

"Don McShane has been called 'A Wall Street Legend' for his calls on stock picks..."

The McShane Letter

FALL 2013

Action Alert:



OCTAGON 88 RESOURCES
OTCBB: **OCTX**

Now hidden on the Bulletin Boards!

OCTX...a \$1.45 billion gap lies between its share price and current net asset value!



Octagon 88 Resources (OCTX) updates 2014 production forecast of Alberta oil to 30,000 barrels per day!

You could make a fortune off this one buy.
OCTX production targets can make it Canada's
sixth largest oil company with a \$61.50 share price...
...yet its stock is still trading around \$6.00!

...yet its stock is still trades around \$0.00!

Talk about overlooked opportunities! Earlier this year, Octagon 88 Resources (OCTX) and partners locked in 100% ownership in \$38 billion of recoverable Alberta oil and Wall Street appears clueless!

This can't go on indefinitely! Trading today around \$6.00, current valuations show *OCTX could now be priced as high as \$61.50/share!*

Get some money on the table immediately!

OCTX net asset value is miles ahead of its current share price and once the Street catches up, OCTX could quickly return up to 20-fold gains for shareholders.

These gains could literally take off overnight. To ensure you can get in at \$6.00, you should be making your move on OCTX immediately. Tomorrow may be game over!

**OCTX may be an absolute steal at its current market price!
This is an immediate buy for stunning profit potential!**



Company:
Octagon 88 Resources
OCTBB: **OCTX**
Current range: \$6.00/share
Near Target: \$15.00+
Net Asset Value/Share: \$61.50
Potential Market Value:
\$90.00 and up

At \$61.50, 2,000 shares of OCTX would trade at more than \$123,000. With the market trading OCTX less than \$6.00, you can buy all 2,000 of those shares today for under \$12,000!

An Urgent Report for the Astute Investor:

Alberta Canada is now home to the third largest oil reserves on the planet with reserves totaling 170.2 billion barrels. Companies are producing huge volumes of oil and shareholders have made fortunes.

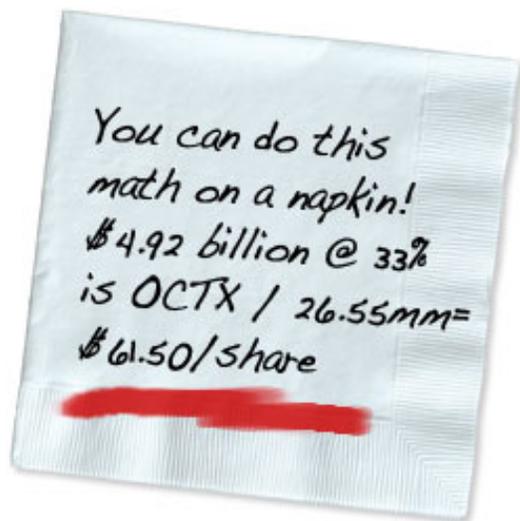
This is a high-profile area populated by oil's biggest and best producers. At this stage, a ground floor opportunity is hard to find. But in digging around, I found one and it's big...really big!

A major oil producer in the making!

The company is Octagon 88 Resources (OTCBB: OCTX) and I strongly recommend that you move swiftly here. This company is on a hair trigger for a massive breakout that could pay huge profits for current shareholders.

Here are the highlights that could propel OCTX to stunning highs in the coming months:

1. **Immediate production:** Octagon 88 Resources has already announced plans for production flow and oil sales starting in first quarter 2014. From its recent release: *"The licensing process for drilling has begun to spud the first production wells; targeting initial oil sales to commence in the first quarter of 2014 as outlined in the [Plan of Development] from the Elkton Erosional Edge Project."*
2. **No run-of-mill junior:** Though OCTX sits on the bulletin boards at the moment, this is no run-of-the-mill junior. OCTX reports in 2014 it will begin its scaled production toward 30,000 barrels of oil per day. That alone puts OCTX in the "major" category...*and that's just the first project in this massive play!*
3. **Net 1.2 billion barrels:** Unnoticed by many, over the last year OCTX built a 33% stake in a 46,720-acre oil prospect. It is now the largest publicly-traded shareholder of the privately-held company that holds the leases on what now totals *3.6 billion barrels of oil (1.2 billion net) in the ground.*
4. **200,000 barrel per day production:** OCTX reports the Manning project development plan is fully scalable to 200,000bpd production with a 25- to 35-year economic life. *This production rate alone would make OCTX operations the sixth largest Canadian producer.*
5. **Totally off-radar at \$6.00/share:** Hiding on the bulletin boards, OCTX has remained totally off radar. It currently sells under \$6.00 even though its *current asset market value is well over ten-times that figure.*
6. **Excellent buyout target:** Before OCTX reaches full capacity, it's highly probable that it would be fully acquired by institutional or foreign interests. Given that, *OCTX could carry a buyout price for its shareholders well north of \$60.00!*



7. **Independent third-party confirmation:** OCTX is already an advanced stage company. Field work and economic simulations have been conducted by the four of the world's leading analytical firms, including one global giant that employs 120,000 people. *Reports collected over the last 12 months conclusively point to the enormous economic potential in OCTX.*

As of August 22 of this year, a single share of OCTX has been independently valued at \$61.50 a share. *That's over ten-times current market price!*

However...and this is one of the biggest "however's" I've seen in my career...

The current gap between Octagon 88 Resources' market cap and net asset value (NAV) is simply staggering.

That gap is now independently verified at \$1.45 billion!

OCTX is poised to become a major Canadian oil producer starting next quarter and the market is still treating it as if it was a no-name junior!

You should be contacting your broker right now about OCTX...prepared to buy big!

OCTX reports the first project can soon be pumping 30,000 barrels of oil per day into Alberta pipelines. I don't see how the market could miss this.

Once OCTX is discovered, it could triple almost overnight!

And that triple would just be a start.

I'm forecasting that OCTX holds strong potential for breaking \$60/share in 2014 and if things come together as expected...it could soar even higher!

That's a 10-fold near-term upside in OCTX...as long as you get some money on the table right now.

Simple math sums this up...

Independent and internal documentation puts the total oil in place on this Peace River prospect at 3.6 billion barrels. OCTX owns an outright 33% of that oil, which gives them a net interest of 1.2 billion barrels.

Using current recovery technology, OCTX reports it can put 400 million barrels of oil into market pipelines, which translates to an astonishing *\$1,431 in deliverable oil for every outstanding share of OCTX today!*

And as of this writing...you can buy OCTX for around \$6.00 a share!

In just one year, OCTX quietly acquired 1.2 billion barrels of oil from private interests!

In a series of moves over the last 12 months, Octagon 88 Resources (OCTX) built an impressive one-third interest in this massive 46,720-acre Alberta oil project. Now they're moving rapidly to get revenues flowing.

30,000bpd ... just getting started!

With new data in hand, OCTX recently announced that starting next quarter, scalable production on its first project alone can achieve a production rate of 30,000 barrels of oil a day!

I don't see how anyone can expect this stock to hold at \$6.00 a share with a production forecast of this size.

Just one day of production would produce \$3 million in oil, which annualizes to nearly \$1.1 billion a year in revenue!

Getting to that rate of production should come swiftly. The development plan shows spudding 400 wells in the first project beginning first quarter, 2014!

What's more, when you look at the scale of this prospect... 30,000bpd is but a fraction of the fully scaled potential.

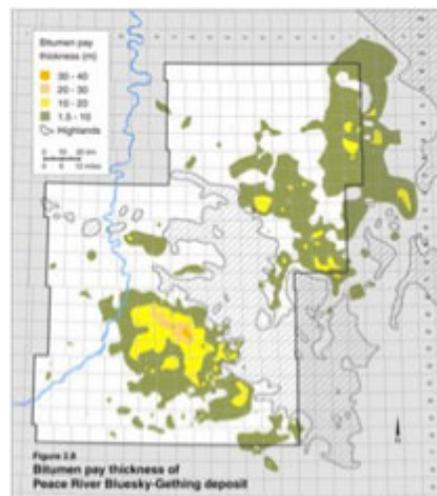
Octagon 88 Resources now projects that within a few years... this play, which now comprises four distinct projects, can be scaled to produce 200,000 barrels per day.

200,000bpd would make OCTX's development the sixth-largest Canadian oil producer. Only five other Canadian companies can beat that production rate today.

[insert a production growth chart]

Production rates of this magnitude can make OCTX a mid-cap producer right out of the gate. By the time Market catches on (and catches up!), OCTX could be selling over \$60/share... easily 10x what you can get in for today.

Peace River Oil Field



Current valuation of Octagon 88 Resources' Peace River play puts 10 to 15-fold upside potential into OCTX shares.

This is how an unknown company can quickly spring to

public view and quickly become an oil producing major!

**The Case Study for rapid growth companies:
Baytex Energy Corp.**



Baytex Energy (NYSE: BTE) converted from a trust to a corporation in January 2011. At that time, the company reported 44,341 bbls/day production on a reserve base of just under 200 million bbls oil equivalent.

From its 2009 low to 2011 high point, Baytex share price soared 750% from around \$8 to over \$60. Recent trading has been in the \$40 range.

Though Baytex holds about twice the acreage of Octagon's play, Octagon may quickly trump Baytex's 200 million barrel reserve figure.

Octagon's net interest in its recoverable oil (which could soon be reclassified as reserves) now totals 400 million barrels, roughly two-times Baytex reserves.*

Baytex today is a \$4.9 billion market cap. Would Octagon achieve a similar market cap, **OCTX shares would trade at around \$185/ share.**

* It has been projected internally and through third party specialists that CEC North Star holdings contain more than 3+ billion barrels of Petroleum Initially in Place (PIIP). However, independent petroleum analyst, Ernst Schlotter, reports that approximately 40% of that oil can be ultimately recovered. This enables OCTX and development partners to pump 1.25 billion barrels of oil to the surface over the economic life of the play. Octagon's ownership of that recovered oil is over 400 million barrels.

This information has not yet been widely disseminated, but as you will learn in a moment, that could change in a heartbeat.

All it takes will be a buyer and believe me, there's a line forming for Alberta oil prospects.

The world is paying top dollar for Alberta oil...and "For Sale" signs are becoming increasingly hard to find.

***The Chinese buyout story: Tons of cash being
thrown at mid-sized Canadian oil assets.***

Just last month, Canada's Globe and Mail news reported a Chinese buyout of a 250,000bpd project that totaled \$3.2 billion! That's just another step in China's ongoing quest to acquire Canadian oil projects.

Previously, the Globe and Mail published more news of aggressive Chinese oil buys. This excerpt from its January 2012 report sums it up:

***"The Chinese have tested the waters in Canada
for six years, first with small deals that***

didn't require government approval, then bigger deals that did, but only for part-ownership. Now it's full ownership."

Could OCTX get taken out at \$61.50 a share?

You bet it could!

Reservoir analysts in this oil-producing region set a real-world value, OCTX's 400 million barrel oil assets at around \$38 billion at today's oil price! That's astonishing \$1,431 in deliverable oil for every outstanding share of OCTX today!

I could come up with all kind of projections on what that could be worth per share of OCTX...but be sure of this...

It's a heck of a lot more than the \$6.00 it takes to buy a share of OCTX today!

This is among the biggest asset bases I've ever seen in a start-up oil company...and barely 10% of it has been priced into today's OCTX share price!

These are staggering numbers. I just don't see how OCTX can stay off radar for long. Alberta and Peace River are much too hot for OCTX to continue unnoticed.

Once OCTX finds traction on Wall Street, my modeling suggests that a new flock of retail and institutional investors will come pouring in. I can see them jumping all over OCTX even when the stock triples off today's share price.

With a \$61.50/share upside, latecomers should find OCTX at \$20 to be a screaming bargain!

That's especially true for institutional investors. With prospects for reporting a near current \$1.61 billion net asset value, Octagon 88 Resources can be a big red bullseye for a fund manager looking for a big win.



OCTX: Growing big enough to be discovered in a very big way!

Even though it's trading near penny stock level, OCTX could quickly grow to powerhouse status...surrounded by the biggest oil producers on the planet.

We caught this one early. Now, newly completed field reports point to OCTX as a buy of a lifetime.

As a ground-floor OCTX shareholder you will be entering with \$61.50 in upside potential (or more)

As a result of OCTX's situation, you will be starting with \$61.50 in upside potential (or more) for every share of OCTX you buy at today's market price!

This has created one of the biggest gaps I've ever seen between share price and book value.

I strongly recommend that you verify my research and act on this immediately.



With this news, I'm reiterating my earlier buy recommendation on Octagon Resources (OCTX) and upgrading OCTX to an urgent buying opportunity.

This price analysis is backed by information sourced from the world's top petroleum experts who have recently analyzed and valued Octagon 88 Resources (OCTX) assets.

They've reported that Octagon holds net ownership in these Alberta petroleum assets that can be valued at \$1.61 billion.

Price those assets into OCTX shares and the Street would be trading OCTX around \$61.50!

This is not idle speculation...these are numbers based on market fundamentals that suggest that OCTX may be the most undervalued stock you'll find in the market today.

If OCTX were selling at its 52-week high of around \$10.00...I'd still be recommending it as an urgent buy!

An early rally pushed OCTX to a quick double. But the rally fizzled as impatient and skittish investors bailed too soon. The resulting price dip is nothing short of a give-away.





Chart courtesy of www.stockcharts.com

Traders and speculators took early profits in OCTX, creating wild swings in its chart. Newly discovered data show that their departure may have been premature. By mid-August, new exploration data and economic simulations enabled oilfield analysts to price OCTX's share of Peace River at \$1.61 billion. This figure does not appear in OCTX filings. Current share price support at around \$5.50 may be short lived as the actual OCTX price/book value is revealed in future filings.

In a moment, I'll get into the details of the field data that petroleum analysts use to calculate Octagon 88 Resources' assets.

First, let me tell you why you won't find the asset calculations in OCTX filings...but you will find them in their one-third share of the privately-held company, CEC North Star!

The secret behind the stunning value gap in OCTX:

Octagon 88 Resources has acquired one-third ownership of CEC North Star, which is the entity that holds title to 100% of the Peace River prospect. I've been able to source and/or verify the data I've acquired about OCTX by digging into the details of CEC North Star.

All totaled, North Star holds leases

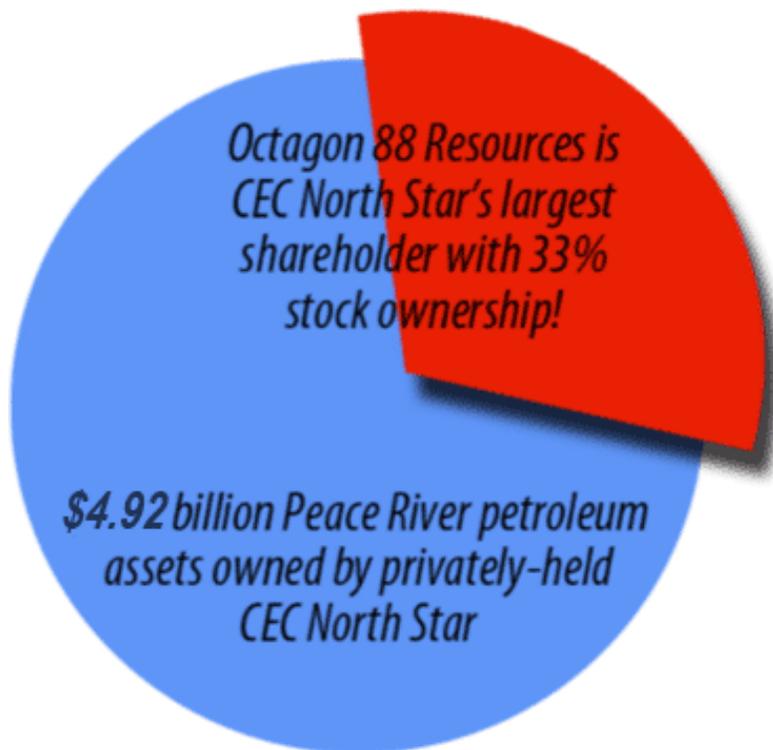
“to an internal estimate of 3+ billion barrels of resources and move those resources to the Company's development stage and an upgrade to ‘contingent reserves’”

Source: CEC North Star website August, 2013

As I pointed out earlier, OCTX owns one-third of North Star...but here's why you won't see any of those assets in OCTX filings.

The U.S. Securities and Exchange Commission (SEC) forbids it! Octagon 88 Resources' hands are tied...the value of these petroleum assets cannot be officially reported to the Street.

Connect the dots...



Octagon 88 Resources' Peace River prospect consists of three primary plays. The focal point of 2014 development will be the Elkton Erosional Edge project.

Analyst reports that current data show the Elkton Erosional Edge holds 200 million barrels of recoverable oil, plus up to 20% more recoverable using enhanced recovery techniques (EOR).

For valuation purposes, I'm focusing on the immediate recovery potential. Octagon 88 Resources is wasting no time getting at these resources. In its July 22 press release, management made this key announcement (emphasis mine).

The company will be "targeting initial oil sales to commence in the first quarter of 2014 from the Elkton Erosional Edge Project. A Plan of Development (POD) targeting thirty-thousand plus (30,000+) barrels a day from the Elkton has been received from the Technical Team and an Executive Summary of the POD is being prepared for release in the Company's filings in the near term."

I cannot predict when OCTX will complete this report in its filings, but when it does, you can expect the lid to come off! OCTX shares could quickly double or triple from its current trading range!

And why shouldn't it!

30,000 barrels! At \$100 a barrel, that's \$3 million a day!

You cannot sit on this knowledge holding on to the hope that you will be able to buy OCTX around \$6.00 in a week or two!

On top of that, the company dropped another bombshell in mid-August:

With more data rolling in, the company announced on August 12 that the its Peace River prospect “contains a projected 3+ billion barrels of Petroleum Initially in Place (PIIP), based on third party oil engineering reports and management estimates.”

That same press release also announced an additional “3,840 acres have recently been acquired as an expansion of the Elkton project to capture the balance of the Elkton sweet spot. The expansion of land base results in a 18-20% increase of the size of the Elkton Erosional Edge project which was originally estimated by 3rd party engineers to hold 870+ million barrels.”

These numbers are simply stunning. They're the kind of numbers that can distinguish OCTX as a major oil producer in Alberta and quickly propel its share price to my initial target north of \$60.

I strongly recommend that you act on this immediately.

Once this information is made public, you can expect that OCTX could double or triple in a matter of days after these data become widely known.

Give a few more months for OCTX to hit its true value, but in the meantime...you can set yourself up for a huge payday by buying OCTX right now!

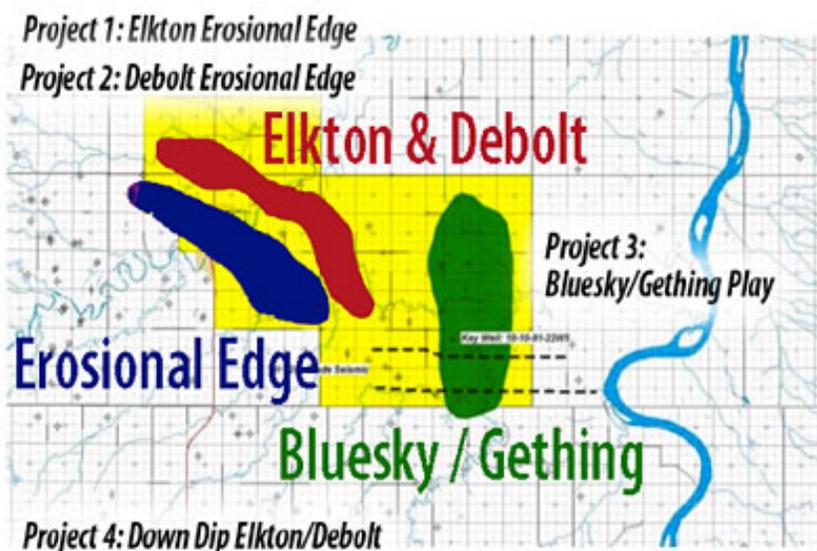
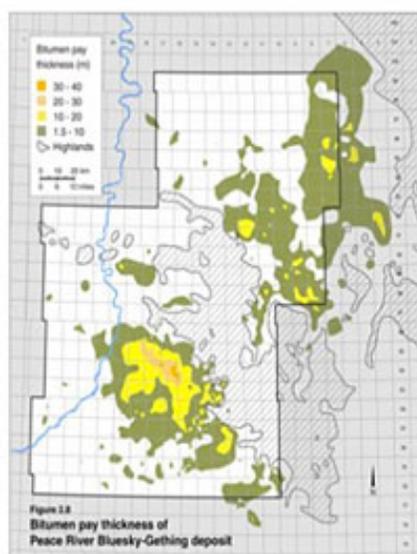




The makings of a new oil-producing powerhouse.

Additional data show that OCTX's current prospect alone carries a remarkable 35-year economic life. Many will tell you that can be ten-times the economic life of a typical U.S. oil sand project.

Here in the States, smaller projects on lesser fields have made enormous profits for ground-floor shareholders. OCTX could very well set records for early shareholder share price growth.



Plan of Development

Project One

Elkton Erosional Edge

Octagon 88 Resources' first target, which is scheduled for production in 2014, is the Elkton Erosional Edge. Latest studies show that this one site holds far more free-flowing oil than earlier estimates. Though previously calculated to 10,000 barrels per day production, updated economic simulations project the Elkton Erosional Edge to a 30,000bpd production rate.

Project Two

Debolt Erosional Edge

Debolt Erosional Edge adds another 400,000 barrels to the production zone target. The aggregate of these two projects totals 1.270 billion barrels of oil, which at a 40% recovery rate translates a net interest for OCTX of 65 million barrels in recoverable oil.

In layman's terms, the erosional edge is significant because it defines a region where geological forces have broken down the oil-holding structure into a high-porosity pay zone.

An erosional edge can be a gold mine for oil production and geologists report the Elkton Erosional Edge one is one of the best in the world.

High porosity means the oil can flow more freely into the well bore, which among other things, allows for an astonishing 40% to 60% recovery rate from the oil in place. The company reports on its website that:

“The [exploration] cores from comparable Erosional Edge wells in the Peace River Block...are very positive...”

“These projects have opportunities for primary production without stimulation or EOR (enhanced oil recovery) as the oil in the erosional edge is expected to be of a lighter API (density).”

“Cold flow or primary production would dramatically add to early stage economics as the projects develop. This is the primary target for [current] drill program as typically seen in other comparable; migration of lighter viscosity oil to the erosional edge is common...”

Project Three

Bluesky/Gething Formation

Bluesky/Gething holds multiple project sites that mirror the proven results obtained by neighboring producers PennWest, Shell Oil, Husky and others working this Peace River location. Current estimates are that the Bluesky/Gething Formation will account for another 1 billion barrels of oil in the ground.

Project Four

Elkton/Debolt Erosional Edge Down Dip

The down dip on the Elkton and Debolt erosional edge formations holds future potential for an additional 1+ billion barrels in the ground.

All totaled, the combination of all these projects, fully scaled and developed, projects to a 200,000bpd production rate.

With the potential for future improved recovery techniques, resource figures and production rates could climb markedly.

OCTX at a turning point in its development... and at a pivotal point for its shareholders.

Over the last few months of project development, the net asset value in OCTX has skyrocketed to a point where the gap between its net asset value and its market share price appears completely unsustainable. Something big is set to take place that can send OCTX shares soaring...and that very likely will be one of two things:

1. Buyout!

As reported above, Alberta's oil is commanding top dollar from institutional and foreign investors. China's Sinovac has been on a massive buying spree, paying billions for these oil-bearing properties.

Based on recently published buyouts, the value of a single OCTX share could soar as high as \$90! That's 15-times what you can buy OCTX for at the moment.

2. Production!

By mid-decade, OCTX could be well along in the plan of development to 200,000 barrels per day production. Kicking off with 400+ wells planned for project one, the OCTX build-up to full 200,000bpd production could take just a few years to reach. At that point, the entire project would rise to the #6 Canadian oil entity.

That too could propel OCTX to a \$90 share price. Either way, if you take a buy-and-hold position in OCTX, starting at \$6.00 today, a \$10,000 start could swell to \$150,000!

You don't get many opportunities for gains of this magnitude, which is why, as I stated earlier...

Get some money on the table now!

Do your due diligence, check my facts, then be prepared to contact your broker.

Seven key reasons to begin loading up on OCTX without delay:

1. **Immediate production:** Octagon 88 Resources announced production flow and oil sales to start first quarter 2014 with the Elkton Erosional Edge Project.

Action
Alert



Company:
Octagon 88 Resources

OCTBB: OCTX

Current range: \$6.00/share

Near Target: \$15.00+

Net Asset Value/Share: \$61.50

Potential Market Value:
\$90.00 and up

2. **No run-of-mill junior:** OCTX is set to begin scaled production toward 30,000 barrels of oil per day and that's just the first project in this massive play!
3. **Net 1.2 billion barrels:** OCTX built a 33% stake in a privately-held company that holds the all production rights to 3.6 billion barrels of oil (1.2 billion net to OCTX) in the ground.
4. **200,000 barrel per day production:** OCTX reports its development plan is fully scalable to 200,000bpd production with a 25- to 35-year economic life.
5. **Totally off-radar at \$6.00/share:** OCTX sits on the bulletin boards at under \$6.00 though its current asset market value is well over ten-times that figure.
6. **Excellent buyout target:** OCTX carries a buyout price for its shareholders that could lie well north of \$60.00!
7. **Independent third-party confirmation:** OCTX is already an advanced stage company with independently verified asset value determined by multiple highly credible, bankable sources.

Like I said above, OCTX is an urgent buy! I hope you're in the position to act on this developing opportunity without delay.

And if you'd like to get early alerts on more profit opportunities like OCTX, I invite you to learn more...

<http://www.themcshaneletter.com>

Sincerely,

Don McShane

Don McShane

Publisher and Executive Editor



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