

Hello,

In September, Zman's Energy Brain turned four years old. You are receiving this email because you are either a friend, a former colleague, a subscriber to the site, a former subscriber, or you just happen to be in my contact list. If you're a subscriber, let me say a multitude of thank yous for your invaluable support and patronage. For the rest of you, a little update on what I've been up to since I left the Street.

In September 2006, I started Zman's Energy Brain because I believed I could do a better job of 1) organizing and 2) conveying my ideas about oil, natural gas, and the exploration and production realm. The website was free for a year, and we built up a good amount of interest that eventually transformed into a true community. People from all walks of the energy and investment industries signed up to get my daily ramblings and short reports on mostly exploration and production companies, along with the occasional coal, refinery, and solar commentary. Way back then, I was surprised not just by the level of interest but by how much I learned from the frequent commenters on the daily posts.

In September 2007, the site went pay for subscription, and because my last name is not the easiest to pronounce I even kept the quirky Zman's Energy Brain name over the protestations of some close advisors. Six days a week the newsletter hit the web, and we grew and added members of management from E&Ps, hedge fund managers, commodity traders, and specialists in a number of fields from completion engineers to landmen.

In 2008, the commodity markets soared. Our options portfolios soared with them. It was at this time, right at the market top, that I opened a number of long term equity accounts which together comprise the Zman Long Term portfolio (ZLT). And then suddenly everyone was talking about sub-prime mortgages and credit default swaps, and the markets fell apart. Equities and commodities alike took a nosedive. We stayed invested and kept plugging away, researching and getting a better understanding of our companies and the emerging plays they were just beginning to look into - many of which are now household names as far as unconventional oil and gas plays go.

In the spring of 2009, everything began to recover. And those portfolios that I started in mid-2008, at the peak of the market when oil was over \$140 a barrel and natural gas was hovering around \$14 / MMBtu, recovered as well as you will see below.

2010 has been strong year. Our taxable portfolio is up 59% year to date, while our non-taxable account is up 114% through last Friday. This compares favorably to the S&P 500, the energy focused XLE and oil and natural gas prices. Please see the performance graphs on page 2 for a full run down of YTD and since inception performance relative to the markets and commodities. We have not churned the accounts to achieve this, nor has there been any options trading involved in these accounts. This is simply stock picking.

Looking ahead to 2011, we are guardedly optimistic. Things don't go up in a straight line. This coming year will mark my 20th in the investment business, and I like to tell people I've been on the buy side, the bank side, and the sell side. Now I'm on my (your) side. Also, we'll be embarking on some new ventures - more on that in future update letters.

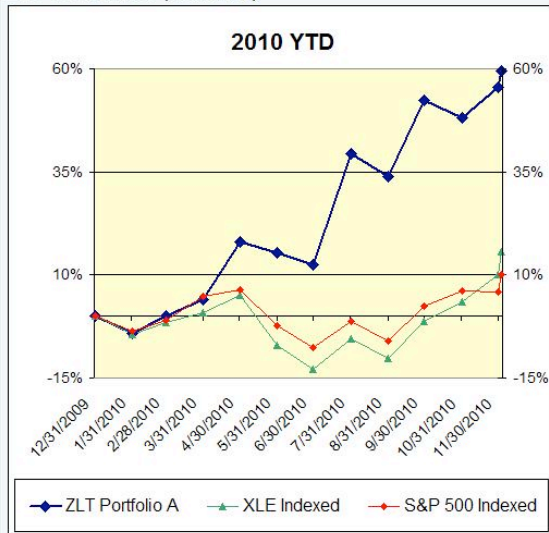
With many thanks and best regards,

Steve Zachritz (Zman)

The following are net of commissions and include reinvested dividends. The returns are mine; they are not modeled.

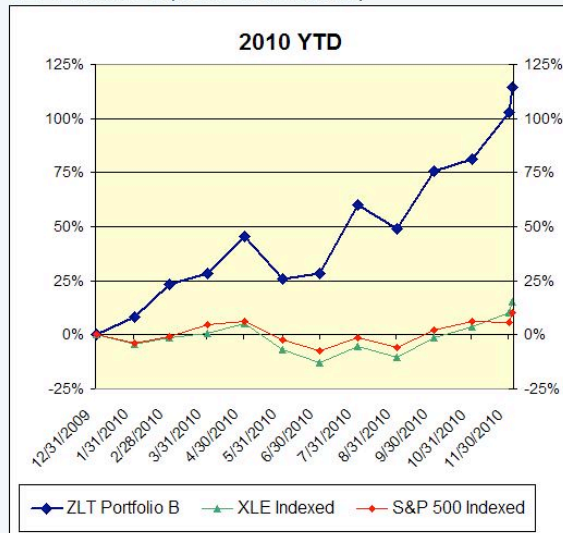
Results Through 12/3/2010

ZLT Portfolio A (Taxable)

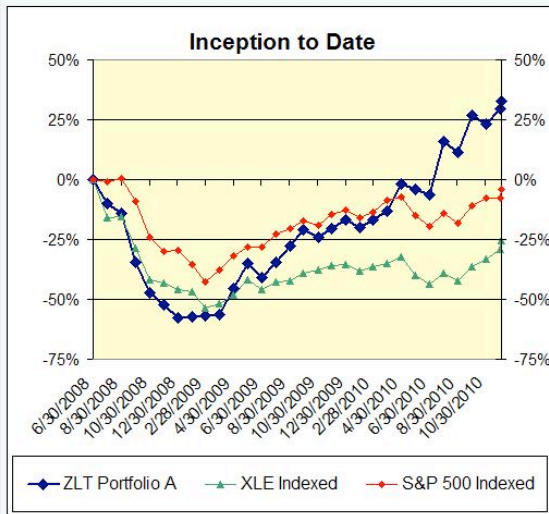


	YTD 2010	3Q10
ZLT Portfolio A	59%	35%
S&P 500	6%	11%
XLE	3%	13%
Crude Oil	20%	7%
Natural Gas	-19%	-14%

ZLT Portfolio B (Tax Free Account)

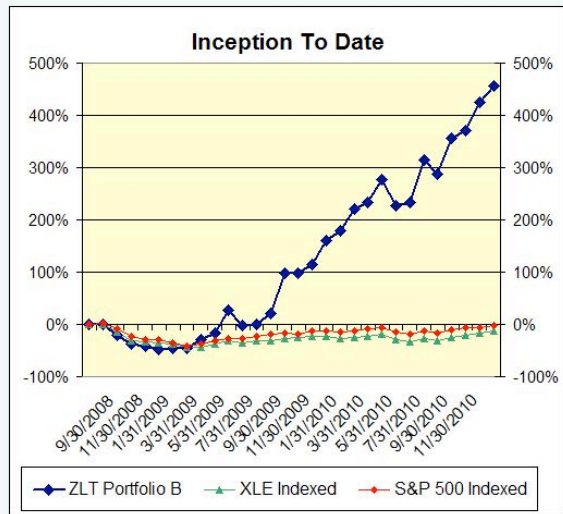


	YTD 2010	3Q10
ZLT Portfolio B	114%	37%
S&P 500	6%	11%
XLE	3%	13%
Crude Oil	20%	7%
Natural Gas	-19%	-14%



Inception To Date (from 7/1/08)

ZLT Portfolio A	33%
S&P 500	-11%
XLE	-33%
Crude Oil	-33%
Natural Gas	-66%



Inception To Date (from 9/1/08)

ZLT Portfolio B	456%
S&P 500	-7%
XLE	-21%
Crude Oil	-24%
Natural Gas	-48%

ZLT Performance is net of fees and commissions and includes dividends.
 These are my personal accounts as I do not manage money for others.