

Summer Summary - Events at Home and Abroad

In June, The Capital Lab organized a private book event for the Toronto investment community which featured former CIBC Chief Economist-turned best-selling author, Jeff Rubin. In July, The Capital Lab was invited to present a workshop to over 40 public issuers on the Bolsa de Valores de Colombia, the country's principal stock exchange.

Talking peak oil with Jeff Rubin

One of the world's most sought-after energy experts, Mr. Rubin spoke about his current bestseller **Why Your World Is About to Get a Whole Lot Smaller**.



The book centres on Mr. Rubin's peak oil theory and his belief that the rising costs of oil will have a prohibitive effect on shipping, leading to a reversal of globalization. **Why Your World Is About to Get a Whole Lot Smaller** argues that the shift to a more localized economy will be dictated by the economics of oil, more specifically, what we can or cannot afford.

The event was held at **Ben McNally Books**, and Mr. Rubin did a question and answer period for guests following his talk. **Malivoire Wines** graciously supplied plenty of its Moira Chardonnay to keep everyone lively and engaged.

Rubin points out in his book that power demand across the Middle East is expanding at approximately 3x to 4x the pace of power demand in North America, or the rest of the OECD, and will lead demand growth in the future. He highlights the challenges of a reduction in Middle East oil production leading to a contraction of their export capability. While he proposes oil scarcity as the reality going forward, he made a point to explain that his view is not that climate change will drive us to alternative sources of power, but rather price pressure will force us to consume less and consume more closer to home.

We will continue to bring thought-provoking and creative events to you. Stay tuned.

The Capital Lab : strategic investor relations and business development. Visit: www.thecapitallab.com.

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July 2009

Bulletin

Workshop to issuers of the Bolsa de Valores de Colombia ("BVC")

On July 24th, The Capital Lab presented a sold-out, two hour workshop to over 40 of the BVC's issuers. The first half of the presentation focused on the New Investor Relations: IR as a key aspect of corporate strategy, while the second half focused on best practice in the disclosure of material information.

About the BVC:

The BVC is Colombia's principal stock exchange. It was formed on July 3, 2001 with the union of Colombia's three stock exchanges: The Bolsa de Bogota, the Bolsa de Medellin and the Bolsa de Occidente.

The top three companies (by market cap, US\$) listed on the BVC include:

- Ecopetrol SA - \$49.9 billion
- Bancolombia SA - \$6.1 billion
- Interconexion Electrica SA - \$4.7 billion



The BVC is on a tremendous growth path, with the objective of listing 200 new stock issuers on the exchange by 2015, both from foreign and domestic companies.

The Capital Lab is delighted to work with issuers on the BVC as they commit resources to enhance their investor relations. We are scheduled to do another workshop in the next three to six months, and look forward to developing a long-term working relationship with the BVC.

Canada-Colombia Free Trade Agreement

On March 26, 2009, the Government of Canada introduced legislation to implement the Canada-Colombia Free Trade Agreement ("FTA"). Once this legislation is passed, the two countries will implement the FTA at an agreed upon date.

The FTA will stimulate the growth of both countries' commercial relationship and help level the playing field for Canadian business vis-à-vis competitors who have or are seeking preferential market access in Colombia.

The FTA will also promote a more stable and predictable investment environment in Colombia, a country which has seen a steady increase in their economy since 2000, and has seen foreign investment rise over 375% from 2000-2008.

Less Dickens, More Hemingway The Plain Writing Act

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Commonly known as “the Plain Writing Act”, Bill S.574 was introduced to the U.S. Senate on March 11, 2009. Bill S.574 has a simple purpose: it would require the Federal Government to write more clearly, “to enhance citizen access to Government information”. Government agencies would be required to write documents that are released to the public in a way that is clear, concise, well-organized, and readily understandable.

Clear communication saves time, money

When the Plain Writing Act was presented by Senator Daniel Akaka (D) Hawaii, Akaka said: “It is very difficult to hold the Federal Government accountable for its actions if only lawyers can understand Government writing [...] the American people need clear explanations of Government actions.”

Akaka argues that current Government writing is cumbersome and has caused businesses to waste time and money due to complicated forms and instructions. Also, he continues, “Government officials, in turn, spend time and money answering questions and addressing complaints from people frustrated with Government documents” (Akaka).

Plain writing is a key component of a successful IR function. The organization and distillation of information is often more difficult than dumping your thoughts onto the page. To be fair, we’ve all read (or written) something that has been a lot longer than it needs to be. We’ve all added extra words in an attempt to sound more intelligent. I’m doing it right now, and it’s annoying. The truth is, when people write like this, it’s a pain to read, and it creates more questions than it does answers. Contrast this with a well-written IR press release, which gets right to the point and delivers information that begs no further questions. Much like a proper IR press release, the Act will require government officials to use the “5 W’s” (who, what, when, where, why, and how) to convey their information as clearly and efficiently as possible.

The Congressional Budget Office has estimated the cost of implementing S.574 to cost about \$3 million a year for agencies to provide additional employee training and prepare reports for the Congress. We are not quite as expensive.

In the spirit of S.574, here is the Plain Writing Act in four words: Less Dickens, more Hemingway.

For more information on writing for press releases, contact Greg DiTomaso at greg@thecapitalab.com

Press release do’s and don’ts:

DO	DON'T
Answer the “5 W’s” up front	Use industry jargon without explanation
Review the release for detail and key facts - and always for correct use of grammar and terms	Create more questions than answers - think of how information will be received
Provide a balanced perspective (+ and -)	Use run-on sentences - choose your words wisely
Include a quote from the CEO to provide colour, context and perspective	Refer to objectives and strategy without clarification of what they are
Add detail from previous releases for continuity, clarity and reference	Omit changes in key performance metrics if news impacts previously disclosed guidance

How can we help you right now?

1. Seek feedback from 5 to 10 shareholders/bankers/analysts – adapt your messages accordingly
2. Create a company fact sheet on a new, key company strategic development
3. Get list of peer companies’ shareholders and determine which ones you have not reached
4. Study your valuation relative to peers and redefine your investment strengths/weaknesses
5. Plan a targeted marketing strategy for the Fall

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