

Growth Stocks Weekly

www.gsweekly.com

Publisher: Agilis Capital Corporation, Inc. ~ **Since:** May, 1995 ~ **Editor:** Richard Reinhard ~ **E-Mail:** reinhard@shaw.ca

Growth: 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%; 2006 153.3%; 2007 8.8%; 2008 -25.2%; 2009 -50.3%

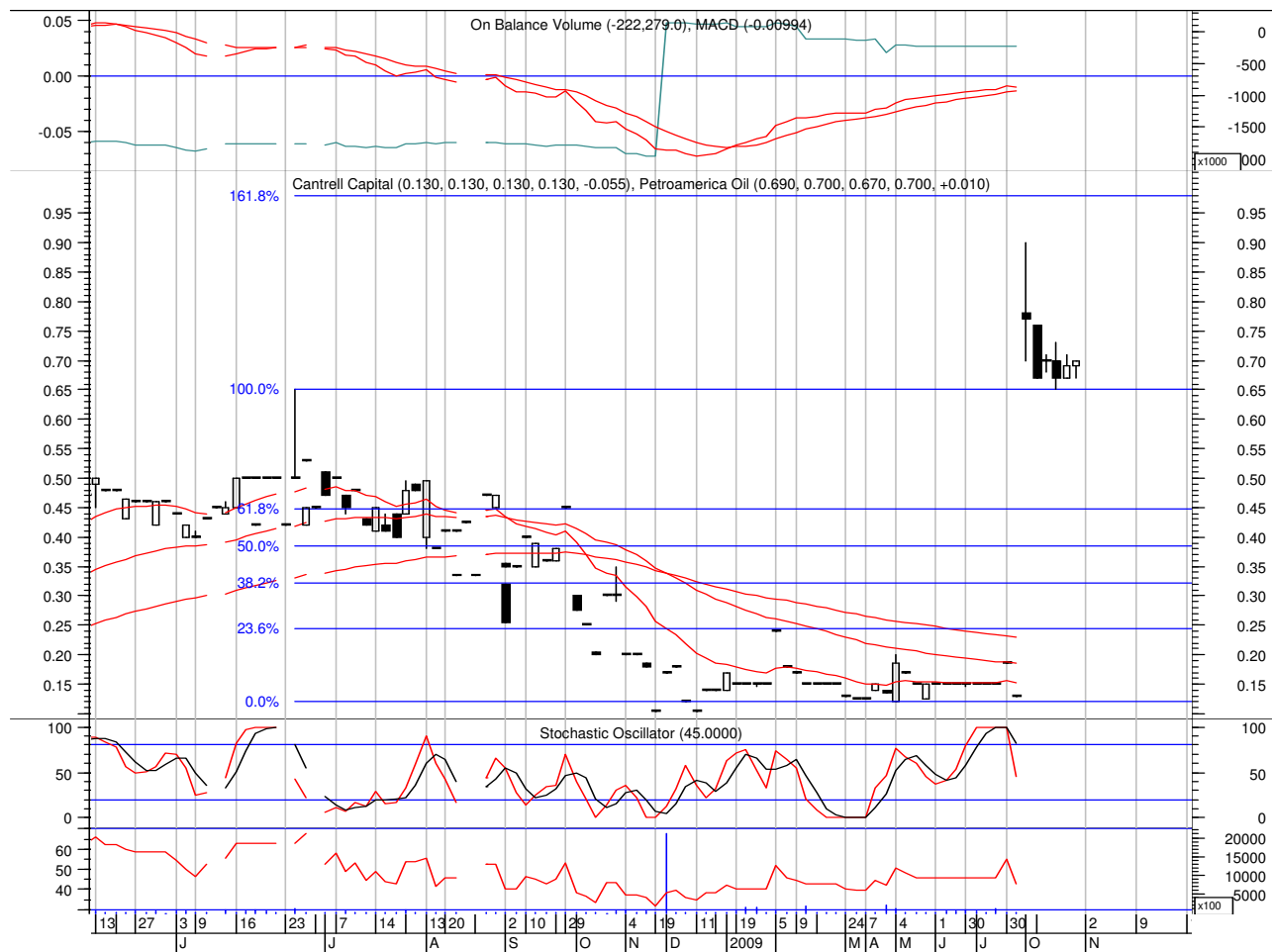
Junior Gold and Natural Resource Sector Report

October 31, 2009

Positioning into Colombia's Oil Fields

PETROAMERICA OIL CORP (PTA-TSX Venture)

INITIAL REPORT



Daily chart: High \$0.90, Low \$0.105, Last \$0.70

Overview

Petroamerica is a "smart money"-backed acquirer and explorer of oil and gas prospects in Colombia. Through a reverse takeover, Endeavour Financial-controlled "shell" Cantrell Capital Corp acquired Colombia-based Imore S.A. by issuing 60 million shares valued at \$0.25 per share. It's very early days, with no research reports out on the company, and not even a website address established. Petroamerica's share structure, strong financial backing, and exceptional technical /operating team strongly suggests that now is an opportune time to accumulate a meaningful position, before a public profile is established. We are adding 200,000 shares to the GSW Model Portfolio upon receipt of this report.

What makes Petroamerica so compelling is that they have recruited most if not all of the senior operational management from Petrominerales (PMG-TSX), a key oil & gas player in Colombia, and a top performer last year on the TSX. Petrominerales' key asset is the Corcel Field, also known as the Field of Dreams, in the Llanos Basin of central Colombia. Wells there have an initial production (IP) rate of 10,000 bopd, and settle out after the first year at about 2,500 bopd. We need look no further than the board of Petroamerica to find additional credibility, political connections and technical talent.

Pacific Rubiales is another Canadian-based company and producer of heavy crude oil and natural gas. We hear that Pacific Rubiales is a likely takeover candidate. It operates the Rubiales and Piriri oil fields in the Llanos Basin of Colombia in association with Ecopetol S.A. the Colombian national oil company. Rubiales is focused primarily within the eastern Llanos Basin as well as in other areas in Colombia and northern Peru. Current net production is approximately 34,000 barrels of oil equivalent per day, with working interests in 34 blocks in Colombia and Peru. One director from Rubiales, Augusto Lopez, and Ron Pantin, the CEO of Rubiales, is on Petroamerica's Advisory Board. It would make sense that these gentlemen would be interested in gaining a foothold in a similar albeit earlier-stage opportunity during its formative stages, combining leverage, financial strength and proven technical talent, in anticipation of an eventual takeout of Rubiales.

The stock chart displayed on page one shows Cantrell's trading history up to the halt, and then recommences after the halt on October 23 as Petroamerica. Note how the low of the post-RTO trading is exactly the same as the pre-RTO trading high – a common technical feature where old resistance becomes new support. Certainly there's already been a good lift for Cantrell's existing shareholders, and also for GMP Securities' recent brokered 180 million unit \$0.25 financing completed October 8th. We participated for a modest position in this financing, as disclosed in our earlier "heads up" email.

The Reverse Takeover / Asset Acquisition

Petroamerica completed a series of oil and gas acquisitions in Colombia that constituted a reverse takeover under TSX Venture Exchange policies. The common shares started trading at the market open on October 23, 2009 under the trading symbol PTA. The most significant of the acquisitions is the acquisition of Imore SA. Petroamerica also acquired Free Traders Inc. which holds a 5% carried Participating Interest in the Arauca Block, and entered into agreements to acquire certain property interests held by Petro Vista Energy Inc. as well as a significant direct shareholding in Petro Vista. Full details of the transactions and detailed descriptions of Petroamerica's property interests are contained in the Filing Statement dated October 20, 2009 posted on SEDAR. The transactions are briefly summarized as follows:

Imore SA

Petroamerica acquired all of the issued and outstanding shares of Imore in consideration for 60,000,000 common shares of the Company. Imore has the right to acquire 100% Participating Interests in exploration contracts comprising over 220,000 hectares in the Oriental Cordillera Basin, the Llanos Basin, and the Middle Magdalena Basin, of Colombia. In order to acquire the initial 50% working interests, Imore was required to pay US\$1 million and is required to fund a US\$43 million exploration program over 36 months (including US \$15 million over the first 17 months). Imore has paid \$8.5 million to support guarantees for the exploration commitment and has also funded US \$6.5 million of the exploration budget. Imore also acquired an option to acquire the remaining 50% balance Participating Interests in these contracts. The option was acquired at a cost of US\$3 million (which was satisfied through the issuance of 12,742,800 million Petroamerica shares) and the option can be exercised by payment of US\$50 million.

Free Traders

Petroamerica acquired all of the issued and outstanding shares of Free Traders in consideration for US\$5 million. Free Traders holds a 5% carried Participating Interest in a Technical Evaluation Agreement respecting the Arauca Block in Colombia, and in any Exploration and Production Contracts resulting therefrom, including an Exploration and Production Contract which was entered into between Pacific Colombia and the Colombian Agencia Nacional de Hidrocarburos on June 30, 2009. The Arauca Block is held by Pacific Rubiales Energy Corp.

Petro Vista

Petroamerica will farm-in to one-half of Petro Vista's 50% participating interest in the Morichito Block located in the Llanos basin in Colombia and will also farm-in to one-half of Petro Vista's 50% participating interest in Block SSJN-5 located in the Lower Magdalena basin in Colombia ("Block 5"). In order to farm-in to the Morochito interest, Petroamerica is required to pay Petro Vista's cost of a planned well (to a maximum of US\$2.5 million) and in order to complete the Block 5 farm-in, Petroamerica has agreed to fund 100% of Petro Vista's share of the costs of certain seismic program obligations. After the Block 5 farm-in, Petroamerica can acquire Petro Vista's remaining 25% interest for US\$3 million, payable in cash or shares. In conjunction with these farm-in arrangements, Petroamerica agreed to purchase 25,000,000 shares and warrants of Petro Vista by way of private placement at a cost of \$5 million. At closing, 9,000,000 shares and warrants were issued with the balance to be issued following approval of Petro Vista Shareholders. If shareholder approval is not received, Petroamerica may elect to be repaid in cash or take a 25% Participating Interest in Block 5. Based on Petro Vista's current number of issued shares and presuming shareholder approval is obtained, the Company will hold 28.3% of the outstanding shares of Petro Vista, or 44.1% assuming exercise of the warrants.

Private Placements

Petroamerica completed a private placement for gross proceeds of \$45,000,000 and issued 180,000,000 units at \$0.25 per unit. Each unit consists of one common share and one share purchase warrant exercisable into a common share at \$0.75 per

share until October 8, 2014. The private placement was conducted through a syndicate of investment dealers led by GMP Securities L.P. and Canaccord Capital Corporation and included Raymond James Ltd.

Petroamerica completed a private placement for gross proceeds of \$20,020,000 and issued 28,600,000 units at \$0.70 per unit. Each unit consists of one common share and one share purchase warrant exercisable into a common share at \$1.25 per share until October 2014.

Obligations and Commitments

Petroamerica acquired all of the issued and outstanding securities of Imore S.A. in consideration of 60 million common shares of the company. Imore has the right to acquire a 50-per-cent absolute interest in the exploration and production contracts for oil and gas over four areas in Colombia, known as COR-12, COR-14, LLA-10 and VMM-03, with an option to acquire the remaining 50-per-cent interest.

In order to earn the working interest, Petroamerica must:

- Reimburse US\$1-million paid by Endeavour Financial to Green Power;
- Reimburse US\$8.5-million paid by Endeavour Financial to Green Power to guarantee under E&P contracts;
- Fund the phase 1 exploration program to 105 per cent of the exploration budget on the E&P contracts;
- Complete the balance of the US\$43-million exploration budget within three years, of which US\$6.5-million must be immediately available.

Petroamerica also assumed the exclusive and irrevocable option to purchase a further 50-per-cent working interest in the E&P contracts for US\$50-million, exercisable by March 10, 2011 or 60 days after completion and processing of all seismic required under the E&P contracts. In consideration for this call option, Petroamerica issued 12,742,800 shares (the equivalent of US\$3-million in common shares priced at \$0.25).

In addition to the acquisition of Imore, Petroamerica acquired 100% of Free Traders Inc. in consideration for US\$5-million. Free Traders is entitled to a 5-per-cent carried participating interest in a technical evaluation agreement on the Arauca block, located in Colombia, and in any potential exploration and production contract.

In addition, Petroamerica purchased 25 million Petro Vista Energy Corp. units for \$5-million. Petro Vista holds a 50-per-cent participating interest in the Morichito block in Colombia and a 50-per-cent participating interest in block SSJN, also in Colombia. Under the Petro Vista agreement:

- Petroamerica will farm into one-half of Petro Vista's 50-per-cent interest in the Morichito block.
- Petroamerica will farm into one-half of Petro Vista's interest in block SSNJ-5.
- Petroamerica has a block 5 option entitling it to purchase Petro Vista's remaining 25-per-cent interest in block SSNJ-5.

Conditional upon exercise of the block 5 option, Petro Vista has the right to purchase Petroamerica shares up to US\$3-million. This right is conditional upon the receipt of an independent third party reserve report stating that the gross proven and probable reserves of block 5 exceeds 50 million barrels of oil or oil equivalent.

Share Capital

Following completion of the transactions, Petroamerica has 341 million shares issued and outstanding and 218.6 million share purchase warrants outstanding (See analysis on page 5). The Company has about 24 million options outstanding, including 18.5 million options granted to its new directors, officers, employees, consultants, and to charities, exercisable for a period of 10 years at \$0.25 per share, and 1.12 million exercisable at \$0.70 per share. The 60,000,000 common shares issued to the Vendors for the Imore acquisition have been placed into escrow and will be released from escrow over 36 months.

Officers and Directors

Petroamerica's board of directors was reconstituted to consist of Mr. Jeffrey Boyce, Mr. Augusto Lopez, Mr. John Zaozirny, and Mr. Michael E. Beckett. It is expected that one additional director, Mr. Paul Kroshko will be elected to the board at the Company's annual general meeting to be held on November 17, 2009.

New management of the Company has also been appointed, as follows:

Paul Kroshko, President and COO. Mr. Kroshko most recently worked with Petrominerales in Colombia where he was VP Exploration from May 2006 until leaving in May 2008. Prior to this he had been Latin America Exploration Manager for Petrobank since March 2005. During his tenure leading the exploration initiative, Petrominerales discovered several new fields including Corcel and Mapache. Petrominerales currently produces approximately 30,000 bopd from Colombia. Mr. Kroshko has held various technical and managerial positions both domestic and international, including Indonesia, North Africa and South America. Mr. Kroshko has also served as President of TechEx Corp., an independent Oil and Gas Exploration/Consulting company, from April 1993.

Wade Spark, Vice President Operations. Mr. Spark, most recently worked with Petrominerales in Colombia as Drilling and Completions Manager from June 2007 to August 2009 where he was ultimately responsible for all development and exploration drilling, testing, completion, workover and artificial lift. Mr. Spark resides in Bogota Colombia. Prior to joining Petrominerales,

Mr. Spark worked for Nexen from September 2000 to May 2007 where he had been Country Drilling and Completions Manager in Yemen and previously Operations Manager in Colombia. Mr. Spark has 25 years operational and technical experience having worked in numerous domestic and international assignments including China, Guatemala, Venezuela and Russia.

Anh Vardalos, Vice President Exploration. Mrs. Vardalos started her career as a geophysicist with Crestar Energy in 1997 where she worked in northeastern British Columbia, southern Alberta and new ventures. In 2003 she joined Petrobank Energy and Resources working in the Canadian Business Unit. In May 2005 she joined Petrominerales, a subsidiary of Petrobank and was part of the exploration initiative in Colombia that discovered several new fields in the Llanos Basin. Mrs. Vardalos left Petrominerales at the beginning of October 2009.

In addition the Company has appointed an advisory committee consisting of the following

Mr. Ronald Pantin. Mr. Pantin was founder of, and is currently CEO of Pacific Rubiales Energy Corp., a TSX listed company. Mr. Pantin worked in the Venezuelan oil industry for 23 years prior to founding Pacific Rubiales in 2008. Mr. Pantin has held a number of senior positions within Petroleos de Venezuela ("PDVSA"), most recently being President of PDVSA. Immediately after PDVSA, Mr. Pantin was President of Enron Venezuela. Mr. Pantin began his professional career with Maraven, where he held a variety of positions, including Exploration & Production Planning Manager, Petroleum Engineering Manager, Treasurer, Operations Manager in the Production Division, and Corporate Planning Manager.

Ms. Gloria Lee. Ms. Lee was founder and is the general manager of ASI, an environmental management company in Colombia mainly servicing the energy sector. Ms. Lee has more than 20 years providing consulting services in the oil and gas, energy, management and environmental sectors in Colombia to multinational and domestic operators.

Key Shareholders

Endeavour Financial acquired 18,000,000 common shares, which, together with the 4,000,000 common shares previously owned represents 7.05% of the current issued and outstanding shares of Petroamerica. Endeavour previously held 1,000,000 options and acquired 28,000,000 share purchase warrants, and 2,500,000 options. Assuming exercise of all of the options and warrants held, Endeavour would own an aggregate of 53,500,000 common shares, representing 15.58% of the outstanding shares of Petroamerica. Mining finance legend Frank Giustra was the Chairman of Endeavour Financial since 2001, but more recently has been providing advisory and consulting services through his Fiore Financial Corp., along with long time corporate finance professional Gordon Keep. During his tenure, Endeavour has raised billions of equity and debt and advised on over US\$5 billion worth of mergers and acquisitions. Mr. Giustra was formerly Chairman and CEO of Yorkton Securities in Canada (1990-96) and in 1997, he became the founding Chairman of Lions Gate Entertainment, a NYSE-listed company with revenues of over US\$1 billion. We also note that Mr. Giustra's charitable Radcliffe Foundation and his Fiore Capital Corporation acquired significant positions in Petroamerica, of 12 million and 7.8 million shares respectively, back when it was still a shell called Cantrell Capital. Please refer to the Share Structure analysis on page 5 for further details.

Peninsula Merchant Syndications Corporation and its controlling shareholder Sam Magid acquired 31,300,000 common shares which, together with 2,600,000 shares previously owned, represents a total of 33,900,000 shares representing 10.87% of the current issued and outstanding shares of Petroamerica. Peninsula also acquired 11,300,000 share purchase warrants, and 1,000,000 options. Assuming exercise of all of the options and warrants held, Peninsula would own an aggregate of 46,200,000 common shares, representing 14.25% of the then outstanding shares of Petroamerica. Sam Magid, CFA was one of the co-founders of Salman Partners in 1994. With a background as a top-ranked forestry analyst (Brendan Wood International), Mr. Magid brings a keen analytical approach to his M&A and trading activities. He spent time at the TD Bank as the manager of foreign currency and money market sales in the corporate and investment banking group and also at Scotiabank. Mr. Magid is currently considered a "hot hand" on the streets of Vancouver's financial district, with several high-profile success stories, including Potash North, and Ventana Gold, a stock trading at 4 cents late 2008, recently trading at over \$10 per share.

Trading Symbols: PTA-TSX
Share Price \$0.70
Production NIL
Shares Outstanding: 341,044,294
Fully Diluted 579,764,294
Market Cap: \$238.73 million
Net cash: \$34.52 million

Conclusion

Between management's track record, the key shareholders' interests and ability, cash raised, acquisitions announced to date, and the fact that Pacific Rubiales CEO Pantin has suggested that he might become more directly involved should Rubiales get bought out, we suspect Petroamerica could quickly build into a fast growing oil producer. We are adding 200,000 shares around the current trading price of \$0.70, likely averaging in over the next few days during the market correction.

See next page for Share Structure and Cash Analysis.

PETROAMERICA OIL CORPORATION

(FORMERLY CANTRELL CAPITAL CORPORATION)

	SHARES	BASIC %	FD %	\$ CASH
Balance Fwd:				
Shell "Float"	9,579,769	2.81%	1.65%	\$1,400,000
Control Group:				
Unknown (1)	10,864,525			
Unknown (2)	5,000,000			
Unknown (3)	14,000,000			
Radcliffe	12,000,000			
Fiore Capital	7,800,000			
	49,664,525	14.56%	8.57%	
Transaction:				
Peninsula Corp (BC)	20,000,000	5.86%	3.45%	
Next Ventures Corp (Bogota)	20,000,000	5.86%	3.45%	
Knotsville Capital (Zurich)	20,000,000	5.86%	3.45%	
Green Power Corp (Bogota)	13,200,000	3.87%	2.28%	
	73,200,000	21.46%	12.63%	
Financings:				
Private Placement @ \$0.25	180,000,000	52.78%	31.05%	\$42,770,000
Private Placement @ \$0.70	28,600,000	8.39%	4.93%	\$19,019,000
	208,600,000	61.17%	35.98%	\$61,789,000
TOTAL BASIC	341,044,294	100.00%		\$63,189,000
Potential Dilution:				
Options @ \$0.25 5yrs	19,000,000		3.28%	\$4,750,000
Endeavour warrants @ \$0.50 1yr	10,000,000		1.72%	\$5,000,000
Options @ \$0.70 10yrs	1,120,000		0.19%	\$784,000
PP warrants @ \$0.75 5yrs	180,000,000		31.05%	\$135,000,000
PP warrants @ \$1.25 5yrs	28,600,000		4.93%	\$35,750,000
	238,720,000		41.18%	\$181,284,000
TOTAL FD	579,764,294		100.00%	\$244,473,000
CASH REQUIREMENTS:				
Short Term:				
Imore payment to Green Power (US\$1,000,000) pd by EDV				\$1,100,000
Imore support guarantees (US\$8,500,000) pd by EDV				\$9,350,000
Acquisition of 5% interest in Arauco Block (US\$5,000,000)				\$5,500,000
				\$15,950,000
Long Term:				
Support payments due in 17 months (\$US8,500,000)				\$9,350,000
LT portion of 36 month exploration budget (total of US\$43 million)				\$28,600,000
Option to acquire 50% balance of the EP Contracts in 18 mos (US\$50,000,000)				\$55,000,000
				\$92,950,000
TOTAL CASH REQUIRED				\$108,900,000

NOTES:

- (1) Original control block owned by Tom Reissner sold Jan 2008 privately (undisclosed buyer)
- (2) Unknown buyer of \$0.05 private placement plus \$0.10 warrants exercised (resold privately to undisclosed buyer)
- (3) Private purchase by Rob McEwan's Evanachen Ltd @ \$0.015 subsequently sold privately July 2009 (undisclosed buyer)

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