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## **Blue Flame, Big Profits**

**Secret Wealth Soon to be made on America's Cheapest  
& Cleanest Energy Resource – Natural Gas**

**One company – American Petro-Hunter (AAPH.OB) -  
- is leveraged perfectly to this explosive boon**

**BY John Myers | Friday, June 12, 2009**

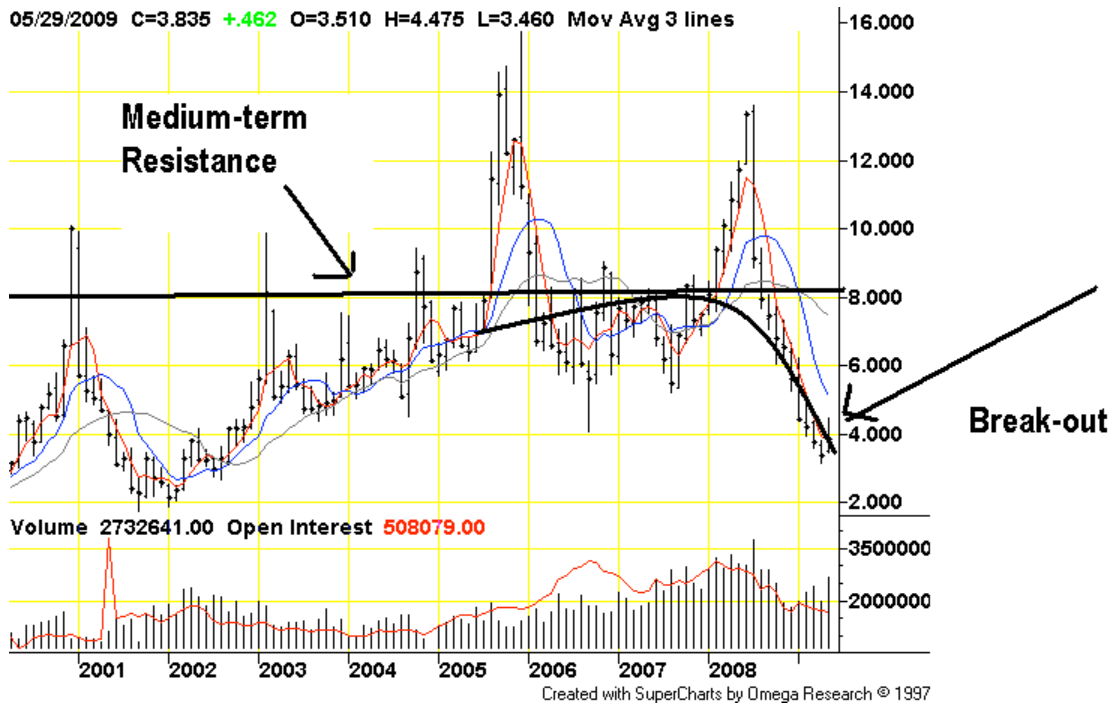
Dear Investor,

The withering recession has obscured one of America's dirty secrets - the energy crisis still looms.

The markets seemed blind to this - at least until now. Even as oil mounts an incredible rally, moving from \$37 to \$69 per barrel, its cleaner more efficient sister - methane - is just beginning to move off of its all-time lows and is at its cheapest level compared to oil since the fall of the Soviet Union.

This past spring natural gas had fallen to just \$3.50 per million British thermal units (MMBtu). As you can see from the graph below that is down from almost \$14 per MMBtu just over a year ago. It also puts the price of clean petroleum just above all-time lows and smack dab on top of a trading support line that spans decades!

Yet in June prices have begun to edge upward. It is a move we think will continue for two reasons: supplies are being cut and it is simply two damn cheap.



Every time natural gas prices have been this low they have bounced back with a vengeance. That is because natural gas is essential and it is clean. And unlike crude oil which has been drilled dry throughout the U.S. vast reservoirs of natural gas ferment safely inside our border.

That means in an age where America's presidents fret about America's dependency on imported oil at the whim of sheiks or mullahs, the nation has another energy resource - a clean power option that doesn't depend on uncertain technology or twirling windmill farms or mega-acres of solar panels that stretch beyond the horizon.

Even energy insiders understand that when it comes to the price of natural gas, enough is enough.

According to Aubrey K. McClendon, the CEO of Chesapeake Energy Corp., cheap natural gas is NOT here to stay.

"This will set the stage for a dramatic reversal of natural gas prices sometime this fall or winter," said McClendon in May to NewsOK in Oklahoma.

**"How high will gas prices go in the recovery and rebound phase in the next cycle? Obviously, we don't know. But clearly, gas prices were too high one year ago at \$12 to**

**\$13 per thousand cubic feet, and today they are far too low at \$3.50 per thousand cubic feet," he said. "So my guess is the rebound will overshoot on the high side, just as it has overshoot on the low side."**

The only surprise said McClendon, will be just how quickly natural gas prices shift higher.

To read the entire story, go to:

<http://newsok.com/chesapeake-ceo-dramatic-natural-gas-price-rebound-expected/article/3367075>

### **New Bull Market on the Horizon**

If you are a contrarian you have to love the play available in natural gas.

Bloomberg reports that natural gas has lost 72 percent in 11 months as the U.S. fell into the deepest recession in 50 years and drillers failed to idle rigs fast enough to control inventories.

The barebones truth is that oil now costs 18 times more than natural gas, the biggest gap since 1992. That's a ratio that can't possibly persist.

Especially when you consider is the improving economy and dwindling supplies of methane. The record pumping - of money that is, by the Federal Reserve and the U.S. Treasury - has sprouted optimism over the economy and underscores that the demand for more natural gas is just over the horizon.

"The scope for gas to rally before the end of the year is bigger than for oil," said Ben P. Dell, an energy analyst with Bernstein Research in New York. "The gas market is playing out as expected. Supplies are getting drastically reduced because of falling rig counts, and demand is showing some signs of stabilization."

You can read more of Dell's analysis carried in the June 8<sup>th</sup> edition of the Houston Chronicle by going to:

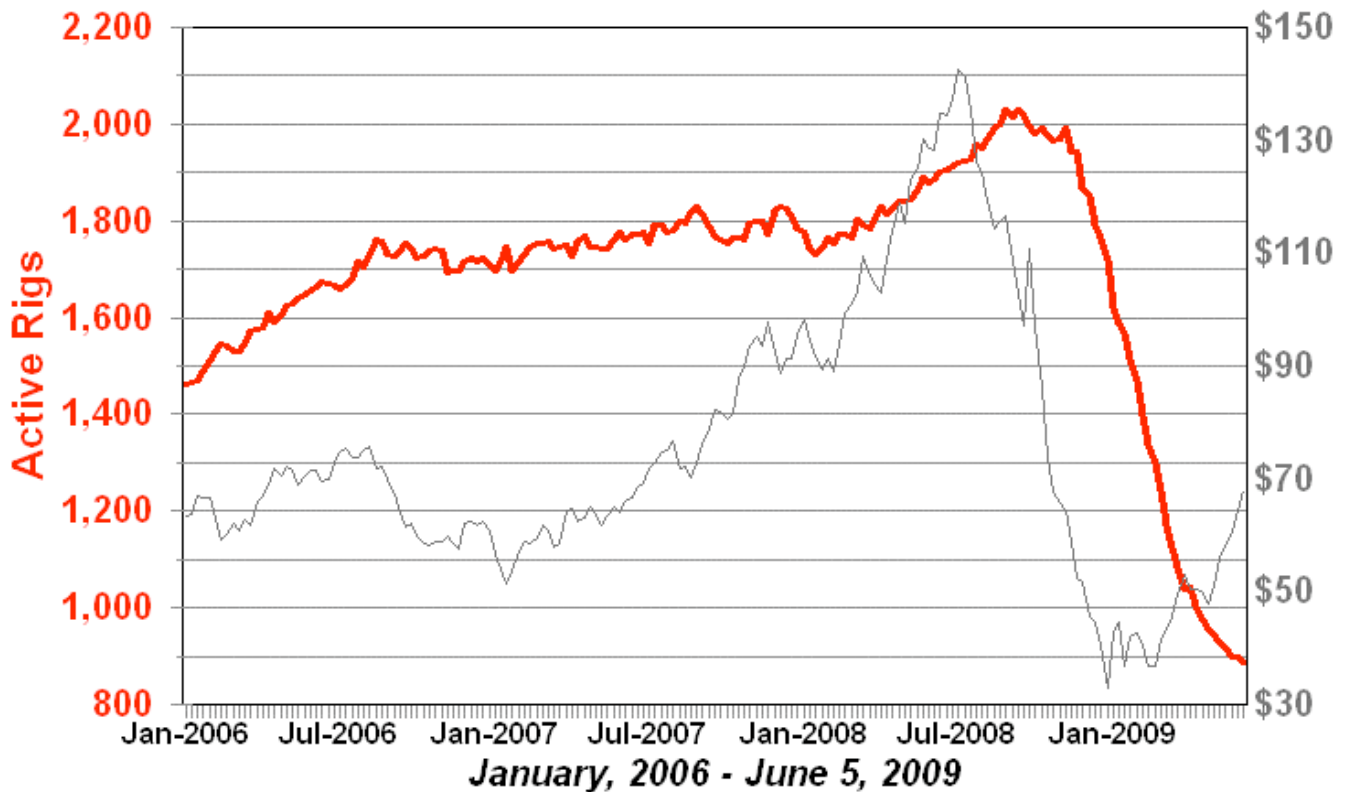
<http://www.chron.com/disp/story.mpl/business/6464946.html>.

**The challenge-** meeting revived demand won't be easy. Not because we don't have enough natural gas. **In fact America**

has 6 trillion cubic meters of natural gas reserves. That gives our nation the sixth largest cache in the world.

However, the country's pump-jacks have slowed to a crawl.

### U. S. Rotary Rig Count Total Active Rigs



WTRG Economics ©2009

Sources: Baker-Hughes, Energy  
Information Administration (DOE),  
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www.wtrg.com  
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In June 2009 the number of rigs actively exploring for oil and natural gas in the United States was down again and is now sitting just above 900. In fact, the number of U.S. rigs has plunged 56 percent over the past nine months, the steepest drop in two decades.

But don't expect prices to stay low. So says John Wright, president for gas and power marketing for Houston-based ConocoPhillips. ConocoPhillips is America's third-largest oil company, and like the rest of Big Oil, it expects natural gas will rise sharply. Wright says his company expect to \$6 to \$8 gas prices as early as next year.

"I don't think the levels that we're at now will provide the supply needed to meet demand, and that says prices will go up from here," he said in a June 4 interview with the Houston Chronicle.

**The opportunity-** American Petro Hunter (OTC BB: AAPH) has a rig already being moved to this location as I write and will be up in working by mid- May. If that rig hits pay-dirt, and the geology indicates it will, then up to three wells will be harvesting the site. Net production from this site could total between 100 and 400 barrels per day.

### **Methane - a Carbon Fuel Even the Greens can Embrace**

Optimism in the economy will power up faster than the rig count and that means we could see an explosive rise in the price of natural gas. And in fact, we have perhaps seen the last of cheap methane. The reason is because more and more, it is America's effective and clean energy choice.

When burned, methane releases far lower levels of greenhouse gases and nitrogen oxides than either oil or coal. And unlike oil, coal and nuclear energy, natural gas produces virtually no solid waste.

### **Natural gas is the cleanest energy harvested from the Earth's crust.**

For more on this go to:

<http://www.naturalgas.org/environment/naturalgas.asp>

According to the Environmental Protection Agency, the switch to gas-fired plants from coal-fired plants will reduce sulphur dioxide emissions and cut carbon dioxide by as much as two-thirds, as well as cutting nitrogen oxides by 95 percent.

For more on this go to:

<http://www.epa.gov/solar/energy-and-you/affect/natural-gas.html>

Homes using natural gas produce 60 percent less greenhouse gases than homes using coal or petroleum powered electricity, and produce 42 percent less greenhouse gases than heating oil.

For more on this go to:

<http://www.naturalgas.org/environment/naturalgas.asp#greenhouse>

### **Capture Explosive Profits with Clean Petroleum**

There are three ways to capture blow-out profits in the just erupting bull market in natural gas. One way is to buy futures. But this is rife with risk and could cost you literally everything.

A second way is to buy options, but your timing has to be just about perfect to catch a payout.

The third, and after 30 years of trading I have found the best way, is to buy stocks perfectly leveraged to the emerging boon.

**In fact I have found such a stock - a company set to soar right along with natural gas. It is American Petro-Hunter (AAPH.OB, \$0.43).** I call it Profit-hunter for it is a penny stock that packs a punch.

Based in Centerville, MA., American Petro-Hunter is leveraged to take advantage of existing petroleum finds with emphasis on natural gas. The goal of the company is ambitious - to become an intermediate producer within one year.

This past April AAPH bought a 25 percent working interest in a potentially profit-rich natural gas project outside of Modesto in the Central Valley of California.

Drilling started in early June with full-bore production set for the end of the month. As many as four wells will be drilled on the property that may have a \$20 million working interest in gas to the company. The bottom-line on all of the above is a short payday for investors as profits begin to be captured alongside the gas as early as mid-summer of this year.

Petro-Hunter is not limiting itself to one property or even one area. In early May 2009 the company announced its intention to buy a 25 percent working interest in the Poston Prospect located in Trego County, Kansas.

In the second week of June Petro-Hunter announced commercial production at the #1 Lutters Oil Well at the Poston Prospect and will begin on June 15th. The oil tank battery and separator equipment was in place before the second weekend of the month and construction is almost finished.

With power already on-site and equipment delivered, this small oil company is set to pump light crude for hungry market. And keep in mind; this small start-up sealed these deals when the price of crude was trading under \$40 per barrel. As the oil comes to market crude is selling for almost \$70 per barrel. Just imagine the profits when oil again bursts above \$100 per barrel.

Good news keeps rolling in; Yet there is more. On June 11<sup>th</sup> Petro-Hunter executed another agreement; this one to acquire a 25 percent working interest for a second Kansas oil project thereby increasing the Company's growing energy portfolio.

I believe there is huge potential for this property. The target is the already productive fields in the Mississippi Dolomite and in the Cherokee sands. State of the art 3D seismic scans have shown significant anomalies.

The new project is called the "Brinkman Prospect" and is located in Clark County, Kansas, approximately 20 miles south of Dodge City, encompassing 1,760 acres straddling the Clark-Meade County line.

The project is proximal to historic oil production primarily from Marmaton Limestone with secondary objectives in the Morrow Sand. Of significance, over 49,000 barrels has been produced from a seismic anomaly to the northeast of the chosen drilling location as well as Langdon Sands that has produced cumulative gas production in excess of 1 BCF. The prospect will be drill testing a structure associated with the Marmaton delineated by 3D seismic targeting both light oil and natural gas.

The 1,760 acre block contains a potential multi-well program with the first well location to be drilled designated as the #1 Lee 18AB well. The operator of the project, S&W Oil & Gas, LLC of Wichita, Kansas plans to spud the first test well on or around July 15th dependent upon rig availability

Engineering estimates place the potential production from the indicated pay zone at between 40 and 100 barrels per day along with associated natural gas from a successful well. Full development of the field could produce between 300 and 400 BOPD of light crude. There is excellent transportation and support infrastructure in the area.

**Translation: There's oil in them there hills!**

Faster than you can shout GUSHER, a crew has already prepared one well and is setting off to start a second. Once the rigs hit pay-dirt, and the geology indicates they will, then net production from the two sites could be a whopping 800 barrels per day. If crude recovers to \$100 per barrel by next year that will be revenue of \$29 million per year from just these two properties! That will light a rocket beneath this micro-cap stock which currently has a market cap of less than \$11 million.

As with natural gas at its California gas property, American Petro-Hunter is getting in at the right time. Oil prices have recovered from \$37 to \$69 per barrel, but the people in the know here in Canada's energy capital, Calgary believe we are most certainly headed for plus \$100 per barrel. The price appreciation in both gas and oil will be reflected in leveraged play like American Petro-Hunter.

To view a terrific video play chart of the stock price trend for AAPH.OB go to:

[http://investorshub.advfn.com/boards/playvideo.aspx?v\\_id=408](http://investorshub.advfn.com/boards/playvideo.aspx?v_id=408) .

**Action to take:** Right now is absolutely the best time to be getting back into energy markets, and so far I haven't seen a company on my radar scope better leveraged than American Petro-Hunter. And working here in Calgary, I see a lot of them. **Therefore, buy American Petro-Hunter (AAPH.OB, \$0.39) up to \$1.50 per share.** My expectation is that even if just one of its two hot properties delivers as promised, this company will be selling above \$3.00 per share.

Yours for finding real wealth,



John Myers

PS - I urge you to read more on natural gas as an investment and the explosive profit potential of American Petro-Hunter (Symbol: **AAPH.OB**) by going to our **FREE** and in-

depth report at:

<http://www.energyintelligenceadvisor.com/report.pdf>.

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For more on America's natural gas reserves go to:

<https://www.cia.gov/library/publications/the-worldfactbook/rankorder/2179rank.html>

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