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## Toreador Resources Corp., Q2 2008 Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

Thank you, sir. (Operator Instructions) And we will take our first question from Robert Chapman with Chapman Capital. Please go ahead.

#### Robert Chapman - Chapman Capital

First of all congratulations on this preliminary agreement. I know your counter party, I think has a little bit of a history of being somewhat slippery, so hopefully, we can get this thing closed. It seems to me that the obvious route from here and I think that your dialogue dictated that this would be the case that you are essentially going to take in this capital to reduce your leverage and then try to get a closure between net asset value and the public market value.

If I'm running my numbers correctly here, I'm looking at enterprise value here, that could get you, let's call it 400 million on a sale basis and you take out maybe 10 million in M&A fees and \$100 million residual debt, and you have about 300 million of equity value, which is over \$14 per share, and that's using a 67% to PV-10 for France and I think relatively conservative numbers across the board, and no value to Romania, and no value to Hungary at all, which obviously could have upside to a buyer.

Is there any reason why that wouldn't be the course of action here close Hungary and then try to close the private market value gap that I think can get the stock to 14 or 15 giving once again zero value to Romania or Hungary?

#### Nigel Lovett

Well, you said close Hungary. I think you meant close the deal on the Black Sea.

#### Robert Chapman - Chapman Capital

Excuse me. Yes, I meant close Turkey. I get these countries a little confused on Friday afternoon.

#### Nigel Lovett

That's all right. Yes, I mean, that's the strategy here. We are not obviously able to share with you what we think our real enterprise value should be, but clearly we think our shares are undervalued. And we believe that they are undervalued for a variety of reasons, our lack of credibility to date, which we hope we can change now, the challenges that we faced with this Black Sea play, which we hope we are addressing as we speak. And then the extent of the leverage on our Company, which represents clearly an overhang on our Company.

And so, we will be addressing that, and I think that's an important issue. So that the mix of our enterprise value should change and be minimally debt and maximum equity. The last thing is that our exploration program in the last 18 months has clearly been very disappointing, and we have to do a better job there, and I'm confident that we will. We have some interesting, if not very interesting, exploration prospects. And I believe, we have to do all of the above to get the stock up to the right level.

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