

## PRESS RELEASE

**BIV – Business In Vancouver**



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# Euromarket options up for locals BC



Paris and Milan. He has helped B.C. companies like NaiKun Wind Energy Group Inc.

(TSX-V:NKW) and Day4 Energy Inc. (TSX: DFE)

raise seed capital in Europe, where he has cultivated

a network of small-fund managers and family wealth advisers over 20 years while living in Paris and while working in Canada at firms like Midland Walwyn Capital Inc. and Merrill Lynch Canada.

While the flow of European capital stalled during the global downturn, Peterson said Canada's clean-technology and resources sectors are in vogue in Europe now for several reasons: •the country's resources sector is rebounding; •Canada gained a solid reputation from our banks' deft handling of the financial crisis; •the loonie is stronger than the euro; and •Canada's GDP growth is strong relative to most EU countries.

Day4 president George Rubin said that despite B.C.'s expertise in clean technology, the sector has not made itself known around the world.

Businesses are ringing up more investment wins in Europe.

Businesses, dealmakers and fund managers in the province typically look within B.C. and to Toronto for capital.

For the bigger money, they head south to technology and investment hubs like Seattle, Silicon Valley and New York.

But a handful of B.C. companies and venture capitalists have traditionally – and with success – looked to Europe to pitch their homegrown business stories. And while the European Union is largely occupied with keeping its currency and member states such as Greece afloat, B.C. dealmakers who have had previous financing successes in Europe remain bullish about its capital-raising opportunities.

"It's done nothing to dampen the appetite for Canada," Rick Peterson said of the European financial crisis.

Peterson, who manages a \$2 million seed capital fund through Vancouver-based Peterson Capital, frequently shuttles B.C. and Canadian companies to Switzerland and to smaller financial hubs like Monaco,

"In general, when you're looking for money you go where you can find it," said Rubin.

"It does depend on the story, though one thing that you have a little bit more of in Europe is a better understanding of the renewable energy stories."

Vancouver's Dejour Enterprises Ltd. (TSX:DEJ; NYSE:DEJ; AMEX:DEJ; FSE:D5R), which is developing oil and natural gas projects in Northeast B.C. and Colorado, returned from a trip to Europe with Peterson this month.

Dejour pays Peterson to help it connect with potential investors in Europe and, if the

company raises capital through his contacts, it pays him a referral fee.

Before 2009, 10% to 15% of Dejour's stock was held by funds in Germany, Switzerland and Lichtenstein and by wealthy individuals elsewhere in Europe – though that percentage dropped during the downturn as the company increased insider share ownership. To elevate its flagging share price, Dejour is raising investor awareness in Canada and the U.S. – where most of its shareholders are – and in Europe where it trades on Germany's Frankfurt Stock Exchange.

"It's important to have things going on all fronts in the different capital centres," said Bob Hodgkinson, Dejour's CEO.

He said Europeans cooled to North American commodity stocks a couple of years ago, but the mining and oil and gas re-ector and CFO. He said Canadian and U.S. Venture capitalists typically raise money from U.S. and Canadian pension funds and have spent little time selling their story in Europe.

"It is a big expense and effort to get on a plane and go and do the circuit in Europe," said Walkinshaw.

"We have made that effort and bore fruit from it."

Like Walkinshaw and Peterson, John Spangenberg acknowledged that existing inroads can go a long way to successfully raising capital and investor awareness across the Atlantic.

Based in Vancouver, the Dutch-born Spangenberg arrived in Vancouver a year ago from Amsterdam, where he was previously managing a technology fund for ING Groep N.V. Dejour enterprises Ltd. (TSX:DEJ)

Vancouver CEO: Robert Hodgkinson Employees: N/A Market cap: \$32.57m P/E ratio: N/A EPS: \$(0.16)

SourceS: Stockwatch, tSX bound has brought them back. Hodgkinson added that Europeans are traditionally deep-valued, long-term investors, compared with, say, the momentum-guided traders in New York hedge funds.

Clean-technology venture capital firm Chrysalix Energy, which closed a US\$123 million fund this month (see "Chrysalix closes US\$123 million clean-tech fund" – issue 1072; May 11-17) has always enjoyed support from European investors – more so than their North American counterparts. "I think we appeal very well to the European desire to have an early insight into North American technologies," said Mike Walkinshaw, Chrysalix's managing dir-"I think we appeal verywell to the European desire to have an early

insight into North American technologies"

– Mike Walkinshaw, managing director and CFO, Chrysalix Energy

He and his partners in Amsterdam and Zurich have raised 35% of a \$50 million clean-tech venture fund entirely through European investors.

He said that to diversify and mitigate the risk in Europe associated with the current economic uncertainty there, European investors are looking for investing safe havens offshore.

He said the combination of political and currency stability, generous tax incentives, great technology, large markets and low operational costs makes Canada a "sweet spot" for European growth investors who are looking for medium-risk and high-yield asset classes. • cgc@biv.com

