

**Xemplar Energy Investors Conference Call Transcript
Wednesday, January 14, 2009**

Eunho Lee:

Good morning, good afternoon and good evening everyone. Welcome to Xemplar Energy's Investors Conference Call.

First and foremost, thank you for your interest and on-going support of Xemplar Energy. My name is Eunho Lee, the Company's Senior Manager of Corporate Development, and with the support of our Accuconference team, I will be moderating today's Investors conference call.

Joining me on line are two board members, Mickey Harley, our newly appointed President, and Mike Magrum, our Technical Director and the Company's Qualified Technical Person under the National Instrument 43-101.

At this time, I would like to take a few moments to outline how we are going to proceed with the Investors conference call.

We are scheduled to be together for the next hour and for the first fifteen to twenty minutes, Mr. Harley will provide you with an overview of the broad macro environment in which we are operating and Mr. Magrum will provide you with an overview of company's operational developments over the past 12 months and our plans for the next year.

Proceeding Mr. Harley and Mr. Magrum's address we will open the lines to all participants for a question and answer session where you will have the opportunity to pose questions to our two board members. At the conclusion of Mr. Harley and Mr. Magrum's address, I will provide you with the instructions on the process of asking your questions.

For the record, we seek safe harbor on any forward-looking statements that are made during the course of today's Conference Call. Please refer to our website for the details of the Safe Harbor claim related to any forward looking statements.

If we are unable to get to your question in the allotted time that has been scheduled, you are welcome to forward your questions through our website www.xemplar.ca and we will provide you with an answer for you as soon as possible.

The conference call is being recorded and will be rebroadcast on our website. So if you wish to listen to the call again, it will be available to you. As well, a written transcript of today's conference call will also be available on the Company's website. We expect to have both of the digital recording and transcript to be available within the next forty eight hours.

I believe that covers all of logistical issues related to the conference call, so without further adieu, I will pass the conference call to Mr. Harley, so, Mickey, it's all yours...

Mickey Harley:

Thank you Eunho. Well, good morning, good afternoon, or good evening depending on where you are. I would like to welcome you all to the Company's first conference call of 2009.

My name is Mickey Harley, and I'm the President and Director of Xemplar Energy, having accepted this responsibility a little over a month ago, in December 2008.

I want to first outline what we would like to accomplish for this conference call. The purpose is to provide you with an overview of our activities and developments in Namibia over the past 12 months and to outline our strategic plans for 2009. But more importantly, our primary objective is to allow you, the shareholders, the opportunity to ask me and Mike Magrum questions that you may have.

A good place to start is our current financial situation. At the moment, the Company has a cash position of CDN\$16.0 million. During 2008, the Company spent approximately CDN\$12.0 million on all of our works in Namibia. The expenditures included purchase of six additional rigs, giving us a complement of 10 rigs that are fully amortized; additional support vehicles and drilling of 40,000 metres. The focus of our expenditures in 2008, which Mike Magrum will get into greater detail with, was on spending money in the ground.

Our current burn rate for 2009 is CDN\$500,000, giving us more than sufficient cash to carry out our exploration program for the next 24 to 30 months, and allowing us to weather out the current global financial crisis that is now starting to have adverse effects on junior exploration companies that aren't in the same enviable position we are in.

2008 was the first full year the Company traded on the Namibian Stock Exchange, and was the first full year the Company administered the Warmbad Trust Fund that it had set up in 2007. Trading on the Namibian Exchange has been modest, and we are now in the process of making our first distribution of funds to pensioners in the Warmbad region, so clearly we are a Company dedicated to making a difference in Namibia.

Through Namura Mineral Resources, our wholly owned Namibian subsidiary, we were granted two Exclusive Prospecting Licenses for the Garub Region, giving us a total of eight EPLs covering a total area of 7,500 square kilometers, making us the largest license holder of NUCLEAR FUELS exploration licenses. The EPLs for Warmbad, Aus, and Cape Cross are good until January 2010, while the two granted for Garub are good until September 2010.

I'd like to speak a little about the macro-conditions surrounding the Uranium and Financial Sectors.

It is our belief that uranium as a commodity is back on an uptrend, driven by basic supply and demand fundamentals. According to a recent published report by Canaccord Adams,

- ❖ In the short term, the uranium market appears relatively well balanced, with uncovered U₃O₈ requirements by utilities remaining low, but off set by production cuts by several major producers and the easing of distressed selling of physical U₃O₈ by financial players, which should keep the market relatively tight.
- ❖ In the medium term, risks in the uranium market appear balanced to the positive as uncovered U₃O₈ requirements by utilities should begin to grow in 2011. The structural gap between supply and demand is anticipated to remain significant, as major new projects such as Cigar Lake and the Olympic Dam expansion are pushed back, though we are cautioned that uranium prices need to remain strong to encourage exploration and the development of new capacity.
- ❖ In the long term, fundamentals in the uranium market appear extremely positive as the nuclear renaissance and the build out of new reactors, is forecast to significantly increase U₃O₈ demand, particularly in China and India.

Our business, not unlike others, is not immune to the current financial/credit crisis and global recession. Major infrastructure and expansion projects are highly dependent on credit instruments, and the crisis has no doubt slowed or will slow the building out of new reactors, and demand for nuclear fuel; however the experts believe advancing new production to meet this demand, albeit affected by the global recession, is likely to be a significant challenge for the industry.

Supporting observations made by Canaccord-Adams, we are seeing positive developments in the uranium sector as evidenced by:

- ❖ Denison Mines just announced a CDN\$41 million bought deal.
- ❖ George Forrest Group's offer to buy Forsys Metals for CDN\$579 million for their 62 million pound Valencia Uranium deposit, grading 110 part per million.

I'd like to make a few comments about Namibia.

We are operating in a country that is extremely mining and exploration friendly. The Namibian government depends on mining for 8% of its Gross Domestic Product and nearly 24% of its Export earnings.

Furthermore, the Namibian government recognizes the need for further investment for its infrastructure for water and power and is actively moving to upgrade these facilities.

In Warmbad, where we are developing a number of zones of mineralized continuity, our needs for power, water, and transportation are well served by a power grid, the Orange River and a relatively well developed road system.

Lastly, I would like to take this opportunity to acknowledge the team of professionals who are responsible for the day-to-day management of the Company.

In Simon Tam, the Company's CEO, we have an individual who is dedicated and possesses the acumen to effectively manage the operations from a corporate perspective. It is Simon with whom I am working closely with on the corporate finance and strategies.

In Mike Magrum, the Company's Technical Director and Qualified Person under the National Instrument 43.101, we have an individual with extensive mining engineering and geological experience whose expertise is counted upon to provide leadership and support for our exploration program.

In Charles Johnston, the Company's Chief Geologist and Exploration Manager, we have a 35-year veteran geologist, who has a tremendous amount of knowledge of the Namibian geology.

In Piet Knoetze, our Warmbad Project Manager, we have a geochemist with over 30 years of experience managing projects of size in South Africa, Ghana and the Democratic Republic of Congo.

It was Charles and Piet who were instrumental in turning our exploration program around in 2008, to the stage that we have identified 8 zones of mineralized continuity at Warmbad, a significant achievement for an exploration company such as ours.

Lastly, in Richard Gaida, our Head Driller, we have an individual with excellent operational and tactical leadership skills to ensure our drill program is executed in the most efficient manner. Richard has been responsible for training and developing a team of local Namibians who make up Xemplar's drilling teams.

I'd like to close my address by stating that through the fund I manage, I have a controlling interest of 19.9% shares of Xemplar Energy. I feel very secure in the investment I have made in Xemplar Energy – when I look at all of the variables that goes into making a sound investment decision for my fund, Xemplar Energy meets all of the elements, which includes...

- ❖ The Uranium Sector is poised for a bounce back;
- ❖ Namibia is a safe and mining/exploration friendly country;
- ❖ Company is sufficiently financed to carry out our exploration program;
- ❖ Properties are developing in a positive direction;
- ❖ With Forsys Metals being the subject of a take-over offer, standards are being established for economic returns on uranium exploration companies;

- ❖ A strong management and strong field team to execute the strategic plans;

that I look for. With these elements in place, I have tremendous confidence that the opportunity set offered by Xemplar Energy is superior to others in its class.

Having said all of this, I'd like to pass the stage over to Mike Magrum, our Technical Director and Qualified Person to provide all of you with a technical overview of our projects...Mike, the floor is yours.

Mike Magrum

Thank you very much, Mickey.

Before I get into the strictly technical aspect, I'd like to provide a little bit of background information on uranium and Namibia. First of all the uranium price at the moment on a short term basis is \$53 a pound and the long term price, in other words, uranium that's sold under long term contracts is presently at \$70 a pound. It's expected that there's going to be some convergence of pricing which hopefully means that the short term price moves up.

Now, uranium price is very important to us but an important thing to remember is that the uranium price is not as important to the owners of the reactors as it is to us. In other words, the price of the fuel is only 1 to 5% of the operating costs of a reactor and because of that, the price of uranium is much less important than a source of supply. So when we move into the supply arena, what are they looking for? The utility companies, the Areva's of the world are looking for a place and deposits that are large which is why we are in Namibia. When you look at some of the recent corporate finance developments in Namibia where you see Areva, who is the largest builder of nuclear reactors in the world paying 2 ½ billion dollars for Uramin. The George Forrest Group offering \$579 million for Forsys...you don't see deals of this size anywhere else in the world. Basically Areva's there as are the big boys, and they're there and they're looking for more large deposits.

Obviously Namibia has the right geological frame work for large deposits. There's quite a few of them - more are being found, there is a friendly government, and hopefully a shorter permitting time, but it basically comes back to here is one friendly country in the world that has a history of large deposits. The Rossing Uranium Mine controlled by Rio Tinto started production in 1976; it's still operating, still making money.

So, the obvious question is why are we in Namibia? Well, the answer is just as obvious. We're there looking for elephant deposits because it's a good place to look.

A little bit of history on Xemplar. When Xemplar first went into Namibia, we were one of the first junior companies there. We were able to assemble a large land position, consisting basically of

four large projects and we had access to some information that the government had mainly because of disinterest in uranium and nobody was aware of (the opportunities in Namibia).

So for our Warmbad project we had the advantage of a government airborne survey that nobody was aware of. (We) quickly moved to pick up a large land position, we carried out an airborne survey of our own that was more details. This survey outlined fourteen very large radioactive zones which have now morphed into five larger zones as we found that the initial zones merged with each other.

So that being said, I want to sort of get into my personal experience. The first time I was in Namibia and went to the Warmbad project and walked across some of these airborne anomalies in simple language, I was blown away. I had never seen anything like it -- where you can walk for hundreds of meters with a spectrometer on your hip, squealing away and you're (saying to yourself) going, "wow, this stuff is big". And when you're in geology and in the mining business, big is very important. We look for big structures. Big structures give you big systems. Big systems give you big deposits. And that's what we were and are looking for -- a big uranium deposit or more likely numerous large uranium deposits.

The Warmbad project covers about 1,800 square kilometers. It's a challenge but it's also very much of a blessing in that when we start finding things, we've got it all (i.e., massive size, anomalies, structure, geology).

So, that having been said, I'm going to move into a little bit more technical discussion now, covering what we did in 2008 keeping in mind that we're trying to follow a very balanced exploration approach. In other words, we want to be (exploration) drilling and we want to be doing the development work to generate new drill targets in the future so that we have a steady supply of new targets.

In the last year, basically before doing this work, we assembled a super team that Mickey had mentioned before, but besides the head people, you know there's also the junior people. At the peak of our work we had up to 90 people working for us.

Now a thing to keep in mind is that we have developed five high priority targets at one of our properties within the Warmbad called the Aluriesfontein and another three (high priority targets) at Big Yellow. When I say high priority targets, these are targets where we've done drilling; we've encountered uranium mineralization in multiple holes where we can trace the mineralization from hole to hole.

But before this is done a lot of work goes into it (exploration). We obviously have the airborne survey, but there's people on the ground mapping, prospecting, sampling, compiling the data. So a lot of work goes into this and I'd really like to say thank you to the people that have done all of that hard work on the ground to get to the glory part where you can start drilling holes and find great mineralization. You get continuity between the holes and that equals success.

As a shareholder who has been reading the press releases for the last year, I think you'll have noticed that as the year progressed we were starting to get more and more, and better uranium intercepts in the drill holes, and that the proportion of holes with good results was starting to increase. There again, that's the sign of a success. We're actually finding stuff out there and they are starting to tie together. You know, this is the first step in developing ore bodies. So in very simple terms in 2008 we drilled 40,000 metres of drilling, a combination of both reverse circulation and diamond drilling. A lot of this was reconnaissance type drilling and we developed eight high priority targets where the numbers are all holding together.

We can trace mineralization from hole to hole and we have a potential of developing resources in all of these. Keep in mind that we're also in the process of generating new targets. We have targets that I'm not calling high priority at the moment, but will be drilled in the very near future. The other thing that I'd like to pass on is that we have a big backlog of samples in the lab. Results will be forthcoming, so there's going to be a steady stream of news in 2008 for work that was carried out in, sorry, results will be coming out in 2009 for work carried out in 2008.

So, moving forward, what do we plan to do in 2009? Obviously we're going to keep drilling. As Mickey mentioned earlier, we've got ten drills and they will be working. We've been asked, what do you have for a target for the number of meters to be drilled? At this point we don't have that number in hand. What we plan to do is aggressively follow up on all of our targets. Some of them are in areas that are a little bit remote so the footage drill booked might slow down a bit, but the important thing is a large portion of our drilling is going to what I call "quality" rather than quantity. We are here to prove up pounds in the ground.

In light of that what we plan on doing in early 2009 is retaining a world recognized consulting firm who specialize in oil reserve calculation to begin a quality assurance program or I should say an audit of our present quality assurance program so that they will be prepared to carry out resource calculations and have faith in all of the numbers that we provide to them.

Once again, I'd like to thank the team that we've put together and it really does come down to when you have the right team and the right property, good things happen. As a sign of commitment I want to let everybody know that Simon Tam, the CEO of the company, and myself spend one week out of each month in Namibia. We're very hands on; we want to see what's happening. We want to be a part of it and we want to make sure that we are responding to whatever that we're finding to create the greatest value for the shareholders.

In closing, I want to reiterate what Mickey had said earlier on what the main points are that make Xemplar such a great company.

- ❖ The first is our cash in the bank, approximately \$16 million,
- ❖ The second is uranium price on an upswing,

- ❖ Third, Forsys Metals takeover offer from the George Forest Group of \$579 million for a deposit that at 110 parts per million is very close or almost identical to the grades that we're encountering in our drilling.
- ❖ And the most important point is we've out laid eight zones and hopefully many more where we've got continuous mineralization between drill holes, which is the start of finding an ore body that turns into a resource.

In closing before we go to questions, there's an old saying in our business, "I would rather be lucky than smart". And without commenting taking on how smart I am (or thinking that I am) I'd like to say how lucky I am to be being part of a company that has identified a new uranium province in Namibia. Thank you and I guess we're ready for questions.

Eunho Lee

Just some simple instructions on how we will proceed with the Question and Answer session...please enter "star one" on your touch tone pad and you will be entered into the question queue.

As your numbers are entered into the queue, we will take your questions in sequence as they are received. Our operator, Bricelda, will prompt you to ask your question.

When asking your question, please start by clearly stating your name and where you are calling from. Mike Magrum and Mickey Harley are now available to answer your questions, so Bricelda, if you would, please take over...

QUESTION AND ANSWER SESSION

Bricelda: Alright. Thank you and we do have a couple of questions.

Vincent: Hi this is Vincent Weaver from Fundamental Research Corporation in Canada. You've spoken about your similarities between the other uranium's deposits in Namibia such as the Rossing Valencia. Can you possibly elaborate on some of the geological similarities?

Mike: Yes I can. First of all under geology both Rossing Valencia and ourselves are all what are called "Alakite (phonetic) type" deposits which are sills of light colored granite generally in a certain structure. The grade wise, the Rossing is higher grade than ourselves, but the Valencia deposit is at 100 parts per million and the numbers that seem to prevalent in our drilling is in the 100 to 120 parts per million.

Vincent: Okay, thank you.

Mike: You're welcome.

Bricelda: And we'll go on to our next question.

Thomas: Hi this is Thomas. I'm an investor from New York. My question I'd say has three parts. One, I had heard that possibly you'll be setting up your own lab to expedite drill results in Namibia. I was wondering if that was true and when that was happening. Two, if EPL is expiring in 2010 what's the process of renewing them and is that any foreseeable problem? And three given what you said about hiring an independent company to figure out a calculation for pounds in the ground, what is the timeframe that we're looking at to have some kind of calculation in the Warmbad area?

Mike: Okay, to go back to the first part of the question regarding the lab. We don't have any plans in setting up our own lab at the moment. With the recent downturn in the mining business the turnarounds that the labs have speeded up quite a bit, so and we are exploring the possibility of using another lab that is set up, well set up in Namibia rather than South Africa. We had initially explored this idea but it was more for setting up a preparation facility that would cut down on the time. Obviously we much prefer to use third party experts so that you know our quality assurance program is a lot simpler and leaving that, you know the laboratory work to the experts. So at the present time the turnarounds are getting a lot faster, we're generally happy with it. It will never be as fast as we want it to be. Second question regarding the EPL's, they are expiring in 2010. There is a process for renewing them. All of this is place so it's not an issue; it's just a process that we follow. Number three, hiring an outside consulting firm for auditing our quality assurance program with a view towards retaining them for our resource calculation in the future. We are planning on doing that in the beginning of 2009 and we will announce it when it's done, but it will be a firm that is recognized worldwide and who are used to doing these types of calculations for this type of uranium deposit in Namibia. Thank you.

Thomas: Thank you.

Bricelda: We'll go on with our next question.

Brian: Brian McClary from Vancouver. I just wanted to know with increased production coming out Kazakhstan is there any concern for the price of uranium going forward?

Mike: This was something that just hit the news yesterday. What I see in the uranium market just like in the stock market, the prices generally reflect what's coming in the future. The increase in Kazakhstan Production wasn't really a surprise to anybody in the business. So all I can say is we'll wait and see what happens with the uranium price, but my feeling it's already factored into the present price. Thank you.

Bricelda: And we'll proceed with our next question.

Toni: This is Toni Wallis, Independent Consultant in Vancouver. Just a quick question on the drill results from Alurifontein that came out on Monday. These results look as though they pretty much all come from "Area 3". I'm wondering if you're going to post an updated drill plan on the website shortly.

Mike: Yes we do plan that, Toni. We're in the process of assembling maps. As you know you lose a little of detail and resolution you know on maps that get posted. Our plan is to have maps on our website and to distribute them to interested parties. We have had the request from a number of analysts. Thank you.

Toni: Okay, thank you.

Bricelda: And on with our next question.

Randy: This is Randy Powers from Morgan Stanley. Mike, the drill results are showing zones five meters to fifty meters between 100 to 150 PPMs. Do you believe that this is economically mineable at these levels?

Mike: In the context of if a deposit is developed and mining goes to head we think the minimum mining which would be five meters and that 100 parts per million would be a number that's required. So I can't, at this point, because we do not have a resource or a reserve, I can't say it's minable. But in the event that a mine was developed these would be numbers that would make sense. Thank you.

Bricelda: Okay and we have one last question.

Brandon: Hi this is Brandon calling from Vancouver. I guess maybe this question may be answered by Mickey better. It's just on the financial state of the company and I know you guys are an exploration company and the production or sale of the company is probably a ways out. With a \$16 million treasury, when do you foresee having to the next raise with the operating expenditures that you guys have planned for the year?

Mickey: Okay. It's Mickey, hi Brandon. We gave Simon the task of getting our cash burn rate down to about ½ million a month. That would include the Full Throw Program we have scheduled for this year which Mike would describe as 75% to 90% on Warmbad defining our current target. The balance somewhat as Mike would call it R and D, looking for new targets. So that would be inclusive of the ½ million a month right now. If we continued along that path we've got a couple of years. Now obviously we are expecting, we would expect the work to lead to something. I'm

trying to be cautious and not overstate our position but we would expect our work to lead to something that would be a positive for the company, increase the share price and allow us, if we decided at that time to fund future exploration and future projects via an equity raise via markets. Or, as we complete our work and we're hopeful that the work goes positively we could monetize some of the things that we defined in the year to come. I hope that's not too evasive, I'm just trying to not overstep what I'm supposed to say.

Brandon: One last question, Mickey, while I have you on the line.

Mickey: Sure.

Brandon: Is it possible for you guys to be looking at partners to help out as financial markets aren't the easiest to raise capital right now? And/or are there other people interested in the company?

Mickey: Being the largest stock holder and being a fund manager on behalf of myself and others, we're always open to a deal. Always. Right, I mean every investment I have both professionally and personally; you know we're always for sale at the right price. That said, I would think that this market it isn't a good time to be selling assets in general. So I wouldn't be, you know none of my investments I'm looking to sell right now unless I'm desperate to sell, which I'm not. There's another level of partnership that could be explored and we've been approached by people who are looking for that type of investment. But we're in a very good position. We don't need cash. The money raised despite the debate that raged at the time we raised the capital in hindsight now seems to have been a very smart thing to do. As a result, we're in a very good position. We don't need to cut a deal. You know we've got a drill program in place and the cash in the bank that I think we can do some very, very good things this year. If that leads to a deal, great. If it doesn't, you know, we're just fine. I'm very comfortable with that. Does that answer your question, Brandon?

Brandon: Absolutely.

Bricelda: Alright, and we'll proceed with our next question.

Tony: Hi this is Tony Bennett. I'm calling from England. I met up with Gennen McDowell from time to time when he was in London and that's when I really fast had the details of what the company was doing in Namibia. I was very surprised that the promptness which he left the company and the way in which it was announced and the way in which it was kind of passed over. I'm wondering if you could tell me what his position now is at the moment. How is he personally and does he have any continuing connection with the company?

Mike: Maybe I could answer that. It's Mike Magrum. Gennen developed some serious health problems which now seem to be taken care of. So when he left abruptly it was related to health reasons. At the same time you know like all of us that have reached a certain age, I think you look in the mirror and say, "what do I want to do with the rest of my life?" So Gennen has made the decision and luckily his health problem has turned around that he can get to go do a lot of the things he didn't get to do before. He is still available for consultation to the company. We talk on a regular basis and he is a shareholder of the company but you know he's basically made the decision that he wants to improve the quality of his life which doesn't include for a living. Though we wish Gennen all the best. We really have to acknowledge Gennen for the contributions he's made and wish him the best of luck for the future. Thank you.

Bricelda: And we'll proceed with our next question.

Mike K.: Hi it's Mike K. from Amsterdam. I was wondering could you perhaps explain in a little bit more detail what must be done to rifle the resource from here for (inaudible) to turn a target area into a resource. What kind of drill grid do you need compared to where you are today? How much more drill holes do you have to make to get a number out? Could you explain in a little bit more detail perhaps?

Mike: Of course. What we have to do is do our drilling on a closer spacing than what we've done to date. This will be, the particular spacing for each particular target will be determined in consultation with an outside consulting firm who specializes in or reserve calculations. Keeping in mind that when you first find these targets, your first priority is to try and find out how big they are before you go and start doing the infield drilling. On most of the targets we're still at that stage where we keep stepping out, they keep getting bigger, so we're looking at sort of what brings the most value to the company? And we think that the biggest value is attained by stepping out, making it bigger, then coming back and filling the blanks. Once we've filled in those blanks the calculations can be made. I can't give a specific timetable but we're getting very close to the stage where it will be a combination of doing the infield drilling and doing calculations. But keeping in mind that the whole objective of being in Namibia and the history of uranium exploration there is that you find big deposits and we don't want to be in a position where, let's rush out and come out with the quickest resource number that we can which will be small. Where if we take a longer term approach and try and delineate the largest bodies that we can, it will take a little bit longer but the numbers will be higher. Thank you.

Mike K.: When will you start doing Girtis? When you look at the surface Girtis the uranium samples were quite high.

- Mike: We have a problem with Girtis in that it's only helicopter accessible for drilling and in Namibia at the moment temperatures on the project are commonly 40 to 50 degrees Celsius which is too hot for using a helicopter. So our tentative plans would be to have a helicopter sometime in the spring, March, April depending on weather conditions and the Girtis target is definitely a high priority for us, but we have to do it in a cost effective manner. Depending on weather, you know, sometime in the spring. Thank you.
- Mickey: I just want to highlight something on the follow up with Mike. Richard Gaida, our head of drilling has put together in this ten drill rig a fleet that is extremely, I mean it's a great asset for us to have. We own it, it's fully amortized. There's not cost going forward for renting drill, etc. They're very, very flexible drills that are perfect for the geography that we're dealing with at Warmbad and our other properties. It's a real asset that I think goes unrecognized very often.
- Mike K.: And what is your strategy on the other areas? Are there possibility for joint ventures for example and would it be possible to cash in on some of those?
- Mike: Like Mickey said, you know we'll always do a deal if it's right but we're in a unique position right now in that we're getting great results. We've got the money to develop them ourselves and I would hate to give any upside away too cheaply. So we are always open for business if the deal is right. We haven't been offered anything that the board has felt is right at the moment but we're coming up with good results. We like the game plan that we have and we are always open for business. Thank you.
- Mike K.: Okay, thank you.
- Bricelda: Alright. And we'll go on with our next question.
- Michael: Hi this is Michael Adams from Germany. Hi guys. In the last year Xemplar management attended a couple of investment and resource shows in the German speaking market. Right now as everybody knows the German market is quite slow and not reactive, but are you trying or will you continue your support for the Frankfurt market in '09?
- Mike: I guess I would say yes, Michael, but cost saving is in order and we're not sure of the amount of involvement. You know we'll continue making sure that we're servicing our German investors, but we are trying to conserve money. So it's a balancing act.
- Michael: Okay.

Mike: Thank you.

Michael: Thank you very much.

Bricelda: And we'll go on with our next question.

Bruce: Bruce Eng in Vancouver. It's in regards to the Engo Valley development. I was just curious as to the situation there as it stands. I'm wondering if you could maybe help explain to the audience as to what is going on and maybe clarify it? Thank you.

Mike: Okay. Basically our EPL is under application and we're waiting for approval of it. It has taken a long time. It's still under application and as in dealing with the government everywhere when we have some news to report we'll inform the shareholders as soon as it happens. Thank you.

Mickey: This is a priority for us. We recognize the value of that property and attaining the EPL and Peter Coup, the director of RSU who is on the ground in Vindook (phonetic) spends a very large amount of his time working on all of our EPL's, but this of course is of special interest to us. So rest assured we're not taking our eye off the ball on this particular EPL.

Bruce: Correct me if I'm wrong but I was checking one of the maps the other day and this lies inside a National Park?

Mickey: That would be correct, I believe. Mike am I wrong?

Eunho: I'll jump in if I may. It is in a fairly environmentally sensitive area, Bruce. So whether that is an issue or not we're not 100% certain at this stage. But those are things that obviously I believe that the government would actually give consideration to when awarding an EPL. But also keep in mind that there are other properties that are in National Parks.

Mike: Yes and the thing to remember is that the ground was available for application. And on that basis we have to assume that if the government allowed us to apply for it that they would allow development. But like I said, we've had the application in and it is taking a long time so we're working as hard as we can, doing as much as we can. But until we have anything formal from the government we can't report anymore.

Mickey: And we will take a very proactive approach to dealing with any issues. You know we understand that the government needs to balance various competing interests and we're there to help resolve any problems they may have.

Bruce: Alright, well I'll keep my fingers crossed and hope that this comes to fruition.

Mickey: Absolutely, it's an important EPL for us obviously.

Mike: Yeah, but I also want to say is the future of the company does not depend on Engo Valley. The Warmbad project is the most prospective and has the potential to hold the largest deposits holding the most number of pounds. So obviously we're focusing on Warmbad because it has the most potential and we've been having the best results. Thank you.

Bruce: Having had said that then what you're saying to me, and I want to make sure I understand this clearly that if the Warmbad does turn out to be what everybody else is looking for, we're going to piece that off and sell it. Is that it?

Mickey: The board has not formally said okay, this is what we're going to do but I think the obvious course of action would be then to monetize all or a portion of Warmbad. Remember Warmbad is this massive area with many, many, very large potential. As Mike said earlier, you know you grab a machine and you walk around the place, it clicks all over the place. It's just vas. You need a helicopter to get around it and even with a helicopter it takes days if not weeks to get around the entire property. So it's enormous. So in my mind, but again the board, we discuss as a board but we haven't made a decision. In my mind we get something that's great in Warmbad, we've got to look at does somebody pay us for all the potential of Warmbad or do they just want the orabody (phonetic) that we've defined? If it's the latter than you sell a part of Warmbad and you can continue your drill program in Warmbad. If it's the former, sell all of Warmbad and you move on with the other properties. That would leave us in an incredibly great position because we would be flush with cash and obviously we would make sure our shareholders benefit from that cash. But it would also give us some capital to go after the other properties we have EPL's on and perhaps some other stuff beyond. We don't know what the junior market's going to look like at that point and time but if it's in the current state where like 9 out of 10 of them have no cash and have a partially done drill program. You know, we'll have the kind of the pick of the litter. That's would be a very good outcome if we got there.

Bruce: Thank you.

Bricelda: Alright. And that was our last call.

Eunho: I guess as far as timing goes we've got another 10 minutes but nonetheless if there's no more question I guess we'll terminate this conference call. So obviously that brings us to the conclusion of the call. Our plan is to host these investor conference calls every six months or so. So I just want to express our special

thanks to everyone for their participation and as mentioned earlier we expect to have a transcript and a recording available on our website on the next 48 to 72 hours. We thank you very much for your ongoing interest and support. Should you have any follow up questions, please do not hesitate to send us your questions and queries to info@xemplar.ca. So I guess that brings us to the end so on behalf of the board of directors, staff and management at Xemplar Energy we wish you well and all the best for 2009. Thank you very much.

Mickey: Thank you.

Mike: Thank you everybody.