



Company Research Reports

RESEARCH UPDATE: June 6, 2008

COMPANY – FirstGrowth Exploration & Development Services Corp.

TSX-V: FGC (CA); FFT: G8Q (Frankfurt)

Analyst Rating – Buy 12 Month Price Target – \$2.00

Stock Snapshot (TSX-V) June 6, 2008

Stock Closing Price:	\$0.64*
52 Wk High/Low Closing Price:	\$0.91- \$0.39*
Market Cap:	\$12.5M*
Volume	159K
Average Volume:	66K (YTD)
Common Shares Outstanding:	33.76M
Shares in Escrow:	14.2M
Approximate Float:	12.5M



* In Canadian Dollars

Updated Outlook

This report is an update to the initial report we issued on September 6, 2007. We are upgrading FirstGrowth Exploration & Development Services Corp. to Buy from Speculative Buy, and maintaining our 12-month price target of \$2. Our rationale is as follows:

* Growing recognition of the Company's cutting edge seismic imaging technology, which we believe has strong potential to become an industry standard for oil, gas and mineral exploration. The Company's technology provides a cost-effective means to identify drill targets with high accuracy, compared to older and less accurate seismic imaging technology still in use. E&P companies can thus realize cost-savings in deploying their exploration budgets. As FirstGrowth's technology becomes better known, we believe the Company will continue to grow market share, with potential to dominate in its space.

* The Company's backlog of contracts continues to grow. FirstGrowth has expanded its seismic imaging crews from 2 when we first reviewed the company last fall, to 3 currently, and has further plans to outfit a fourth crew in the last half of 2008.

Update: FirstGrowth Exploration & Development Services Corp.

* We are encouraged by key developments at the Company, including a strategic partnership with ION Geophysical Corporation for a series of multi-year arrangements for the purchase of ION's equipment and services, including but not limited to wireless seismic instruments for full-wave (multicomponent) data recording using VectorSeis® sensors. This development expands the Company's service contracting opportunities. Other key developments include:

- The establishment by Kinetex (First Growth's wholly owned subsidiary) of two branch offices in Colombia, South America to offer its seismic imaging services.
- The signing of a Letter of Intent with Magnus Minerals of Finland to jointly explore and develop certain mineral properties in the Central Ore Belt of Finland. This provides the Company with an additional revenue stream opportunity, by leveraging its technology to partner with clients from exploration, through to development and production.
- The announcement on June 5, 2008 that it has been awarded a contract valued at over \$15.6 million to provide seismic acquisition work in central Saskatchewan for a private company focused on potash exploration. This single contract is equal to the Company's total 2007 annual gross revenues.

Financial

The Company reported revenues of \$3,284,690 for the first quarter of 2008, with positive cash flow from operating activities of \$1,340,296 (40.8% of revenues), prior to general and administrative costs and other expenses, compared with revenues of \$5,047,585 and cash flow from operating activities of \$1,657,488 (32.8% of revenues), in the first quarter of 2007. The Company's EBITDA for the first quarter of 2008 (accounted for as earnings before interest, taxes, accretion, depreciation and stock based compensation) was \$634,743 (20.1% of revenues) in comparison to \$1,197,988 (23.8% of revenues) for 2007. The reasons cited for the lower revenues in Q108 compared to Q107 were that contracts were composed of 2D services vs. 3D services, resulting in reduced overall equipment utilization. Additionally, there was a client requested stand-by in Colombia, to allow for the completion of additional environmental and surface access permits. Despite this, the percentage of cash flow from operating activities was 18% higher in the first quarter of 2008 as compared to the same period last year.

Gross operating margins were also stronger at 40.8%, which is at the high end of the Company's long term guidance, compared to 32.8% of revenues for 2007. We are also encouraged that the recently announced \$15.6 million contract for seismic acquisition work in central Saskatchewan has already put FirstGrowth's gross revenues ahead of those for 2007. As such, the Company would appear poised to surpass that growth for the balance of 2008.

To view our initial analyst report on FirstGrowth, readers may visit the following web link: <http://www.market-harmonics.com/reports/reports.htm>.

About This Report

The information and statistical data contained herein have been obtained from sources believed to be reliable but in no way are warranted by us as to accuracy or completeness. We do not undertake to advise you as to changes in figures or our views. This is not a solicitation of any order to buy or sell. The above report is the opinion of Market Harmonics and its analyst Tony Carrion, and is not a guarantee that the target price for the stock will be met, or that predicted business results for the company will occur. All research is based on public information. No fee was paid for this report, and neither the analyst nor research firm have a trading position in the subject security.

Based on the information available, this report reflects our opinion of what the company's rating and share potential could be once research coverage is widely adopted. Investors are urged to consider this report only as a single factor in their investment decision, and should conduct their own further research before making such a decision. Opinions and views expressed in this report are submitted solely for informational purposes.

Tony Carrión
Founder, Market Harmonics
Email: TCarrion@market-harmonics.com