

Growth Stocks Weekly

www.gsweekly.com

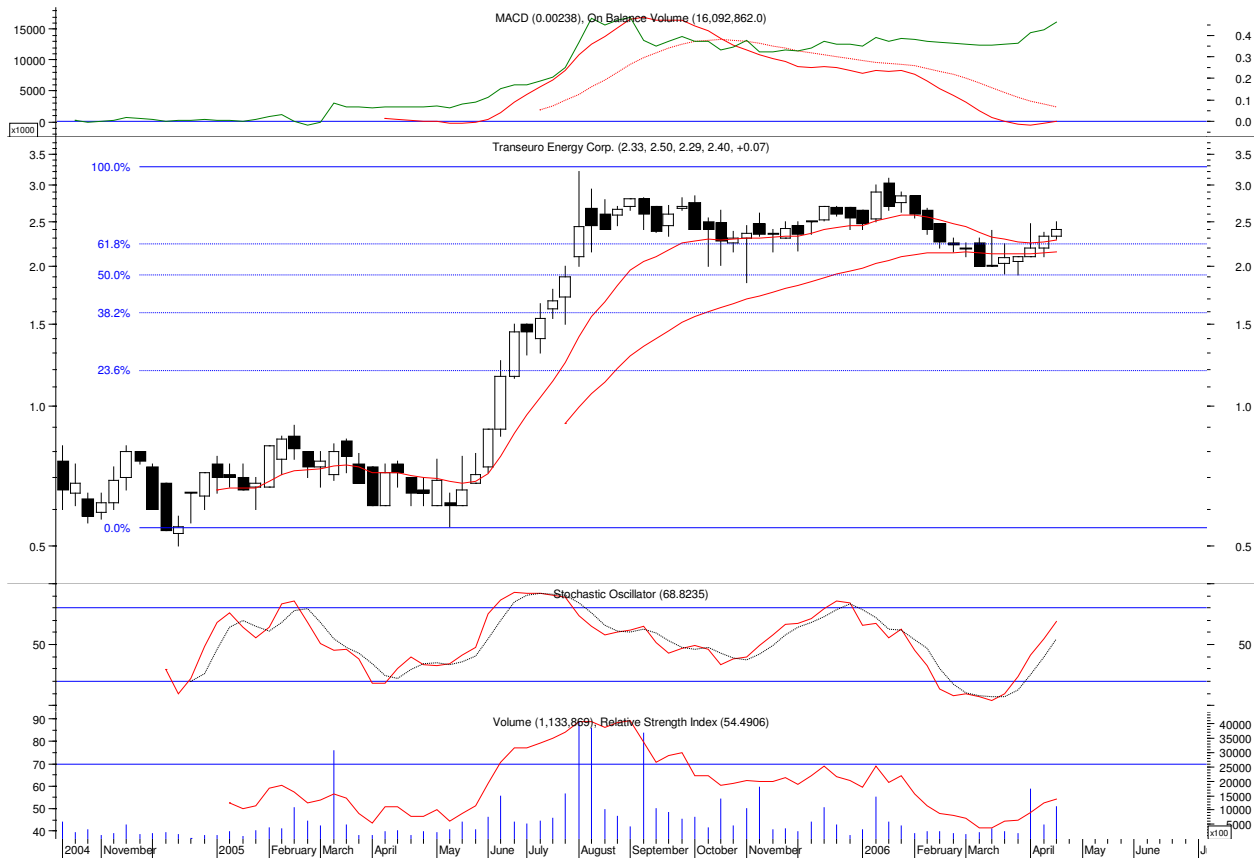
Publisher: Diversified Financial Solutions, Inc. ~ **Since:** May, 1995 ~ **Editor:** Richard Reinhard ~ **E-Mail:** info@gsweekly.com

Performance: Year ended April 1996 **116.9%**; 1997 **28.1%**; 1998 **36.4%**; 1999 **39.4%**; 2000 **180.9%**; 2001 **-50.5%**; 2002 **18.7%**; 2003 **28.8%**; 2004 **166.7%**; 2005 **28.2%**

Junior Gold and Natural Resource Sector Report April 21, 2006

Redeveloping High-Impact Oil & Gas Properties

TRANSEURO ENERGY CORPORATION (TSU-TSXV)



Weekly Chart, High \$3.20, Low \$0.50, Last Trade \$2.40

Transeuro Energy Corporation (TSU-TSXV) is the first junior oil & gas company to systematically utilize modern underbalanced well construction expertise to advance an international portfolio of high impact exploration assets.

Experienced and proven management in exploration and development, near term domestic production opportunities, access to a strong institutional shareholder base and a key Strategic Integrated Project Management Agreement with High Arctic (HWO.UN-TSX) strategically positions Transeuro for rapid production and cash flow growth. Key members of both management and High Arctic are significant shareholders of Transeuro, and are well-motivated to grow production and cash flow and initiate additional high-impact, low risk acquisitions to accelerate corporate growth.

Transeuro has fully staffed offices in Canada, the Ukraine, Papua New Guinea and Armenia with over 8 million acres of prospective ground, offering investors with exposure to both international and domestic Canadian natural gas production. The company is currently completing a funding of up to \$17 million at \$2.79 per share (flow-through) to accelerate their Beaver

River gas field project, where the A-2 well was recently tied-in to the local gathering system. Post-financing, Transeuro will have approximately \$32 million in working capital.

The Strategic Integrated Project Management Agreement with High Arctic Energy Services LLC, a subsidiary of High Arctic Energy Services Trust (HWO.UN-TSX) provides a strong competitive edge. High Arctic is a leading Canadian service provider in the global oilfield services business. Its proprietary underbalanced drilling technology provides an ability to unlock the potential of underdeveloped oil and gas projects, and their global operations provide ready infrastructure and technical support – highly experienced staff with a proven track record for on-time/on-budget exploration, development and production expertise.

Underbalanced Well Construction

Underbalanced Drilling (UBD) is becoming an established well site technology. Its ability to increase reserves, improve recovery, accelerate penetration rates and reduce formation damage has been clearly demonstrated. It can also reduce problems such as differential sticking and all those tools lost downhole.

In UB drilling the drilling fluid properties and the wellhead pressure are controlled so that a targeted bottom hole pressure is maintained, thereby allowing for continuous underbalance throughout. So a continuous production stream is maintained while drilling takes place. UB drilling costs more on a day rate basis than conventional overbalanced method. More planning is needed, and the process requires the pressure in the bore to be kept lower than the pore pressures of the formations passed through. Nevertheless experience shows that the process can more than return whatever extra costs are incurred by boosting output and cumulative recovery, all in complete safety and in an environmentally friendly way.

So UB drilling is being increasingly used in problem wells such as those penetrating depleted or under-pressured formations, fractured and fluid-sensitive materials, tight-gas sands, and in horizontal wells, too -- all minimizing the potential damage to the yielding reservoir.

Canada - Beaver River

Transeuro is tying in its first successful gas well at its 50% owned Beaver River Field in NE British Columbia. Beaver River is adjacent to the Fort Liard area where large gas discoveries by Chevron Canada and EnCana Corporation have confirmed the region's natural gas potential. The Beaver River Field is tied into the Duke Energy Gas Transmission Pipeline and has been historically estimated to contain 1.5 Tcf to 3.0 Tcf of original gas in place (OGIP) with a recovery factor of 10% to 20%. Based on re-processed 3D Seismic and other data, a new field interpretation shows there are two horizons containing gas: the shallow Mattson formation (to be drilled Q3 2006) and the deeper Nahanni formation (drilled Q4 2005). Management believes that new well bores combined with modern techniques will greatly increase well productivity

The Beaver River gas field was discovered by Amoco Canada in 1961, with commercial production starting in 1971. A total of eight development wells have produced gas from the Nahanni Formation in the Beaver River field, with total cumulative Nahanni production of approximately 184 Bcf to January 2003. In 2000 Questerre Energy acquired the rights to the Beaver River field to pursue their own experimental dewatering scheme and attempt to produce gas still trapped within the tight matrix of the Nahanni Formation. In 2002, the Company conducted a 3D geophysical survey in order to gain a better understanding of the complexities of the Nahanni fault blocks. Analysis of the 3D seismic suggests that there is a possibility of compartmentalization within the Nahanni Formation, suggesting the possibility of additional isolated fault blocks that have not been penetrated by existing producing wells. Extensive analysis of the pressure data gathered from the field over the past 40 years also supports the possibility of compartmentalization within the Nahanni Formation.

Re-entry and perforating operations in three old wells, A2, A6 and B2 were completed at the end of 2005. Wells A2 and A6 were re-completed to the Mattson successfully and both wells are currently being freaked to stimulate production. Initial results are encouraging. Well B2 operations have been suspended to retain access to the deeper intervals at a later date. The potential for new shallow wells will be evaluated with a view to drilling in the spring and summer of 2006. Deep wells into the Nahanni formation are also planned around the end of the year.

Ukraine – Crimea

Transeuro is well positioned as one of only 2 international oil and gas companies with concessions in the Crimean area of Ukraine. It recently acquired 100% interest in the Ukrainian company 'Pivdenspetsbud', holder of Joint Activity Agreements ("JAA") for the development of the Povorotnoye gas condensate field and the Vladislavovskoye oil field in Eastern Crimea. Transeuro has a 72% interest in the JAA during the investment phase and 60% thereafter. This now brings the total number of fields under development in Crimea to four. Strong relationships developed with the local, regional and national authorities make it possible for Transeuro to identify, assess and secure additional licenses.

The Oil and gas potential in the Crimea is substantial. The old Soviet industry discovered and appraised a large number of fields, although the productivity and flowrates were generally poor and below the established cutoff. Many fields were therefore marked as uneconomic and were never developed. Production methods have now been developed to produce the low porosity, fractured carbonate reservoirs generally found in the Crimea and substantial opportunities exist to unlock production from many of the well-defined fields.

One of Transeuro's JAA, with CrimGeologia, the State Geological Authority of the Ukraine, is to develop the Karlavskoe and Krasnapolianskoye gas fields in the west of the Crimea on the peninsula. High Arctic is currently upgrading the capacity of a

Gas Treatment Plant (“GTP”) and the connecting pipeline that will tie in the Karlovskoye and Krasnapolianskoye fields to the existing gas mainline. This will allow Transeuro to better manage future production and business opportunities.

Two shallow wells in the Krasnapolianskoye Paleocene gas reservoir (at around 1000m) have already been worked over and are ready for production. An engineering review and production modeling study has concluded that the gas production rates can potentially be increased by up to five times by using UBD and horizontal drilling techniques. The lateral drilling operations are scheduled to coincide with the commissioning of the GTP in the summer of 2006

Preparations are also well advanced to commence drilling the first Karlovskoye production well (Well 1) from the deeper horizons, targeting the gas condensate bearing reservoirs C12 – C16 in the upper cretaceous at depths ranging from 3000 – 4000m. Rig construction is nearing completion and spud is expected in the near future. Even deeper horizons in the Lower Cretaceous at over 5,000m depth are a secondary objective that will be appraised either by this same well or a subsequent well.

Transeuro is also drilling its first well under a JAA with CrymGeologia, covering more than 25,000 net acres over the Povortnoye gas condensate field in the Indo-Kudan depression in the Kirsch peninsula in Eastern Crimea. The Povortnoye is a large 8.5 by 2.5 kilometers (“km”) in size with the gas bearing horizons located at a depth of approximately 3,800m. The field is delineated by 2D seismic and by seven appraisal wells drilled in the late 1980’s that confirmed gas in the Maykop M3 and M4 reservoir intervals. Two wells produced commercial gas rates to surface, however all the wells were abandoned and the field was not put in to production. Plans are being prepared to commence drilling the first production well on the crest of the structure and to shoot 3D seismic over the area.

The Vladislavovskoye field consists of a series of three small anticlines over an area of approximately 9 by 2 km, with the oil bearing horizons located at a depth of approximately 700m. The three anticlines are delineated by 2D seismic and twenty-five wells drilled from the 1950’s onwards with numerous wells encountering oil across 36m of net reservoir sand. Well 18 originally tested over 200 barrels of oil per day and is still producing. Plans are being prepared to commence drilling of a number of production wells to confirm reservoir and fluid properties and to confirm the extent of the reservoir over the three anticlines.

Armenia - Block 2

Transeuro has a 100% interest in the 7,250 sq km (1.8 million acre) Block 2 oil and gas license, surrounding the capital city of Yerevan, across from the western border with Turkey, and holds a Production Sharing Agreement with the government.

Two main areas of interest have been identified. The more promising Karmir gas prospect includes 2 wells that produced natural gas to surface and a further 6 wells with good shows. The Shorakhpur oil prospect has 2 old wells with attractive logs and shows. Farm-in partners are being sought for 12 identified drill targets. The company is also reprocessing 175 km of existing seismic and shooting 280 km of new seismic. A technical audit of the drilling rig currently located in Armenia is underway, to identify refurbishment activities leading to a drilling campaign in late 2006.

Papua New Guinea

Transeuro is currently embarking on an exploration program in 4 blocks covering over 6.8 million acres, onshore and offshore in Papua New Guinea (PNG). Numerous world class oil and gas fields in the range of 1 - 4 Tcf have been discovered in PNG within the past decade, and are currently producing or are poised to come on stream. Other operators have proven reserves in place totaling 15 Tcf of natural gas and additional possible reserves up to 40 Tcf. The region is geologically challenging and includes high mountains, underground cave systems, jungles, rolling forests and coral seas. Within the diverse spread of Transeuro acreage there lies a portfolio of play types which include both frontier exploration opportunities and tried and tested successful plays extending in from adjacent acreage. Indeed much of the current acreage lies on trend with the producing oil and gas fields of the Highlands. A proposed 3000 km pipeline from PNG to Australia is scheduled for completion in 2009 and would transport PNG Highlands gas to eastern Australian markets.

The preliminary results of mapping show over 80 prospects and leads over the Company’s current four prospecting licenses (PPL) with many of these prospects located within the main oil and gas discovery fairway. These prospects are supplemented by oil seeps and prominent surface features. Research has indicated the majority of prospects may be rich-gas prone with possibility of oil legs. Potential drilling targets will be clustered to facilitate rapid development programs.

Transeuro has commissioned a drilling study to determine the optimum well and rig design for the remote mountainous locations in PNG. Transeuro has commissioned High Arctic to design and build a heli-portable drilling rig for the campaign that will be available in PNG at the end of 2006 to commence an exploration drilling program in early 2007.

Management

Hal Hemmerich, President and CEO

Mr. Hal Hemmerich has over 36 years experience in the resource industry as an Executive and Senior Officer of Canadian public and private companies in the natural resource sector, with first hand knowledge of both domestic and international operations. He has led projects involving production and exploration programs worldwide, including operations in Africa, South America, North America, Middle East and Southeast Asia. Responsibilities have included the supervision of operations,

sales, marketing, financings, and partnerships. He has led numerous financings and has strong ties to the capital markets with key experience in mergers and acquisitions.

Mr. Hemmerich recently opened the Dubai office for High Arctic Energy Services LLC, a wholly owned subsidiary of High Arctic Energy Services Trust (HWO.UN.TSX). Since inception three years ago, the international arm of High Arctic has enjoyed rapid and profitable growth – with approximately 200 current employees and operations in Asia, the Middle East, Africa and South America.

Edward Farrauto, Executive Vice President, Director

Mr. Farrauto is Executive Vice President and a Director of Transeuro with 17 years experience as a senior financial officer for private and public companies. His experience includes financial and regulatory compliance and public company management. He has been directly responsible for overseeing private placement financings, prospectus filings, reverse takeovers and merger and acquisition transactions. He also has extensive experience with U.S. filings including SEC clearance and reporting issues.

David Parry, Vice President of Business Development, Director

Mr. Parry was instrumental in the initial asset acquisition and financing of the Company's projects in the Ukraine, Papua New Guinea and Armenia. Appointed a Director in 2004, Mr. Parry has since raised over \$15 million in the capital markets institutionally, and over the past 15 years has worked with both public and private companies mainly in the natural resource sector. He has an extensive network of contacts and relationships throughout Europe, the Former Soviet Union (FSU), Asia and Africa and significant experience in mergers and acquisitions.

David Cohen, Director, President & CEO of Northern Orion

Mr. Cohen has held executive operating, project development and commercial positions in major global resource and construction companies, and has started and financed a number of successfully listed resource companies. As President and CEO, Mr. Cohen restructured and developed Northern Orion over the last 4 years, growing it from a market capitalization of \$10 million to over \$500 million, generating \$60 million in annual cash flow and building up a debt-free cash position of over \$140 million. Northern Orion is in the process of expanding significantly with the development of its second copper – gold - molybdenum mine in Argentina, Agua Rica. David is a professional Engineer (chemical engineering) and has an MBA.

Mark Sarssam, Director

Mr. Sarssam has 16 years international experience in the development of oil and gas fields, and has an extensive background in reservoir engineering and field management in addition to drilling, production and workover operations. He has worked with major operators in the Middle East, Far East and North Sea and is currently Head of Reservoir Development for an independent Middle East based operator.

Danny Lee, Chief Financial Officer

Mr. Lee has over 10 years of experience as a senior financial officer for TSX and Nasdaq-listed public companies. His experience includes public company regulatory compliance, SEC filing and reporting requirements, systems conversions, treasury management, human resources and financial database management.

**Ken Hemmerich, Transeuro International Projects Manager,
High Arctic Vice President International**

Mr. Hemmerich has been VP International Operations of High Arctic since 2002. He has spent a significant amount of his career in the international oil and gas sector, specifically from 1980 through to 1997 to the level of Drilling Supervisor on both land and offshore platform applications. As well, he worked for a domestic oil and gas company as the Chief Operating Officer supervising and programming drilling, completion and single well facilities. At High Arctic, his areas of responsibility include marketing, business development, and project management out of Dubai, UAE. In his dual role with Transeuro, he will oversee all of the international operations.

**Matt Swartout, Transeuro North American Director of Integrated Project Management,
High Arctic Vice President Drilling**

Mr. Swartout is a Registered Professional Engineer of Alberta with an Honours Diploma of Petroleum Technology and a Bachelor of Science in Petroleum Engineering. He has been VP Drilling for High Arctic since March 2005, prior to which he spent 2 years as a consulting drilling engineer for KISS Technologies Inc., and as the Middle East Region Engineering and Business Development Manager for Weatherford Underbalanced Drilling Systems in Dubai, UAE. Since 1982 his career has included roles ranging from field engineer to Chief Operating Officer, providing technical expertise and management guidance to companies mainly in an underbalanced drilling environment, participating as a key member on the management team to execute their strategic plans.

David Worrall, High Arctic International Director of Integrated Project Management

Mr. Worrall has over 15 years of Petroleum Engineering experience having graduated from Nottingham University, England, with a first class Masters in Chemical Engineering. He joined Mobil UK as a Petroleum Engineer in 1991 and in 1996 moved to the Middle East to Bunduq Oil Company in Abu Dhabi. In 1998 he became a reservoir and production consultant working for various independent operators across the region before becoming the Senior Reservoir engineer at MDE in Dubai in 2002. He is currently the HAES Director of Integrated Project Management and Field Development responsible for co-ordinating all IPM projects and thereby for the field developments of Transeuro Energy. His broad experience comprises: reservoir

management and simulation, production optimization and artificial lift, completions and well intervention, economic analysis and contract management.

Technicals

Since August 2005 Transeuro has been base-building in the \$2.00-2.35 range, and is now showing signs of a readiness to attempt a run at the old highs at the \$3.20 area. MACD, RSI and all of our key moving averages are now rising in unison after a prolonged downward trend that has now reversed to the upside. OBV is hitting new highs, often a leading indicator to price. MACD is signalling the first buy signal since May 2005 with price at \$0.70. Support is forming around \$2.25 and should offer a relatively low-risk area for entry. We are accumulating a modest 25,000 shares for the model portfolio between now and month end.

Website: <http://www.transeuroenergy.com>

Your Source for High-Potential Early-Stage Growth Stocks Since 1995

Copyright © 2006 by Diversified Financial Solutions, Inc. All Rights Reserved.

DISCLAIMER

The information found in this profile is protected by copyright laws and may not be copied, or reproduced in any way without the expressed, written consent of the editors of Growth Stocks Weekly.

Growth Stocks Weekly is an independent electronic publication committed to providing our subscribers with factual information on selected publicly traded companies, business, and economics. All companies are chosen on the basis of certain financial analysis, and other pertinent criteria with a view toward maximizing the upside potential for investors while minimizing the downside risk, whenever possible with the added aid of technical analysis. Growth Stocks Weekly and its editors do not accept compensation from public companies featured in this publication.

All statements and expressions are the sole opinions of the editors and are subject to change without notice. A profile, description, or other mention of a company in the newsletter is neither an offer nor solicitation to buy or sell any securities mentioned. While we believe all sources of information to be factual and reliable, in no way do we represent or guarantee the accuracy thereof, nor the statements made herein.

The staff of Growth Stocks Weekly are not registered investment advisors and do not purport to offer personalized investment related advice. The publisher, staff, or anyone associated with, or associated to, the Growth Stocks Weekly may own securities mentioned in this newsletter and may buy or sell securities without notice.

The profiles, critiques, and other editorial content of the Growth Stocks Weekly may contain forward-looking statements relating to the expected capabilities of the companies mentioned herein. The reader should verify all claims and do their own due diligence before investing in any securities mentioned. Investing in securities is speculative and carries a high degree of risk.

We encourage our readers to invest carefully and read the investor information available at the web sites of the Securities and Exchange Commission ("SEC") at <http://www.sec.gov> and/or the National Association of Securities Dealers ("NASD") at <http://www.nasd.com>. We also strongly recommend that you read the SEC advisory to investors concerning Internet Stock Fraud, which can be found at <http://www.sec.gov/consumer/cyberfr.htm>.

Readers can review all public filings by companies at the SEC's EDGAR page in the U.S. and SEDAR's electronic filing of securities information as required by the securities regulatory agencies in Canada at www.sedar.com. The NASD has published information on how to invest carefully at its web site.