

June 7, 2010

A clarion is a medieval trumpet that had clear, shrill tones. Trumpets were often used to get people's attention when making announcements. We are also using "clarion" in the context of making announcements, as well as being thought-provoking when sharing our information and opinions with those people who are interested in new investment ideas.

for your Information

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Topic: Economic Travails

Lest we forget, the U.S. housing sector is far from out-of-the-woods. U.S. private sector job growth shuddered to an almost dead stop in May. Sure, liquidity has improved, interest rates remain low and are fairly stable, inflation is subdued, consumer spending is increasing (but still fairly muted), exports are rising, and corporate profits are substantially exceeding analyst predictions.

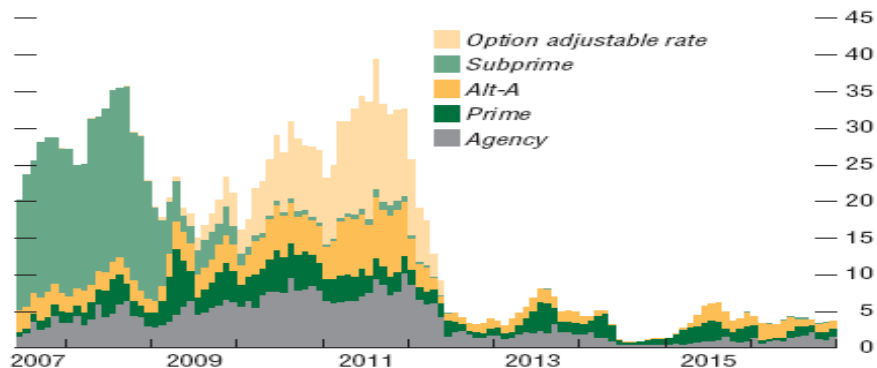
But, there are still storm-clouds overhead, including a lack of business and consumer credit, continuing high levels of unemployment, sovereign debt risk, burgeoning fiscal deficits in many countries, possibilities of a marked slow-down in some emerging countries, notably China, a temporary shut-down of off-shore drilling in the USA, a global financial reform movement, and ubiquitous international tensions.

The BP debacle could have a serious long-term impact on energy prices, especially if drilling in the Gulf of Mexico is curtailed for an extended period. It supplies about 6% of U.S. oil that will have to come from somewhere else.

But the biggest head-ache that could affect the Good Old USA is the scary effect of the high and rising mortgage resets from June 2010 until the end of 2011. We show below the chart, courtesy of Credit Suisse, that we included in our June 29, 2009 Clarion. It shows clearly why there are serious problems ahead, until 2012.

Bob Weir, CFA, Managing Director, Research Services

Figure 1.7. Monthly Mortgage Rate Resets
(First reset in billions of U.S. dollars)



Source: Credit Suisse.

Quick Facts

One Year Chart (HYD)



Source: www.bigcharts.com

Price (June 7/10):
\$0.40

52-Week High-Low:
\$0.52 - \$0.195

Average Daily Volume:
50-day: 32,600
200-day: 26,700

Shares Outstanding:
21.96 million

Market Capitalization:
\$8.78 million

Year-End:
December 31

Symbol: TSX:HYD

Website:
www.hyduke.com

Stock-of-the-Week

Hyduke Energy Services Inc. (HYD:TSX)

Hyduke Energy Services Inc. is an Alberta-based integrated oilfield services company with operations in three operating segments: (1) drilling equipment; (2) well service equipment; and (3) other oilfield services.

International activities have become an increasingly important segment of the Company's operations over the past year, accounting for 41% of 2009 revenue compared with 22% in 2008. This trend continued in the first quarter of 2010, with international revenue reaching 42% of overall revenue.

The Drilling Equipment segment is the largest of the Company's operations, providing approximately 60% of 2009 Revenues and 98% of Gross Profit. It covers the manufacture and repair of land-based drilling rigs and structures, the supply and repair of drilling rig equipment, and the distribution of drilling supplies. For the first quarter of 2010, these operations accounted for 75% of Revenue and 81% of Gross Profit.

The Well Service Equipment operation includes the manufacture and repair of well service rigs, pump units and other well service equipment and the distribution of well service supplies. It provided 24% of 2009 Revenue and 2% of Gross Margin.

Other Oilfield Services are the remaining operation and includes the distribution of drill bits, machining services, industrial sandblasting, painting, and other similar services.

As has been the case for many companies servicing the western Canadian energy industry, Hyduke's revenues declined significantly between 2007 and 2009. It also incurred losses for the past two years as drilling industry conditions deteriorated.

In response to these challenges, management undertook a series of measures to strengthen its balance sheet and to return to profitability. These included cost cutting programs, the elimination of \$7 million of bank debt in 2009, a \$2.4 million goodwill impairment write-off in 2008, a focus on strengthening its cash position, and an increased emphasis on growing its international activities.

Additional information on Hyduke Energy Services Inc. is provided on our website: <http://www.eresearch.ca/profile.asp?companyID=579>

**New eResearch
Material Since
May 25/2010:**

1. Initiating Reports

[Cadillac Ventures](#)
06/03/2010

[Gemini Corporation](#)
05/31/2010

[SLAM Exploration](#)
05/31/2010

[Hyduke Energy
Services Inc.](#)
05/26/2010

**2. Update Reports
and Bulletins**

[Antioquia Gold Inc.](#)
06/03/2010

[QHR Technologies](#)
06/03/2010

[Quorum
Information
Technologies Inc.](#)
06/01/2010

3. Analyst Articles

[Stock Market
Timing](#)
06/02/2010

In addition to these reports and articles, our full complement of research is available at www.eresearch.ca

BriefCase

NewsBytes from May 31 – June 4, 2010

Additional information on the companies featured in NewsBytes may be found at www.sedar.com, and at www.eresearch.ca.

For the latest eResearch publications, see sidebar opposite.

Nortec Minerals Corp. (\$0.135 - May 31, 2010; NVT-TSX-V/WMQ-Frankfurt) Nortec announced a non-brokered private placement of up to 6,250,000 units at \$0.12 per unit, for total gross proceeds of up to \$750,000. There is an oversubscription clause with a further \$187,500 in funding, consisting of 1,562,500 units. Net proceeds are to be used for Nortec's drilling program at the Seinäjoki gold project in Finland and for general working purposes.

Canadian Mining Company (\$0.065 - June 1, 2010; CNG-TSX-V) Canadian Mining reported that eight core holes on the Bullard Pass gold property in Arizona were completed during March/April 2010, with about 4,000 feet drilled. A detailed analysis is ongoing, but a preliminary review confirmed that the soil geochemistry anomalies can be used to target drill holes, as anomalous hydrothermal elements were found in all holes. Gold analyses ranged up to 0.2 oz/ton.

CO₂ Solution Inc. (\$0.20 - June 1, 2010; CST-TSX-V) CO₂ Solution has executed a custom immobilization agreement with CLEA Technologies B.V. (CLEATECH) for the development of CLEATECH's proprietary Cross Linked Enzyme Aggregate (CLEA) technology for the carbonic anhydrase enzyme used by CO₂ Solution for carbon capture applications. Under the agreement, CO₂ Solution obtains exclusive global rights to the CLEA technology for the enzyme carbonic anhydrase until 2016, extendable thereafter upon commercial deployment.

Integrated Asset Management Corp. (IAM) (\$0.52 - June 1, 2010; IAM-TSX) BluMont Capital Corporation, a wholly-owned subsidiary of IAM, announced that on July 1, 2010 Sherpa Asset Management Inc. would be awarded the exclusive investment management responsibilities of the BluMont Core Hedge Fund. Vancouver-based Sherpa will employ a market-neutral strategy for the fund.

SLAM Exploration Ltd. (\$0.10 - June 3, 2010; SXL-TSX-V) SLAM and its j.v. partner Beatrix Ventures Ltd. announced that drilling is in progress on Hole OG10-01 on the Opikeigen gold joint venture. The project is in the Fort Hope area of Ontario, east of the historic Pickle Lake gold camp. The companies expect to complete approximately 1,000 metres of diamond drilling at Opikeigen, with six holes planned to test for potential extensions of zone 12 at depth and along strike.

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Opportunity Knocks

Business Development personnel wanted.

We are interested in adding one or two additional business development people to our team. Anyone with a penchant for sales, please contact us.

If you are interested in becoming part of our sales team, I can be reached at bweir@eresearch.ca.

“Research is the
bedrock underpinning
all capital markets”

Monthly Top Ten

(Includes reports and articles only)

The top ten downloads from www.eresearch.ca since May 10, 2010:

1. SLAM Exploration Ltd., Initiating Report, May 28/June 3
2. Augen Gold Corp., Perspective, May 26
3. Nebu Resources Inc., Perspective, May 14
4. Hyduke Energy Services Inc., StockPotentials, May 26
5. Potash Corporation of Saskatchewan, Technicalities, May 17
6. Antioquia Gold Inc., Perspective, June 3
7. Cadillac Ventures Inc., Initiating Report, June 3
8. QHR Technologies Inc., Perspective, June 3
9. Hellix Ventures Inc., Perspective, May 26
10. Aberdeen International Inc., StockPotentials, May 7

Bi-Weekly Top Five

(Includes reports and articles only)

The top five downloads from www.eresearch.ca since May 24, 2010

1. SLAM Exploration Ltd., Initiating Report, May 28/June 3
2. Augen Gold Corp., Perspective, May 26
3. Hyduke Energy Services Inc., StockPotentials, May 26
4. Antioquia Gold Inc., Perspective, June 3
5. Cadillac Ventures Inc., Initiating Report, June 3