By Victor Sula, Ph.D.
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Endeavor Energy Corporation

Rating: **Outperform**
Price target: **$4.10/share**

Market Data	
Symbol	ENEC
Exchange	OTC BB
Current Price	$1.70
Price Target	$3.30
Rating	Outperform
Outstanding Shares	61.2 Mn
Market Cap.	$104 Mn
Average 3M Volume	31,120

Source: Yahoo Finance!, Analyst Estimates

Company Background

Endeavor Energy Corporation (OTCBB: ENEC) is an independent energy company engaged in the exploration, development and production of oil and natural gas. The Company was founded in 2006, purchased 13,000 acres and commenced nominal production. Endeavor is focused on increasing production from its existing holdings and acquiring additional drilling proprieties. To date, the Company has acquired oil and gas properties in Canada and Australia totalling approximately 440,000 net acres and currently producing a modest 125 barrels of oil equivalent per day (BOED).

Endeavor is utilizing the latest technologies in geological interpretation, drilling, geophysics, and production engineering such as 3-dimensional seismic, magnetic survey data and others to explore for oil and gas. In addition, more established players such as Devon Energy and Penn West Energy Trust are partnering with Endeavor to develop prospective reserves in Canada, providing the Company with their expertise and resources. On July 20, 2007, the Company announced a reverse merger with Dujour Products Inc, and a new trading symbol - ENEC.

Highlights

A growth strategy focused on exploration and acquisitions

The Company's goal is to increase reserves, production and cash flow by pursuing the following strategies:

- Identify and develop unconventional resources;
- Explore in high-potential, proven basins;
- Exercise capital discipline;
- Preserve financial flexibility;
- Grow by the drill bit.

Endeavor intends to build a portfolio of assets and growth opportunities through both exploration and acquisition.

Significant reserves discovered on Endeavor properties

Endeavor is targeting traditional oil fields in Western Canada – Alberta and Saskatchewan with approximately 100,000 net acres, as well as the Gippsland Basin of Australia with approximately 340,000 net acres.

Approximately, 90% of Endeavor's production is from Canada; the Company has properties in Southern Alberta and Saskatchewan. The Alberta / Saskatchewan border area produces both oil and gas from multiple zones. Endeavor has acquired nine drilling locations in this region slated for future development. To date, the Company has produced modest amounts of oil and gas. However, the Company is pursuing a development plan to increase Canadian production from 125 BOED currently to 500 BOED[1] by year-end 2007, 2,200 BOED in 2008, and 3,500 BOED in 2009. Endeavor targets revenues from energy sales exceeding $110 million by year-end 2011.

Australia offshore plays will sustain Endeavor growth plans

Endeavor has a 62.5% interest in Australian Gippsland Basin VIC/P60 assets or about 340,000 net acres in the shallow water of the Basin off the coast of Victoria, Australia. The basin is a prolific hydrocarbon producing area. Approximately four billion barrels of oil/condensate and 12 trillion cubic feet of gas have been produced from this region over the last 30 years. Despite intense exploration, the remaining reserves are impressive, estimated at 600 million barrels of oil and 5 trillion cubic feet of gas.

Endeavor has already identified six prospective leads within the basin. Independent reports by ISIS Petroleum Consultants and Strachan Corporate estimate the A1 lead (one of the six) potentially holds reserves valued at approximately $1.5 billion. While the Company is still in the exploration phase, we expect the use of existing seismic data coupled with 3-D seismic technology to enable Endeavor to accelerate the exploration process and quickly confirm independent consultants' reserves estimates.

Advanced technologies reduce exploration costs and improve success rates

Endeavor is relying on 3-D seismic technology rather than older 2-D seismic data to explore for large hydrocarbon reserves. As a result, the Company is able to locate large reserve accumulations in areas others have overlooked or failed to find commercial quantity hydrocarbons because of the limitations of traditional 2-D seismic data.

Experienced management team

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[1] BOE means barrels of oil equivalent, determined by using the ratio of one Bbl (barrel) of oil or NGLs (natural gas liquids) to six Mcf (thousand cubic feet) of gas.

Endeavor's management team includes seasoned experts from the oil and gas industry with local market knowledge and a strong business presence in the regions where the Company has assets. The management team has more than 100 years of cumulative energy industry experience.

Strong demand for oil and gas

World energy demand is expected to remain strong over the next two years. Population growth, economic growth and technology improvements are key determinants of oil and gas consumption.

In 2007, global oil demand is expected to increase by 1.3 million barrels per day (m bbl/d), mainly due to increased demands from China and strong US demand. According to EIA, preliminary data indicate US oil consumption increased by 0.2 m bbl/d in the second quarter of 2007 compared to year- earlier levels, while China's oil demand rose by an estimated 0.5 m bbl/d over the same period. In 2008, EIA estimates that world oil consumption will grow by 1.5 million bbl/d.

Oil prices will stay high over the medium-term

Continued steady world oil demand growth, combined with production growth that can't keep up with demand and continuing global geopolitical instability, are expected to keep crude oil prices high through 2008. Supply/ demand imbalances and declining inventories continue to put upward pressure on oil prices. Consequently, West Texas Intermediate (WTI) crude oil prices are projected to average $65.56 per barrel in 2007 and increase to $66.92 per barrel in 2008.

Company Overview

Background

Endeavor is a development-stage energy company engaged in the exploration, exploitation, development and production of oil and gas. The Company is presently focused on identifying and evaluating prospective oil and gas properties that will enable it to produce oil or gas in commercial quantities. With the completion of planned exploration and development activities, Endeavor expects to shift its focus to drilling and production. The Company is already producing oil and expects to substantially increase production over the next five years by developing its Australian and Canadian energy holdings.

The Company's business strategy focuses on the use of modern exploration technologies such as 3-D seismic to explore for large reserve accumulations in areas overlooked by others due to the limitations associated with 2-D seismic data, which include the inability to resolve structures or recognize hydrocarbon indicators.

Endeavor has oil fields in Western Canada's Alberta and Saskatchewan provinces, with approximately 100,000 net acres under review, and the Gippsland Basin of Australia, with approximately 340,000 net acres.

Corporate strategy

The Company plans to increase reserves, production and cash flow by:

- Identifying and developing unconventional resources;
- Exploring in high-potential, proven basins;
- Exercising capital discipline;
- Preserving financial flexibility;
- Growing by the drill bit.

Endeavor plans growth through both exploration and acquisition activities.

The Company's business plan is built upon three growth strategies:

1. Expansion through drilling and land acquisition. Canada's Alberta province provides public disclosure of seismic and production information. For that reason, a wealth of published information is available for use in developing and refining drilling plans. This publicly available information reduces exploration risk and results in better land purchases and accelerated development drilling.

Moreover, major developers in Alberta have scaled back drilling of small to moderate producing wells in favour of lager prospects. This reduction in drilling activity has released drilling rigs and reduced drilling costs related to multi-well drilling plans. It also creates an incentive for major producers to execute farm-in agreements with smaller developers to maintain the activity required to fulfil lease obligations.

ENEC's growth strategy targets the development of wells that are expected to produce a minimum of 60 barrels of oil equivalent per day. At this rate of production, management anticipates a short timeframe for payback of drilling investments.

2. Purchase of ongoing oil and gas production. The Company plans to identify, finance and purchase production of approximately 2,000 barrels of oil equivalent per day over the next twelve months.

3. Identification, financing and purchase of high-risk, high-return international oil concessions to compliment and diversify the fundamental drilling and acquisition strategies.

In connection with this strategy, ENEC executed two letters of intent during April, 2007.

First, ENEC announced its intent to acquire a 62.5% working interest in an Australian oil and gas exploration permit area known as Victoria Permit 60 (VIC/P60). As consideration for the permit, the Company has agreed to pay Bass Straight Partners LLC $637,068 in cash and 800,000 shares of ENEC's restricted common stock plus a 9% overriding royalty interest in the permit. As a result, the Company will receive a net revenue interest of a 44.125% upon completion of the acquisition of this concession.

The Company has also committed to complete the work program required by the Vic P60 Permit for the remaining four years of the concession's six-year term.

Second, the Company agreed to acquire 100% of the common stock of ENEC Canada. As consideration for the acquisition, ENEC agreed to deliver $1,500,000 in cash, and 3,714,286 common shares. The acquisition was completed during the second quarter of 2007. On July 20, 2007 Endeavor Energy Corporation announced its new ticker symbol, ENEC.

Expansion through exploration

The Company has a development plan in place that targets an increase in production from its Canadian assets from 125 BOED currently to 500 BOED[2] in 2007, 2,200 BOED in 2008 and 3,500 BOED in 2009, with a revenue target of $112 million in 2011.

In Australia's VIC/P60 permit area, the Company plans to finish geological studies, 3-D seismic interpretation and select drill site location by year-end 2008 and drill its first well by year-end 2009.

Expansion through acquisitions

[2] BOE means barrels of oil equivalent, determined by using the ratio of one Bbl (barrel) of oil or NGLs (natural gas liquids) to six Mcf (thousand cubic feet) of gas.

The Company intends to continue to pursue strategic acquisitions that can expand its current asset base, offer attractive rates of return and payback on investment within two years, and increase the scope and scale of its operations.

We anticipate that the Company will redeploy cash flows from its producing assets to fund its exploration-drilling program and pursue additional property acquisitions.

Properties

The Company's properties are located within the Canada onshore and Australia offshore regions.

Canada Properties	Australia properties
	

Source: Company's presentations

Approximately, 90% of Endeavor's production is from Canada. The Company has proprieties in Southern Alberta and Saskatchewan. This region, near the Alberta/Saskatchewan border, is known for producing both oil and gas in multiple zones. Endeavor has acquired nine drilling sites in this gas region for future development.

Southern Alberta Properties

The Company's Canadian properties encompass approximately 100,00 acres and are located in five regions of Southern Alberta known for proven shallow and deep gas anomalies.

WARNER

The Company has a 40% working interest in 16.5 sections in the Warner area that offer potential for multi-zone production. Endeavor has three wells currently producing 100 BOED. By reducing the spacing between wells, the Company has identified possible locations for three new offset wells and the opportunity for over 100 shallow gas wells.

SOUTH TABER

In the South Taber area, the Company has a 50% working interest in 640 acres. There is currently one Barons gas well on the property with opportunities for three additional wells. Endeavor's share of production from South Taber is 25 BOED.

DIAMOND

In the Diamond area, the Company has a 50% working interest in 1,920 acres. Endeavor has three standing wells in place on this property waiting for the completion of a pipeline in this year's third quarter. A fourth well location has been selected and is scheduled to spud in July 2007.

ARNESON

The Arneson project consists of 100% of eleven sections totalling 7,040 acres of Crown land. This area has several development advantages, including year-round access to the well sites, an established production and equipment infrastructure, and two wells per section spacing regulations, resulting in 14 well opportunities. Historical production from the site has natural gas wells producing up to three Mmcf[3] per day. Extensive infrastructure exists throughout the area. The Company has acquired 10 square miles of 3D seismic and proven reserves totalling over five billion cubic feet. Total gas in place is estimated at over 25 Bcf.

Alberta/Saskatchewan border properties

The areas near the Alberta / Saskatchewan border are known to produce both oil and gas in multiple zones. Endeavor has acquired nine sites for future development.

BOW ISLAND
This area of southern Alberta has prospective for gas in the Bow Island sandstone. Endeavor has been offered the right to drill two sections of land (1,280 acres). Stable production rates of 250-300 mcf/d[4] are expected, giving a 6-month payout.

SOUTH/WEST SASKATCHEWAN
This area lies along the Alberta/Saskatchewan border. Endeavor's primary drilling objective is the lower Mannville Sand, which produces both oil and gas at 30-50 BOED and/or 250 mcf/d. Endeavor has one seismic line in the area with a strong drillable location.

MARENGO
The Marengo area produces both oil and gas from the marine sand of Viking and the fluvial sand of Lower Mannville. The Viking is linear marine sand with production rates averaging 250 mcf/d and trending NW-SE. The Lower Mannville fluvial sand is thicker and usually is valley fill-type sand, yielding higher porosity and greater flow rates. Well depths would be 2,800-3,000 feet and pipelines are abundant in the area.

SUPBERB
Supberb is an area with numerous MacLaren channel sands. These are fluvial in nature and very thick but narrow in width (¼ mile). They can be 20 miles long. Usually they are filled with heavy oil, with 30-60' of pay. Production rates are only 30-50 BOED but yield very high reserve values. Some seismic data will be required to delineate the channel edges.

PROVOST-HOOSIER
This area is very large and extends along both sides of the Alberta/Saskatchewan border. Endeavor is presently reviewing a very large seismic data base owned by a major oil company and has immediate access to evaluate 36 sections of land (23,040 gross acres). It is anticipated that numerous other lands will be drillable and available. Well depths range from 2,700 to 3,000 feet. Pipelines are available throughout the area.

BASHAW
Bashaw lies in central Alberta. A new exploration play has developed in the area due to improved seismic technologies. The deeper Nisku porosity has proven to be a prolific producer primarily of oil in the area. Initial production rates are 300-500 BOED from depths of 6,000 feet, with reserves estimated at one million barrels per well.

BIGORAY
This area is in west central Alberta. The Nisku porosity develops over the lower Leduc platform highs. These are difficult to locate and a seismic model must be used to solidify leads. Wells are 7,500 feet deep and well costs exceed $1 million, but each well can yield up to 2,100 BOED, with reserves estimated to range between 1 million and 10 million barrels per well. Endeavor is in the first stages of exploring this area.

COURT

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3 Mmcf means million cubic feet.
4 Mcf/d means thousand cubic feet per day.

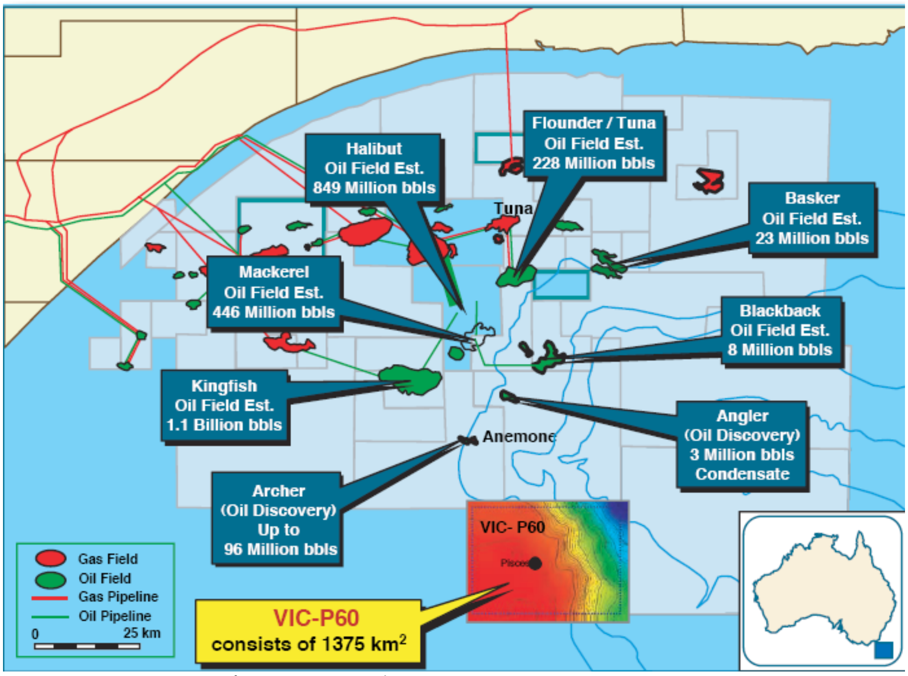
The Court area is prone to both oil and gas production. Oil production is in the 30-80 BOED range from both the Bakken and Lower Mannville zones. The Upper Mannvile and the Viking are productive along oriented structures, primarily NW—SE, and usually produce gas. Rates vary from 250-500 mcf/d. Endeavor is negotiating to acquire over 10,000 acres under option and is presently surveying three drill locations.

ONARD

The Onard is an oil prospect in the Lower Mannville sandstones. The sands are very porous and permeable and can produce up to one million barrels from less than 400 acres. Production rates vary from 60-100 bbl/d. Endeavor has the opportunity to acquire 8,000 - 10,000 acres under option; the Company has already identified two prospects and requested seismic data to delineate further prospects.

Australia offshore assets

Endeavor has a 62.5% interest in Australian VIC/P60 assets or about 340,000 net acres in the shallow water of the Gippsland Basin off the coast of Victoria, Australia. The remaining 37.5% of the concession belongs to Endeavor`s partner, Holloman Engineering of Dallas, Texas. Together, they plan to explore and develop the prolific Bass Straight oil fields. About four billion barrels of oil/condensate and 12 TCF gas reserves have been discovered in the basin. Drillings began in 1964, with remaining reserves estimated at 600 million barrels of oil and five trillion cubic feet of gas.



Source: Company's presentations

The basin is a prolific hydrocarbon producing area, but the effectiveness of the petroleum system in the VIC/P60 area is unproven. Discoveries on trend at Archer-1 and Anemone-1A provide encouragement, however. Endeavor and Holloman have identified six prospective leads. Independent reports by ISIS Petroleum Consultants indicate the A1 lead (one of the six) potentially holds reserves valued at approximately $1.5 billion.

Despite its long history of extensive exploration, many parts of the basin, especially the eastern region, are still not fully assessed. A few successful major players have begun exploring this region and large amounts of seismic data, particularly 3D, are being used to gain full knowledge of the basin.

Energy outlook

World oil demand is expected to remain strong over the next two years as a result of robust economic growth. According to the Energy Information Administration (EIA), annual world GDP over the next 25 years will be above historic levels as countries experiencing more rapid growth represent an increasing share of world GDP. A number of developing countries have undertaken significant reforms, which helped them to lower their national inflation rates, reduce uncertainty, and improve their overall investment climates. In general, such reforms have resulted in growth rates that are above historical trends in many of the emerging economies.

Average annual growth in world GDP by countries and regions, % per year

	2004	2005	2006	2007	1980-2004	2004-2030
TOTAL OECD	**7.9**	**7.3**	**7.5**	7	**3.9**	**5.3**
OECD North America	3.9	3.2	3.4	2.6	3	2.9
OECD Europe	2.6	2.1	3	2.3	2.4	2.3
TOTAL NON-OECD	**5.4**	**4.9**	**5.3**	**4.8**	**3.3**	**4.1**
China	10.1	9.9	10.5	9.5	9.8	6.5
India	7.2	6.4	6.4	5.7	-0.4	3.7
Russia	8.5	8.7	7.9	7.6	5.8	5.7
TOTAL WORLD	**5.4**	**4.9**	**5.3**	**4.8**	**3.3**	**4.1**

Source: http://www.eia.doe.gov/oiaf/ieo/index.html

In 2007, global oil demand is expected to increase by 1.3 million barrels per day. According to the EIA, US oil consumption increased by 0.2 m bbl/d in the second quarter of 2007 compared to year-earlier levels, while China's oil demand rose by an estimated 0.5 m bbl/d over the same period. In 2008, EIA estimates that world oil consumption will grow by 1.5 million bbl/d.

Oil: Demand, million bbl/d

	2006	2007E	2008E
Total OECD	**49.1**	**49.4**	**49.6**
North America	23.1	23.6	23.7
Europe	15.5	15.4	15.4
Other	10.5	10.4	10.5
Total non-OECD	**35.5**	**36.5**	**37.8**
Former Soviet Union	4.5	4.6	4.8
China	7.3	7.8	8.3
Other Asia	8.5	8.6	8.7
Other non-OECD	15.2	5.19	5.19
Overall total	**84.6**	**85.9**	**87.4**

Source: http://www.eia.doe.gov/emeu/steo/pub/3tab.html

On the supply side, EIA projections point to a greater demand for oil than supply, which will reduce commercial oil inventories to historically low levels by year-end 2007.

In addition, supplies are significantly influenced by geopolitical and weather-related risks. One particular concern is the global response to Iran's nuclear ambitions. According to the Economist Intelligence Unit, Iran supplies around 2.6m bbl/d of oil to the global market. Any disruption in all or part of Iran's oil production could produce shortages and push energy prices sharply higher. Other supply-related threats include continued attacks on Iraqi pipelines, civil war in Nigeria and global geopolitical instability.

Oil: supply, m bbl/d

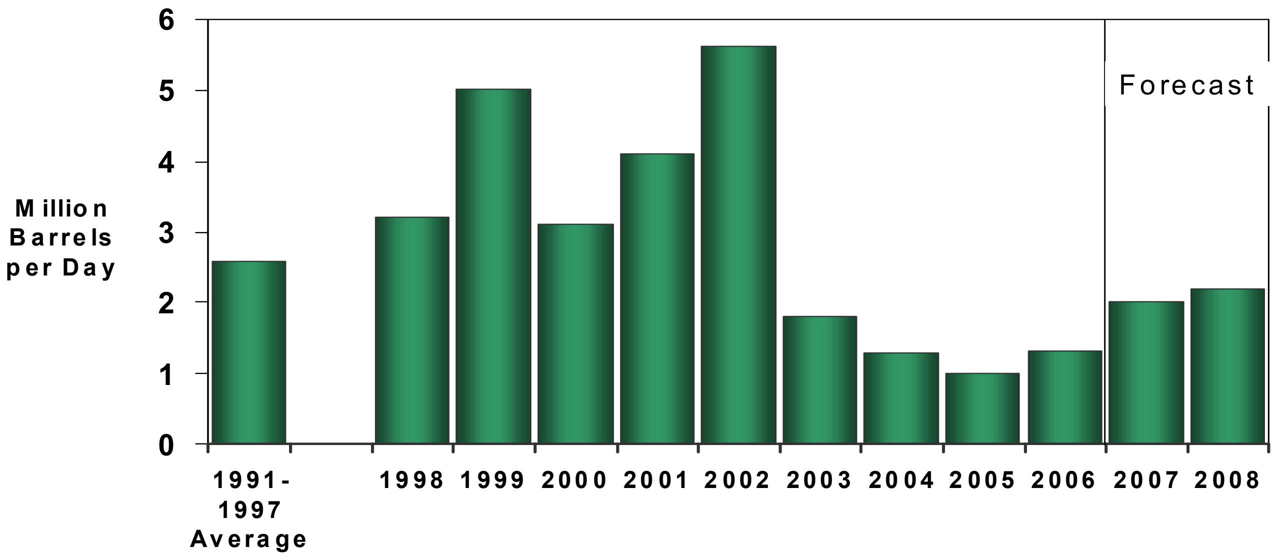
	2006	2007E	2008E

Total Non-OPEC	***49.2***	***49.9***	***50.8***
North America	*15.4*	*15.4*	*15.8*
Other OECD	6.2	6.1	5.8
Former Soviet Union	12.1	12.7	13.2
China	3.8	3.9	3.9
Others	27.1	27.2	27.9
OPEC	***35.3***	***35.2***	***36.7***
Overall total	***84.5***	***85.1***	***87.5***

Source: Source: http://www.eia.doe.gov/emeu/steo/pub/3tab.html

Excess capacity in the global oil market remains low. OECD commercial inventories declined by almost 1 million bbl/d in the first quarter of 2007 compared with a 5-year average inventory draw of 0.28 million bbl/d for that quarter. Through 2008, EIA expects a further reduction in OECD commercial oil inventories and inventories declining to the bottom of the 5-year range by year-end 2008.

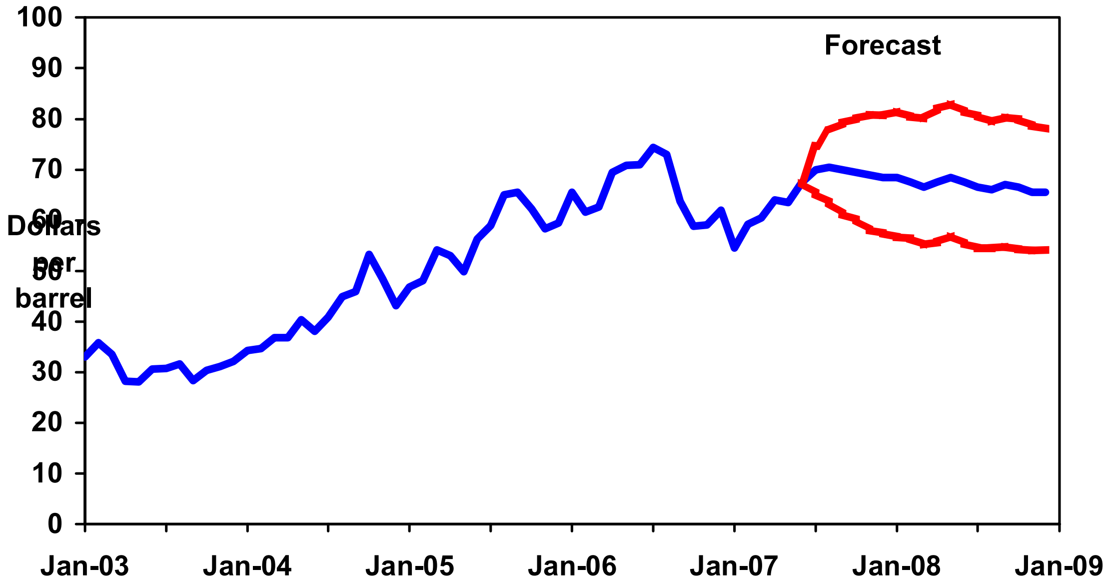
World Oil Spare Production Capacity



Source: http://www.eia.doe.gov/emeu/steo/

Rising world oil demand growth, combined with only modest increases in world spare oil production capacity and continuing geopolitical instability, are expected to keep crude oil prices high through 2008. Supply/demand imbalances will continue to put upward pressure on oil prices. Consequently, West Texas Intermediate (WTI) crude oil prices are projected to rise from $65.56 per barrel in 2007 to $66.92 per barrel in 2008.

West Texas Intermediate Crude Oil Price

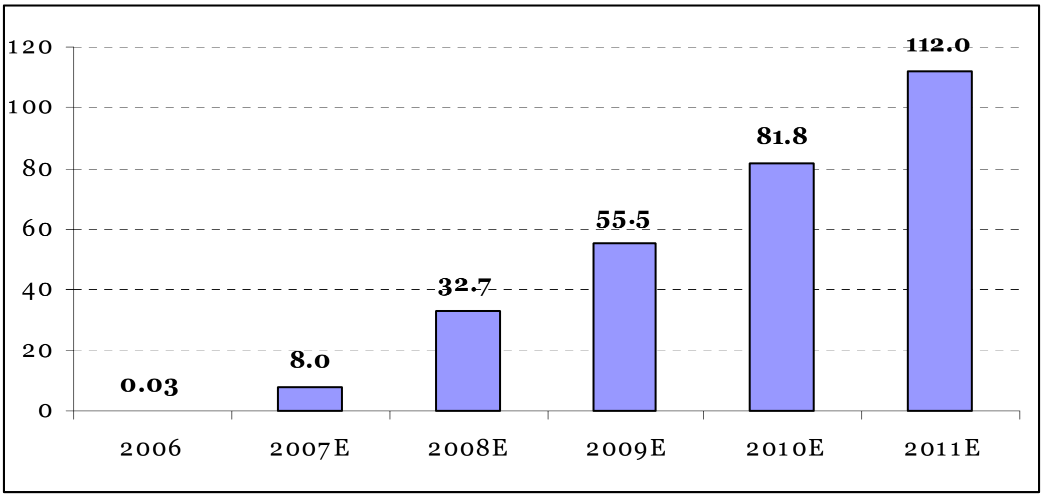


Source: http://www.eia.doe.gov/emeu/steo/pub/4tab.html

Financial Analysis

The Company is newly established and currently produces only 125 barrels of oil equivalent per day. Consequently, 2006 revenues were modest at about $28,000.

Revenue, $ Mn



Source: Company's presentations

Despite these modest figures, management expects to report significant revenue growth in the next few quarters as the Company increases production from its Canadian operations. The Company has already commenced drillings of its Canadian properties and reported significant reserves of oil and gas.

Operating summary

	2007	2008	2009
Total Number of Wells	29	44	62
BOE Annual	183,384	726,482	1,161,570
BOE Daily	509	2,018	3,227
Annual Growth BOED	18	1,509	1,209

Average BOED \ Well	17.6	45.9	52.0

Source: Company's presentations

The 2008 production goal is 2,000 BOED resulting in revenues of $33 million. By year-end 2009, Endeavor expects to produce 5,500 BOED and revenues of $55 million.

The Company expects to become profitable in 2008 as production increases and expenses are leveraged over an expanding revenue base.

Income Statement

$ Thousands	**2006**	**2007E**	**2008E**	**2009E**
Total Revenue	28.8	7,977.2	32,691.7	55,516.6
Production expenditures	1,697.6	13,173.1	16,825.4	23,119.7
Gross profit	(1,668.8)	(5,195.9)	15,866.3	32,397.0
Selling, general and administrative expenses	317.3	818.3	791.1	684.5
Operating profit	(1,986.1)	(6,014.2)	15,075.2	31,712.4
Add Capitalised assets	1,598.8	11,150.5	9,140.5	10,522.5
Net income	(387.4)	5,136.3	24,215.7	42,234.9

Source: Company's presentations

Balance Sheet items

$ Thousands	**31-Dec-06**	**31-Dec-07**
Current Assets	307.2	6,017.5
Cash and Equivalents	201.3	4,184.3
Total assets	1,908.0	18,776.8
Liabilities, including	2,251.9	6,484.4
Notes and financing payable	1,909.7	5,950.0
Shareholder's Equity	(343.9)	12,292.4

Source: Company's presentations

Endeavor will require significant external financing to complete its business plan. Based on management estimates, the Company will need approximately $71.5 million to complete its drilling plans in Canada, conduct a 3-D seismic survey of the VIC/P60 play, interpret the survey results and acquire other oil and gas fields.

Summary of required financing

Use of Proceeds	**Estimated needs**
Endeavor Drilling Plans in Alberta and Saskatchewan	$12 million
Vic P60 Seismic/Interpretation	$6.3 million
Acquisition /Land Purchases	$50 million
Operations and Regulatory Costs	$3.2 million
TOTAL	**$71.5 million**

Source: Company's presentations

Valuation

We have based our valuation analysis on the sum of the parts method.

Canada segment

We valued the Company's Canadian operations using peer comparison. Endeavor has reported numerous property additions and significant increases in reserves; however it is difficult to assess the production potential of each acquisition. Given the level of reported reserves, management's revenue and production goals appear conservative. We base our valuation analysis on management outlook data.

For the peer comparison analysis, we selected oil and gas exploration companies with working interests in Western Canada. If ENEC's exploration efforts are successful, we would expect the Company's Canadian operations to be valued at levels that reflect peer median P/S multiples.

20-July-2007	Ticker Symbol	Price, $	Market Cap, $ Mn	P/S, Ttm
Challenger Energy Corp	CHQ	2.34	74	722.71
JED Oil Inc. (JDO)	JDO	1.97	30	1.54
Enterra Energy Trust (ENT)	ENT	5.89	332	1.81
Canadian Superior Energy Inc. (SNG)	SNG	3.05	402	10.55
Compton Petroleum Corp. (CMZ)	CMZ	10.84	1,400	3.60

Source: Yahoo Finance!

Looking at a list of the company's peers, we believe ENEC's Canadian operations can quite easily be valued at a price-to-sales multiple of .45 x FY 2009 revenue forecasts.

4.5 x $55.5 Million = $250 Million

This suggests the value of the Company's Canadian operations would approach $250 million by 2009. Discounting this 2009 target at a 15% weighted average cost of capital, we derive a fair value for ENEC's Canadian assets of $175 million.

Australia segment

According to management, the VIC/P60 is a prolific hydrocarbon-producing area. ENEC has identified six prospective leads which independent reports by ISIS Petroleum Consultants suggest hold reserves valued at nearly $2.0 billion.

Assuming a conservative 15% chance of exploration success, 40% operating margin and a $25 million investment required for conducting exploration activities, we derive a 2010 reserve value of $95 million.

Discounting this 2010 reserve value target by a 15% weighted average cost of capital, we derive a fair value for ENEC's Australian assets of $60 million.

Fair value of ENEC

The fair value of ENEC equity is the sum of the value of ENEC's Canadian and Australian assets, which is $250 million. Dividing the fair value of ENEC equity by the number of shares outstanding we derive a share price target of $3.30.

Analyst Summary

ENEC is an independent energy company engaged in oil and gas exploration, exploitation, development and production. The Company has acquired drilling properties in western Canada, and has obtained permits for exploration and production for over 100,000 net acres in Alberta and Saskatchewan. In addition, ENEC has acquired a 62.5% interest in approximately 340,000 net acres in the Gippsland Basin of Australia. The Company is already producing oil from its Canadian properties and is ramping up drilling activity in Canada with the goal of increasing production to 5,500 BOED by year-end 2009, resulting in annualized revenues of $55 million.

On the other side of the world, the exploration of Australia's offshore Gippsland Basin's VIC/P60 play should begin enhancing the Company's revenue stream in 2010. The preliminary results of VIC/P60 leads exploration and independent reports from several consulting companies suggest important oil and gas reserves with a minimum value of approximately $1.5 billion.

As a result of the above-mentioned factors, plus a favorable oil price environment likely to continue for the foreseeable future, we are rating ENEC an "Outperform", relative to our expectations for the small cap market and establishing a $4.10 price target for these shares. However, we strongly advise investors to consider the risks mentioned below, as a company of this size faces many challenges to attain its goals and revenue projections.

Management

Cameron King – President & CEO.

Cameron King is the founder, President and Chief Executive Officer of Endeavor Energy Corporation. Through an acquisition strategy, Mr. King has built the company into a premier junior oil and gas business. Since its inception in early 2006, the Company has put more than 31 sections of land under its direct control and ownership. Another 45 sections are held under Joint Operating Agreements with some of Canada's major producers.

Mr. King has over 15 years of public and private company experience, advising several junior oil and gas companies as a director and senior manager. He was responsible for a major gas discovery in Alberta, which has become an important exploration area for Endeavor. Mr. King's oil and gas industry experience began in 1987 with Algoma Steel, in sales and product development for oil and gas drilling and casing products. In 1991, he began working for the Bank of Nova Scotia in Toronto in their Commercial and Corporate Lending area and became a key member of the Bank's M&A team.

Mr. King holds an MBA from Lake Superior University, Michigan and a Finance degree from McMaster University, Hamilton, ON.

Robert Wesolek - CFO.

Mr. Wesolek, has more than 25 years senior executive experience in both public accounting and private industry. From March 2004 through January 2007, Mr. Wesolek served as Chief Financial Officer and a Director of House of Brussels Chocolates, Inc., a publicly-traded manufacturer and wholesale distributor of chocolate confections. Between October 1998 and January 2004, Mr. Wesolek served as President and Chief Executive Officer of The Navigates Corporation, a privately-held software developer. From November 1998 to January 2001, he also served as Chief Financial Officer of Sharp Technology Inc., a publicly-traded software redistributor. From 1996 to 1998, Wesolek was President of the Desktop Software Division of Citadel Security Software, Inc. (then Citadel Technology, Inc.), a publicly-traded security software vendor. Between 1988 and 1996, he served as Chief Operating Officer of Kent Marsh Ltd., Inc., a desktop software provider for the Windows and Macintosh platforms. Mr. Wesolek is a CPA; from 1979 to 1987, he served as a Senior Practice Manager in the Audit Division of Arthur Andersen LLP.

Keith Miles, Engineer - VP of Operations

Mr. Miles began his career in the oil and gas industry in the mid-seventies, after receiving a B.Sc.(Advanced) from the University of Saskatchewan. Mr. Miles has extensive experience in geological mapping, seismic evaluation, sample evaluation and project management. Most recently, Mr. Miles held a key position at Cimarron Holdings Ltd as Vice President - Exploration. He was instrumental in putting together 52,000 gross acres of exploration lands in western Saskatchewan, and had a 85% success rate for the entire exploration project.

Ryan C. Scott-Land Acquisition

Mr. Scott brings his extensive knowledge to the daily operations of the Land Acquisition Department. Since graduating from Mount Royal College in 1999 and obtaining Entrepreneurship and Small Business degrees, he has held various positions in corporate sales. Mr. Scott joined Scott Land and Lease Ltd where he managed several divisions of the company, including the Minerals and Surface Departments, and successfully negotiated land and surface leases. Mr. Scott brings to Endeavor a strong background in property acquisitions. He holds an Interim Land Agent License and is a member of the Canadian Association of Petroleum Landsmen.

Investment Risks

Unproven reserve and production status

Endeavor future performance depends upon its ability to find, acquire, and develop oil and gas reserves that are economically recoverable. Without successful exploration, exploitation or acquisition activities, the Company will not be able to generate revenues. However, no assurance can be given that Endeavor will be able to find, acquire or develop reserves on acceptable terms.

Limited operating history and negative operating cash flows

Moreover, the Company has reported modest revenues from operations and must rely on external financing to continue operations. As a result, there are uncertainties related to Endeavor's ability to implement its business plan and build a profitable business.

Additional financing required

Endeavor will require significant external financing to implement its growth plans. Management estimates that the Company will need approximately $71.5 million to complete its drilling plans in Canada, conduct a 3-D seismic survey of VIC/P60 play, interpret the results of the survey and acquire other oil and gas fields. Current cash reserves are not sufficient to meet the Company's near-term financing requirements and could result in Endeavor suspending some proposed activities and delaying the implementation of the business plan.