

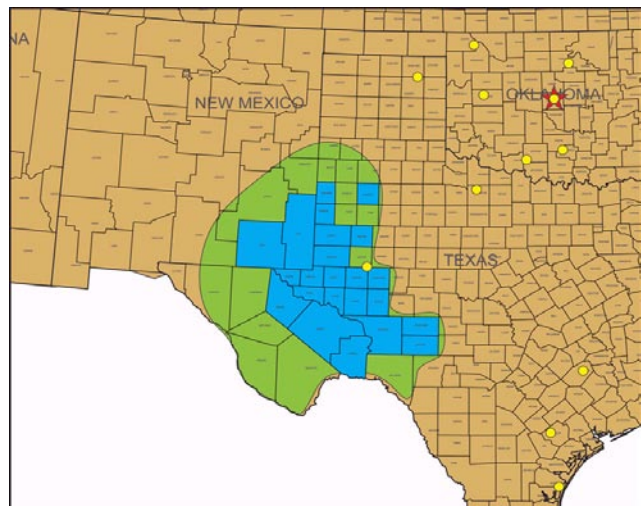
FormCap Corporation – OTCBB-PK: FRMC
Shares outstanding – 41 million fully diluted
Current price – USD \$0.30
Rating: speculative buy

FormCap Corp Acquires 5,800 Acres in the Permian Basin, One of the Largest Oil and Gas Producing Basins in the United States

Prolific Permian Basin is host to 1300 reservoirs with cumulative production at over 35 billion barrels of oil and 100 trillion cubic feet of gas

FormCap Corporation (OTCBB - PK: FRMC), an emerging junior in the oil and gas sector, is strategically positioned in the Permian Basin, a prolific area that has produced over 35 billion barrels of oil and 100 trillion cubic feet of gas, and is host to over 20 percent of all domestic oil and gas produced in the US. Following a recent announcement of the acquisition of a new land position within the Company's Weber City Prospect (Feb 08, 2010), FormCap Corp now owns 5,800 acres in the renowned Permian Basin where it plans to continue to make on-going acquisitions of new oil and gas leases. Notably, FormCap Corp's Weber City Prospect in the Permian Basin features four, separate well-established hydrocarbon objectives. See: www.formcapcorp.com

FormCap enters into operations and farm-in agreement: With the intent to rapidly advance its exploration program, FormCap Corp recently announced on February 5th, 2010, that it entered into a Consulting and Option Agreement with Mr. Norman Mackenzie of Calgary, Alberta, Canada, to develop and execute the drilling and development plan for the Company's Weber City Prospect. Chairman and Founder of C & C Energy Canada Ltd., Mr. Mackenzie has over thirty years experience in the energy industry, and currently manages assets capable of producing over 5,000 BOPD. In 1992, Scimitar Hydrocarbons, a public company founded by Mr. Mackenzie, was merged with Rally Energy Corp., which was subsequently sold for over \$900 million in 2003.



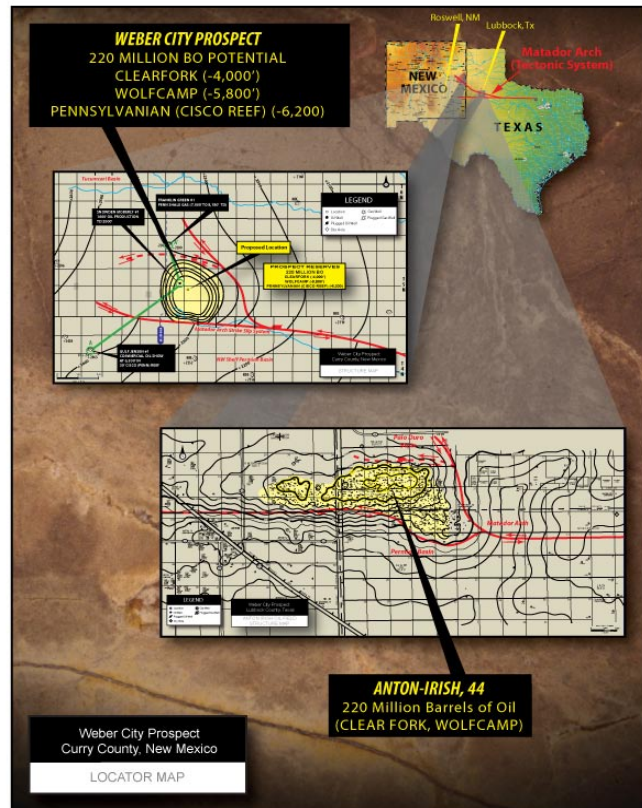
FormCap's Weber City Prospect is estimated to contain potentially over 220 million barrels of oil. Prospect wells are anticipated to flow at initial rates averaging 300 barrels per day, free of formation water. Based on a modeling of a look-alike existing producing field (the Anton Irish field), well recoveries are expected to range from 100,000 to over 500,000 barrels of oil per well. With 40 acre spacing in this prospect, there is room for approximately 100 wells.

The smart money is investing in the Permian basin – Oilmen will tell you that mother nature did everything right to create the major petroleum reserves of the Permian Basin. Events that transpired millions of years ago contributed to the deposition of thick, organically rich source beds and excellent reservoirs for the trapping of oil and gas in the Permian Basin. This is why FormCap is here. This is why Exxon Mobil wants back in.

Exxon Mobil buys back Permian Basin assets it sold to XTO Energy in the largest U.S. energy takeover since Houston-based Conoco-Phillips acquired Burlington Resources – Exxon’s recent \$31 billion acquisition of XTO Energy in December of 2009 – largely in part for XTO’s significant Permian Basin assets, which Exxon originally sold as part of a larger land package to XTO Energy for \$500 million five years earlier – signals an important shift in strategy for Exxon. After years of insisting that the best oil and gas prospects were located internationally, Exxon has come back home to explore for petroleum, evidently conceding that it overlooked the significance of the domestic, onshore exploration assets in the Permian Basin. Importantly, Exxon’s acquisition of XTO Energy validates the independent exploration and production business model of the smaller companies that rightly focused on the development of the Permian Basin of West Texas and New Mexico as a key, future source of energy.

Recent M&A activity in the Permian Basin highlights the growing importance of this historically prolific, domestic source of energy. Shortly after the takeover, a Bloomberg article of December 14, 2009, reported that Exxon’s \$31 billion acquisition of XTO Energy may signal a wave of new acquisitions. Yet, Exxon’s deal with XTO Energy was not the first transaction to take place. On Sept. 25, 2008, Occidental Petroleum bought all of Plains Exploration & Production interests in the Permian Basin of West Texas and New Mexico and the Piceance Basin of Colorado for \$1.25 billion. Likewise, SandRidge Energy just bought Forest Oil’s Permian Basin properties for \$800 million. It seems likely that there will be more deals to follow because the Permian Basin, with its development history and stable, long-life, shallow decline reserves, is a strong bet for petroleum exploration companies.

In fact, the latest drilling reports show that the Permian Basin is a hotbed of activity, just as it begins to become more challenging to find inexpensive, US-friendly sources of petroleum. Recent drilling reports show that interest in the Permian Basin is on the rise, and are a testament to the Basin’s rich oil and gas potential. Permit applications approved by the Texas Railroad Commission in late August of 2009 list all of the big companies, including Anadarko, Apache, Chevron, Conoco-Phillips, Devon Energy, Kinder Morgan, and Mobil, to name just a few, suggesting that the smart money is now focusing their exploration budgets on oil and gas prospects in the Permian Basin.



FormCap’s Weber City Prospect

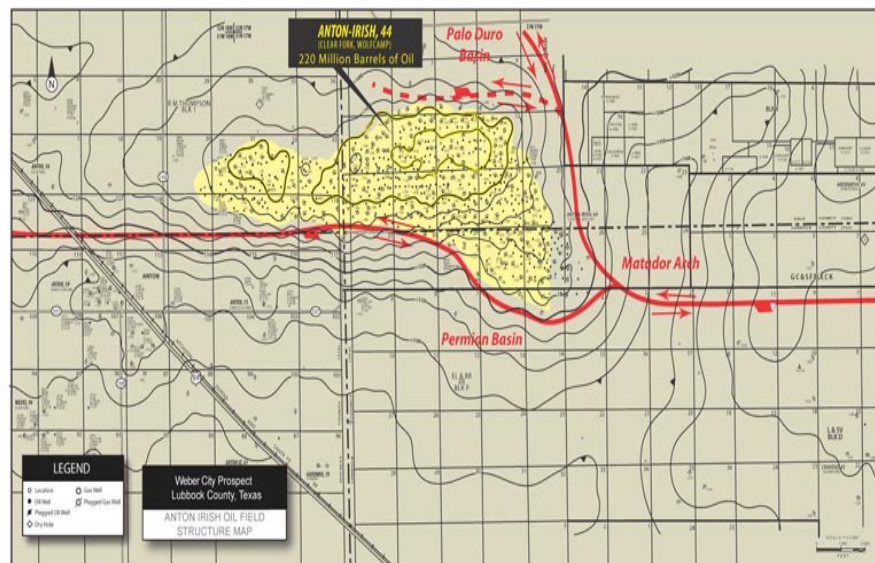
FormCap Corp. is a domestic oil and gas exploration and development company. In October of 2009, the company announced that it acquired 4,800 acres of oil and gas leases, all with primary terms of five

years. In early 2010, the Company added an additional 1,000 acres of oil and gas leases. Called the Weber City Prospect, these leases are located in Curry County, New Mexico, close to infrastructure .

Geologically, the Weber City Prospect is on the northern flank of the prolific Permian Basin, which is well known for its oil production, having four well-established hydrocarbon formations. The initial well will be drilled to a total of 7,000 feet to test four potential productive hydrocarbon zones: the San Andres, Clearfork, Wolfcamp and finally, the primary objective – the Cisco formation. Over 100 wells (based on 40 acre spacing) could be drilled on the Prospect and it is estimated that these leases could contain over 220 million barrels of oil in a successful case.

FormCap is confident of success for the Weber City Prospect. Detailed mapping, Landsat imagery, seismic analysis and log evaluation outlines a major, combination stratigraphic, structural trap on the Prospect, which is similar to the existing “Anton Irish” Field. FormCap has also outlined multiple secondary objectives in the primary producing zones of the Permian Basin in areas of Texas and New Mexico.

To better understand how the Prospect developed geologically, the following provides a brief description of the formation of the Pennsylvanian Reef reservoirs. The Cisco Formation is primarily marine limestone and shales, with the reservoir developed in limestone sequences. During deposition, the Pennsylvanian seas were relatively shallow and warm or tropical. At the same time in this area of



the Permian Basin, an incipient basin margin started to develop. Associated with this development, structures evolved on the Pennsylvanian seafloor. Upon these structures, patch reefs began to grow. As the Pennsylvanian sea deepened, the reefs grew vertically in an attempt to stay close to the surface and most critically within the photic or sunlight zone. A major regression or withdrawal of the seas, ended reef deposition. But leaving the reefs exposed led to excellent porosity and permeability development. Several of these Pennsylvanian Reef reservoirs are giant oil traps, producing over a billion barrels of oil in the Permian Basin. The Weber City Prospect focuses on the same type of oil trap.

Structural analysis of the Permian Basin over a 20 year period integrate with landsat analysis by a renowned structural geologist outlines a probable compression structure or “pop bloc”. South of the structure, Gulf Oil tested significant oil from the Cisco Formation. A shallow well drilled and completed in 1947 as a 1,600’ oil producer is located at the crest of the Weber City “pop bloc”. Finally, a well off of the northern flank of the Prospect, drilled into over 1,200’ of basinal shale, defines the northern limits. As in Anton Irish and Pennsylvanian Reef Fields in the Permian Basin (Kelly-Snyder), individual leases can produce over a million barrels of oil.

On December 16th, 2009, FormCap announced that in anticipation of drilling and developing the Weber City Prospect it is becoming an Operator in the State of New Mexico. This will provide the Company with complete control over operations on wells developed on its prospects. The Company plans to drill in 2010. Establishing FormCap as an Operator will eliminate the need for third party contractors. "Having complete operational control over production on our prospects will eliminate the need for Third Party contracted services, improving the over-all economics of prospects developed in New Mexico", stated Graham Douglas, FormCap's President & CEO.

FormCap Corp's Management Team and Advisor's

FormCap has assembled an experienced team of experienced geologists, financiers and executives to implement a growth program that is focused on exploration and development. FormCap's current management team is led by Graham Douglas and consulting Senior Geologist Mr. Thomas Markham. Consultants and Advisors have been engaged on a contract basis as required to minimize expenditures during this start-up phase. Many of these individuals will join the team in a more formal manner as Director's and Officer's of FormCap, as work on the Weber City prospect develops.

Graham Douglas, President

Graham Douglas is an experienced business executive with 35 years of financial and operational management. After graduating in 1970 with a Bachelor of Commerce Honors degree, Mr. Douglas was employed by two large Canadian banks in the area of corporate finance. From 1978 through 1985, Mr. Douglas was involved in the commercial/industrial real estate development and construction industry in a financial capacity, progressing to be the President of the Company. In the period 1986 through 1992, Mr. Douglas was the Chief Operating Officer of a large west coast Canadian transportation, warehousing, freight forwarding and sea terminal operator. In this capacity, he oversaw the restructuring of the company's operations and the eventual sale of the various operating entities.

Beginning in 1992, Mr. Douglas has been active as a business consultant in the area of corporate restructurings, mergers and acquisitions, corporate finance and public offerings. Mr. Douglas has been an early stage investor and assisted in raising later stage funding for several companies in a variety of industries. Industries include the following: beverage, food processing, clothing, tourism, real estate, construction, telecommunications, hightec, mining and exploration, heavy equipment auction, oil and gas exploration and biofuels. In several instances, Mr. Douglas has taken temporary positions in management and governance through transitional periods or in difficult circumstances. Mr. Douglas is a resident of Mexico and works throughout North America and the international markets.

Advisors & Consultants

Thomas Markham, Chief Geologist

Mr. Thomas Markham is a consulting Senior Geologist to FormCap. Mr. Markham is a professional geologist specializing in the evaluation and development of oil and gas plays in the onshore United States. Tom received his Masters of Geology from LSU in 1976 and then pursued a career working with ARCO, BEPCO, HOUSTON OIL and MINERALS, and TENNECO, in technical positions of increasing responsibility. During this period, Mr. Markham as an individual geologist and as part of exploration and development teams discovered and developed more than 75 million net equivalent barrels of oil. With increasing budget and managerial responsibilities, Tom managed geoscience teams of up to fifteen graduate professionals with budgets of from \$11 to \$23 million.

Along with managerial skills, Mr. Markham's geoscience specialties include well survey ("logs") analysis and interpretation, evaluation of depositional and diagenetic systems, seismic – stratigraphic application to the exploration and exploitation of hydrocarbon reservoirs, and definitive risk/reward economic evaluation of oil and gas projects. Mr. Markham has evaluated and participated in oil and gas programs throughout the continental United States and Alaska (Prudhoe Bay) and was currently involved with analysis of offshore South America Basins as a third party consultant. Onshore United States, Mr. Markham's recent activities had included analysis of over pressured shale gas reservoir systems in the Mississippi Interior Salt Basin; evaluation of a major shear system in New Mexico (Weber City Prospect), and mapping the updip pinchout of Permian age carbonate reservoirs with possible reserve exposure of over 100 million barrels of oil.

Mr. Markham has published in the American Gas Journal and was invited on a technical tour of the former Soviet Union to review oil and gas assets. He has been a guest speaker at the American Association of Petroleum Landman's (AAPL) "Buying Oil and Gas Properties" seminar. Finally, Tom is the project generator of FormCap's 5,800 acre Weber City Prospect located in Curry County, New Mexico.

Randall K. Boatright

Most recently Mr. Boatright served as Interim President and CEO, CFO and Director of Dexterity Surgical, Inc. He has extensive experience in the energy business as he was formerly EVP, CFO and Director of Abraxas Petroleum Corporation (AMEX:ABP) and Controller of a large private independent oil & gas company. Prior to that, Mr. Boatright practiced accounting with the firm of Coopers & Lybrand LLP. He is a CPA and a graduate of the College of William & Mary in Virginia.

MAC Advisory Services

MAC Advisors, a mini-microcap advisory service with oil and gas expertise. MAC principals have over 50 years direct experience in related areas of: Oil and Gas finance, accounting and capital equipment; Corporate Finance and Merchant Banking; and Management of both public and private developmental stage companies. They have work experience that includes work at Gearhart/Haliburton, as well as corporate finance experience with Dorchester Oil and Gas (both Fortune 500 Companies). Their resumes include work experience in the area of corporate finance and as a financial analyst concentrating on exploration, crude oil purchasing and related special projects. They have also worked as independent landman in West Texas and hold royalty and working interests in several producing oil and gas properties. Through the relationship with MAC, Formcap will have full access to valuable industry experience and contacts.

About the Permian Basin

The Permian Basin is one of the major oil and gas producing provinces of the world. Replete with oil shows, the Permian Basin is characterized by stable, long-life, shallow decline reserves. Cumulative production is over 35 billion barrels of oil and 100 trillion cubic feet of gas. Importantly, the Permian Basin is the source of over 20 percent of all domestic oil and gas in the United States.

The Permian Basin, with its development history and stable, long-life, shallow decline reserves, is a strong bet for petroleum exploration companies.

In a report published in 2003 by the Bureau of Economic Geology and the New Mexico Bureau of Geology and Mineral Resources, approximately 1,300 reservoirs in the Permian Basin have been

identified as having cumulative production greater than 1 million barrels (MMbbl) of oil through 2000. Of these major reservoirs, approximately 1,000 are in Texas and 300 are in New Mexico.

Production in the Permian Basin occurs from Paleozoic reservoirs, from Ordovician through Permian. Original oil in place (OOIP) in the Texas part of the basin alone was about 106 billion barrels (Bbbl) of oil (EIA, 2000). Although about 30 Bbbl of oil has been produced to date, this production represents only about 28 percent of OOIP. Of the huge remaining resource in the basin, as much as 30 Bbbl of mobile remains as a target for improved technology and recovery strategies (Tyler and Banta, 1989).

Thick black shales in the Pennsylvanian and Permian sediments are rich in the organic material that changes to oil and gas. The end result is many porous and permeable carbonate and sandstone oil traps in all parts of the Permian Basin where thick depositional sequences were deposited. Thick Ochoan evaporite sections provide a seal, putting a cap on ideal source, reservoir and trap distribution, and fortuitously makes the Permian Basin one of the largest oil and gas producing areas in the world.

Outlook for Oil & Gas

Global energy consumption is expected to rise 50% by 2030 to 112.5 million barrels per day. Rising energy demand and geopolitical tensions in countries such as Venezuela, Russia, Iraq and Iran will continue to pressure rises in crude oil prices. Longer-term, it is possible that oil may yet again reach \$150 a barrel. In the short term, it appears likely that the price of oil will approach \$80 - \$100.

On December 03, 2009, Reuters reported that U.S. investment bank Goldman Sachs expects oil prices to rise to an average \$90 a barrel in 2010, before increasing to \$110 in 2011, as strong growth in emerging market economies boosts crude demand. Goldman expects oil prices to rise to \$110 a barrel in 2011 as supplies are drawn down amid strong demand from emerging markets.

OPEC recently announced that oil prices could reach \$80-\$90 a barrel by early 2010. OPEC said that it does not plan increase its output until a huge amount of over-supply has been absorbed, reported the group's Secretary General. OPEC officials have been nudging up their price aspirations since Saudi Arabia's oil minister said last week an oil price of around \$75 could be achieved later in 2009, which would not undermine a tentative global economic recovery. "The price will go to \$80-\$90 maybe at the beginning of 2010," OPEC's Abdullah al-Badri told the Reuters Global Energy Summit.

The US Energy Information Association (EIA) expects the price of West Texas Intermediate (WTI) crude oil will average about \$76 per barrel this winter (October-March). The forecast for the monthly average WTI price dips to \$75 early next year then rises to \$82 per barrel by December 2010, assuming U.S. and world economic conditions continue to improve. EIA's forecast assumes that U.S. real gross domestic product (GDP) grows by 1.9 percent in 2010 and world oil-consumption-weighted real GDP grows by 2.6 percent.

The EIA expects the annual average natural gas Henry Hub spot price for 2010 to be \$4.62 per thousand cubic feet (Mcf). This represents a \$0.67-per-Mcf increase from the estimated 2009 price of \$3.95 per Mcf. Natural gas working inventories reached a new record-high level of 3.837 trillion cubic feet (Tcf) on November 27 as mild weather throughout much of the country contributed to uncommon storage builds for most of that month. Projected average household expenditures on natural gas total \$778 this winter, compared with \$889 last winter.

Wrap Up

Oil is becoming increasingly harder to find. Much of the new oil that is discovered is more costly to extract. This is why domestic onshore plays like the Permian Basin – where cumulative production is over 35 billion barrels of oil and 100 trillion cubic feet of gas – are attractive to US producers. Importantly, FormCap Corp is well positioned to achieve exploration success, as it has a sizeable position in the Permian Basin, a widely recognized, prolific oil and gas play where success rates for exploration are historically high.

FormCap Corp (OTCBB - PK: FRMC) is a reporting issuer and holds 100% working interest (80% net revenue interest) in the 5,800 acre Weber City Prospect located in Curry County, New Mexico. Formcap's mandate is to seek out highly prospective oil and gas properties for acquisition, exploration and development. FormCap offers more bang for the buck for investors because, in contrast to the Company's larger competitors who have much higher overhead costs, a greater percentage of the capital that FormCap deploys for exploration actually goes into the ground.

Based on Gulf Oil's success drilling a shallow well in the Cisco Formation in 1947, and a modeling of a look-alike existing producing field (the Anton Irish field), FormCap's management is confident that well recoveries within its acreage could range from 100,000 to over 500,000 barrels of oil per well, with the Weber City Prospect estimated to potentially contain over 220 million barrels of oil. FormCap Corp's shares offer good upside potential over the longer-term, as the Company is strongly positioned with favourable exploration opportunities and a management team with a proven track record for successfully exploring and developing lucrative oil and gas projects. Should 10% of management's forecasts be met, FormCap's shares will command a price significantly higher than USD \$1. As such, StocksJournal rates FormCap Corp's shares a speculative buy.