

	
COMPANIES	Elephant Talk Communications Inc. (OTC.BB: ETAK)

Conservative Speculator picks Elephant Talk Communications, Inc. (ETAK)

The Conservative Speculator news letters published monthly, has covered special situations, usually in emerging growth industries, for the past 15 years. It goes to investors in 20 countries. On August 4th Elephant Talk Communications was featured as the current Larry Oakley's Stock Pick.

Elephant Talk Communications, Inc. (OTC BB: ETAK)

This is a situation that I am beginning to investigate – so far, I like what I see. I suggest that you check it out yourself, because in my opinion, this situation looks like it can result in a double from its \$1.39 Friday close. I believe that it could happen as soon as 90 days, based on the fact that the number of outstanding shares is attractively low.

What ETAK Is & Does

ETAK is an international telecom & multimedia content distributor.

It is positioning itself as an international telecom operator & enabler/systems integrator to the multimedia industry. It facilitates the distribution of all forms of content, as well as mobile & fixed-telecom services, to global telecommunications consumers. It provides traditional telecom services, media streaming, & distribution services primarily to the business-to-business (B2B) community within the telecommunications market.

It is also a system integrator & developer for mobile telecom & content distribution solutions; &, as a Mobile Virtual Network Enabler (MVNE), it has positioned itself as the premier outsourcing partner for both Mobile Network Operators (MNOs) as well as for Mobile Virtual Network Operators (MVNOs).

It is positioning itself as the preferred MVNE partner of the larger, global Mobile Operators & currently operates sophisticated networks in over a dozen markets in Europe, Asia Pacific, & the Middle East.

ETAK Has the Funds to Expand

On 7/8/2008, ETAK announced that it received subscriptions for \$7 million in equity financing, \$3.3 million of which has been funded. It intends to use the capital for expansion of its proprietary global telecom network & infrastructure, & is pursuing an acquisitions program to position itself as the preferred provider of telecom services & systems integration for global mobile virtual network operators.

CEO Steven van der Velden said: "With this latest financing, we can now pursue our acquisitions program & continue to expand our global footprint. We will have a debt-equity ratio of 1 to 1.5 when the \$7 million is fully paid, & cash to sustain our growth strategy. We expect to move to profitability by the end of the fourth quarter 2008."

My Opinion

I like what I see here – it closed Friday 8/1/2008 at \$1.39, near its low (the 52-week range is \$1.10 - \$2.50). The average volume (3 mo) is 1,807. The market cap is about \$13.25 million – that makes the number of shares out only about 9.35 million, a refreshingly low number. I like the fact that this is a fully reporting company, & that it operates

in a unique space. I also like management's plans to expand by careful acquisitions.

The thing that I feel that sets this situation apart from many others in the telecom industry is the market for what it does. The clear trend as I see it is that mobile internet access is growing at a rapid pace – all you have to do is look at the advertising brochures from retailers like Best Buy – the one I got in yesterday's newspaper was loaded with really complicated phones complete with small but complete keyboards. We're in an era of greatly expanding communication/telecom technology.

Watch my follow-on coverage of this interesting company. For more comments, call OTC Global Partners at 561-962-4150.

My comments in this column are strictly my personal opinion. At times, I will include forward-looking information as that term is defined in the Private Security Reform Act of 1995. Such information & the related company are subject to many risks & uncertainties. There can be no assurance that actual results, business conditions, business developments, losses & contingencies, local & foreign factors, & other matters will not differ materially from those suggested in any of my forward-looking statements. Such differences are the result of all sorts of factors (some examples: market conditions, competition, advances in technology, acquisitions, mergers, potential litigation, personnel changes, market changes, capital availability, etc., etc.).

Do not run out & buy a stock just because I am enthusiastic about the situation. Call the company before you buy -- satisfy yourself first. I always include a phone number for that purpose. My purpose in this column is to respond to your request for my personal opinion. You have the responsibility of making your own investment decisions. Do not give up that responsibility.

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