CAPITAL MARKETS

HAYWOOD SECURITIES INC.

Research Report

Rodinia Oil Corp. (ROZ-V, $1.78)

May 2, 2011

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Rating:	**SECTOR OUTPERFORM**
Target Price:	**$6.00**
Return:	**237%**
52 Wk Performance:	**128%**
Risk Profile:	**SPECULATIVE**

α Rodinia presents a one-time opportunity to invest in grassroots basinal exploration that, with success, could result in significant resource exposure to the Company. The risk is therefore very high, but the reward is equally compelling justifying this speculative investment.

Spudding First Well in Late May

Event: Releases year-end 2010 and Q4/10 financial results.

Impact – Neutral: As a pure exploration company with no production, the earnings and cash flow results are not germane to our view on the Company.

- **Forecast** – We have not revised our forecast at this time.
- **Target Price and Rating** – We maintain our target price of $6.00 and our rating of SECTOR OUTPERFORM.

Issues:

- **Year-End Working Capital of $53 Million –** At December 31, 2010, Rodinia had a working capital balance of $52.7 million (on a cash basis, $53.9 million including an unrealized gain on foreign currency contracts), including cash of $51.3 million. The Company is well funded to accommodate its $42 million planned 2011 capital expenditure budget.
- **First Well to Spud Late May** – The drilling rig is being mobilized 2,000km from the Cooper Basin to the first well location in the Officer Basin, called Mulyawara 1. This prospect has an estimated unrisked prospective resource potential of 2.7 billion bbls over five different formations (P50). This well is expected to spud in late May and will take six weeks to drill.
- **Huge, But High Risk Exposure** – Rodinia's lands have an estimated unrisked prospective resource potential of 126 billion bbls (P50). The exploration risk on these prospects is high given that no oil or gas exploration wells have been drilled in the basin and that this in fact a Precambrian play. The Company has acquired extensive aero magnetic and seismic data over the prospects to mitigate risk and optimize drilling locations, leaving the drilling of exploration wells as the next step in the exploration process.

Valuation: We rate Rodinia as Sector Outperform and have a target price of $6.00. This is a high risk, but high reward investment opportunity. The Company's lands contain an estimated 126 billion bbls of unrisked prospective resource and the first four wells to be drilled (as currently scheduled) will target 9.8 billion bbls of this total. Placing a value on this drilling program, however, even a one in 20 chance of success, is challenging given that Rodinia's wells will be the first oil and gas wells drilled into the basin.

Catalysts: Spudding of the first well should occur in the last half of May, with TD expected by the end of June or early July.

Forecast Risk	**Moderate**
Financial Risk	**Moderate**
Valuation Risk	**High**
Political Risk	**Moderate**

52-Week High/Low	$3.45/$0.51
Dividend Yield	$0.00/0.0%
Shares O/S	106 M (basic)/ 149 M (F/D)
Market Capitalization	$188 M
Net Debt (Cash)	-$54 M
Enterprise Value	$135 M
Daily Volume	431,000
Currency	C$ unless noted

Company Profile

Website – www.rodiniaoil.com

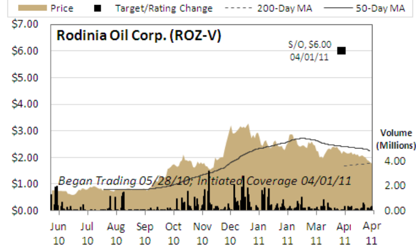
CEO – Paul Bennett

Rodinia is a Calgary based oil and gas exploration company with operations focused in Australia.

Estimates

	2010	2011F	2012F
Prod'n - boe/d	n.m.	n.m.	n.m.
% Liquids	n.m.	n.m.	n.m.
CFPS - Dil	($0.01)	($0.01)	($0.01)
P/CF - Dil	n.m.	n.m.	n.m.
EV/DACF	n.m.	n.m.	n.m.
Capex E&D $mm	4.6	45.0	45.0

Price Performance



Source: Capital IQ and Haywood Securities

Please see rating structure, important disclosures, risk profile parameters, disclaimers, and notes on pages 6 - 9 of this report.

Rodinia Oil Corp.

Rodinia Oil Corp.	TSX-V: ROZ	Price: $1.78	Rating: Sector Outperform
Dividends: $0.00	Implied All-in Return: 237.1%		Target: $6.00

Alpha: Rodinia presents a one-time opportunity to invest in grassroots basinal exploration that, with success, could result in significant resource exposure to the Company. The risk is therefore very high, but the reward is equally compelling justifying this speculative investment.

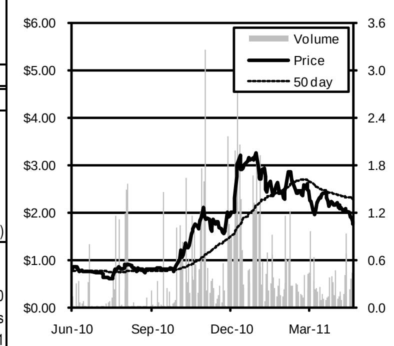
Investment Highlights

- **Australian Focused -** Rodinia is a junior oil and gas company focused on exploration in the under explored Officer Basin in South and Western Australia.
- **Relatively Low Exploration Costs -** Wells are estimated to cost between $5 million and $9 million.
- **Strong Balance Sheet -** The Company is well funded with $55.0 million of working capital. In June 2010, Rodinia completed an IPO, raising gross proceeds of $57.4 million.
- **Ensign to Drill -** November 2010, the Company announced that it had awarded the contract to drill four firm wells (and up to four option wells) to Ensign International Drilling.
- **Drilling Delayed -** January 2011, Rodinia announced that drilling will be delayed due to flooding in the Cooper Basin. Access to the rig is expected to be late April 2011 at the earliest.
- **Deed of Access -** March 2011, the Company entered into a Deed of Access that allows it to explore within the Woomera Prohibited Area within PEL 81.
- **2011 Capital Expenditure Budget -** March 2011, a $42 million net ($52.5 million gross) capital expenditure program was approved, consisting of drilling four exploration wells and the completion of the Company's Phase III seismic program.
- **Ownership in PetroFrontier -** Rodinia currently owns 2 million shares of PetroFrontier (PFC-V).

Capital Structure (mm's)

Capital Structure (mm's)	% dil'n	
Shares O/S		106.0
Options & Other	10%	10.1
Warrants	31%	32.9
Fully Diluted	141%	148.9
Liquidity (90dMA)		431,000
D&O % Owned	11%	12.0
Sprott	11%	11.9
Fidelity	7%	7.2
Market Capitilization	140%	$188.7
Net Debt (WC)	-40%	($53.9)
Enterprise Value	100%	$134.8
Last Financing (May 2010)	52.5 mm units @ $1.00	
Over-allotment	4.7 mm sh & 3.9mm wrtns	
52 wk H/L		$3.45/$0.51

Price History



Areas of Operation

Rodinia's operations are focused in Australia where it is conducting exploration activities in South and Western Australia.

Financial ($000's) - Auditors KPMG

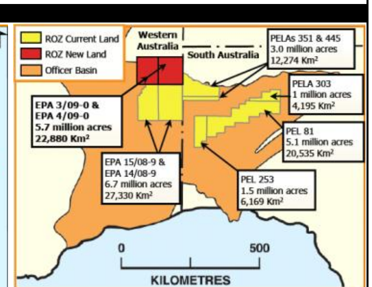
Financial ($000's) - Auditors KPMG	2010	2011F	2012F	% Chg '12/'11
Cash Flow	(973)	(1,260)	(1,460)	16%
CFPS Basic	($0.01)	($0.01)	($0.01)	6%
CFPS Diluted	($0.01)	($0.01)	($0.01)	5%
Earnings (loss)	(1,159)	(3,096)	(3,496)	13%
EPS Basic	($0.01)	($0.03)	($0.03)	4%
EPS Diluted	($0.01)	($0.02)	($0.02)	3%
Capex	4,581	45,000	45,000	0%
Net Debt	(53,919)	(8,740)	(16,236)	86%

We have assumed that the Company will raise the same amount of money in 2012 as it did in 2010; however, we have assumed proceeds will be raised at our target price.
We have not forecasted production at this time.

Land

Land	Gross (mm acres)	Net (mm acres)	WI (%)
South Australia			
PEL 81	5.1	4.1	80%
PEL 253	1.5	1.2	80%
PELA 303	1.0	0.8	80%
PELA 351	2.4	1.9	80%
PELA 445	0.6	0.5	80%
West Australia			
EPA 14/08-9	3.8	3.0	80%
EPA 15/08-9	2.9	2.4	80%
EPA 3/09 - EPA 4/09	5.7	5.7	100%
	23.0	19.5	85%

Australia

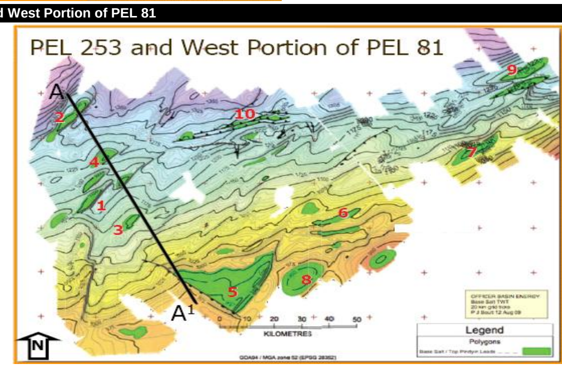


Resources - Independent Eng: Ryder Scott

As of: December 31, 2009		Low P90	Best P50	High P10
If Oil (Bn bbls)				
OOIP - Undiscovered		285.4	511.9	838.4
Prospective - Unrisked		66.2	125.7	215.9
Recovery Factor %	23%	25%	26%	
If Gas (tcf)				
OGIP - Undiscovered		322.1	581.3	950.7
Prospective - Unrisked		256.4	463.8	770.7
Recovery Factor %	80%	80%	81%	

Lands included are: PEL 81 & 253, PELAs 303, 351, 445 and EPA 14/08-9 & 15/08-9

PEL 253 and West Portion of PEL 81



10 Drilling Targets - PEL 253 and West Portion of PEL 81

Independent Eng: Ryder Scott; Dec 2009

Rank	Potential Reservoirs	Drilling Depths (m)	Unrisked Prospective Oil (mmbbls) Low (P90)	Best (P50)	High (P10)
1	5	2,700		4,642	
2	5	2,800		2,688	
3	5	2,750		1,233	
4	5	2,900		1,387	
5	5	2,200		12,376	
6	5	2,500		775	
7	3	2,250		306	
8	5	2,150		1,048	
9	3	2,800		611	
10	5	2,900		1,124	
			13,726	26,190	44,982

Management

Management	
Paul Bennett	CEO & President
Shane Kozak	VP Finance & CFO
Matthew Philipchuk	Executive VP
Richard Parkes	Exploration Operations Manager
Dr. Peter Boult	Senior Geological Advisor
Larry Franks	Senior Drilling Engineer

Directors

- Robert Iverach - Chairman
- Paul Bennett
- Dr. James Buckee
- Kent Jespersen
- Martin McGoldrick
- Peter Philipchuk

Analyst Ratings / Consensus

Analyst Ratings / Consensus		Upside
Target - Range	$5.00-$8.75	
Target - Average	$6.42	260%
	No. Analysts	
Sector Outperform	4	
Sector Perform	0	
Sector Underperform	0	
	4	

CFPS - FD	
2010	2011
n.a.	n.a.

P/CFPS-FD	
2010	2011
n.a.	n.a.

Source: Rodinia and Haywood Securities

Investment Thesis

Rodinia has already put in several years of grassroots exploration activity to identify an opportunity in the Officer Basin of Australia, which even if successful to a small percentage of the initial prospective resource estimate, would be very meaningful to the Company. Rodinia has 126 billion bbls of estimated unrisked prospective resource (P50) in up to five different formations over its land base (per Ryder Scott). The Company is now in a position to commence the drilling of up to four exploration wells in 2011, which exposes the Company to 9.8 billion bbls of the estimated total, and will be the first oil and gas exploration wells drilled to depth in the basin.

Year End Financial Results Moot

As Rodinia is a pure exploration company and does not have any production, its earnings and cash flow results are not germane to our current view on the Company.

Cash flow in the quarter of $0.2 million or $0.00 on a per share basis. Revenues are derived from interest income (on its cash balance) and realized gains on foreign currency exchange rate contracts of $0.2 million and $0.4 million, respectively. Cash expenses primarily relate to administration expenses, which were $0.3 million in the quarter.

Earnings in the quarter were $0.9 million or $0.03 per share.

- Rodinia owns 2.0 million common shares of PetroFrontier Corp. (PFC-V, Not Rated), which is accounted for as a long-term investment (under the equity method) on the balance sheet and is marked to market each quarter.

- In December 2010, PetroFrontier issued 26.5 million common shares to raise gross proceeds of $53.0 million diluting Rodinia's shareholdings to 4% from 12% resulting in a non-cash dilution gain for the year of $1.8 million; this was offset by a $0.4 million equity loss on the investment resulting in a net non-cash gain of $1.4 million on the equity investment in PetroFrontier. The corresponding amounts for Q4/10 are $1.8, $0.2 and $1.6 million, respectively.

At the end of 2010 Rodinia had book working capital of $53.9 million, and $52.7 million on a cash basis excluding $1.2 million related to an unrealized gain on foreign currency exchange rate contracts held by the Company at year end. The cash balance at year end, including the total above, was $51.3 million.

- Included in working capital at year-end 2010 was a cash balance of $51.3 million. In May and June 2010, Rodinia raised gross proceeds of $57.4 million on the issuance of 52.5 million units (one share plus one-half of one warrant, exercisable at $1.33 for 24 months) and 4.7 million common shares with 3.9 million warrants, for a total of 57.2 million common shares and 30.2 million warrants.

- **The Company is well funded with respect to its planned $42 million 2011 capital expenditure budget.**

Rodinia – Quarterly Analysis (000's unless otherwise noted)

		Q4/09	Q1/10	Q2/10	Q3/10	Q4/10	% Chg vs. Q4/09
Cash Flow (Cash Utilized)	$000	(102)	(205)	(926)	(77)	233	n/a
CFPS Basic		n/a	n/a	($0.01)	($0.00)	$0.00	n/a
Net Income (Loss)	$000	656	(312)	(2,181)	403	931	42%
EPS Basic		$0.02	($0.01)	($0.03)	$0.00	$0.03	50%
Capital Expenditures (E&D)	$000	1,863	52	265	253	4,010	115%
Working Capital							
Book	$000	116	3,954	56,429	57,239	53,919	n.m.
Cash Basis	$000	116	3,954	56,125	55,905	52,686	n.m.

Source: Rodinia and Haywood Securities

Preparing to Spud First Well in May

Rodinia is preparing to spud the first of four exploration wells in late May, which will take six weeks to drill. The Ensign #16 drilling rig has commenced the 2,000km trip from its previous location in the Cooper Basin. Construction of the lease for the **Mulyawara 1 well** has been completed, as has the drilling of a water well to source the water (non-potable) for use in the drilling mud. This prospect exposes the Company to unrisked prospective resource potential of 2.7 billion bbls over five different reservoirs to 2,800 meters (P50, per Ryder Scott report). The first wells are expected to cost $7-$9 million, with subsequent wells costing less as the Company optimizes its drilling operations.

Rodinia – Mulyawara 1 Prospect – Unrisked Prospective Resource (mmbbls)

	P90	P50	P10	
Murnaroo	521.6	856.0	1,367.3	fluvial/deltaic/marine sandstone
Tarlina	224.0	436.9	785.5	fluvial/deltaic/marine sandstone
Mundalio	296.9	603.7	1,082.7	variable, sea floor fan deposit
Emeroo	296.9	603.7	1,082.7	fluvial/deltaic/marine sandstone
Pindyin	104.4	187.8	314.3	very clean aeolian sandstone
	1,443.8	2,688.1	4,632.4	

Source: Rodinia and Haywood Securities

Rodinia's total unrisked prospective resource potential over its lands is 125.7 billion bbls (Best Case, P50). The first planned four wells expose the Company to a total of 9.8 billion bbls of the total estimated prospective resource, all located within PEL 253 and the western portion of PEL 81 in South Australia. Rodinia has an option to retain the drilling rig to drill up to four more wells, for a total of eight, which it would exercise with early drilling success in the first four wells.

Rodinia – Drilling Focus vs. Resource Exposure

	No. Prosp.	Low (Bn bbls)	Best (Bn bbls)	High (Bn bbls)
OOIP		285.4	511.9	838.4
Prospective Resource		66.2	125.7	215.9
OOIP - PEL 81 and PEL 253		72.3	129.5	211.6
Prospective Resource	32	16.8	31.8	54.5
Top 10 Prospects - PEL 81 and PEL 253	10	13.7	26.2	45.0
Top 3 of Top 10	3	n/a	19.7	n/a
Prospective Resource/OOIP (Rec Factor)		23%	25%	26%
PEL 81 & 253 / Total Co		25%	25%	25%
Top 10 / PEL 81 & 253		82%	82%	83%
Top 10 / Total Co		21%	21%	21%
Top 3 / Top 10		n/a	75%	n/a
Top 3 / PEL 81 & 253		n/a	62%	n/a
Top 3 / Total Co		n/a	16%	n/a

Source: Rodinia and Haywood Securities

Valuation

We rate Rodinia as SECTOR OUTPERFORM and have a target price of $6.00. This is a high risk, but high reward investment opportunity. The Company's lands contain an estimated 126 billion bbls of unrisked prospective resource and the first four wells to be drilled (as currently scheduled) will target 9.8 billion bbls of this total. Placing a value on this drilling program, however, even a one in 20 chance of success, is challenging given that Rodinia's wells will be the first oil and gas wells drilled into the basin.

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- Haywood Securities Inc. or an Affiliate has managed or co-managed or participated as selling group in a public offering of securities for Rodinia Oil Corp. (ROZ-V) in the last 12 months.

Other material conflict of interest of the research analyst of which the research analyst or member knows or has reason to know at the time of publication or at the time of public appearance:

- n/a

Rating Structure

Each company within analyst’s universe, or group of companies covered, is assigned a rating to represent how the analyst feels the stock will perform in comparison with the other companies, in that specific sector, over the upcoming 12 month period.

SECTOR OUTPERFORM – Haywood’s top rating category. The analyst believes that the security will outperform its sector. Furthermore, the shares are forecast to provide attractive returns measured against alternative investments when considering risk profiles. The rating carries a minimum total return threshold of 15% for equities and 12% for trusts. The rating applies to companies that have tangible underlying assets that give a measure of support to the market valuation. The rating category considers both the absolute and relative values in assigning the highest rating on the security.

SECTOR PERFORM – The analyst believes that the security will trade with tight correlation to its underlying sector. Furthermore, the target price (together with any anticipated distributions) is at or above the market price, and forecast risk-adjusted returns are attractive relative to alternative investments.

SECTOR UNDERPERFORM – Investors are advised to sell the security or hold alternative securities within the sector. Stocks in this category are expected to underperform relative to their sector. The category also represents stocks with unattractive forecast returns relative to alternative investments.

The above ratings are determined by the analyst at the time of publication. On occasion, total returns may fall outside of the ranges due to market price movements and/or short term volatility. At the discretion of Haywood’s Management, these deviations may be permitted after careful consideration

TENDER – The analyst is recommending that investors tender to a specific offering for the company’s stock.

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UNDER REVIEW – Placing a stock Under Review does not revise the current rating or recommendation of the analyst. A stock will be placed Under Review when the relevant company has a significant material event with further information pending or to be announced. An analyst will place a stock Under Review while he/she awaits sufficient information to re-evaluate the company’s financial situation.

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Risk Profile Parameters

SPECULATIVE: – Investment for risk accounts only. Companies within this category carry greater financial and/or execution risk. All junior/venture companies that carry great financial and/or liquidity risk will be tagged "SPECULATIVE". A stock indicating a SPECULATIVE risk is determined from sector specific criteria outlined below.

Risk Profile Parameters – Oil and Gas Sector

Forecast Risk: High – Haywood forecasts are below guidance. The Company has a history of missing targets and/or Haywood expects guidance to be lowered. Limited hedging increases commodity risk beyond peers. To raise expectations requires higher commodity prices or production that is ahead of guidance. Moderate – Haywood forecasts are generally in line with guidance. The Company has a history of meeting or exceeding guidance. Forecasts are consistent with current commodity pricing and production guidance. Hedging practices are in line with peers. Low – Haywood forecasts exceed guidance. The Company has a history of meeting or exceeding guidance. Forecasts allow for modestly lower commodity pricing or production levels. Commodity hedging lowers volatility relative to peers.

Financial Risk: High – The capital expenditure program in the current year or the next year of the forecast is not fully funded but requires additional debt and/or equity financing. This categorization does not necessarily predict whether the additional funds will be raised. Moderate – The capital expenditure program in the current year or the next year is fully funded with cash flow and limited debt. Low – The capital expenditure program in the current year or the next year is fully funded with cash flow and no new debt.

Political Risk: High – Properties are located in an area with limited petroleum industry activity or infrastructure. An environment unfriendly to the industry makes obtaining permits to drill or produce hydrocarbons challenging. Significant government or local opposition exists. Moderate – Properties are located in an area with minimal petroleum industry activity or infrastructure. An environment friendly to the industry makes obtaining permits relatively straightforward. All levels of government are considered indifferent to hydrocarbon activity. Low – Properties are located in an area with established petroleum exploration and development activity. Oil and gas Production Sharing Agreements or Exploration Permits are in hand. Government at all levels supports the sector.

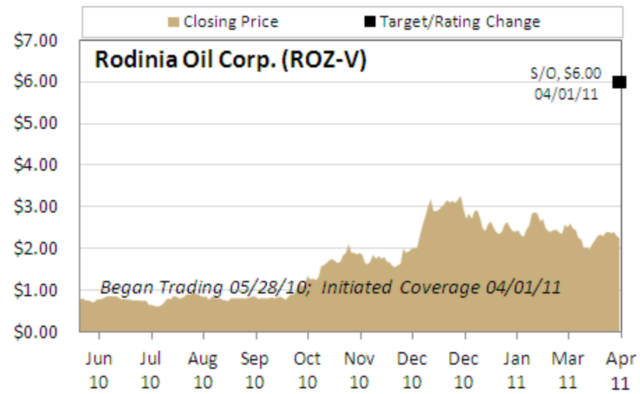
Valuation Risk: High – The current valuation is at the high end of historic levels and/or at a premium to peers. The valuation reflects continued production growth and/or continuing strong commodity prices or further appreciation. Where applicable, the market capitalization exceeds the NAV by more than 30%. Moderate – The current valuation is within historic ranges and generally consistent with peers. The valuation reflects reasonable production growth and/or commodity price appreciation. Where applicable, the market capitalization exceeds the NAV by 15% to 30%. Low – The current valuation is at the low end of historic ranges and/or at a discount to peer valuations. The valuation reflects limited production growth and/or no commodity price appreciation. Where applicable, the market capitalization exceeds the NAV by less than 15% or falls below the capitalization.

Distribution of Ratings (as of)

Haywood's current rating structure (outlined above) does not correlate to the 3-tiered BUY, HOLD, SELL structure required by the FINRA. Our ratings of Sector Outperform, Sector Perform and Sector Underperform most closely correspond to Buy, Hold/Neutral and Sell respectively however, as described above, our assigned ratings take into account the relevant sector.

	Distribution of Ratings		IB Clients
	%	#	(TTM)
S/O	65.6%	86	94.3%
S/P	6.9%	9	0.0%
S/U	3.1%	4	2.9%
T	0.8%	1	0.0%
UR (S/O)	1.5%	2	0.0%
UR (S/P)	0.0%	0	0.0%
UR (S/U)	0.8%	1	0.0%
dropped (TTM)	21.4%	28	2.9%

Price Chart, Rating and Price Target History (as of May 2, 2011)



S/O: Sector Outperform; S/P: Sector Perform; S/U: Sector Underperform; T: Tender; U/R: Under Review
Source: Capital IQ and Haywood Securities