



TAGLICHBROTHERS

The Standard of Excellence in the Microcap Market

Member: FINRA, SIPC

Earnings Note

Investors should consider this report as only a single factor in making their investment decision.

Littlefield Corporation

Rating: Speculative Buy

Luis Martins

March 12, 2009

LTFD \$0.28 (OTC BB)

Littlefield Corporation (OTC BB: LTFD) engages in the development, ownership, and operation of charitable bingo halls in the United States. LTFD also engages in the party rental business. Its operations are primarily conducted in two segments, Littlefield Entertainment and Littlefield Hospitality.

On March 11, 2009, LTFD announced preliminary 2008 fourth quarter results for the period ended December 31, 2008. Below are the Company's results along with Taglich Brothers' estimates (\$ 000's):

	Q12 (12/08)A	Q4 (12/08)E	Q4 (12/07)A
Revenues	\$ 2,684	\$ 2,661	\$ 2,567
Total Direct Costs	<u>2,412</u>	<u>2,631</u>	<u>2,147</u>
Gross Profit	272	31	420
Gross Margins	10.1%	1.16%	16.4%
Total operating expenses	<u>504</u>	<u>680</u>	<u>584</u>
Operating income	(232)	(649)	(164)
Operating margins	-8.64%	-24.39%	-6.39%
Net income (loss) for common	\$ <u>(3,140)</u>	\$ <u>(639)</u>	\$ <u>(299)</u>
EPS diluted	\$ <u>(0.19)</u>	\$ <u>(0.04)</u>	\$ <u>(0.03)</u>
Weighted average shares (diluted)	<u>16,755</u>	<u>16,755</u>	<u>11,350</u>
<u>% of revenue</u>			
Operating Expenses	18.78%	25.56%	22.75%
<u>year / year growth</u>			
revenues	4.56%	3.66%	

** Please view our disclaimer located on page 5.*

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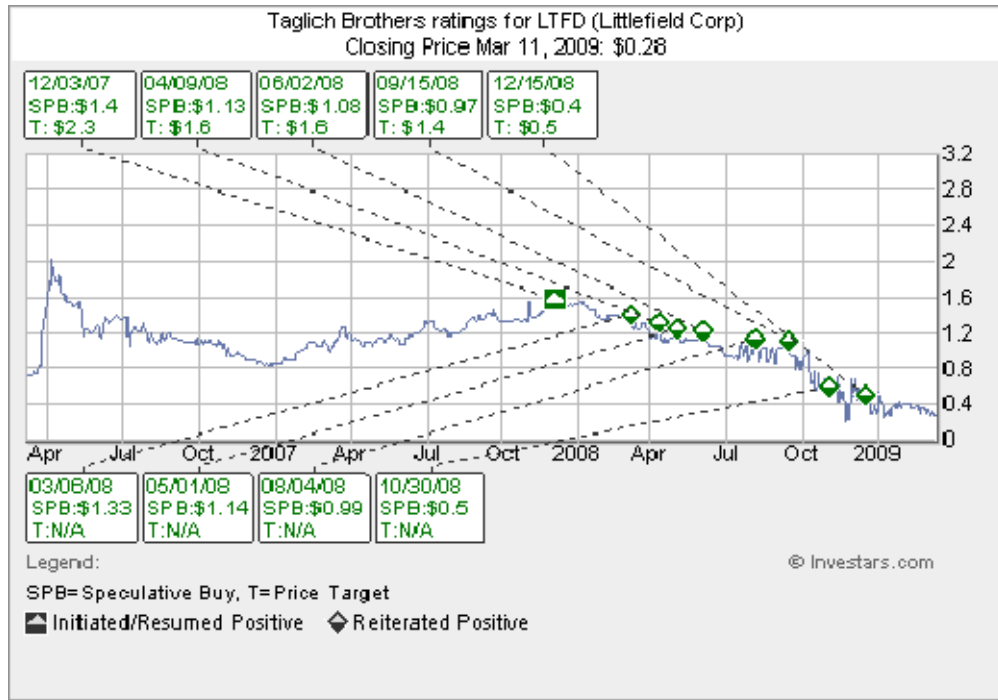
Estimate Analysis: Revenues were essentially in line with Taglich Brothers' expectations. Bottom line results fell short primarily due to a \$2.4 million non-cash charge related to the impairment of goodwill. 4Q08 results were also adversely impacted by \$0.809 million in notable items stemming from hall renovations in Texas, legal expenses, and non-cash compensation expense.

Gross and operating margins exceeded expectations as the company managed to control its direct costs and S,G,&A expenses.

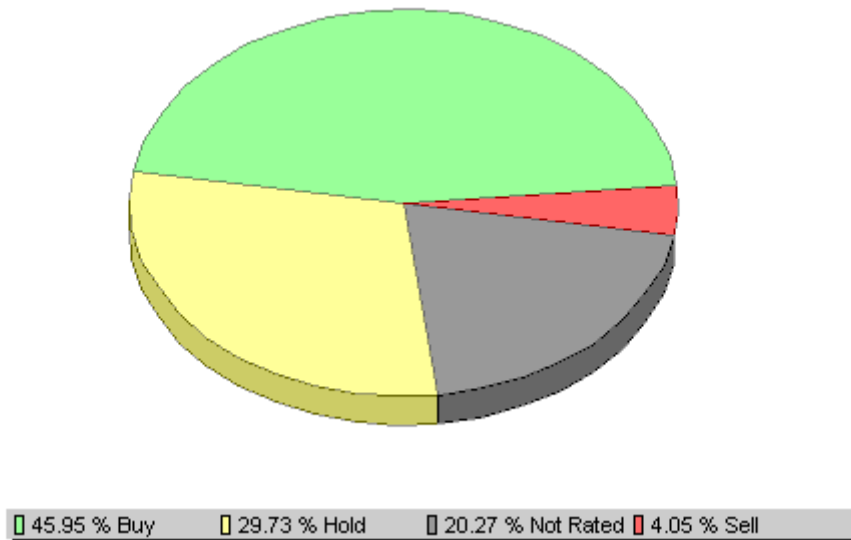
Rating: We are maintaining our Speculative Buy rating.

Risks: Please review our latest research report (dated December 15, 2008) for a summary of the principal risks underlying the stock.

Littlefield Corporation



Taglich Brothers Current Ratings Distribution



Investment Banking Services for Companies Covered in the Past 12 Months		
Rating	#	%
Buy	2	7.41%
Hold	0	0
Sell	0	0
Not Rated	0	0

Meaning of Ratings

Buy

We believe the Company is undervalued relative to its market and peers. We believe its risk reward ratio strongly advocates purchase of the stock relative to other stocks in the marketplace. Remember, with all equities there is always downside risk.

Speculative Buy

We believe that the long run prospects of the Company are positive. We believe its risk reward ratio advocates purchase of the stock. We feel the investment risk is higher than our typical “buy” recommendation. In the short run, the stock may be subject to high volatility and continue to trade at a discount to its market.

Neutral

We will remain neutral pending certain developments.

Underperform

We believe that the Company may be fairly valued based on its current status. Upside potential is limited relative to investment risk.

Sell

We believe that the Company is significantly overvalued based on its current status. The future of the Company's operations may be questionable and there is an extreme level of investment risk relative to reward.

Some notable Risks within the Microcap Market

Stocks in the Microcap segment of the market have many risks that are not as prevalent in Large-cap, Blue Chips or even Small-cap stocks. Often it is these risks that cause Microcap stocks to trade at discounts to their peers. The most common of these risks is liquidity risk, which is typically caused by small trading floats and very low trading volume which can lead to large spreads and high volatility in stock price. In addition, Microcaps tend to have significant company specific risks that contribute to lower valuations. Investors need to be aware of the higher probability of financial default and higher degree of financial distress inherent in the microcap segment of the market.

From time to time our analysts may choose to withhold or suspend a rating on a company. We continue to publish informational reports on such companies; however, they have no ratings or price targets. In general, we will not rate any company that has too much business or financial uncertainty for our analysts to form an investment conclusion, or that is currently in the process of being acquired.

* The information and statistical data contained herein have been obtained from sources, which we believe 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. Taglich Brothers, Inc. is fully disclosed with its clearing firm, Pershing, LLC, is not a market maker and does not sell to or buy from customers on a principal basis. The above statement is the opinion of Taglich Brothers, Inc. 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. There may be instances when fundamental, technical and quantitative opinions contained in this report are not in concert. We, our affiliates, any officer, director or stockholder or any member of their families may from time to time purchase or sell any of the above-mentioned or related securities. Analysts and members of the Research Department are prohibited from buying or selling securities issued by the companies that Taglich Brothers, Inc. has a research relationship with, except if ownership of such securities was prior to the start of such relationship, then an Analyst or member of the Research Department may sell such securities after obtaining expressed written permission from the Director of Research.

As of the date of this report, we, our affiliates, any officer, director or stockholder, or any member of their families do not have a position in the stock of the company mentioned in this report. Taglich Brothers, Inc. does not currently have an Investment Banking relationship with the company mentioned in this report and was not a manager or co-manager of any offering for the company with in the last three years.

All research issued by Taglich Brothers, Inc. is based on public information. The company paid for the creation and dissemination of research reports for the first year a monetary fee of \$24,000 (USD) on September 2007 and since December 2009 pays a monthly monetary fee of \$2,000 (USD) to Taglich Brothers, Inc. for the creation and dissemination of research reports.

I, Luis Martins, the research analyst of this earnings note, hereby certify that the views expressed in this note accurately reflect my personal views about the subject securities and issuers; and that no part of my compensation was, is, or will be directly or indirectly related to the specific recommendations or views contained in this report.