

**Transcript of
Littlefield Corporation (LTFD)
First Quarter 2011 Earnings Conference Call
April 29, 2011**

Vcall
601 Moorefield Park Dr.
Richmond, VA 23236

Phone: 888-301-5399
Fax: 804-327-7554

info@vcall.com
www.vcall.com
www.investorcalendar.com

Participants

Jeffrey L. Minch, President and Chief Executive Officer

Presentation

Operator

Greetings and welcome to the Littlefield Corporation's First Quarter 2011 Earnings Conference Call. At this time, all participants are on a listen-only mode. A brief question and answer session will follow the formal presentation. If anyone should require operator assistance during the conference, please press *0 on your telephone keypad. As a reminder, your conference is being recorded.

It is now my pleasure to introduce your host, Mr. Jeffrey L. Minch, President and CEO of Littlefield Corporation. Thank you, Mr. Minch, you may begin.

Jeffrey L. Minch – Littlefield Corporation – President and Chief Executive Officer

Thank you. Good morning. This is Jeff Minch. I'm here in Austin, Texas. Beautiful weather here in Austin and our topic today is the first quarter 2011 earnings for Littlefield Corporation.

This quarter we are experimenting with something and if you go to investorcalendar.com, there's a set of slides that check the tracks with the comments that I'm getting ready to make. And this is our alpha version so we've never done this before. And so I'm looking at the slides and there are certain people who knew about it ahead of time who are looking at the slides. And if you go to investor calendar, you'll be able to look at the slides also. Next quarter, when we do this, we will put the slide location in with the press release so everybody who reads the press release will be able to see it. I will speak and tell you which slide I'm on so if you ultimately come back to either Vcall or to Littlefield website, you'll be able to see those slides. And my comments will know which slide that I was speaking from. So, again, this is first time we've ever done it and so it's a little bit of an experiment and next time we do it, you'll have all the slides information ahead of time. But if you go to investorcalendar.com right now, you'll be able to work your way through to the Littlefield presentation and the Littlefield slide.

I'm looking at the 1st slide which is simply a title slide that says Q1-2011 Earnings Conference Call.

The next slide, slide 2 is a picture of our Corporate Headquarters with all the flags blowing in the breeze.



The 3rd slide is a Safe Harbor Pronouncement and I'll read that so the folks who don't have access to the slide, but in the future, I would just actually have you look at this slide. In accordance with the Safe Harbor Provisions of the Private Securities Reform Act of 1995 except for historical information contained herein, certain matters set forth in this press release are forward-looking statements that are subject to substantial risks and uncertainties, including government regulation, taxation, competition, market risks, customer attendance, spending, general economic conditions, and other risks detailed in the company's Securities and Exchange Commission filings and reports. Actual results may be materially different from those expressed or implied by these forward-looking statements.

I'm on slide number 4 and this should list my personal information as the presenter and it shows my phone number and my e-mail address and my snail mail address if you wanted to contact me about anything in this presentation.

I'm looking at the 5th slide and on that 5th slide it says, you're directed to Littlefield Corporation's press release of 27 of April of 2011. That was our earnings press release in which we discussed earnings in great detail.

The 6th slide is a graph which shows the company's net income over the last five quarters. And in quarter 1 of 2011, the quarter we were talking about, we had \$411,000 worth of earnings and that compares to Q1 of 2010 in which we had \$620,000 worth of earnings. So our earnings were down in among the questions, I'll answer a couple of questions as to why that was the case.

On the 7th slide, we show net earnings excluding certain extraordinary items and so we showed net earnings of \$654,000 which would be how much we would have made at these unusual and reportable items not been incurred and that compares unfavorably with \$990,000, which was the level of earnings in the first quarter of 2010.

The next slide shows our revenue for five quarters. And our revenue for the first quarter of 2011 was the second highest in the history of the company and we have revenue of \$2,852,000. The highest revenue in the history of the company was the prior first quarter of 2010 in which we had \$3,046,000 worth of revenue. We were off by about \$200,000.

The 9th slide is a slide that shows gross profit margin for the last five quarters. In the current quarter of 2011, our gross profit margin was 42%; that compares with what was our record of gross profit margin in the first quarter of 2010 and that was 50%. And when we discuss the differences in what occurred in the first quarter, you'll see that that difference in gross margin is attributable to discreet specific things that occurred during the quarter.

The 10th slide shows corporate overhead and corporate overhead has stayed fairly steady. Corporate overhead for this quarter was \$618,000 and for the prior quarter in 2010 was \$540,000. And if you look at this particular graph you'll see a fairly flat and steady cost of overhead over that period of time.

Vcall

601 Moorefield Park Dr.
Richmond, VA 23236

Phone: 888-301-5399
Fax: 804-327-7554

info@vcall.com
www.vcall.com
www.investorcalendar.com



The 11th slide shows our cash position. At the end of the quarter, our cash position was \$2,758,000 and that compares with our cash position in the first quarter of 2010 which was \$3,672,000. In that period of time over that year, we spent \$960,000 of cash on four acquisitions. We spent almost half a million dollars of cash on our stock buyback program. A couple of highlights in as it relates to specific topics we'll talk about as an example of acquisition.

Slide number 12 has some comments in regard to acquisitions. We have an acquisition right now that is getting close to closing, so it's kind of at the end of the pipeline. We have what I would describe as a substantial deal flow. We've got a good pipeline of deals. We have an excellent acquisition team in place. In the last year, I've added man hours to that acquisition effort. I may do that again in the future. We continue to be the only public acquirer of bingo halls in the United States and were looking at expanding into two additional states. Someone that had asked a question and it's not on this slide but I'd like to add, we continue to have very low penetration in the states that we are currently in. So, in Texas, as an example, we own less than 5% of all the licenses. So we have plenty of room for growth in the markets we're currently in.

Legislation. Slide 13, talking about legislation. In Texas, there were two bills that pertain to bingo that are currently working their way through the legislature. I think it's highly unlikely that either bill would be passed. So we could surprise ourselves. There are a number of gambling-related bills that are in committee or just recently come out of committee and it is my sense on the advice of our lobbyists that those are unlikely to pass. And so I don't see, in Texas, any great changes but if we got lucky in one or the other of these bingo bills were to pass they would be beneficial to the industry.

In South Carolina, we have a single bill that's been worked on now for more than one session and it would be very beneficial to the industry and it continues to make progress. Now remember, in Texas, the legislature is in session every other year and, in South Carolina, they are in session every year. So if we make a little bit of progress, we'll continue to keep that progress as we go from year to year. So that bingo bill is working its way through the legislative process in South Carolina. It could be very beneficial.

The next slide, slide 14, is about litigation. In Texas, we settled a meaningful piece of litigation and we settled it in a manner that was mutually satisfactory to all parties and had the net result of us having in effect acquired a competitor.

In Florida, we still have the Furtney case. The Furtney case is now scheduled to go to trial in October of this year. It was most recently scheduled to go to trial in the second week in March and the defendant in that case changed their lawyer. I don't want to say too much of that in this public forum but in our view, they changed their lawyer under suspect circumstances and we anticipate a person at court to ask for sanctions as result of the information that they conveyed to us and to the court. It should come as no surprise to anybody who has followed this case. It just seems to be an unending series of maneuvers to keep the case from getting to trial but I think we've now got the right court, the right judge, and we'll likely get this to trial in October.

Vcall

601 Moorefield Park Dr.
Richmond, VA 23236

Phone: 888-301-5399
Fax: 804-327-7554

info@vcall.com
www.vcall.com
www.investorcalendar.com



Those are the high points. We have no particular regulatory issues so there's no slide about regulation.

So the next slide is slide 15 which is a title slide which calls for questions and we have had this month... this quarter we had a great number of questions. So let me work through them.

First question. What is the book value of the company on a per share basis?

It's \$0.79 per share.

Can you comment on the impact of weather on the performance of your bingo halls during the 1st quarter? I noted this comment in your earnings release. Can you estimate the impact?

Well, this is one of the things I'm wanted to share again. In South Carolina in particular, we had very bad weather primarily in the month of January. And the weather was snowy and cold. There was accumulation of snow on the ground. We lost on average maybe between four and six sessions of bingo for each of our bingo halls. Obviously, the impact at Charleston, which is close to the sea, would be a little big different than impact up in Greenville, which is in a more elevated part of the state, and they've got the worse end of the weather up there. And winter (ph) wasn't just snowy but also it was cold and icy. So the bingo halls may have been closed for say four days. But the impact of itself was longer than that because at night the streets would freeze up, so night time bingo hall might not enjoy the same attendance that it otherwise would have had. It might be open but it might not have the same attendance.

And so the net effect of all that is that we have 14 C bingo halls in South Carolina. And I think that they were impacted 5 sessions each with a total of about 70 sessions. You look at a reasonable level of revenue coming from each one of those halls would be about \$1500 each and that totals \$105,000. We have six B bingo halls. And if you said they were impacted by 5 sessions, that's 30 total sessions, a reasonable level of the deposits coming out of bingo halls would be about \$4000 and so that's about a \$120,000 impact. Those two things taken together would be about a \$225,000 impact.

Now, let me be very clear. This is very, very much a judgment. We could go through it in all great detail but there are other judgments to be made. So folks are not able to play bingo for five or six days and they get a little cabin fever. I think it would also be reasonable to say that when they come back and play bingo, they might gamble just a little bit more than they usually do because they have this pent up demand. The bad thing about this was that the losses, the time we loss occurred in the second and third week, so the best week in the bingo halls are the first week, second is next, third is next and our last week the customers often times they'd spent most of their money for the month and so it's difficult to get them to spend too much money in the last week of any given month. So, we lost in the good times and they were replaced with the bad

Vcall

601 Moorefield Park Dr.
Richmond, VA 23236

Phone: 888-301-5399
Fax: 804-327-7554

info@vcall.com
www.vcall.com
www.investorcalendar.com



time. So it wouldn't be unreasonable to say that that impact the low and accounted for all of the differences between quarter one of this year and quarter one of last year.

Even after the weather cleared, you still had roads that were impacted by it and in addition to this, so I'll change to a different topic from just the weather, we also have some competitive influence. And so we have a little bit more competition in Columbia than we had the prior year and I think that accounted for about a \$70,000 difference in deposits. And we're taking action in order to effectively compete against that and to reverse the trend. These are the breaks. This is what happened in a retail consumer business that when a customer for any reason is not able to get there. In the summer time, it might be thunderstorms come across Charleston Bay. Well, this month, in tornados in Alabama. And we've got three bingo halls in Alabama. We didn't have any damage from any of the tornados but people were constantly impacted by the tornado activity occurring right at the end of the day when a little bit of cooling occurred. And again, these are the breakthrough retail business.

Next question, please give me the specifics on the Abilene oil well deal? When will this well be drilled? Is it an exploratory well?

Well, the first well that's drilled on any oil prospect is always an exploratory well, you're looking for the oil. This would be drilled sometime before summer. The only other specific that I can give you is that the schedule for the drilling is dependent upon a package of wells that's being drilled by the same driller. And so I think we're number 7 or 8 and so they will get around to us depending upon their success on the other wells when they get around to us. So, we expect that to be before summer time.

Now, I'm going to slide 17 which has some more questions. Can you please discuss the stock buyback program and how much you have spent thus far? I assume that all of these purchases have been made for cash. If you had not made these purchases, would you have had that much more cash?

Let me start from the back. Obviously, any purchases that we did not make would have been available for cash. I want to go back to the slide there, slide number 11 where we showed our cash position and we had spent \$483,000 and that's why our cash is less than what it was in the quarter, the first quarter of 2010. All of the purchases were in fact made for cash. We have purchased 853,393 shares. We spent \$597,658. Now, the reason that more is because some of those purchases go back all the way to 2009. So, the comment I made just now about cash was comparison of 2010 versus 2011. So we'd already started buying some shares back in 2009.

How do you feel about your cash position and your ability to fund your own growth?

Well, I feel quite comfortable with our cash position. I'm the kind of guy who's always trying to raise a little bit of cash before I think I need it. So it's on my mind but I think we're in good shape. On most of the acquisitions that we're looking at now, we have access to excellent seller financing and so we will continue to use that seller financing both because of its great positive financial leverage but also because it's a substitute for using our own cash.

Vcall

601 Moorefield Park Dr.
Richmond, VA 23236

Phone: 888-301-5399
Fax: 804-327-7554

info@vcall.com
www.vcall.com
www.investorcalendar.com



What is the deal pipeline like right now? Is it better or worse or the same as year end?

I would say that the deal pipeline is pretty full. All of these deals are difficult to do. This is not a trader business like real estate. We have more man hours focused on it. We got good people focused on it. And I would say that all of the deals are a little bit more advanced and refined than they were at year end.

Now, I'm on slide 18 with more questions.

Can you speak to gross margins? Is the decline in the gross margin solely a function of the decline in revenue?

Well, yes. The answer to that question is yes. Our expenses are fairly steady. So if we trimmed off \$200,000 to \$300,000 from the revenue line then, obviously, that's going to compress margins. Margins are the results of arithmetic. And so, if you reduce revenue and you maintain your expenses then obviously your margins are going to be compressed. If you recall what I just said about the impact of the weather and the impact a little bit of competition, you might be able to suggest to yourself there was about \$300,000 worth of incremental revenue that could have been there. It's not there and I don't mean to gild the lily and suggest that it should have been there, that is part of being in that business. But our margins otherwise are very good.

What impact will \$5 per gallon gasoline have on your business?

\$5 per gallon gasoline is going to have a bad impact on everybody's business maybe with the exception of ...if you're an oil company or you're a gasoline retailer. So, in my mind, it's like a huge tax on the American consumer and I'm quite confident that it would have a negative impact. Now, having said that, we're not just going to sit there, we're going to do some things, we got some strategies in order to be able to combat that. But I also hope this is not a level of expense that is static. If you remember, it actually went to \$4 a gallon in the third quarter of 2008 and then it very quickly retreated thereafter. So, we're hoping for a similar kind of outcome.

Next question, last quarter there were some suggestion in a question that the economy was "picking up." Do you still feel that to be the case?

Let me be clear that the implication of the economy was picking up was the implication of the questioner, it was not me. I think the economy is kind of limping along. I think there are a lot of people who had gotten quite comfortable with the economy limping along and, therefore, they are no longer reactive. Perhaps they're stable or passive. But I don't personally see and I don't see in the markets that we're in. I don't see anything wildly encouraging with the exception of one or two markets like Austin, Texas. And here in Austin, I would say you could squint just a little bit and I think you can see some promises as far as the economy improving. It's very, very segmented, very, very subjective and it's very difficult to detect. It is not a tide coming in. It's floating everybody's boat. It's very focused and targeted.

Vcall

601 Moorefield Park Dr.
Richmond, VA 23236

Phone: 888-301-5399
Fax: 804-327-7554

info@vcall.com
www.vcall.com
www.investorcalendar.com

I'm on the slide number 19 which is more questions. What is your overall sense as to where the company is currently positioned as compared to your vision for the company? What is your vision for the company?

Well, first things is our view is right this second is being at a very interesting tipping point and that is as we have EBITDA positive flow so we're making big chunks of million dollars on EBITDA and we're right at earnings breakeven. And so every acquisition we make, every improvement on financial performance, every gain that we make is going to drop at the bottom line. And so we're going to start seeing those negative numbers turn to positive numbers. And we've got our overhead. We've got our cost of doing business under very good control. And so I don't expect to see a whole lot of expensive prices.

As far as my vision for the company, what I've said publicly is we want to be the best of what we do which is being landlords and commercial lessors and bingo promoters. We want to learn every single one of the best practices for running profitable bingo halls and make sure we share those with all of our charity tenants and we want to grow the size of the business. And so, today, we're right at about 39 or 40 bingo halls and so... our next way station is 75 and the same way that we got from a lower number to where we are now, we would do that. Along the way, I'd like to throw overboard one or two bingo halls that are not performing as well as they should be or could be or we want them to be if a lease comes up and there's an opportunity to get out of a bingo hall location without any real cost to the company.

Why did you decide to include the slides in the Earnings Conference Call? Can you use the slides to show us some pictures from time to time?

These are the questions written to me by somebody who knew about the slides. So, the first thing is that we want to have something... it's a more graphical and more communicative medium so that you can understand the business better.

I've limited this to 21 slides and if you take out the title slides, the picture, and the Safe Harbor Pronouncement, it's really just about a dozen slides. Maybe we'll add in the course of things, we'll add three or four slides. But I find looking at the slides, I'm talking through exactly what happened with the quarter with no notes and you can see these slides and refer to them and you arrive at the same conclusions that I would. So I think it's just a little bit better way of communicating. Unless there's something terribly wrong we've missed, this will be our methodology in the future that you'll call in, that you will see these slides in real time, and that you have an opportunity to follow my conversation while looking at the slides.

I have some questions that I did not get in time to include it on the slides. So they either came in today or late yesterday. One of the questions was can you add color to what you experienced in South Carolina regarding the impact of added competition?

So I've already discussed in South Carolina the issue of the weather in the first quarter, really in January. And then the issue as it relates to competition in the entire quarter was our revenue was down about \$70,000 at one particular bingo hall. Those two impacts together are about a \$300,000 impact. Last year, the first quarter was

Vcall

601 Moorefield Park Dr.
Richmond, VA 23236

Phone: 888-301-5399
Fax: 804-327-7554

info@vcall.com
www.vcall.com
www.investorcalendar.com



profitable. You anticipate at least one additional profitable quarter in 2011. But first thing is we don't make forecasts and so it's not something that I would really want to do but if you go back and look at slide number 6, what you'll see is the first quarter of 2010, we had earnings of \$ 620,000. The second quarter of 2010, we had a loss of \$201,000. The third quarter of 2010, we had a loss of \$131,000. Those losses are such as a small magnitude. It is certainly possible that with just one or two acquisitions and with one or two breaks, few things breaking our direction, some of which have already happened, we just haven't really put the money in the cash register yet, but those two quarters would also be profitable. The fourth quarter of last year had a fairly large number of unusual occurrences and we showed a loss of \$496,000 and that was a substantial increase from the prior year. So that one is going to be a little tougher but the thing I gained a little confidence about is most of those were things that are ought not to re-occur or problems that we have definitively solved. So the fourth quarter is going to be a little tougher.

In general, as we continue to grow our portfolio, all of those quarters will become profitable. The question is whether it's one acquisition away or three acquisitions away and then, of course, we have to maintain the same performance of our core bingo halls.

How many additional bingo halls do you anticipate acquiring in 2011?

So first thing is in 2011, we bought one. We've got one that's fairly close to being ready to close. We got a good deal pipeline. It's tough to say whether that translates in 5, 7, 9 acquisitions. What I can tell you is that we're working on a number of them where we might get more than one at a time. We're working on a couple of states that we're currently not in. And so everything is timing. And so we might surprise ourselves when a lot of these things fall into place quickly but I would say the general proposition is much slower than we would ever anticipate and it's primarily to due diligence in what's necessary in order to get these things closed. If the deals will continue at the level it is now, I'm likely to add more man hours which should translate into a more rapid pace in the area of acquisitions.

Has the weather in Texas been impacting results?

Texas has a big drought and the result of that drought is a lot of wild fires. It burned up about a million acres over there in West Texas. And a couple of the cities that we're in, there were wild fires in the area, so there was smoke in the air. There were none that threatened the bingo halls. A number of our charities are volunteer fire departments and so they may have actually been out fighting the fire. And I think as a general proposition a wild fire is kind of a downer so I don't think it's something that excited people, but we haven't had any real impact where fires threatened one of our bingo halls.

In Alabama, not in the first quarter so much but more on this quarter, we had a lot of bad weather. We had a lot of tornados. Alabama is looking a little bit better than it has in the past and this will be a little bit of a negative but those tornados in Alabama were life-threatening and very dangerous.

Vcall

601 Moorefield Park Dr.
Richmond, VA 23236

Phone: 888-301-5399
Fax: 804-327-7554

info@vcall.com
www.vcall.com
www.investorcalendar.com



Why the focus on revenues and not earnings?

I think this is a fair question. The first thing is that earnings are the result of revenue minus expenses. So what we really can manage is proactively convince my marketing and management top line to get more people in there, to get them in more often, and spend more money and that increases revenue numbers. Our expenses in the bingo hall are fairly static. We pay rent. In some instances, we pay property taxes, insurance, utilities. So those are not things that move a lot. So the manageable component of deriving our overall earnings is really that top line that's on revenue.

Now, the other thing about revenues is to have a good quality revenue. So even though our revenue was kind of flat, the truth of the matter is we have more good quality revenue and so back to the first quarter of 2010, that's why the margins were so good that the revenue that was coming in was very high margin revenue. But in general, our expenses are fairly fixed. If we can increase the revenue then that will arithmetically derive a higher level of earnings.

Can you give us an update on the oil well on Abilene? What would be the approximate value of the oil if drilling were successful? In additional, will drilling be done on the same property?

I discussed the oil well in some detail already. So we just have to wait our turn to get the well drilled. It's on a prospect of 20 acres, of which we're 7.1 acres. So, the answer is that if they were to discover oil then the producer of the oil would have to determine the density of the oil wells on that property. If he decided it was viable to have one oil well for every two acres then they can a drill a total of 10 oil wells. And we would participate in all of those because we're part of that prospect. If he decided it was only viable to have one oil well every five acres then he would drill about four wells. So that's a decision that we made based upon intimate knowledge of where the oil is and how much. And, again, we have no money at risk on this. This is simply a mineral lease. We're not going into the oil business. We're not getting distracted from bingo but it's kind of interesting. I mean I sure hope that they hit a well.

What would be a reasonable award or settlement in the Furtney litigation? Are we talking six or seven figures?

Well, first thing is we don't want to talk too much about the litigation. Obviously, anybody can hear this phone call so we're not interested in talking about any details but we have in fact made the damages assessment and, yes, it will be in the millions of dollars. Obviously, it happened a long time ago so there'd be some pre-judgment and post-judgment interest if we were to prevail. There's no guarantee. There's no particular probability that I could suggest as to whether or not we would prevail. I don't think this is a good way to make money through litigation but we're in this thing and for a fairly a small amount of money, we get to see everybody's cards come October. And so we think we have a legitimate claim and so we'll see what happens come October. I wouldn't be counting our prospects yet.

Talk about future opportunities.

Vcall

601 Moorefield Park Dr.
Richmond, VA 23236

Phone: 888-301-5399
Fax: 804-327-7554

info@vcall.com
www.vcall.com
www.investorcalendar.com



Well, first thing I'd say to you is this, you know I say it to everybody, our business elegantly simple. All we do is provide shade and shelter for somebody to operate a bingo hall. We try and learn the best practices for all bingo halls. We're trying to educate them. In certain jurisdictions, we actually run the bingo hall for the charity. To grow our business and to be successful, we don't have to do anything for the next three or four years that we have not already done for the last two years. We have to grow by acquisition and improvement in performance. We're in a very interesting point in history of the company, as I mentioned before, we're EBITDA positive. We're at breakeven in earnings. And, therefore, every incremental acquisition, every improvement drops to the bottom line. Make no bones about it, our plan... our pathway to success is to grow and we demonstrated that we can make very good acquisitions. I was looking at some acquisitions data yesterday and we have about a 38% return on the acquisitions that we've made in the last four years. So the most recent acquisitions have been extremely good and I expect them to continue that way.

We're also trying to improve the lot of charitable bingo through better regulations and better legislation. And so that legislation in South Carolina that I discussed before could turn out to be very beneficial for the company if we were able to get that done.

Why are you better off buying back stock rather than investing and expanding the business?

Well, first thing is it's not an either/or, we could do both. And so in our case, one of the reasons we bought back stock is we have options that are in the money that we're ultimately someday going to have to deliver shares for and rather than increasing the share base, we went out and bought some and hold them in the treasury and, therefore, would not be diluted to the current shareholders. We have enough cash right this second to continue to expand and, as I said before, we would rely upon some seller financing.

Would you buyback stocks with proceeds of the Furtney award? If not, what would you do?

Well, let's not get ahead of ourselves here. We don't know what's going to happen to the Furtney case so I don't want to jinx ourselves. That noise you heard was me tapping on wood. If at some point in time, the company have more cash than it could see what to do as related to expansions then I would seriously consider paying a dividend. We don't want to have any more cash around than we actually have the use for but that's very, very, very, very speculative and it's not something that I would want to have any further conversation about.

Moderator, those were all the questions. Could you please pool for questions?

Operator

Certainly, sir. Ladies and gentlemen, we will now be conducting a question and answer session. If you would like to ask a question, please press *1 on your telephone keypad at this time. A confirmation tone will indicate your line is in the question queue. You may press *2 if you would like to remove your question from the

Vcall

601 Moorefield Park Dr.
Richmond, VA 23236

Phone: 888-301-5399
Fax: 804-327-7554

info@vcall.com
www.vcall.com
www.investorcalendar.com



queue. For participants using speaker equipment, it may be necessary to pick up your handset before pressing the * keys. Once again, to ask a question, please press *1 at this time.

Our first question today comes from the line of Gary Hamilton with SRA Capital. Please proceed with your question.

Gary Hamilton – SRA Capital

Hi, Jeff. How are you? Great quarter.

Jeffrey L. Minch – Littlefield Corporation – President and Chief Executive Officer

Thanks, Gary.

Gary Hamilton – SRA Capital

Well, you covered all of the questions I had. I think the only one I have open is you had mentioned earlier in the call about the legislation and some bills going through. Could you elaborate a little bit more on that? I mean, are those bills if they get pass, are they going to be favorable or is there concern about them in... I know it's hard to handicap them getting through but what's your best guess?

Jeffrey L. Minch – Littlefield Corporation – President and Chief Executive Officer

Let me talk about two different states. First, in Texas. There are two bingo bills out there which are very similar to each other. One, we were involved with sponsoring and one, another industry group was involved with sponsoring. They have at their core basically the same issues and a reasonable man would expect them at some point in the future to be consolidated. They're all favorable to the industry. One of the features would be the introduction of 24 number bingo which would be a favorable development for the State of Texas. It would give us another product and in this instance, it would not count against the \$2500 price limitation for a bingo session. So that's first; that's Texas. I don't think too much is going to get done in Texas because there's a lot of gambling legislation. I don't think the gambling legislation is going anywhere. And I think that they're going to take anything related to gambling which would include bingo and it's just not going to go anywhere. If it does, if our bingo bill gets passed or the other bill gets passed, it will be favorable to the industry. It won't be huge but it could be meaningful. It could be something that would add a double digit percentage of improvement to the industry.

In South Carolina, we have a bill that we sponsored. We sponsored it through an industry group, Allied Bingo Professionals, of which we are a member. It's something we've been working on and I personally have been working on it, not so much this year but in prior years quite extensively. And it would be a fabulous improvement for the bingo industry. It would have some very discreet things that we know already worked in other jurisdictions. I'll give you an example. In South Carolina, a customer can only buy a single electronic card minder in which to load bingo cards in and ultimately play them. In other jurisdictions, as an example for Texas, there is no limitation. So the bill in South Carolina will increase that from one bingo computer or electronic card minder to two. That'll have a huge impact on the play of bingo there because we dramatically improve revenue. Folks would like to do that right now and

Vcall

601 Moorefield Park Dr.
Richmond, VA 23236

Phone: 888-301-5399

Fax: 804-327-7554

info@vcall.com

www.vcall.com

www.investorcalendar.com

in another jurisdiction people do. So, that's an example. So, in South Carolina, the legislation could be very, very favorable for bingo.

Gary Hamilton – SRA Capital

Well, great. Thank you for that answer. Actually, one other question. I know you touched on this but I really think it's a cornerstone of growth for your company is... congratulations on... I think you said a 36% or 38% return on your investments over the past few years. With that kind of performance, you had mentioned you're highly focused into acquisitions, what kind of capacity do you have to make these acquisitions and is there a way to accelerate them?

Jeffrey L. Minch – Littlefield Corporation – President and Chief Executive Officer

Well, first off, we had looked at acquisitions made in the last four years and if you took out the near term competitive impact in one particular marketplace, the sum total of all those acquisitions will be showing more than a 40% unleveraged cash on cost return. So it's both the long period of time but it's also a consistent rate of return. One acquisition in that group showed almost 100% annual return. So, the first thing is that acquisitions are good and the acquisitions were making are of very high quality.

I've added people. I've added one person over the last year to acquisitions and I'm likely, if our deal flow stays where it is, to add another. The team that's involved there with the passage of every acquisition becomes more expert.

We know who owns the bingo halls that we want to buy. These bingo halls do not trade like a commodity or security or like real estate and the trader businesses. And so you've got to wait for that call. Most these bingo halls trade on some emotional events in somebody's life: death, disease, disability, divorce, duress, distraction. And so when that occurs then and somebody says, "Gee, I need to cash in my bingo halls>" as it's the largest asset that they own which typically it is. We're the only guys out there buying bingo halls. And so therefore, it's a call that they make to us. But it's very much a courtship as opposed to being an auction. And we really haven't run up against anybody in a competitive situation where we gotten outbid on a bingo hall but we had plenty of folks who thought they want to sell and then changed their mind and then come back a few years later and decide they didn't want to sell and we've gotten more than a few tired kickers who had wanted us to tell them what their bingo hall is worth. That's just part of it. I think economy is such that the way that an asset owner would normally access a bit of liquidity is also helping us. And that is if guys cannot go to the bank and borrow against their future cash flows in these bingo halls and it is in an arcade-ish (ph) business and not too many people understand it and don't understand what it takes to run these things. And so we continue to see good opportunity. It's a really an area that I'd like to accelerate.

Now, no sooner do you accelerate it then the question is, how are you going to absorb and management itself, and we're a little bit ahead of ourselves on that in that we have begun to inject some high quality management into the company. We had a health situation with one of our managers and the manager was not able to continue in that position. It was a heart condition. And the person who had been groomed as the assistant manager took over, took over brilliantly in about 10 minutes and you wouldn't have seen any meaningful change in the performance of that part of the

Vcall

601 Moorefield Park Dr.
Richmond, VA 23236

Phone: 888-301-5399
Fax: 804-327-7554

info@vcall.com
www.vcall.com
www.investorcalendar.com



portfolio. So, our having put more management in there is already beginning to pay dividend. We've probably got two or three more similar positions for which we have candidates right this second that we would like to fill.

So we're trying to gin up the acquisitions pipeline and we're also trying to make sure that as we catch them and land them and clean them that we have managers in place who can run those portfolios.

Gary Hamilton – SRA Capital

Well, thank you very much for that complete response and, again, congratulations on a great quarter.

Jeffrey L. Minch – Littlefield Corporation – President and Chief Executive Officer

Thank you, Gary. Other questions?

Operator

Ladies and gentlemen, as a reminder, if you'd like to ask a question, you may do so by pressing *1 on your telephone keypad at this time. We'll pool a moment more for any additional questions.

Jeffrey L. Minch – Littlefield Corporation – President and Chief Executive Officer

Okay. Well, hearing no more questions, let me conclude by saying that first, I think this quarter, because of the level of revenue, was a fairly solid quarter. It was disappointing because of the revenues that we lost in South Carolina both due to weather and to competition. Discreetly identifying that magnitude of impact would encourage me to think that it could have been a banged up quarter if we hadn't had those impacts. And it would have all showed up at the bottom line. Nonetheless, I'm a little disappointed in that we're down a couple of hundred thousand dollars from where we were in the first quarter of 2010. We seem to be headed in the right direction as it relates to streamlining the business, growing the business, acquisitions. There's not... we've gotten to a very critical tipping point in the history of the company, being EBITDA positive and being a breakeven and so I look for much, much better things in the quarters ahead as we continue to increase the number of bingo halls that we own.

I would direct you back to these slides if you have a chance either on our website here in a few hours or on the Vcall website and have an opportunity to go through those slides and then reflect upon the comments that I've made. You'll be able to see both the visual impact and have heard what I had to say about them. And in the future, this is likely to be the methodology by which we communicate with you and we will make sure that you have accessed to these slides simultaneously with the conference call.

Having said that, I would remind you of the Safe Harbor Pronouncement that we had at the beginning of the presentation and I encourage you if you ever have a question to call me at (512) 476-5141 or to email me at jminch@littlefield.com. I appreciate your interest. Thank you very much.

Vcall

601 Moorefield Park Dr.
Richmond, VA 23236

Phone: 888-301-5399
Fax: 804-327-7554

info@vcall.com
www.vcall.com
www.investorcalendar.com



**Transcript:
Littlefield Corporation (LTFD)
First Quarter 2011 Earnings Conference Call
April 29, 2011**

Operator

Ladies and gentlemen, this concludes today's teleconference. You may disconnect your lines at this time and thank you for your participation.

Vcall

601 Moorefield Park Dr.
Richmond, VA 23236

Phone: 888-301-5399

Fax: 804-327-7554

info@vcall.com

www.vcall.com

www.investorcalendar.com