS

Market View :

Lloyds : Rumours of relinquishing of current accounts

Financials : Equity raising continues

Tesco : Marks & Spencer trading statement

Company Note : Petroceltic

Market Movers

IRISH PAPERS TODAY

Bank of Ireland raises €1bn in second fundraising
(The Irish Times)

O'Brien silent after IN&M rejects plan
(The Irish Times)

Anglo changes financial year in bid to show NAMA input
(Irish Independent)

INTERNATIONAL PAPERS TODAY

BNP in €4.3bn rights issue
(Financial Times)

Chinese insurers given green light to invest in commercial property
(Financial Times)

BA's business flights face some turbulence
(The Wall Street Journal)

Market View

Analyst : Edward Keeling

US equities finished lower overnight as a weak US consumer survey overshadowed encouraging housing data. Despite the Case-Shiller index of house prices in 20 metropolitan areas rising 1.6% in July, considerably better than the 0.5% expected, news that US consumer confidence data fell unexpectedly to 53, below economists' forecasts of 57 worried investors. Consumer confidence is an important leading indicator of future consumer activity and with the unemployment rate remaining high and the prospect of further deleveraging down the line, we would expect US consumer data to register large swings along a broader road to recovery. Despite this, Asian indices closed higher overnight, with investor sentiment boosted by the acquisition plans of Industrial and Commercial Bank of China. European equities are higher this morning helped by the news that UK consumer confidence posted its largest monthly gain for more than 14 years and Q1 results from Nike after the close last night which beat consensus estimates. The stock finished over 4% higher as impressive cost cuttings and lower taxes help offset declining revenues. It is a busy day on the economic front today with Euro-Zone CPI estimates released at 10:00, ADP employment data at 13:15 and Chicago PMI at 14:45.

Lloyds : European Commission **Current Price (105p)** **Analyst : Oliver Gilvarry**

Lloyds Banking Group (LBG) is rumoured to have been told by the European Commission to relinquish 3.7m current accounts in return for approval of the UK Government rescue of the bank. The share of current accounts would then reduce from 30% to 25% under this proposal, still holding a significant share of the UK retail market. The proposed reduction is better than what had been feared, but it must be remembered this is not confirmed. To achieve this reduction, LBG is considering selling branches or assets, but would aim to make a profit from any sales. We believe any reduction in market share imposed on LBG will be implemented over a period of time and an immediate forced sale of businesses is unlikely.

Financials: Equity raisings continue

Analyst : Oliver Gilvarry

Equity raisings by European banks continue with Unicredito SpA announcing a rights issue to raise €4bn. The equity raise means Unicredito will not take state aid to boost its capital ratios. The bank will also sell assets and raise €1.5bn from the issuing of hybrid bank debt. Unicredito is the third European bank this week to raise equity. The rights issue will be managed by six banks and will take place by the end of Q1. Other European banks look set to follow Unicredito to raise equity to increase capital ratios or repay government support. The question is when the Irish banks can follow their European peers.

Tesco : Buy **Current Price (398p)** **Price target (Under Review)** **Analyst : Stephen Taylor**

Marks & Spencer (M&S) has issued a trading statement for the 13-week period to 26th September. The group reported like for like sales that declined by 0.5% compared to analyst expectations for a decline of 1.6%. M&S pointed out that its gross margin was better than expected and that its clothing market share increased to 9.7% from 9.6%. The company said that consumer confidence is beginning to improve although it remains cautious about its outlook and that 2010 will be a difficult year. Tesco remains our preferred pick in the sector due to its more diversified product offering and international exposure.

Petroceltic

BUY

Current Price : 17p

Price Target : 24p



DOLMEN STOCKBROKERS

Analyst: **David Dunk**

Date: **30/09/09**

Petroceltic's African Licenses

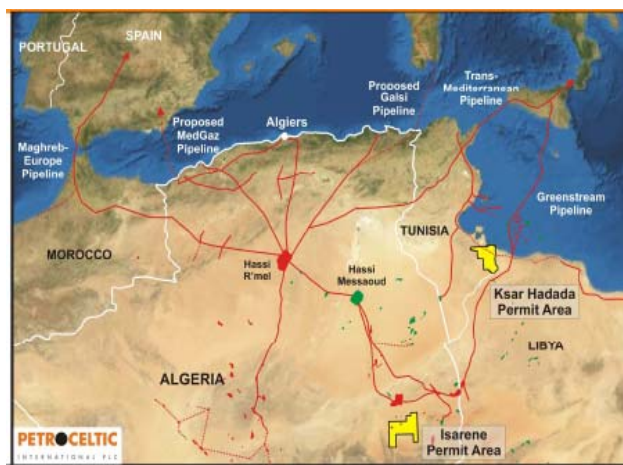
Yesterday Petroceltic announced its interim results, for the 6 months ended 30th June. The company recorded a loss of \$2.1m over the period compared to a loss of \$1.9m for the same period in 2008. This amounted to negative earnings per share of \$0.20. Revenue for the first 6 months of the year declined to \$125,000, down from \$320,000. These revenues stem from royalties on the Kinsale gas fields, which saw lower gas prices, but also declining production levels. Petroceltic benefitted from exchange rate moves on funds raised in Sterling which resulted in finance income for the period of \$1.5m. The company had \$81m of cash at the 30th of June 2009.

Of greater significance was last weeks release of the first of its long awaited test results from its Algerian drilling campaign. The AT-1 well, on the Isarene permit in Algeria, was successful. The test well flowed gas up to 11.4mmscf/d. This is significantly above the threshold for commercial viable flow rates in Algeria. The result was particularly promising given that Hydraulic Fracturing was not required to increase flow. The permeability and porosity of the reservoir is better than was expected, and a deeper than expected gas water contact, at 1,948 metres, has positive implications for reservoir size.

Petroceltic also released a statement last week in relation to the Elsa prospect which is located in the Adriatic Sea, offshore from Italy. Petroceltic has a 40% working interest, with the remainder being held by operator Cygam Energy. Cygam has received an independent assessment of the contingent oil & gas resources in the Elsa prospect. The review, commissioned by Cygam was based solely on the Elsa prospect, and none of the other structures in the license. DeGolyer & MacNaughton's best estimate for potential reserves is 104.2m barrels of recoverable oil, and 31.49bcf of gas. In the past we have given less than full value to Petroceltic's Italian assets, due to an uncertain drilling schedule, and concerns over financing.

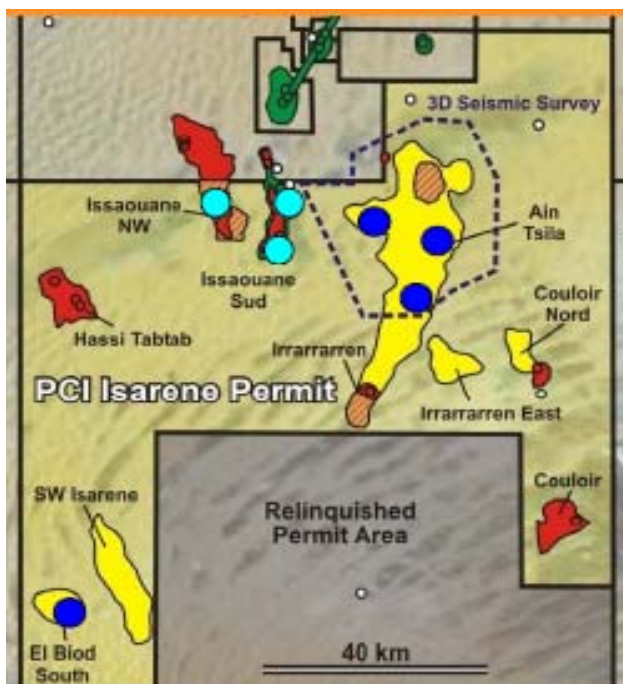
We have amended our price target on Petroceltic to reflect the de-risking of the Ain Tsila ridge in Algeria. We have reappraised assets outside of Algeria, given Petroceltic's cash position they are well placed to explore these licenses in the coming years. This has led to a significant increase in NAV, from 13p to 24p. Core assets, including Petroceltic's \$81m cash balance makes up over £0.03 of our NAV. Algerian assets account for almost £0.10 of our NAV with Tunisia accounting for almost £0.02. The remaining £0.09 of our NAV stems from the Italian licenses.

Upcoming drilling catalysts will be the continuing campaign in Algeria, where the AT-2 well is currently being drilled, after which the INE-2 well, which was drilled earlier this year, will be tested. In Tunisia, we are expecting a seismic survey and 2 wells in 2010, for which Petroceltic should incur no cost. In Italy, the Elsa prospect is scheduled for drilling, in the second half of 2010. Iberdrola is also expected to exercise its option to take a 49% in any of Petroceltic's assets in the first half of 2010, with the Algerian asset the most likely choice.



Petroceltic licenses - Yellow shaded area

Algerian Isarene Permit



Planned shallow wells

Planned deep wells



International Equity Markets

Index	Value	1-Day	YTD
ISEQ	3,340	0.3%	43.2%
FTSE	5,160	-0.1%	16.6%
Dow Jones	9,789	1.3%	11.0%
S&P	1,063	1.8%	17.4%
Nikkei	10,100	0.9%	14.4%
Stoxx 50	2,892	-0.2%	18.5%

Sector Performances

Sector	Index	1-Day	YTD
Construction	265	-0.3%	1.7%
Technology	192	-0.9%	3.7%
Oil & Gas	308	0.3%	2.9%
Financials	239	0.8%	2.4%
Retail	226	0.2%	1.5%
Food & Drink	269	0.2%	4.0%

Commodity Prices

Commodity	Index	1-Day	YTD
Crude Oil	66.7	-0.2%	15.8%
Copper	272.9	0.1%	93.9%
Gold	992.4	0.1%	12.9%
Silver	16.2	-0.1%	44.5%
Wheat	447.5	-1.8%	-33.4%
Cattle	85.6	-0.2%	-5.4%

Currency Exchange Rates

Commodity	Index	1-Day	YTD
€/\$	1.459	-0.2%	-4.3%
€/£	0.914	-0.7%	5.1%
£/\$	1.596	0.5%	-9.0%
\$/JPY	90.093	0.5%	1.0%
€/JPY	131.389	0.3%	-3.4%
€/SFR	1.511	0.1%	-1.1%

5Yr Credit Spreads

Commodity	Index	1-Day	YTD
Invest Grade	94.9	-1.3%	-46.3%
High Yield	535.5	-1.6%	-47.5%
Financials	71.9	-0.5%	-40.0%
BoI	175.5	0.2%	-28.4%
AIB	174.9	4.3%	-15.2%
RBS	105.3	-0.6%	-22.7%

Money Market Rates

Rate	EUR	UK	US
Overnight	0.4%	0.4%	0.2%
3-Month	0.8%	0.5%	0.3%
1-Year	1.2%	0.9%	0.6%
2-Year	1.7%	1.9%	1.3%
5-Year	2.7%	3.3%	2.7%
10-Year	3.5%	3.9%	3.4%

Date Company Region Event

30/09/2009	ESI Group SA	FR	Q2
30/09/2009	Mulberry Group PLC	GB	INTERIM
30/09/2009	Sibir Energy PLC	GB	INTERIM
30/09/2009	Man Group Plc	GB	TRADE
30/09/2009	Smiths Group PLC	GB	PRELIM
30/09/2009	Marks and Spencer Gro	GB	Q2 TRADE
30/09/2009	Misys PLC	GB	AGM
01/10/2009	Domino's Pizza UK & IR	GB	TRADE
01/10/2009	Constellation Brands, In	US	Q2
02/10/2009	Helphire Group plc	GB	PRELIM
02/10/2009	Hammerson PLC	GB	INTERIM
05/10/2009	British Airways PLC	GB	TRAFFIC
05/10/2009	PZ Cussons Plc	GB	TRADE
05/10/2009	Hypo Real Estate Holdir	DE	S/HOLDERS
05/10/2009	Friends Provident PLC	GB	S/HOLDERS
06/10/2009	Air Berlin PLC	DE	TRAFFIC
06/10/2009	Tesco PLC	GB	INTERIM
06/10/2009	Northern Foods Plc	GB	TRADE
06/10/2009	IG Group Holdings plc	GB	AGM
07/10/2009	Finnair Oyj	FI	TRAFFIC
07/10/2009	SAS AB	SE	TRAFFIC

Date Event Region Estimate

30/09/2009	GfK Consumer Confidence S	UK	-24
30/09/2009	Retail Sales (MoM)	GE	0.20%
30/09/2009	Unemployment Change (000	GE	20K
30/09/2009	Euro-Zone CPI Estimate (Yo	EC	-0.20%
30/09/2009	MBA Mortgage Applications	US	--
30/09/2009	ADP Employment Change	US	-190K
30/09/2009	GDP QoQ (Annualized)	US	-1.20%
30/09/2009	Personal Consumption	US	-0.90%
30/09/2009	Core PCE QoQ	US	2.00%
30/09/2009	Chicago Purchasing Manage	US	52
01/10/2009	PMI Manufacturing	GE	49.6
01/10/2009	PMI Manufacturing	EC	49
01/10/2009	PMI Manufacturing	UK	50.1
01/10/2009	Euro-Zone Unemployment R	EC	9.60%
01/10/2009	Challenger Job Cuts YoY	US	--
01/10/2009	Personal Income	US	0.10%
01/10/2009	Personal Spending	US	1.10%
01/10/2009	PCE Deflator (YoY)	US	-0.60%
01/10/2009	Initial Jobless Claims	US	531K
01/10/2009	ISM Manufacturing	US	54
01/10/2009	Pending Home Sales MoM	US	0.90%

Regulatory Information

Dolmen Securities Limited is regulated by the Financial Regulator. Dolmen Securities Limited is a member firm of the London Stock Exchange. Dolmen Stockbrokers is regulated by the Financial Regulator. Dolmen Stockbrokers Limited is a member firm of the Irish Stock Exchange and the London Stock Exchange.

This report has been prepared by Dolmen Stockbrokers ('Dolmen') for information purposes in order to assist investors to make their own investment decisions and is not intended to and does not constitute personal recommendations nor provide the sole basis for any evaluation of the securities discussed. Specifically the information contained in this report should not be taken as an offer or solicitation of investment advice or, encourage the purchase or sale of any particular security, option, future or other derivative investment. Not all recommendations are necessarily suitable for all investors and Dolmen recommend that specific advice should always be sought prior to investment, based on the particular circumstances of the investor.

Although the information in this report has been obtained from sources, which Dolmen believes to be reliable and all reasonable efforts are made to present accurate information Dolmen give no warranty or guarantee as to, and do not accept responsibility for, the correctness, completeness, timeliness or accuracy of the information provided or its transmission. Nor shall Dolmen, or any of its employees, directors or agents, be liable to for any losses, damages, costs, claims, demands or expenses of any kind whatsoever, whether direct or indirect, suffered or incurred in consequence of any use of, or reliance upon, the information. Any person acting on the information contained in this report does so entirely at his or her own risk.

All estimates, views and opinions included in this report constitute Dolmen's judgment as of the date of the report but may be subject to change without notice. Changes to assumptions may have a material impact on any recommendations made herein.

Unless specifically indicated to the contrary this report has not been disclosed to the covered issuer(s) in advance of publication.

Past performance is not a reliable guide to future performance. The value of your investment may go down as well as up. Investments denominated in foreign currencies are subject to fluctuations in exchange rates, which may have an adverse affect on the value of the investments, sale proceeds, and on dividend or interest income. The income you get from your investment may go down as well as up. Figures quoted are estimates only, they are not a reliable guide to the future performance of this investment. Investors should be aware that forward-looking statements and forecasts may not be realised.

This report is the property of Dolmen and may not be reproduced (in whole or in part) altered, transmitted or made available to any other person without the prior written permission of Dolmen.

Conflicts of Interest & Share Ownership Policy

Dolmen, its employees, directors or related companies, may have a shareholding in the securities (or related investments / derivatives) of certain companies covered in this report, or may provide/ solicit investment banking or other services to/ from them.

It is noted that research analysts' compensation is impacted upon by overall firm profitability and accordingly may be affected to some extent by revenues arising other Dolmen business units including Corporate Finance, Fund Management and Stockbroking. Revenues in these business units may derive in part from the recommendations or views in this report. Notwithstanding, Dolmen is satisfied that the objectivity of views and recommendations contained in this report has not been compromised.

Dolmen permits research analysts to own shares and/ or derivative positions in the companies they publish research, views and recommendations on. Accordingly analysts involved in the production of this report may have positions in any securities herein. Dolmen ensures that all staff dealing is undertaken in strict compliance with Dolmen's internal staff dealing procedures. Therefore Dolmen is satisfied that the impartiality of research, views and recommendations remains assured.

Analyst Certification

Each research analyst responsible for the content of this report, in whole or in part, certifies that: (1) all of the views expressed accurately reflect his or her personal views about those securities or issuers; and (2) no part of his or her compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed by that research analyst in the research report. Oliver Gilvarry, David Dunk, Stephen Taylor and Edward Keeling are responsible for the production of this report. Oliver Gilvarry is Head of Research and David Dunk, Stephen Taylor and Edward Keeling are equity analysts.

For US Persons Only

This report is only provided in the US to major institutional investors as defined by s. 15 a-6 of the Securities Exchange Act, 1934 as amended. A US recipient of this report shall not distribute or provide this report or any part thereof to any other person.

Dolmen Stockbrokers, 75 St. Stephen's Green, Dublin 2, Ireland.



DOLMEN SECURITIES LTD

75 St. Stephen's Green, Dublin 2, Ireland.
45 South Mall, Cork, Ireland
Theatre Court, Mallow St, Limerick, Ireland.

Tel : +353 1 633 3800/1890 400 300
Tel : +353 21 422 2122
Tel : +353 61 436 500

E-mail: info@dsl.ie
E-mail: cork@dsl.ie
E-mail: Limerick@dsl.ie