Description of The Original Pencil Letter Investment Advisory Service

The Original Pencil Letter provides continuous independent investment advice in a useable professional 2-page standardized format with a corporate telephone interview focusing on ***special situations*** *and specializing in all forms of* ***science & technology*** *(****medical*** *– services, drugs and pharmaceuticals, bio-tec and equipment;* ***computers*** *– networking, software, peripherals and hardware;* ***electronics*** *– components and suppliers;* ***communications*** *– telephones, broadcast and military;* ***industrial*** *– factory automation, office automation and security) and is edited and published by an experienced, qualified fund manager and a SEC Registered Investment Advisor since March 26, 1990 with 35-years of investment experience.*

A copy of each stock report is faxed approximately every 2-weeks over 50-weeks to the featured company interviewed for that week for price verification and to a non-paid subscriber base including brokerages, corporate investors, endowment funds, foundations, hedge funds, mutual funds, pension funds, private investors, State Retirement Funds and others.

This professional investment service, a bona fide advisory service, was received via mail by 800 ***paid*** *U.S.A. subscribers throughout the U.S.A. in virtually every state of the union over 4-years from 1989 to 1993. This weekly equity advisory service is* ***75%*** *U.S.A. and* ***25%*** *Canadian.*

This service is being made available at several internet web sites including http://www.smallcapoftheweek.com

Past Performance

The Original Pencil Letter Investment Advisory Service was started off with KnowledgeWare on November 15, 1989 at $14-3/8 which rose to a 1991 high of $43 ¼ , a gain of 200.8%.

If you had invested US$60,000 in American Power Conversion (the best performing stock between 1989 and 1993) on April 24, 1990, the date of the first stock report and after adjusted for 4-stock splits, its value would be worth the tidy sum of US$1,096,399 appreciating 1,727.3% over 3-years, 7-months. The top 20-stocks in this equity advisory service gained 302.6% or 8.4x the S&P 500 over a FULL FOUR YEARS from November 15, 1989 to November 15, 1993.

The Pencil, the Firm's logo, was sharpened and laser photographed in the Los Angeles office of the Investor's Business Daily, America's Business Newspaper, PRIOR TO START-UP.

Current Performance

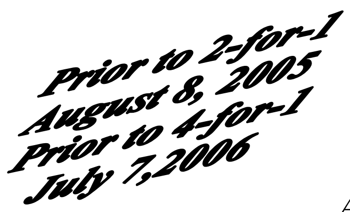
The Original Pencil Letter was received via fax by end-users in the investment industry including brokerages and investing institutions right across Canada, throughout the U.S.A. and around the world during 1999, 2000, 2001, 2002 & 2003. ***The TOP 20 Picks gained a positive 110.6% vis-à-vis a negative 33.2% for the S&P 500 over a FULL FOUR YEARS from April 16, 1999 to April 16, 2003. PERFORMANCE MATRIX WITH STOCK REPORTS IN PDF ALL WITH CORPORATE TELEPHONE INTERVIEWS FOLLOWS HEREWITH.***

Performance is from the date of each stock report to April 16, 2003. All interested ***and*** *potential subscribers may down-load these stock reports for FREE noting past current performance of these stock reports may not be indicative of future stock reports enjoyed by paid subscribers.*

TOP 20 PICKS (7-YEAR TRACK RECORD) ***April 13, 2006***

Stock Symbol	***Date of Report***	***Performance***
HANS	April 07, 1999	**+6,184.5%**
GW	October 30, 2001	**+3,210.1%**
CET.UN	September 17, 2002	**+934.1%**
DNR	November 19, 2001	**+853.6%**
SRCL	September 10, 1999	**+817.0%**
CCR.UN	March 06, 2002	**+735.1%**
BYD	August 02, 2001	**+728.2%**
PKZ	September 14, 2000 Taken Over	**+588.2%**
PBG	May 14, 2004	**+568.2%**
MDRX	August 11, 2003	**+450.7%**
CUX	November 06, 2003	**+450.0%**
TRZ	July 07, 2003	**+414.4%**
THY.UN	July 12, 2000	**+372.7%**
SRDX	April 16, 1999	**+370.2%**
SHOE	June 15, 2000	**+311.6%**
HW	August 14, 2001	**+291.5%**
MDD.U	February 10, 2003 Taken over	**+262.4%**
NAE.UN	August 28, 2002	**+207.6%**
FCP	July 22, 2003	**+201.1%**
BLTI	October 2, 2001	**+187.2%**
AVERAGE (20)	**April 7, 1999 to April 13, 2006**	**+934.1%**
S & P 500	**April 7, 1999 to April 13, 2006**	**-2.8%**
NASDAQ	**April 7, 1999 to April 13, 2006**	**-8.5%**
TSX Composite	**April 7, 1999 to April 13, 2006**	**+80.4%**

The Original Pencil Letter, a division of JyInvestment Advisors, SEC Registered Investment Advisor
Copyright © 1999 – All rights reserved



HANSEN NATURAL
(NASDAQ-HANS/http.//www.hansens.com)

A Leading Alternative Beverage Company Selling U.S.A. Wide

2 Year High	Price Low	2-Year E.P.S. Growth Rate P.A.	1-Year E.P.S. Growth Rate	Est. 1999 E.P.S.	P/E	24 Mo. Target	% Gain
6.81	1	100%+	162%	45¢	8.9	7½	88%

Capitalization as at September 30, 1998	Millions	%
Long-term Debt	$ 1.95	13.1
Shareholders' Equity (10,014,198 shares*)	12.93	86.9
Total	$ 14.88	100.0

** Officers and directors as a group held 46.9% as at March 5, 1998.*

Action: Buy for short, intermediate and long-term capital appreciation.

Hansen Natural Corporation of Corona, California is one of the leading sellers of "alternative" beverages, the fastest growing segment of the beverage industry, and more recently "functional" beverages.

Hansen's Natural Sodas have been a leading natural soda brand in the Southern California market for over 20-years. Since expanding the business in 1992, one or more of Hansen's products are now sold in almost every state. The most recent extension of its lightly carbonated Functional drink, POWER, a black cherry-flavoured drink that contains Creatine, Glutamine and Red Panax Ginseng together with key B Vitamins continues to be well received. The rollout of its premium Signature Soda line, an uniquely packaged product, has been extremely encouraging and contributed to the 1999 bottom-line.

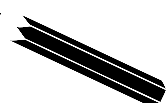
For the year ended December 31, 1998, HANS reported revenues of $53.8 million versus $43.0 million, an increase of 25 percent, while e.p.s. was 34¢ vis-à-vis 13¢, a jump of 162% where 4Q e.p.s. gained 250% to 7¢ per share. Hansen continues to expand outside of CA.

Comments: *The "alternative" beverage category is the fastest growing segment which includes "new age" beverage e.g. sodas and stood at some $7.4 billion (1997) at the wholesale level up 7.8% over the prior year, while the juice category is substantially larger at $12.3 bn. (1997) at the wholesale level with minimal growth noting Hansen operates in both markets. Juice sales are insignificant for the Company. Functional drinks are the fastest growing product segment for the Company noting energy drinks have been extremely popular in Europe noting the Company believes that there is a similar opportunity for such products within the USA. A European study by Zenith International showed that the energy drinks market gaining a 3-year CAGR (compound annual growth rate) of 115.4% from 2.1 million gallons to 20.6 million gallons in 1995. Based on preliminary e.p.s. for December 31, 2000, earnings are estimated at 57¢ per share on a P/E of c7.0x. The Company is currently valued at 22.1x trailing 1998 e.p.s. of 34¢ or 7½ based on the 1997 acquisition of a northern Californian beverage competitor by another company.*

***Telephone Interview**: With Rodney C. Sacks, Chairman & CEO, April 7, 1999.*

Copyright © 1999 – All rights reserved

HANSEN NATURAL, A BACK-UP REPORT



Overview

Hansen is engaged in the business of marketing, selling and distributing "alternative" beverages e.g. sodas, fruit juices, fruit juice smoothies, non-carbonated ready-to-drink teas, lemonades, juice cocktails, "functional" drinks and still water. Hansen's Natural Sodas has the highest sales among comparable carbonated new age beverages measured by unit volume in southern California. Sodas are available in 9-regular flavours excluding two low calorie sodas, all of which contain no preservatives, sodium, caffeine or artificial coloring, and are made from high quality natural flavours, high fructose corn syrup, aspartame (low carlorie) and citric acid. Sodas are packaged in 12-ounce cans of aluminum, while a premium natural soda in proprietary glass bottles was effected in late 1998. Sodas account for c30% of sales. The Company's fruit juice Smoothies contain c35% juice and have a smooth texture that is thick, but lighter than nectar and provide 100% of the recommended daily allowance for adults of Vitamins A, C and F and represent Hansen's entry into "functional drinks", and are packaged in bottles and cans with 7-flavours. Smoothies which are priced at US63¢ per can of 12 ounces and US$1.20 per 13.5 ounce bottle account for c40% of sales and have been the driving force in sales in recent years, while the fastest growth is coming from "functional" drinks which account for c20% of sales. The Company has four prime functional drinks: a citrus flavoured "energy" drink (with Taurine and Ginseng, Ginko Biloba, Guarana and a panel of B-vitamins that causes a significant boost in energy), a ginger flavoured "d-stress" drink (with natural herbs and other nutrients e.g. kava kava, St. John's Wort, L-Tyrsine and chamomile that allows relaxation), an orange flavoured "anit.ox" drink (with vitamins ACF, grape seed extract, selenium and Echinacea that provide anti-oxidant vitamins and other nutritional products) plus guarana berry flavoured "stamina" drink (with Co-Enzyme Q-10, L-Carnitine, bee pollen, royal jelly and Schizanda that are all designed to maintain energy and increase endurance). These drinks are sold for around US$2.00 per can in an eye-catching 8-ounce slim cans that are black with neon green accents. The products carry attractive margins for many of the Company's retailers who include the likes of Whole Foods Market, the Safeway, Kroger, the VONS Companies, 7-Eleven, Sam's Club, Ralphs, Hughes, Edwards Theatres Circuit, Slater Bros. Markets, Trader Joe's, WAL•MART, Acro, CERTIFIED, K, Lucky, Food4Less, American Drug Stores, Albertsons, PriceCostco and SUBWAY to name a few. Margins appear attractive for retailers. For example the Signature line (new) for Sodas carries a margin of 35.7% per case of 12 packets x 14 oz. Bottles per package = $5.53 per case, while the margin for functional is 41.5% per case of 24 x 8.2 oz. cans per package = $19.81 per case. Total cases have grown at a 9% CAGR over the last 5-years to 1998, while sales during the same period have grown at a 18% CAGR which should continue noting sales outside California continue to expand with 33.3% in 1998, 23.6% in 1997 and 15.6% in 1996. Cases sold in 1998 were 5.889 million up 14.8%.

Summary

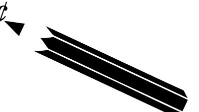
The Company is undervalued noting its net margins have grown from 1% in 1996, when there were ZERO "functional" beverages to 2.9% in 1997 to 6.6% in 1998 where "functionals" accounted for at least 20% of sales. Hansen trades at 7x e.p.s. in the year 2000, while the Company that was taken over in northern CA known as Cable Car Beverages traded at 22.1x trailing e.p.s. in late 1997 had a net margin of 5.7 percent. Hansen has value to $7½ per share.

Information edited and published by J_V Investment Advisors is believed to be reliable, but cannot be guaranteed as to its accuracy.
J_V Investment Advisors (its affiliates), directors, officers and/or employees may have a position in these securities.
Information and opinions expressed herein does not constitute a solicitation
to purchase or sell these securities mentioned.

Copyright© 2001 – All rights reserved

Listed TSX effective August 25, 2003

17 **C79¢**



GARDA WORLD SECURITY CORPORATION
(GW-CDNX/http://www.garda.com)

Canada's Third Largest Security Company and the Largest in Quebec

1-Year High	Price Low	2 Year E.P.S. Growth Rate P.A	6-Month Revenue Growth Rate	Est. 2003 E.P.S.	P/E	36 Mo. Target	Gain
C1.80	C60¢	50%	25%	C7¢	11.4	C$1½	88%

Capitalization as at January 31, 2001	Millions	%
Long term Debt	$ 0.09	1.1
Convertible 12% Debentures	4.10	51.8
Shareholders' Equity (20,907,259 shares*)	3.73	47.1
Total	$ 7.92	100.0

**Mr. Cretier, Chairman and CEO holds directly or indirectly c30% of the outstanding currently. Shares issued for various acquisitions ranged from C85¢ to C$1.65 per share.*

Action: Buy for intermediate and long-term capital appreciation.

Garda World Security Corporation of Montreal is the third largest security company in Canada and is expanding outside the Province of Quebec.

GARDA known for its one-stop service which combines traditional technices with state-of-the-art technologies has grown revenues over the last FIVE CALENDER YEARS @ 9,452%. *The acquisition of Riscon Services Ltd. will accelerate its penetration of the Ontario market noting Garda will focus on increasing its presence on high-growth sectors going forward.* ***A total of 4 acquisitions were made in 2000 and 2 in 1999.***

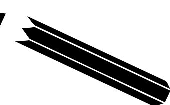
For the year ended January 31, 2001, GW reported revenues of C$59.9 million versus C$24.2 million, a gain of 147.5 percent. Net income was C$487,928 against a loss in the previous year, while e.p.s. was C3¢ per share on an increase in outstandings of c20 percent. For the six months ending July 31, 2001, GW reported revenues of C$34.1 million versus $27.3 million, an increase of 25% (2Q up 27%), while net income was C$38,000 down 94% from C$662,000 due to amortization training and uniform costs. As at Q1, goodwill represented only 31% of total assets.

Comments: *On August 13, 1999, GW was the subject of a reverse take over noting its name changed to Garda World (GW-CDNX) on August of 2000.* ***It expects to be listed on the Toronto Stock Exchange during 2002. According to Securities AB, the largest security company in the world, the WORLD-WIDE SECURITY INDUSTRY (Europe and North America only) is estimated @ C$73.5 billion of which North America represents 50% of the total market or C$37 billion with Canada representing 8.3% or C$6.1 billion.*** *The Guard Services market segment in Canada is estimated at C$1 billion of which GW has penetrated less than 5.5% of this market, while this same market in the USA is c$17.8 billion and offers a MAJOR OPPORTUNITY for GW. The Guard Segment of the USA market is 18x that of Canada and is a MAJOR OPPORTUNITY for Canada. The security industry in Canada is highly fragmented with over 1,700 companies, a number of which are attractive acquisition candidates for GW, a top consolidator in the industry. Preliminary e.p.s. for January 31, 2003 is C7¢ per share on a forward P/E of c11x and represents a buying opportunity to accumulate stock.*

Telephone Interview*: With Yani Gagnon, CFO, October 29, 2001.*

Copyright© 2001 – All rights reserved

GARDA WORLD SECURITY, A BACK-UP REPORT



Overview

Garda World Security with over 3,500 employees (2,700 guards earning a minimum of c$11.50 per hour – contracts are cost-plus) is the 3rd. largest security company in Canada behind Pinkerton and Intercon, a sub. of First Service Corp. (TSE-FSV//NASDAQ-FSRV). Over 90% of revenues are generated from the security guard segment. Other important segments include: investigations, prevention and technology which are high growth areas that are currently being emphasized. Garda does business with over 2,400 clients including CAE Electronics, Cadillac Fairview, Bell Helicopter, Allied Aerospace, GE Canada, Trizec Hahn, Alcan, Sears, Mouvement Desjardins, Ericsson, the Scotia Bank, Sunlife of Canada, Phoenix International and Air Canada. Each client represents less than 10% of generated revenues. Garda has identified three client categories for its business development, i.e., office building managers, stores and shopping centres and the industrial sector (e.g. aviation, technology, pharmaceuticals). Late last summer Garda acquired Riscon Services, a spinoff that was formerly an internal division of the Oshawa Group grocery chain. Thisi has helped draw many new customers. More than 20% of Garda's business is now done outside Quebec, in addition to the company's market leadership in thirteen of Quebec's fifteen administrative regions. The Greater Toronto Area is a priority market. Within the next eighteen months Garda wants to double the size of what it is doing in Toronto, and is looking for a major acquisition. Smaller operations are foreseen in western Canada. Garda has also joined the high-tech revolution through its acquisition last autumn of a majority of shares in software developer SOFTManagement Inc., whose key product is called TOWERManager which sells for a 1-time price of around $50,000 OR can be leased over 5-years where Canada's largest pension fund was a MAJOR purchaser recently. 'Until recently there was no software for emergency measures. Everything was done manually. To take one example, Place Ville Marie has 15,000 daytime residents and a high budget for security, but does the manager know where the budget is going? Now Garda has that tracks every intervention. It goes on a database and provides statitics what's going on in a building.' The same software is now installed in Canada's seven biggest office buildings. It helps keep emergency measures up to date and can link tenants to help coordinate their individual emergency measures. This leads to lower risk and lower insurance premiums. In the worst of cases, if a building is heavily damaged in a fire, for example, the software helps with business continuity management and prepares property managers to assess their obligations and decide where to rebuild first. This is a unique product that exists nowhere else. It can become a profit centre on its own. Garda now talking with major property owners in the U.S. and around the world. This security-management, emergency measures and business-continuity management software has been a hit everywhere GARDA has presented it. It is only a question of time before GARDA will be positioning this product across North America. ***The true growth potential of Garda World will start to unfold once this product penetrates the USA market in the years ahead.*** *Among the lower-tech contracts held by Garda is parking patrol work for numerous municipalities across Quebec. It does every little other government business, because it tends to go to the lowest bidder. Garda does security in about 60% of Montreal office buildings, often on three-to-five-year contracts, where quality is more important than price. Office building managers are the main clients targeted by Garda. This attractive market is characterized by the stability and greater volume of revenues generated per client. The industry is favourably looked upon by institutional investors noting the USA market is LARGE and is known as "The Silent Giant" on Wall Street.* ***Garda is likely to be taken over @ some future date noting Securitas AB acquired Pinkerton, the oldest investigation company in the USA, for 29.9x in March, 1999 and also, Burns International Services @ 19.9x, a 62% premium over the last sale, in August, 2000. A forward P/E of 20x is not an unreasonable expectation for Garda.*** *Net margins have been around c3% in the past and are currently running around ¾ of 1% with improvement going forward.* ***After the tragic events of September 11, 2001, the services of security companies will be in high demand for many years to come.***

Information edited and published by J$_V$ Investment Advisors is believed to be reliable, but cannot be guaranteed as to its accuracy.
J$_V$ Investment Advisors (its affiliates), directors, officers and/or employees may have a position in these securities.
Information and opinions expressed herein does not constitute a solicitation

to purchase or sell these securities mentioned.
The Original Pencil Letter, a division of JVInvestment Advisors, SEC Registered Investment Advisor
Copyright © 2002 – All rights reserved

25 **1.17**

CATHEDRAL ENERGY SERVICES
(TSX-CET.UN)

An Emerging Provider of Drilling Services to Oil & Natural Gas E & P Companies in Western Canada

1-Year High	Price Low	2-Year E.P.S. Growth Rate P.A	6-Months E.P.S. Growth Rate	Est. E.P.S. 2003	P/E	18 Mo. Target	Gain
C1.75	C75¢	100%	31.5%	C30¢	3.9	C1.50	28%

Capitalization as at December 31, 2001	Millions	%
Long-term Debt + Deferred Credit	$ 3.05	15.5
Shareholders' Equity (21,479,000 fully diluted shares*)	$ 16.58	84.5
Total	$ 19.63	100.0

**All directors and officers as a group (6) held 7.43% of the common shares and 18.99% of the special series 1 shares as at May 9, 2002. A maximum cash distribution per unit of C22¢ per annum is likely going forward.*

Action: Buy for short-term capital appreciation.

Cathedral Energy Services Ltd. of Calgary, Alberta is engaged in the business of providing drilling services and related equipment rental to oil and natural gas exploration and development companies.

CATHEDRAL is an emerging LEADER in HORIZONTAL DRILLING which allows operators to increase the pay zone resulting in increased production and recovery from the reservoir. *During January, 2002, Cathedral commenced providing directional drilling services in the Rocky Mountain region of the USA to Canadian based producers operating in the USA which is being expanded to include USA based oil and natural gas producers during 2003 and beyond.*

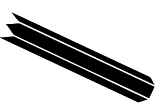
For the year ended December 31, 2001, CET.UN reported revenues of $23.4 million versus $19.0 million, an increase of 23 percent. Net income was $5.2 million against $4.4 million, while fully diluted e.p.s. was C24¢ vis-à-vis C23¢. For the first six months ending June 30, CET.UN revenues were up 11.7% to $12.9 million with e.p.s. up 31.5% to 25¢ per share with the Company continuing to pick-up market share, but the lower rig count is impacting the 2nd. half of 2002.

Comments: ***The 10-year average for DRILLING ACTIVITY in Canada to year-end 1999 was over 15,000 wells with 16,485 for 2000 and 18,137 in 2001. For 2002, the forecast for wells drilled in western Canada should be c14,400 representing a decrease of 21% from 2001 levels. Wells drilled in 2003 should be back up to 16,000 to 17,000. CET.UN has about 10% to 12% of ALL DIRECTIONAL drilled wells with at least 480 to be drilled in 2003 up from c400 in 2002. On a North American basis, natural gas reserve levels are decreasing as producers are not bringing on-stream new production that will meet or exceed current decline rates, which are c30% in the USA and c21% in Canada, and is VERY POSITIVE going forward.*** *Effective July 30, 2002, the Company was converted to an income trust. On balance, the TRUSTS IN CANADA have outperformed the TSX the Composite Index by over c40% annually or c13.8% since 1995 to 2001 year-end. Given a base e.p.s. figure of C25¢ going forward, CET.UN should be able to maintain a distribution of C22¢ per unit (maximum) for a current yield of 18%, while offering unit holders a possible 28% in capital appreciation OR a total return of 46% over the next 18-months. Preliminary e.p.s. for 2003 is C30¢ on a P/E of 3.9x prior to any distribution.*

Telephone Interview: *With Mark L. Bentsen, President & C.E.O. September 17, 2002.*

Copyright © 2002 – All rights reserved

CATHEDRAL ENERGY, A BACK-UP REPORT



Overview

Cathedral Energy Services Ltd. @ three Alberta locations is engaged in the business providing drilling services and related equipment rentals to oil and natural gas companies in western Canada and the Rocky Mountain region of the United States. The Company markets its services under two brand names: Directional Plus which provides horizontal and directional drilling services (97% of 2001 revenues) and CAT Downhole Tools which provides drilling jars, shock subs and high performance drilling motors on a rental basis. The acquisition of DPL on June 16, 2000 transformed Cathedral from a precious metals exploration and development company into an energy services company. DPL started out(April, 1998) in a similar path to many other independent horizontal and directional drilling companies in that they provided their specialized drilling services using Measurement While Drilling ("MWD") equipment rented from a local supplier. In 1999, two additional MWD systems were acquired. Cathedral owned 14 + 4 leased MWD systems and 17 MWD systems, all owned, as at December 31, 2000 and 2001. The acquisition of equipment over the past three years has allowed the Company to minimize its reliance on third-party rentals, thereby reducing overall costs. The addition of positive pulse MWD systems in the fleet (3 more added in 2001) is significant in that they are wireline retrievable in the event the drill string becomes stuck in the hole. In addition, these systems operate at a lower operating pressure and therefore allow the equipment to be run on smaller drilling rigs with limited pressure capabilities. Horizontal drilling involves drilling a well horizontal to the vertical well bore. ***By drilling horizontally into a formation, penetration is significantly increased, allowing for substantially better drainage of the reservoir. In situations where low permeability exists, horizontal drilling allows operators to increase pay zone exposure resulting in increased production and recovery.*** *Directional drilling* ***(accounts for 25 to 30% of ALL drilled wells)*** *is the controlled drilling of a wellbore to a prescribed bottom hole location. Both horizontal and directional drilling include the use of downhole motors (powered hydraulically by the drilling fluid to allow for the rotation of the drill bit with little or no rotation of the drill string) to alter the course of a wellbore to hit a specified drilling target. Horizontal and directional drilling operations require three distinct and separate systems to steer the drill bit below the earth's surface to a pre-determined target – a positive displacement mud motor, measurement-while-drilling (MWD) technology occasionally a gamma ray system. The use of horizontal and directional drilling equipment allows for previously unattainable bottom hole targets to now be accessed. In addition, horizontal and directional drilling is used when: it is necessary to reach a specific subsurface target that is not accessible conventional vertical drilling practices; and/or the desired target zone is located directly beneath an extremely complex surface obstacle such as a mountain, lake, river and swamp or, in some instances, towns or environmentally sensitive areas. The economic performance of horizontal and directional drilling results in a significant advantage over conventional drilling in environments of low permeability or in situations where producers want to accelerate production from a reservoir. An increased net present value of the well is realized due to the more efficient production of available reserves. As at December 31, 2001, Directional Plus and CAT Downhole Tools shared a fleet of 89 positive displacement mud motors. This compares to 62 motors at December 31, 2000, an increase of 43.5%. Approximately 87% of the motor fleet consists of performance drilling motors, which have upwards of double the torque capacity of conventional drilling motors.* ***Use of performance motors allows the customer to select more aggressive bits, and drill with substantially higher weights, resulting in significantly reduced drilling time and costs. This gives Cathedral a competitive advantage in overall cost performance and service delivery as compared to some of its competitors.*** *The strategy of using field contract consultants (33 directional drilling and 23 MWD field consultants) has allowed the Company to operate with low activity periods while taking advantage of the specialization these consultants have to offer. Net margins for the years ending December 31, 2000 and December 31, 2001 were 22.2% and 23.5% respectively with 21.6% recorded in 2Q of 2002.*

Information edited and published by J_V Investment Advisors is believed to be reliable, but cannot be guaranteed as to its accuracy.
J_V Investment Advisors (its affiliates), directors, officers and/or employees may have a position in these securities.
Information and opinions expressed herein does not constitute a solicitation
to purchase or sell these securities mentioned.

Copyright © 2001 – All rights reserved

374 7.08

DENBURY RESOURCES INC.
(NYSE/TSE-DNR/http://www.denbury.com)

A Leading Independent Oil & Gas Company Operating in the Lower 48 Gulf States

3-Year High	Price Low	1 Year C.F.P.S. Growth Rate P.A	3Q C.F.P.S. Growth Rate	Est. 2002 E.P.S.	P/CF	18 Mo. Target	Gain
12	3.38	1,990%	56%	$2.75	2.5x	11	55%

Capitalization as at December 31, 2000	Millions	%
Long term Liabilities	$ 202.4	48.3
Shareholders' Equity (45,823,000 shares*)	216.2	51.7
Total	$ 418.6	100.0

**On February 26, 1998, the Company closed on its IPO offering of 5.2 million shares @ $16.75 per share. All officers and directors as a group (14) held 63.7% as at March 15, 2001 noting EnCap Investments L.L.C. wholly-owned by El Paso Corp. held a further 6.6% of the post closing 51.8 million shares in regard to the MATRIX ACQUISITION below. An additional $75 million of 9's of 2008 were issued on August 15, 2001.*

Action: Buy for short, intermediate and long-term capital appreciation.

Denbury Resources Inc. of Plano, Texas (a suburb of Dallas) is a growing independent oil and gas company, and is the largest oil and natural gas operator in Mississippi, holding key operating acreage onshore Lousiana with a growing presence in areas offshore in the Gulf of Mexico.

DAILY PRODUCTION VOLUME was up for the 10th consecutive Q setting a record average 35,112 BOE/d in the 3Q (c75% onshore and c25% offshore), while natural gas was up 254% in the Q to 109.4 mcf/d which is accounting for 50% of production going forward. *Two POSITIVE DEVELOPMENTS occurred in 2001: acquisition of Matrix Oil & Gas bringing in 78.7 bcfe of proven reserves of natural gas (70% proven developed) of which 91% was natural gas for $158 million AND acquisition of $C0_2$ assets for $42 million which is a HIDDEN JEWEL giving it a MAJOR COMPETITIVE ADVANTAGE over Mississippi/Lousiana producers with significant growth potential. Overall BREAK-EVEN for natural gas is c$1.75/mcf.*

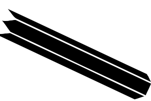
For the year ended December 31, 2000, DNR reported revenues of $64.5 million versus $27.3 million, a gain of 132.6 percent. Net income was $98.7 million against $4.7 million, while c.f.p.s. was $2.09 vis-à-vis 10¢ up 1,990 percent. For the nine months ending September 30, 2001, DNR reported revenues up 80% to $213million, while c.f.p.s. gained 104% (3Q up 56% to 92¢) to $3.02 per share. Av. 3Q gas price received was $3.09/mcf.

Comments: *Carbon dioxide ($C0_2$) injection is the most efficient tertiary recovery mechanism for crude oils acting as a type of solvent for the oil, removing it from the formation and transporting the oil to producing wells.* ***Acquired reserves include ONE TRILLION CUBIC FEET of proved $C0_2$ and 10 producing $C0_2$ wells.*** *OPEC has already cut quotas 3x in 2001 for a total of 3.5 million bpd or 11.5% with another cut of 1.5 million expected in early 2002. The volume already taken out is quite staggering even under an economic malaise.* ***Some 60% of oil volumes for 2002 have a floor of $21/bbl, while c40% of projected gas volumes for 2002 are hedged around $4.00/mcf The average CF multiple in the Alberta Oil Patch for intermediate oil & gas companies is a current 4x producing a gain of c60% over 18-months.***

Telephone Interview*: With Phil Ryehoek, CFO, November 19, 2001.*

Copyright © 2001 – All rights reserved

DENBURY RESOURCES, A BACK-UP REPORT



Overview

Denbury operates in two primary core areas. Lousiana and Mississippi. Its seven largest fields constitute approximately 85% of its total proved reserves on a BOE basis and 77% on a PV10 Value basis. Within these seven fields it owns an average 91% working interest and operates 94% of the wells. The concentration of value in a relatively small number of fields allows it to benefit substantially from any operating cost reductions or production enhancements it achieves and allows it to effectively manage the properties from its two primary field offices in Houma, Lousiana and Laurel, Mississippi. Proven Reserves pre-Matrix for BOE include: LOUSIANA (13.2%) (Lirette, Thornwell and Other Lousiana), OFFSHORE GULF OF MEXICO (2.6%) (High Island 521 and Other offshore), EASTERN MISSISSIPPI (74.2%) (Heidelberg, Eucutta, King Bee, and Other E. Missssissippi), AND WESTERN MISSISSIPPI (9.6%) (Little Creek and Other) with Other at 0.4%. On July 10, 2001, the Company acquired Matrix Oil and Gas, Inc., an independent oil and gas company based in Covington, Lousiana. Matrix primarily focuses on the offshore Gulf of Mexico, with an interest in 19 offshore blocks and two offshore fields. The top five Matrix fields make up 93% of its proved reserves and 88% of its current production. At June 30, 2001, based on a report prepared by DeGolyer and MacNaughton, Matrix had estimated proved reserves of 11.9 MMBOE (71.6 Bcfe), 92% of which was natural gas and 78% of which was proven developed. The Company paid c$158 million including 6.6 million shares of Denbury's common stock. The Company plans to record $30.0 million of the purchase price as unevaluated property costs to reflect the significant probable and possible reserves identified, resulting in an adjusted purchase price of approximately $1.79 per Mcfe. ***The Company has protected its investment with the purchase of price floors, or puts, covering nearly all of matrix's forecasted proven natural gas production through december 2003, with a minimum price of $4.25 per mmbtu from july 2001 through December 2002 and $3.75 per mmbtu for all of 2003. These floors assure the company of $143.0 million of minimum revenue from these properties from july 2001 through December 2003, assuming production at forecasted levels.*** *The Company paid a total of $18.0 million for these price floors, which had a market value as of June 30, 2001 of $31.1 million. The operations of Matrix were included in July 2001. In February 2001, the Company acquired carbon dioxide ("$C0_2$") reserves, production and associated assets from a unit of Airgas, Inc. for $42.0 million. This acquisition included a 183-mile, 20-inch pipeline that is currently transporting $C0_2$ to the Company's tertiary recovery operation at Little Creek Field, as well as to other commercial users. The Company acquired nearly 100% of the working interest in the producing $C0_2$ wells and operates the properties. As of June 30, 2001, based on a report prepared by DeGolyer and MacNaughton, the Company estimates that these wells had approximately 652 billion cubic feet of usable $C0_2$ reserves. Production during the month of June 2001 averaged approximately 89 million cubic feet of $C0_2$ per day, of which about 49 million cubic feet per day was used for injection at the Company's Little Creek Field lowering costs from 26¢/mcf to less than 6¢/mcf saving over $3 million annually and the remainder of about 40 million cubic feet per day was sold under long-term contracts to commercial $C0_2$ users. In Mississippi, $C0_2$ reserves have been discovered around Jackson dome, a volcanic intrusive which was emplaced about 60 million years ago.* ***The $C0_2$ reserves in this area are found at depths of about 15,000 feet with 12 tcf of usable $C0_2$ in this area originally drilled by Shell to supply $C0_2$ to Little Creek Field.*** *As at December 31, 2000 and prior to MATRIX, oil & gas acreage for Developed was a net 52,124 and for Undeveloped a net 42,568 noting productive wells totalled a net 293.7 for oil wells, a net 56.1 for gas wells with a total of 350 net wells, while net drilling activity came in at 28 net wells of which 26.5 were productive development wells and 1.1 were productive exploratory wells.* ***To be conservative AND prior to MATRIX, the net asset value per share after income tax (PV10 Value) using a higher 52.8 million figure for shares outstanding and 1999 year-end prices of $25.60 for oil and $2.12 for natural gas (low)WORKS OUT to a low $10.26/share with a reserve life of c8.4 years where DENBURY trades @ over a 30% DISCOUNT.***

Information edited and published by J_V Investment Advisors is believed to be reliable, but cannot be guaranteed as to its accuracy.
J_V Investment Advisors (its affiliates), directors, officers and/or employees may have a position in these securities.
Information and opinions expressed herein does not constitute a solicitation
to purchase or sell these securities mentioned.

Copyright © 1999 – All rights reserved

Prior 2-for-1 May 31, 2002

209 14-3/8
STERICYCLE
(NASDAQ – SRCL)

The Largest Provider of Regulated Medical Waste Management Services in the USA

1 Year High	Price Low	1 Year E.P.S. Growth Rate P.A.	6-Months E.P.S. Growth Rate P.A.	Est. 1999 E.P.S.	P/E	12 Mo. Target	% Gain
21	11-1/8	292.3%	105.8%	70¢	20.5	22	53%

Capitalization as at June 30, 1999	Millions	%
Long-term Debt	$ 4.38	3.45
Shareholders' Equity (14,559,417 shares*)	122.79	96.55
Total	$ 127.17	100.00

**All officers and directors as a group own c15% of the outstadings, while Bain Capital Inc. acquired an additional 22% on August 16, 1999 via a $75 million 3.375% conv. pfd. issue conv. At $17.50, a strategic investment with 2-board seats. The Company's IPO was prices at $9 per share on August 30, 1996 providing net proceeds of $27.6 million, while a secondary was completed on February 5, 1999 at $14.50 netting $47.2 million.*

Action: Buy for short, intermediate and long-term capital appreciation.

Stericycle of Lake Forest, Illinois operates on a multi-regional basis, providing medical waste collection, transportation, treatment, disposal reduction and resource recovery. to the medical device industry.

Stericycle is now positioned to potentially reach c80% of the U.S.A. pop. from its operating location spanning the N.E. Mid-Atlantic, Ohio Valley, Midwest, S.E. California, Pacific N.W. and Canada. A total of 12 acquisitions were completed in calendar 1998 spanning new and existing markets which added over $30 million in historical annualized revenues, while acquisitions from 1998 year-end to date have totaled 13. Included in these acquisitions was all of Browing Ferris Industries (FI) medical waste operations in the U.S.A. with Puerto Rico and Canada included for $440 million in cash (2.2x revenues) adding 200,000 customers to Stericycle's 78,000 customers together with 25 additional treatment facilities to its existing network of 12 and is the largest takeover to date including being its largest competitor. Year-end BFI revenues were $198 million versus $67 million in revenues for Stericycle also at year-end.

For the year ended December 31, 1998, SRCL reported revenues of $66.68 mil. versus $46.16 million, a gain of 44.5 percent. Net income was $5.7 million against $1.4 million, while e.p.s. was 51¢ vis-à-vis 13¢, an increase of 292%. For the six months ending June 30, 1999, SRCL reported revenues of $48.9 mil. versus $28 million, an increase of 74%, while, e.p.s. was 35¢ vis-à-vis 17¢, an increase of 106 percent.

Comments: *The size of the regulated medical waste management market in the USA in 1999 is c$1.3 billion growing at between 5% to 7% per annum with c870 million outsourced and with c430 million or about 1/3 still on-site where SRCL to date has penetrated c22% of this market. The regulated medical waste services industry remains highly & very fragmented, although the no. of competitors is decreasing as a result of industry consolidation. SRCL focuses on alternative site locations e.g. non-hospitals where margins are higher.*

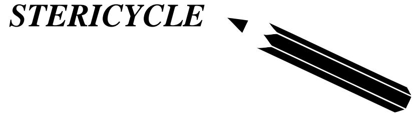
***Telephone Interview**: With Mark C. Miller, Pres. and C.E.O. September 7, 1999*

September 10, 1999

The Original Pencil Letter, a division of J_V Investment Advisors, SEC Registered Investment Advisor

Copyright © 1999 – All rights reserved

STERICYCLE



Overview

Stericycle provides regulated medical waste collection, transportation, treatment and disposal services to also 300,000 customers in over 40-states, the District of Columbia and 4-Canadian provinces. The Company manages waste in a safe and cost-effective manner and thus is in an unique position to capitalize on the continuing consolidation taking place having made over c50 acquisitions to date. The Company markets its services to two principal types of customers: (i) outpatient clinics, medical and dental offices, long-term and sub-acute care facilities, biomedical cos., municipal and other large-quantity generators of regulated medical waste , ("Alternate Care" generators); and (ii) hospitals, blood banks, pharma. manufacturers and other large-quantity generators of regulated medical waste ("Large Quantity" generators). As at December 31, 1998, 55% of waste was accounted for by alternative care which represented 23% of total waste volume, but c60% of revenues, while the balance of 45% accounted by large quantity generators where margins are lower. The Company's plan is to have between 60% to 70% in higher-margin alternative care markets over the long term noting about 1/3 was in alternative care in 1996. Alternative care accounts usually have 1-year crts. while the large quantity generators have crts, from 1 to 5-years where payments can be monthly or quarterly. A typical, alternative care a/c generates about $500 to $1,000 per clients, while a typical, large quantity generator a/cs for between $30,000 to $50,000 per client noting additional charges include frequency and volume charges e.g. $25 per each new trip and a disc. for each container at $25 for the first, $24 for the second, etc. The Company believes that its regulated waste management system using its proprietary Electro-Thermal-Deactivation ("ETD") treatment process is the only commercially-proven system that: (1) kills human pathogens in regulated medical waste without generating liquid effluents or regulated air emission; (ii) affords certain operating cost advantages over the principal competing treatment methods; (iii) reduces the volume of regulated medical waste by up to 85% (iv) renders regulated waste for medical unrecognizable; (v) permits the recovery and recycling of usable plastics from regulated medical waste; and (vi) enables the remaining regulated medical waste to be safely land filled or used as an alternative fuel for the production of energy. Net margins of 10.2% are currently being enjoyed up from c7% a year ago and are steady to higher going forward.

Summary

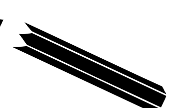
There are two main factors for considerable growth over the next two three years including the international market which is 2X the domestic market or about $2.5 billion where the Company has not even scatched the surface AND the Clean Air Act Regulations (amended) in September, 1997 limiting the discharge into the atmosphere of pollutants released by medical waste burning or incineration. Of the 2,400 on-site licensees for incineration about 80% or about 2000 will elect to shut down and outsource this to the likes of SRCL. This shut down will occur over the next 2 to 3-years for the vast bulk of on-site generators, and will translate into about 60¢ in e.p.s. in 2002. SRCL should earn c$2.50 in the year 2002 and sell for about $50 per share in that year taking the above into account. Preliminary e.p.s. for the year 2000 is $1.05 per share and sells on P/E of only 14x vis-à-vis a P/E of c6x for 2002. The shares are very attractive for purchase going forward.

Information edited and published by J_V Investment Advisors is believed to be reliable, but cannot be guaranteed as to its accuracy.
J_V Investment Advisors (its affiliates), directors, officers and/or employees may have a position in these securities.
Information and opinions expressed herein does not constitute a solicitation
to purchase or sell these securities mentioned.

Copyright © 2002 – All rights reserved

Converted to an Income Trust effective May 24, 2002 (CCR.UN)

145 ***8.65***



CANADIAN CRUDE SEPARATORS INC.
(TSE-CCR/http://www.cdncrude.com)

An Industry Leader in Providing Solutions to Energy Industry Oilfield Customers

1-Year High	Price Low	3-Year E.P.S. Growth Rate P.A	9-Months E.P.S. Growth Rate	Est. 2003 E.P.S.	P/E	18 Mo. Target	Gain
C8.80	C5.30	21%	93%	C1.60	5.4x	14½	67%

Capitalization as at September 30, 2001	Millions	%
Long-term Debt + Long-term Purchase Obligations	$ 52.99	35.3
Conv. Debs. + Preferred Shares	16.50	10.9
Future Income Tax + Future Site Restoration	14.49	9.6
Shareholders' Equity (13,178,997 shares*)	66.46	44.2
Total	$150.44	100.0

**All directors and officers as a group (3) held 52.3% as at March 31, 2001 while First Reserve, a leading priv. equity firm, held an additional 22.5% of the outstanding of 16.8 million assuming conversion of $17 million p.p. conv. debs. it holds. By February 2, 2001, the Co. had repurchased 604,600 shares at @ $4.27 per share.*

Action: Buy for short-term capital appreciation.

Canadian Crude Separators Inc. of Calgary, Alberta, is a dynamic, rapidly expanding oil and gas service company since 1984 *offering oilfield treatment, recovery and disposal solutions including oilwell services.*

With the BEST state-of-the-art technology for the treatment, recovery and waste disposal of oil bi-products AND with one of the newest service rig fleets in the industry, the Company is positioned to provide ENERGY SERVICES across all key NORTH AMERICAN oil and gas markets. *The very successful start-up of a new salt cavern at Lindberg in northeastern Alberta will add more than $10 million annually in revenues, while 2-additional caverns at Unity, Saskatchewan came on stream early 2001. The Frontier Well Servicing Co. brought in a further 19-service rigs for $55 million, while Silverberry was completed in Q1. Both are accretive.*

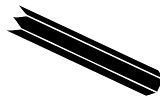
For the nine months ended September 30, 2001, CCR reported revenues of $80.4 million versus $46.6 million, an increase of 72.5 percent, while e.p.s. was C82¢ vis-à-vis C45¢, a gain of 93 percent. Fully diluted e.p.s. for 2001 should be around $1.12. The ROE for 2000 year-end was a high 23.4 percent. The Company has identified 9-expansion opportunities providing a 30% CAGR and at least $38 million in annual revenues going forward.

Comments: ***CCR has a potential customer base in Canada for its treatment, recovery and disposal division of c625 western Canadian oil & gas companies, while its well servicing division covers 60 potential customers in the Canadian oil & gas exploration and production industry.*** *The Third Party Services Outsourced Market was C$120 million in 2000 (only c13%, but continuing to increase) of which CCR had 39.1%.* ***The potential market in Canada where CCS had facilities in 2000 was C$471 million of which it had 9.9 percent. The potential Canadian market in 2000 was C$942 million where CCR had penetrated only 4.9%, while the USA market was much larger at C$3.5 BILLION and represents a new entry opportunity. UNDERVALUED CCR is recommended at up to 9x 2002 e.p.s of $1.30 and 9x 2003 e.p.s. of C$1.60 producing a stock price over 18-months of $11.70 up c35% to $14.40 up c66%. CCR's technology could be extended to the GLOBAL potential C$35 BILLION market with the right partners.***

Telephone Interview*: With Scott Gerecke, Mgr. Financial Reporting, and outside IR, March 4 and 6, 2002.*

Copyright © 2002 – All rights reserved

CANADIAN CRUDE SEPARATORS, A BACK-UP REPORT



Overview

*Canadian Crude Separators Inc. (CCS) with over 350 employees is one of Western Canada's leading oilfield service companies, which operates two distinct divisions: the Treatment, Recovery and Disposal Division (**c70% of revenues in 2000 up from 64%**) and the Concord Well Servicing Division(**c30% of revenues in 2000 of which c70% were attributable to natural gas activities**). The Concord Well Servicing Division has a fleet of 39 well service rigs operating throughout northwestern Alberta and northeastern British Columbia in predominately light oil and natural gas production areas. **Average rig utilization was 73% for 2001 (calendar 9-months) vis-à-vis 61% for the industry.** The Company is well positioned in several geographic areas, and is poised to expand its operations in the future. CCS has a total of 23 service centres including Crude Oil Emulsion Treatment and Oilfield Waste Management facilities, Cavern facilities and 5 Class II landfills, all of which are strategically located across Alberta and Saskatchewan. Emulsion treatment for recovered oil is available at 10 of its **23 licensed oil treatment, waste processing, and disposal facilities that are geographically diversified in light oil and heavy oil areas.** Of its facilities, 16 are positioned in predominantly light oil and natural gas producing areas and five are positioned in predominantly heavy oil producing areas. CCS offers an unique **Gravity Compression System** (GCS), which CCS developed to process incoming wastes. The Gravity Compression System maximizes the effects of heat, time and pressure to separate waste into the three streams. This leads to improved recovery of **VERY PROFITABLE** hydrocarbons accounting for c10% of revenues (reclaimed oil sent to pipeline), fewer residual wastes (fluids injected into deep wells) and increased efficiency of its facilities where residual solids go to either caverns or landfills. **The CCS cavern process involves injecting oilfield waste into salt caverns.** As waste is pumped into the man-made caverns, an equal volume of brine water is removed and placed in a disposal well. The cavern provide environmentally sound disposal for liquid and solid wastes. Canadian Crude Separators Inc. provides the ultimate heavy oil waste solution – cavern disposal. Since 1997, CCS has led the industry in the advancement of innovative heavy oil waste solutions through its development of cavern disposal options. CCS cavern surface facilities are designed to ensure the fastest and most reliable waste receiving process in the industry. Capable of uploading three trucks at a time, the receiving areas are designed to provide tangible savings to its customers by reducing the transportation costs associated with waiting and unload times. All waste is removed rapidly from above ground facilities virtually contamination-free. In December 2000, CCS opened its Lindbergh Cavern Facility in northeastern Alberta. Using state-of-the-art technology to dispose of oilfield by-products, this facility provides a safe, environmentally responsible option for customers. With two caverns, two pumps and two disposal wells, it allows CCS to minimize downtime and to schedule preventative maintenance without disrupting service to its customers. The caverns will provide more than 1.3 million cubic metres of storage capacity. Its newest facility can handle more than 1,000 cubic metres of oilfield by-products each day or over 360,000 cubic metres per year injecting the product into the caverns minutes after they're received from customers. **THE LINDBERGH FACILITY WILL HAVE A SIGNIFICANT IMPACT ON EARNINGS AND CASH FLOW IN 2001 AND BEYOND.** CCS within a 150-kilometre radius of Elk Point, Alberta, and offers a superior option to the many heavy-oil producers in this area. **By acquiring additional caverns at its Saskatchewan facility, CCS has expanded its cavern space very considerably since the 4Q of 2000 from less than 3 caverns to over 9 caverns totaling over 3 million cubic metres of space.** This is an important initiative, as it will also greatly increase the life span of the Unity Cavern Facility, which is a major contributor to its revenues and cash flow. Hardisty is the primary hub for heavy crude oil terminating in Canada. Over the last 4 years to the year end 2000, net margins have ranged from a low in 1999 of 9.2% to 17.6% in 2000 noting a net margin for the nine months ending September 30, 2001 of 18.5%. **The Company is a potential ACQUISITION CANDIDATE for a MAJOR oil & gas company interested in expanding into the USA market where the potential is c7.5x greater. CCS is NOT a cyclical company and represents a MAJOR buying opportunity.***

Information edited and published by J_V Investment Advisors is believed to be reliable, but cannot be guaranteed as to its accuracy.
J_V Investment Advisors (its affiliates), directors, officers and/or employees may have a position in these securities.
Information and opinions expressed herein does not constitute a solicitation
to purchase or sell these securities mentioned.

The Original Pencil Letter, a division of JVInvestment Advisors, SEC Registered Investment Advisor
Copyright © 2001 – All rights reserved

373 ***6.06***

BOYD GAMING CORPORATION
(NYSE-BYD/http://www.boydgaming.com)

One of the Most Geographically Diversified Companies in the Gaming Industry

2-Year High	Price Low	1-Year E.P.S. Growth Rate P.A	2Q E.P.S. Growth Rate	Est. 2001 E.P.S.	P/E	36 Mo. Target	% Gain
7¼	4¼	negative	27.3%	55¢	11	$9½	57%

Capitalization as at December 31, 2000	Millions	%
Long-term Debt	$ 1,016.8	71.6
Deferred Income Tax and Other	74.0	5.2
Shareholders' Equity (62,234,954 shares*)	329.7	23.2
Total	$ 1,420.5	100.0

*All directors and officers as a group (14) held 52.4% of the outstandings as at March 30, 2001.

Action: Buy for intermediate and long-term capital appreciation.

Boyd Gaming Corporation of Las Vegas, NV is a leading diversified owner and operator of 12 casino entertainment properties located Nevada, Mississippi, Illinois, Indiana and Louisiana.

BOYD, celebrating its 26th anniversary in 2001, has been SUCCESSFUL since 1975 in the highly competitive Las Vegas market *and has expanded its reach by entering 5 new gaming jurisdictions in the past 6 years. The Co. acquired Delta Down Racetrack in Louisiana investing $127 million and expects to open the $1 billion Borgata in 2003, the first new hotel-casino in Atlantic City in 13 years and the largest in that market.*

For the year ended December 31, 2000, BYD reported revenues of $1.0 billion versus $987 million, a gain of 2.1 percent after a one-time payment of a termination management agreement. Operating cash flow was $225 million against $238 million, while fully diluted e.p.s. was 36¢ vis-à-vis 66¢ reflecting poor weather, the sharp economic slowdown during the 2nd. half of of 2000 and a disruptive constr. period in the Central Region. For the six months ended June 30, 2001, BYD reported revenues of $562 million up 3.9% with e.p.s. at 24¢ vis-à-vis 35¢ with 2Q revenues up 6% and 2Q e.p.s. up 27.2%. THE COMPANY RECORDED ITS SECOND HIGHEST QUARTERLY EBITDA IN HISTORY. Net margins in the 2Q of 2001 were 2.99% up from 2.51%.

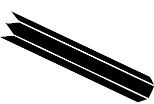
Comments: *With over 25 million people visiting Las Vegas each year and with a USA growth rate in GDP of 3% expected in 2002 as forecast by the Federal Reserve, BYD and the industry should be favourably impacted noting the long-term growth rate in the gaming industry is around 10%.* ***Boyd's ratio of slots to gaming tables is extraordinarily high @ 96.7% and is higher than the industry average of over 70% (1997) thus enhancing its largest revenue stream where at least $840 million in estimated revenues come from 13,900 slot machines noting payouts can be adjusted higher for low traffic areas and lower for high traffic areas.*** *The* ***BORGATA*** *in Atlantic City will add an additional 12.6% slots (1,750 – JV interest/3,500 in total) in 2003 when the hotel is expected to open in the summer and should contribute 15¢ to e.p.s. during a full year. Preliminary earnings in 2004 are estimated @ 95¢ per share on a P/E of 6.4x. Boyd Gaming represents an attractive takeover candidate, particularly for a foreign entity.*

Telephone Interview*: With Exec. Sec. to Ellis Landau EVP, Treasurer and CFO, July 31, 2001.*

jvinvest@smallcapoftheweek.com
PROFIT FROM IT
IT'S USER FRIENDLY
August 2, 2001

Copyright © 2001 – All rights reserved

BOYD GAMING CORPORATION, A BACK-UP REPORT



Overview

Headquartered in Las Vegas, Boyd Gaming Corporation has revenue for 2000 inside Nevada of c51% with the Las Vegas Strip at c41%, the Boulder Strip at c16% and the Downtown properties at c21%. The largest outside NV is the Blue Chip in IL at c17% of 2000 revenues. The Stardust Resort and Casino has built a loyal clientele for more than 40 years for those seeking the "classic" Las Vegas gaming entertainment experience. ***It is the number one race and sports book in Nevada.*** *The 61-acre property includes more than 1,500 guest rooms and suites, six restaurants, a retail center, conference facilities, plenty of casino action, a race and sports book renowned throughout the country, and Wanye Newton as the headline performer. With a warm, friendly, Western-themed atmosphere, Sam's Town Las Vegas is popular among locals and tourists alike, located on the Boulder Strip. The property features movie theatres, a special events center, 11 restaurants, bowling, live entertainment, a retail center and a laser show presented daily in Sam's Town's beautiful indoor park.* ***The Players club was rated the #1 slot club by Las Vegas Advisor, an independent newsletter for gamblers.*** *Located in Henderson, Nevada, the second largest city in the state, the Eldorado Casino enjoys an established local clientele designed around an attractive Southwestern motif. The Eldorado combines its management, human resources, marketing and accounting functions with the nearby Jokers Wild Casino. Both tourists and locals driving along the Boulder Highway, Las Vegas' third major gaming corridor, stop by the Jokers Wild Casino to enjoy a fun, accessible casino environment. Aloha is a common phrase around the California Hotel and Casino, especially since the Hawaiian-themed hotel caters to this targeted market. Approximately 70 percent of all hotel guest trips originate from the islands and the hotel-casino expands upon this tourist base through its décor, marketing and attention to cultural preferences. As one of three Downtown Las Vegas properties, the California is cross-marketed and shares operational efficiencies with the Fremont Hotel and Casino and the Main Street Casino, Brewery and Hotel, to promote its casino, hotel, restaurants and convention center services. Furthermore, Boyd Gaming's travel agency, Vacations Hawaii, offers charter flights and vacation packages directly to its downtown properties. Main Street Station was completely renovated and reopened in 1996, creating the downtown triumvirate and enhancing the Boyd Gaming brand name.* ***Features include the Downtown Las Vegas' largest buffet and only microbrewery. It has garnered several top hotel-casino awards in Las Vegas and more Chamber of Commerce Customer Service Awards than any other Las Vegas casino****. In the heart of the Mid-South, Sam's Town Hotel and Gambling Hall in Tunica, Mississippi offers Las Vegas-style casino action and entertainment to residents of Tennessee, Arkansas and Mississippi. Sam's Town boasts plenty of casino action on two floors, approximately 850 hotel rooms, along with restaurants, an entertainment lounge, a 1,500-seat arena featuring a cross-section of national recording artists, a retail center, an 18-hole championship links-style golf course and other recreational facilities. The aptly-named Par-A-Dice (central IL), a contemporary mega-yacht, offers dockside gaming on the Illinois River and draws customers from throughout the state, along with out-of-state guests seeking a short vacation getaway.* ***Boulevard Grille is the only five-star restaurant in central Illinois, as designated by the DINEamerica restaurant directory. The hotel was named "Best in Midwest" by Heart of Illinois Hospitality Association.*** *The Treasure Chest Casino, a classic 18th-century Victorian-style paddle wheeler floats along Lake Pontchartrain in the New Orleans suburb of Kenner -* ***the highest-grossing riverboat in the New Orleans area since its opening.*** *Set on the blue waters of Lake Michigan, the Blue Chip Casino and Blue Chip Hotel host thousands of daily visitors from the heavily populated "four corners" of southern Michigan, northern Indiana, southeast Chicago and northeast Illinois****. Daily passenger traffic averages 4,000 guests on weekdays, 9,000 on weekends. In development:*** *The Borgata, www.theborgata.com a joint venture development with MGM MIRAGE™, will be the first new hotel-casino in the second largest U.S. gaming market.*

Information edited and published by J_V Investment Advisors is believed to be reliable, but cannot be guaranteed as to its accuracy.
J_V Investment Advisors (its affiliates), directors, officers and/or employees may have a position in these securities.
Information and opinions expressed herein does not constitute a solicitation

to purchase or sell these securities mentioned.

The Original Pencil Letter, a division of JVInvestment Advisors, SEC Registered Investment Advisor
Copyright © 2000 – All rights reserved

October 27, 2005
C$64.35 up 588.2%
Petro Kazakhstan Inc.
effective June 20, 2003
under symbol PKZ

C685 *C9.35*

Take Over @ US$55 per share China National Petroleum

HURRICANE HYDROCARBONS LTD.
(TSE-HHL.A/NQB-HHLF/http://www.hurricane-hhl.com)
The Market Leader in Refined Oil Products in Kazakhstan, A Former Soviet Republic

1-Year High	Price Low	1-Year Actual C.F.P.S.	6-Months C.F.P.S.	Est. 2000 C.F.P.S.	P/CF	12 Mo. Target	Gain
C9.40	C27¢	US96¢	US75¢	C$3.50	2.7x	14	50 %

Capitalization as at June 30, 2000	Millions	%
Long-term Debt	US$ 34.9	22.0
Provision for Site Restoration	1.2	0.7
Future Income Tax Liability	22.6	14.2
Minority Interest	25.6	16.1
Preferred Share of Subsidiary	0.1	0.1
Shareholders' Equity (73,322,785 shares*)	74.3	46.9
Total	US$ 158.7	100.0

**Fully diluted. As at July 31, 2000 all directors and officers as a group (5) held 4.6% (9% with options), while the Kazkommertsbank, the largest priv. bank in Kazakhstan, held an additional 30 percent.*

Action: Buy for short, intermediate and long-term capital appreciation.

Hurricane Hydrocarbons of Calgary, Alberta, Canada is the largest priv. integrated oil company in Kazakhstan with c60% market share producing currently 90,000 bbls. of light crude oil, 42 degree API, per day.

HURRICANE has 459 million barrels of proven + probable reserves with valid licenses for more than 20-years and is a low cost operator including overhead at US$2/bbl. and owns the Shymkent Refinery (built 1985) with a capacity of 150,000 bbls/d *which is currently operating around 50%. Approximately 88% of the shares of ShNOS owner of Shymkent was completed on March 31, 2000 noting the balance may be completed by year end. During the 2Q, Hurricane's crude oil production totaled 7.4 million barrels or an av. 81,600 bbls/d, while a total of 5.8 million barrels were refined in its Shymkent refinery including supplies from others.*

For the year ended December 31, 1999, HHL reported revenues of US$155.2 million. C.f.p.s. was US96¢ before unusual items. For the six months ending June 30, 2000, HHL reported revenues of US$216.0 million versus US$47 million, a gain of 359.6 percent. Cash flow was US$52.6 million against a negative US$20 million, while c.f.p.s. was US75¢ fully diluted (US59¢ fully diluted in the 2Q). Full income taxes are being paid in Canada at 44.6% and in Kazakhstan at 30%. During the last 9-months, the labour force was reduced from 5,200 to 1,600, a c70% reduction. Much of the Company's debt should be paid off over the next 12-months.

Comments: *YUZHNEFTEGAZ (renamed "Hurricane"), A STATE-OWNED OIL COMPANY, WAS PURCHASED BY HURRICANE IN THE COUNTRY'S FIRST MAJOR OIL AND GAS PRIVATIZATION IN NOVEMBER, 1966.* ***Kazakhstan, a non-opec producer, with 15 million people has the world's largest reserves of oil at 305 billion barrels including the recent find of 70 billion barrels found off Kazak waters under the Caspian Sea according to the American Petroleum Institute.*** *Furthermore, the USA Department Of Energy estimates that "the region's possible oil reserves could yield another 235 billion barrels of oil." There is a possibility HHL may be added to the TSE 300 Index before year-end 2000 with a NASDAQ listing later.*

Telephone Interview*: With Ihor P. Wasylkiw, P. Eng. V-P Investor Relations, September 12, 2000.*

jvinvest@smallcapoftheweek.com
PROFIT FROM IT
IT'S USER FRIENDLY

September 14, 2000

The Original Pencil Letter, a division of J_V Investment Advisors, SEC Registered Investment Advisor
Copyright © 2000 – All rights reserved

HURRICANE HYDROCARBONS, A BACK-UP REPORT

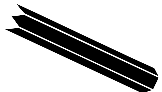
Overview

The latest quarterly results are the first since Hurricane acquired ShNOS on 31 March 2000 and are a better guide to future performance than previous financials. As an integrated production and refining company, Hurricane's capacity to generate cash has much improved. Hurricane exported approximately 22% of its current production in the 1Q of 2000 with the remainder refined for sale in Kazakstan. The export ratio has moved to about 50% in the 2Q. Although the price Hurricane receives for its domestic sales (now just over US$13.10) is well below the world price for crude, it is a very stable source of income and not subject to significant price movements. Also, Hurricane's production, refining, selling and royalty costs only amount to around US$4/bbl, thus making the domestic business very profitable. Hurricane is able to export crude by railcar to Black Sea ports. Due to transport costs and market discount Hurricane now receives Brent minus US$9.80 so exports are profitable when world crude prices are high, though profitability is marginal if prices return to levels seen in early 1999. Two developments occurred during 2Q00, which give reason for optimism about Hurricane's export prospects. Firstly, the company was able to increase production at minimal cost through workovers of existing wells and also by adding pumps to wells, which previously flowed freely. This improvement in production levels has continued into the third quarter and daily production is currently 90,000 bbl/day. As domestic demand is fairly static, all of this increased production is available for export. Secondly, Hurricane successfully made its first ever shipment of 200,000 bbls. of crude oil to China during 2Q00. This is a particularly important development because demand from China is potentially huge and the cost of transporting crude by rail to China is much less than to the Black Sea. At present the Chinese expect to pay at a discount to the world price of crude and Hurricane is in the process of negotiating a pricing formula. Potentially, the export route to China could enable Hurricane to export profitably, even when crude oil prices fall to the historically low levels of early 1999. Hurricane has begun to bring some new fields into production. Over the next two years it will develop the QAM fields, (100% ownership with proven and probable reserves of 113 million bbls. with development costs estimated @ US$132 million OR US$1.17/bbl.) and is targeting production levels of 25-30,000 bpd. At very little cost it has started production from the Qyzlkiya field at a rate of 600-700 bpd, soon to increase to 4,500 bpd. The crude is taken by truck to the Kumkol processing facility at a cost of 80¢/bbl. More significantly, the company is planning to build a US$35 million pipeline from the Aryskum field to a railway line west of the field. The pipeline will save US$2.50/bbl in transportation costs and has an estimated payout of one year. This will have the effect of both improving the netback Hurricane receives on its exported crude but will also lower the break-even price for exporting crude. In view of this year's high average crude price and the recent increase in production, which we believe is sustainable including to 102,000 bbls/d in 2001, we are assuming an average Brent price of US$19 for that year, which allows for a sizeable price decrease from this point onward in arrving at a c.f.p.s. of around C$4.00 in 2001 or 2.3x cashflow. Oil reserves alone excluding gas have been determined by McDaniel & Associates with 273.3 billion barrels + 185.3 billion barrels for a total of 458.6 billion barrels. At present production rates, Hurricane has a life index of 8.4 years for proven reserves and 14.3-years for total reserves. The net asset value is ULTRA, ULTRA conservative at C$16 per share which values proven reserves at a low US$2 per barrel and probable reserves at US$1 per barrel (US$5 to US$10 per barrel would be more reasonable) which is more than adequate to offset political and regional uncertainties noting the shares are clearly undervalued. Although Tenge/Chevron is the largest producer at 215,000 bbls/d, virtually ALL is exported. If HURRICANE'S domestic production (c50% currently) was freed up totally for export, the shares would be very, very much higher. The shares are undervalued even by Russian standards and should trade at least 3.5x cash flow, the average forward multiple for juniors in Canada, producing a minimum share price of C$14 to C$16 within 12 months.

Information edited and published by J_V Investment Advisors is believed to be reliable, but cannot be guaranteed as to its accuracy.
J_V Investment Advisors (its affiliates), directors, officers and/or employees may have a position in these securities.
Information and opinions expressed herein does not constitute a solicitation

to purchase or sell these securities mentioned.
The Original Pencil Letter, a division of JVInvestment Advisors, SEC Registered Investment Advisor
An Investment Service for Professional Investors
Copyright © 2004 – All rights reserved

124 **2.08▼**



PETROBANK ENERGY AND RESOURCES LTD.
(TSX: PBG//http://www.petrobank.com)

A Junior Oil & Gas Company with Advanced Key, High Impact Projects in CBM and Heavy Oil

1 Year High	Price Low	5-Year C.F.P.S. Growth Rate P.A.	Q4 C.F P.S. Growth Rate	Est. 2004 C.F.P.S.	P/CF	18 Mo. Target	Gain
C3.92	C1.90	9¾%	33%	C62¢	3.4x	$3.50	68%

Capitalization as at December 31, 2003	Millions	%
Contract Obligations for Gas Sale and Transport	$ 7.28	4.17
Site Restoration Liability + Future Income Tax Liability	16.72	9.59
Shareholders' Equity (54,505,000 shares*)	150.46	86.24
Total	$ 174.46	100.00

** As at April 21, 2003, all directors and officers held 29.7 % of the issued and outstandings or 13.5 million shares. In September, Petrobank completed a 2.77 million flow through share issue @ $3.60 per share. Subordinate notes are reflected as equity on the balance sheet and interest is excluded from net income.*

Petrobank is engaged in the exploration for and development and production of oil and natural gas in the country of Colombia and in the Western Canadian Sedimentary Basin.

PETROBANK trades BELOW its net BV of $2.32, BELOW its NAV of $3.58 and has an additional two Coal Bed Methane (CBM) projects with net initial-gas-in-pace of at least 450 BCF plus a 1 BILLION bitumen reserve deposit slated for commercial production in 2005. *Petrobank acquired Monolith Oil Corp. (90% natural gas production) on September 19, 2003 for $39.6 million. Production from these properties averaged 2,325 barrels of oil equivalent per day (boepd) between the closing date and the end of the year, but only contributed 663 boepd to average 2003 production. Petrobank disposed of its Wapella property 1,400 bpd in January 2004 for cash proceeds of $36.0 million. Exit production in Q4 was a total of 7,255 boepd in 2003. Fourth quarter natural gas production of 17.7 million cubic feet per day (mmcfpd) increased 57% from the 11.2 mmcfpd produced in the fourth quarter of 2002 and 169% from the 6.6 mmcfpd produced in Q3 of 2003.*

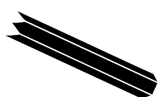
For the year ended December 31, 2003. PBG reported revenues of $54 million versus $39.7 million, an increase of 36 percent. Cash flow from operations was $29.2 million against $22.8 million, while cash flow per share was 44c vis-à-vis 40¢, an increase of 10 percent. First quarter should be available on May 17, 2004.

Comments: ***Conventional recovered gas reserves in Alberta currently stand @ 42 TCF. The CBM in the Alberta market is a 500 TCF market and a 150 TCF market in the USA. About 10% of the natural gas in the USA comes from CBM. Production from CBM in Canada is negligible. Petrobank provides a UNIQUE OPPORTUNITY including a possible future TAKEOVER. Management believes that c7 million cubic feet of natural gas could be produced daily from its 2-CBM projects by the end of 2009 OR an additional 5,000 boepd. Assuming no growth in other segments including NO ALLOWANCE for WHITESANDS and after a 10% dilution factor, PBG will generate a $1.20 in c.f.p.s. in 2009 and sell a cash flow multiple of 5x producing a price of $6 or a CAGR (Compound Annual Growth Rate) to investors of 23.5%.***

***Telephone Interview**: With Chris J. Bloomer, V-P Heavy Oil and CFO, April 30, 2004.*

Copyright © 2004 – All rights reserved

PETROBANK ENERGY, A BACK-UP REPORT



Overview

Petrobank completed a 112 km seismic program over its coal bed methane ("CBM") project in Princeton British Columbia (Petrobank 60%) during the quarter ending March 2003. ***Initial indications are that this prospect contains between 250 and 500 Bcf of initial-gas-in-place.*** *It expects to drill a test well on this property this summer and then move to a 4-well pilot project in the fourth quarter of 2004 to test the commercial viability of this CBM resource. In addition to its CBM project in Princeton, it has begun testing its CBM potential in the Jumpbush area of Southern Alberta, and successfully flowed gas at rates of approximately 100 mcf/d from a single coal zone in a well with multiple coal intervals.* ***Initial mapping of these coal beds indicates a potential initial-gas-in-place resource of up to 300 Bcf****. The Company is planning 15 wells at Nevis and Red Willlow, primarily targeting the Mannvilee zones, although some wells will be further deepened to test Devonian targets. The 2004 program at Jumpbush includes up to 30 shallow gas wells, targeting both conventional natural gas and coal bed methane. There are also as many as 7 wells planned in the greater Eyehill area of West Central Saskatchewan. Apart from further developing its current Eyehill pool, these wells will be testing concepts for both a new pool, and step-out to its existing pool that could double its size. The Company is very positive about the large volume of opportunities to pursue at Nevis, Red Willow, Jumpbush and Eyehill. Furthermore,* ***the large CBM resource at both Princeton and Jumpbush offers the potential for significant reserve and production additions in the future.*** *The WHITESANDS Pilot project received approval from the Alberta Energy and Utilities Board (AEUB) and Alberta Environment (AENV) on February 22, 2004. On January 15, 2004, Petrobank entered into an agency agreement with TD Securities Inc. and Tristone Capital Inc., on behalf of its subsidiary, WHITESANDS INSITU Ltd. (WHITESANDS) to arrange private equity financing for the estimated $30 million capital cost of the pilot project. The financing is to be effected by the issuance of up to a 40% equity interest in WHITESANDS. An independent panel of experts has been formed to advise interested investors and to evaluate the THAI process and the pilot project. WHITESANDS owns 45 sections of oil sands leases in the Christina lake region of Alberta.* ***Fekete Associates have recently completed a geological evaluation of the leases, which indicates a bitumen resource of 850 million barrels in the middle McMurray formation and an addition 250 million barrels in the upper McMurray****.* ***THE THAI AND CAPRI TECHNOLOGIES HAVE THE POTENTIAL TO REVOLUTIONIZE THE HEAVY OIL EXTRACTION BUSINESS. PETROBANK SHAREHOLDERS STAND TO BENEFIT ENORMOUSLY FROM THE COMMERCIAL OPPORTUNITY ON ITS EXISTING LAND BASE COMBINED WITH ITS FUTURE ABILITY TO LICENSE THE TECHNOLOGIES AND CAPTURE ADDITIONAL RESOURCES INTERNATIONALLY.*** *Gilbert Laustsen Jung Associates Ltd. ("GLJ"), completed their Canadian reserve evaluation as at January 1, 2004. Canadian total proved plus probable reserves decrease by 17% to 11.3 million boe. Based on the GLJ price forecast effective April 1, 2004, the Company's proven plus probable reserves have a net present value before tax at a 10% discount rate of $119.4 million. GLJ price forecast effective April 1, 2004, the Company's proven plus probable reserves in Columbia have a net present value before tax at a 10% discount rate of US$60.9 million or cC$81.2 million.* ***The Company's reserve life index for conventional oil only is 6.9 years with a NAV (PV10) of cC$3.58 per share noting the shares sell at a discount of 39.1 percent. The operating netbacks in 2003 for Canada were $17.56 and $19.18 in Columbia.*** *Petrobank owns 79% of the production the Orito field in Columbia, a single zone, where originally c850 million barrels of oil were in-place, of which only 185 million barrels of oil have been produced to date. Wells here produce 43 degree API crude. The Company acquired a one-third interest in a Central Columbia 390,000-acre exploration contract block, situated in the upper Magdalena Basin. A large structural prospect has been identified on the block, which can be evaluated without additional geological or geophysical work through the drilling of a relatively low cost (US$1.5 million net) exploratory well.*

Information edited and published by J_V Investment Advisors is believed to be reliable, but cannot be guaranteed as to its accuracy.
J_V Investment Advisors (its affiliates), directors, officers and/or employees may have a position in these securities.
Information and opinions expressed herein does not constitute a solicitation
to purchase or sell these securities mentioned.

Copyright © 2003 – All rights reserved

127 **3.29**

ALLSCRIPTS HEALTHCARE SOLUTIONS
(NASDAQ: MDRX//www.allscripts.com)

A Leading Developer of Software Enabling Electronic Prescriptions or e-Prescribing

2 Year High	Price Low	5-Year Revenue Growth Rate P.A.	Six Month Revenue Growth Rate	Est. 2004 E.P.S.	P/E	24 Mo. Target	Gain
7.52	1.60	25%	2%	10¢	32x	5.00	52%

Capitalization as at December 31, 2002	Millions	%
Shareholders' Equity (38,440,520 shares*)	$ 85.82	99.82

**All directors and officers as a group (13) held 37.2% of the outstanding as at March 31, 2003 with IDX Systems, a strategic partner, holding 19.5% purchased @ $25-3/8, while outside investing institutions held an additional 24.5% including Fidelity Investments. On July 28, 1999, the Company's IPO was completed @ $16 per share, while a secondary was completed @ $73 bringing in a gross $105.9 million on March 10, 2000.*

Action : Buy for a short, intermediate and long-term capital appreciation.

Allscripts Healthcare Solutions, Inc. of Libertyville, Illinois is the provider of point-of-care decision support tools and services to over 20,000 physicians at more than 4,000 sites across the USA.

ALLSCRIPTS HEALTHCARE's most significant opportunity is its strategic 10-year alliance with IDX Systems Corporation which helps it accelerate distribution of products into medium and large size physician groups. *IDX services more than 138,000 physicians and enjoys a 50% market share for large practices over 100 physicians. On July 24, 2003, Corrections Corporation of America announced it will implement the full suite of TouchWorks applications for more than 200 healthcare providers across 59 correctional facilities valued at over $2 million. Two recent acquisitions announced in the Q2 will help net income going forward.*

For the years ended December 31, 2002, MDRX reported revenues of $78.8 million versus $70.9 million, a gain of 11.1 percent. The loss was 40¢ or $15.2 million against a loss of $472.8 million including an asset impairment charge of $354 million of which $227 million was goodwill. For the six months ending June 30, 2003, MDRX reported revenues of $39.7 million up 2 percent from the previous period on a loss of $4.2 million or 11¢ per share with a 5¢ loss in Q2. As at June 30, 2003, cash and equivalents were $67 million or c$1.75 per share increasing by $1.7 million where BV was c$2.23 per share noting this was the 2nd consecutive cash flow positive quarter in history with increasing gross margins to 25.2% up from 22.7% in 2000. As part of the restructuring plan 223 employees were terminated as at December 31, 2002 saving over 30¢ per annum.

Comments: ***Prescription drug spending will hit US$243 billion by 2008 up from US $125 billion in 1999 for a CAGR of 7-1/2%. With massive nos. of illegible hand-written paper prescriptions, mistakes are not uncommon since an estimated 16% of the c3 BILLION prescriptions written each year are illegible according to ALLSCRIPTS. A 1999 report by the Institute of Medicine (IOM) showed that there are 98,000 deaths annually from medical errors including 7,000 from medications errors. President Clinton called for a 50% reduction in these deaths by 2005 year-end. The IOM estimates annual financial costs for such error-related morbidity, mortality and plain bad handwriting @ over US$77 billion per year. ALLSCRIPTS was named to Deloitte & Touche's "Fast 50" for the Greater Chicagoland area for the 2nd. consecutive year in 2002 for the fastest growing technology companies. We believe Allscripts preliminary e.p.s. could reach 20¢ in 2005 and trade on a P/E of 25x providing a gain of c52% noting over 1,200 doctors use TouchWorks. Allscripts is a potential takeover candidate.***

***Telephone Interview**: With Bill Davis, CFO (unavailable) on August 11, 2003.*

Copyright © 2003 – All rights reserved

ALLSCRIPTS, A BACK-UP REPORT

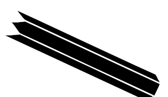
Overview

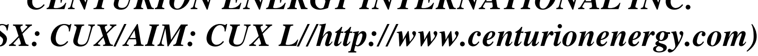
Founded in 1986, Allscripts initially focused on the sale of prepackaged medications to physicians until 1996. In 1997, under new management the Company shifted its focus to development of technology tools necessary for electronic prescribing, routing of prescription information and submission of medication claims for managed care reimbursement. Currently, the Company offers products in three categories: point-of-care decision support solutions, prepackaged medications and physician education. The Company's Physicians Interactive e-Detailing product enables healthcare professionals to learn about new products through the Internet and other multimedia technology. The Company also sells its prepackaged medications to physicians so they can offer their patients prescription medications in the physician's office. ***The Company has an installed base of over 12,000 physicians who purchase one or more of the Company's products or solutions. For the year ending December 31, 2002, Prepackaged Medications accounted for $49.29 million or 62.5% of revenues, Software & Related services accounted for $19.92 million or 25.3% of Revenues and Information Services accounted for $9.58 million or 12.2%. As at December 31, 2000, 22.7% e-commerce revenues were medication sales over the internet without the use of TouchScript ordering.*** *Touchworks™ suite of software solutions provided Just Right, Just-in-Time Information®, enabling physicians to improve clinical outcomes, enhance financial performance, and save time. Using a wireless handheld device or desktop workstation, TouchWorks automates the most common physician activities including prescribing, capturing charges, dictating, ordering labs and viewing results, providing patient education, and taking clinical notes. TouchWorks offers a unique modular approach, allowing physicians to start with a single application and evolve over time to complete mobile and modular electronic medical record, the* ***mEMR****™. This strategy enables practices to start with the tools that solve their most pressing needs first and rapidly implement additional applications that demonstrate a measurable return-on-investment. The Company has strategic alliances with IDX Systems, Microsoft, Compaq, Intel, Merck-Medco and Express Scripts. TouchWorks goes something like this: a patient's name is called up by touching a computer screen, the diagnostics is entered, a list of medications to treat the illness pops up and the doctor makes the selection* ***and*** *the prescription is fired off electronically to a pharmacy or drug mail-order firm or filled on the spot at the doctor's office.* ***Allscripts provides the doctor with a PDA or handheld computer and other services for $250 per month. Younger physicians appear to be especially PDA friendly e.g. more than 90% of Maryland's graduating class of 2001 were handheld users compared with less than 5% in 1997! This rate of adoption reflects the increasing and mandatory use of PDAs by medical schools. MOST ANALYSTS BELIEVE THAT CLOSE TO 50% OF ALL PHYSICIANS WILL BE USING HANDHELD COMPUTERS BY 2005 YEAR-END. The system reviews different patients with different insurance plans and with different formularies and does it automatically. Management has outlined the opportunity to grow transaction fee revenue, which may become a key element within 3 years.*** *To date, Touchworks estimates have focused on license and service fees, largely ignoring potential fees associated with each transaction performed by the physician. Management has illustrated the opportunity to grow transaction revenues as TouchWorks reaches critical mass. Pharmacy benefit managers (PBMs) are willing to pay Allscripts to present the physician with formulary information at the point of care. Doing so ensures that medications prescribed comply with the formulary, ultimately reducing the PBM's cost. In addition, retail pharmacies are willing to pay Allscripts a small transaction fee to route the prescription electronically, eliminating paper faxes and telephone calls, and ultimately reducing the pharmacy's cost.* ***The opportunity for transaction fees on the e-prescribing module alone could exceed $50 million. Physicians Interactive, the e-Detailing business, has come into its own, but still faces an enormous market opportunity.*** *Allscripts is finalizing a deal in which they may be the sole source e-detailing vendor for a major U.S. pharmaceutical company. We believe e-detailing is moving into the mainstream for pharmaceutical companies and Allscripts is the clear leader in this business. The Ambulatory EMR market is in the early stages of a growth cycle and offers the Company an opportunity.*

Information edited and published by J_V Investment Advisors is believed to be reliable, but cannot be guaranteed as to its accuracy.
J_V Investment Advisors (its affiliates), directors, officers and/or employees may have a position in these securities.
Information and opinions expressed herein does not constitute a solicitation
to purchase or sell these securities mentioned.

The Original Pencil Letter, a division of JvInvestment Advisors, SEC Registered Investment Advisor
Copyright © 2003 – All rights reserved

197 **2.46**





CENTURION ENERGY INTERNATIONAL INC.
(TSX: CUX/AIM: CUX L//http://www.centurionenergy.com)

An International Oil and Gas Company Focused on North African Achieving High Impact Growth

1-Year High	Price Low	1-Year CFPS Growth Rate	Six Months CFPS Growth Rate	Est. CFPS 2004	P/CF	18 Mo. Target	Gain
C2.40	C62¢	+169.2%	+73.3%	C60¢	4.1x	C3.60	46%

Capitalization as at December 31, 2002	Millions	%
Limited Recourse Long-term Debt	$ 14.547	11.5
Other Long-term Debt	15.679	12.3
Provision for Site Restoration + Deferred Credit	4.931	3.9
Shareholders' Equity (62,312,987 shares*)	91.919	72.3
Total	$ 127.076	100.0

*All directors and officers as a group (6) held 29.6% of the outstandings as at May 12, 2003 with an additional 7.5% held by ARC Financial, the largest outside shareholder, prior to a secondary of 9,642,254 shares @ $2.05 placed with European and Canadian investors for gross proceeds of $19,766,621 accounting for 13.26% of the enlarged common shares outstandings. The Company plans to acquire up to 3,115,594 shares or 5% of the outstandings for return to treasury by January 30, 2004.

Action: Buy for short-term capital appreciation.

Centurion Energy International Inc. of Calgary, Alberta is an international oil & gas explorer and producer with focus on North Africa where it currently operates in politically stable Tunisia and Egypt.

DAILY AVERAGE PRODUCTION IN 2002 WAS 4,600 BOEPD UP FROM 1,500 IN 2001, A GAIN OF 207% WITH A FURTHER EXPECTED INCREASE TO OVER 10,000 BOEPD IN EXIT PRODUCTION FOR 2003, A FURTHER GAIN OF 117% OVER 2002. *During Q2, a central processing unit designed to process and compress 35 mmcsfpd of gas sales from 3 gas fields with associated metering was shipped to Egypt. The SEEB plant, which is the FIRST power plant in Tunisia allowing operations to use gas from marginal fields, commenced commercial operations on May 9, 2003. During August, an agreement was signed with Petro-Canada, one of Canada's largest oil and gas companies, for exploration on Centurion's 100% owned Mellita Permit with potential reserves of up to 500 million barrels of oil.*

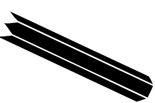
For the year ended December 31, 2002, CUX reported revenues of C$34.3 million versus C$14.6million, an increase of 135 percent. Cash flow from operations was C$22.1 million against C$8.1 million, while c.f.p.s. was C35¢ vis-à-vis C13¢, a gain of 169%. For the six months ended June 30, 2003, CUX reported revenues of C$26.3 million versus C$14.5 million, an increase of 81.3 percent. Cash flow per share was C26¢ vis-à-vis C15¢ for a gain of 73.3%. Cash flow earnings were adversely impacted in Q2 by an increase of 9% in the value of the Canadian dollar and because of 18,600 barrels of oil inventory in storage. Cfps in 2003 is 45¢.

Comments: ***Canadian junior oil & gas equities can trade on a current multiple of 4.5x producing a value price of $2.70. However, given CUX's spectacular production growth outlook, we believe CUX will provide investors a gain of 46% over the next 18-months on an expanded multiple of 6x and possibly much more going forward should large gas reserves of up to 6 TCF be found in Tunisia. CUX takes a proactive approach to limiting costs as much as possible.***

Telephone Interview: *With Barry W. Swan, C.A. SVP, Finance & CFO and Scott Koyich, IR November 6, 2003*

Copyright © 2003 – All rights reserved

CENTURION ENERGY, A BACK-UP REPORT



Overview

Centurion operates in areas where operating costs are reasonable. The company's success is reflected in its ability to deliver positive earnings and cash flow in every operating year since inception, including periods when commodity prices were at all-time lows – including US$9.00 per barrel of crude oil in 1999. Centurion operates in two overseas areas: Tunisia with 680,000 net acres (WI of 31% to 100%) and Egypt with 170,000 acres (WI 30% to 100%). ***The Production Sharing Contract in Egypt is:*** *Centurion receives 30% of total production in costs recoveries, Centurion receives 20% of the remaining 70% of production, Centurion's revenue is 47.5%, and Royalties and local income taxes are nil.* ***The Tax Royalty Regime is Tunisia is****: Centurion owns 100% of production, Government right is to back in to any discoveries up to 50%, Government share of past cost is recoverable from 30% of their revenues, Taxes and Royalties from 2 to 15% payable based on R factor, Centurion claims 100% of operating and G&A costs and Corporate tax of 50% payable after all expenses. The Societe D'Electricite D'El Bibane (SEEB) Electric Generating Power Plant built in Tunisia is a joint development with Caterpillar Power Ventures International Inc., a subsidiary of Caterpillar Inc. and CMI, a Boston-based independent power developer, has commenced commercial operations on Friday May 9, 2003. Centurion is a 50% owner and the caterpillar/CMI consortium own the other 50%. The plant is capable of generating 27 megawatts per hour of power. Natural gas fuel of approximately 7 million cubic feet per day will be supplied by two gas fields, El Biban and Ezzouia, which are owned by Centurion and partners (Centurion working interest 74% and 31% respectively). The investment extinguished a tax liability due from Centurion to the Tunisian State in the amount of approximately US$2.8 million.* ***Over the life of the plant of c20 years, we expect that Centurion's share of plant income after tax and debt service and direct sale of gas and condensate will average approximately US$1.8 million per year if Brent oil prices average $22.50 US per barrel. As at December 31, 2002 and updated as at June 30,2003 (evaluated by API Petroleum Engineering), the net asset value (conservative) for reserves, prior to the October 2003 secondary, using constant pricing of US$22.50 for Brent, US35¢ per mcf of gas in Tunisia and US$2.65 per mbtu for gas sales in Egypt for proven + ½ probable (PV 10) + SEEB income from non-owned gas of $4.5 million (fully diluted) was a fully diluted $162 million or $2.30 per share.*** *The reserve life index for established reserves (proven + ½ probable) was c15 years and totaled 9.7 MMBOE for Tunisia in 2002 (12 MMBOE in 2000) and 18.1 MMBOE for Egypt in 2002 (12.6 MMBOE in 2000) or a total of 27.8 MMBOE in 2002 (24.6 MMBOE in 2000). The estimate of finding and developing costs for Egyptian operations has not changed significantly from the previous estimate of $3.50 per boe, based on established reserves.* ***From inception to date,*** *the average finding costs for Tunisia are $5.38 per boe, bringing* ***Company-wide finding cost to $4.44 per boe based on established reserves. The netback on the company production for 2002 (revenue less royalties and operating costs) was $24,072,000 (15.48 per boe) compared to $10,895,000 (22.13 per boe) for 2001.*** *The netback from Tunisian production for 2002 amounted to $14,839,000 ($20.79 per barrel) compared to $10,895,000 ($22.13 per barrel in 2001). The netback from Egyptian production for 2002 amounted to $9,233,000 ($10.98 per boe)(2001-nil). Lower netbacks in Egypt result from a ceiling on the gas price of $4.39 (US$2.80) per mcf when the Brent oil reference price is US$20 or greater and a higher effective royalty rate than in Tunisia. In TUNISIA, the El Biban offshore Concession is held until 2013 year-end with no further commitments. The Ezzaquia Concession is held until 2020 with no further commitments.* ***THE MOST EXCITING EXPLORATION PLAYS ARE THE MELLITA EXPLORATION PERMIT IN SHALLOW WATERS*** *(Petro-Canada will fund 100% of the cost up to US$13.5 million in return for a 72.5% interest in 845,000 offshore acres where up to 500 million barrels of oil may be found)* ***AND A TRIASSIC STRUCTURE UNDERLYING EACH OF THE EZZAQUIA AND THE EL BIBAN PRODUCING FIELDS where each could hold 2 to 3 TCF of gas which could add between $6.00 to $9.00 per share in value*** *to the shares of Centurion Energy Inc. which will be drilled in the summer of 2004.*

Information edited and published by J_V Investment Advisors is believed to be reliable, but cannot be guaranteed as to its accuracy.
J_V Investment Advisors (its affiliates), directors, officers and/or employees may have a position in these securities.
Information and opinions expressed herein does not constitute a solicitation
to purchase or sell these securities mentioned.

Copyright © 2003 – All rights reserved

175 4.50

TRANSAT A.T. INC.
(TSX: TRZ/http://www.transat.com)

Canada's Largest Tour Operator for the Last 16 Years

3-Year High	Price Low	First Quarter E.P.S.	Six Months E.P.S.	Est. 2003 E.P.S.	P/E	48 Mo. Target	Gain
12.55	3.40	(6¢)	21¢	35¢	12.8	9¼	105%

Capitalization as at April 30, 2003	Millions	%
Long-term Debt and Obligations under Capital Leases	$ 68.2	18.8
Provision for Engine and Airframe Overhaul	48.2	13.3
Non-controlling Interest and other Liabilities	17.4	4.8
Future Income Tax Liabilities	26.9	7.4
Shareholders' Equity (32,718,560 shares*)	201.5	55.7
Total	$ 362.2	100.0

** All directors and officers as a group (10) held 1.8 million shares or 5.5% of the outstandings as at February 26, 2003. The Caisse de depot et placement du Quebec ("CDP") held 3.7 million shares or 11.5% of the outstandings, while the Fonds de solidarite des travailleurs du Quebec (FTQ) (the "Fonds") held 12.0% of the outstandings, both as at February 4, 2003.* ***Fidelity Investments (collectively) held a further 2.7 million shares or 8.3% of the outstandings as at April 9, 2003*** *bringing total shares held by outside investment institutions to 31.8 percent. Warrants to purchase 1.4 million shares @ $6.75 per share expiring on January 10, 2007 were granted the CDP and the Fonds , while on February 19, 2002 a $51 million 9% convertible bond issue was completed maturing in March of 2007 convertible @ $8.75 per share.*

Action: Buy for short, intermediate and long-term capital appreciation.

Transat A.T. Inc. of Montreal, Quebec, Canada is an integrated company specializing in the organization, marketing and distribution of holiday travel.

TRANSAT is UNDERVALUED, trading below its BV, and has indentified operational efficiencies and other cost-saving opportunities including staff reductions of 740 employees during Q2 resulting in savings of at least $20 million per annum OR about 60¢ per share. *Demand for leisure travel in 2002 was affected by the September 11, 2001 event with leisure travel decreasing 5%, the largest decline since 1950. The war in Iraq and SARS, which contributed to a slowdown in demand, accelerated the need for a restructuring program.*

For the six months ending April 30, TRZ reported revenues of $1.2 billion versus $1.06 billion, a gain of 17 percent. Net income was $8.4 million vis-à-vis a loss of $1.4 million, while e.p.s. came in at 21¢ fully diluted. BV was $6.16 per share and cash not held in trust was $298.8 million or $7.24 per share.

Comments: The W/W leisure travel market is c$15 BILLION with c$5 BILLION in Canada growing @ a historical growth rate of 8%. Using a conservative 10% revenue growth factor going forward, a net lower margin of 1.3% (net margins have varied from a low of 1.3% in 1998 to 1.9% in 2000), we estimate that TRZ should enjoy earnings per share of c$1.15 in 2007 assuming 41.6 million shares outstanding surpassing the peak e.p.s. of $1.13 per share in 2000 and sell on a forward preliminary P/E of 8x. Based on these assumptions, investors should enjoy a CAGR (Compound Annual Growth Rate) of c19% per annum over 4-years OR a gain of c100%.

Telephone Interview*: With Nelson Gentiletti, V-P, Finance and CFO July 7, 2003.*

Copyright ©2003 – All rights reserved

TRANSAT, A BACK-UP REPORT

Overview

TRANSAT with just under 5,000 employees as at April 30, 2003 is an integrated company in the tourism industry, specializing in the organization, marketing and distribution of holiday travel. The core of its business consists of tour operators operating in two geographic segments, specifically Canada and France ***accounting for 67.5% revenues and 32.4% for the year ended October 31, 2002.*** *Transat is also involved in air transportation and value-added services at travel destinations, as well as in distributing through travel agency networks end e-commerce initiatives.* ***TRANSAT operates through four major components: AIR TRANSPORTATION, OUTGOING TOUR OPERATORS, INCOMING TOUR OPERATORS AND TRAVEL AGENCIES including HOTEL MANAGEMENT.*** *Air transportation includes AIR TRANSAT, HANDEX, and the FRENCH STAR AIRLINES (44.3% interest by Look Voyages), Outgoing tour operators include AIR TRANSAT HOLIDAYS with 630,000 travellers, KILOMETRE VOYAGES (A division of DMC Transat), REVATOURS, WORLD OF VACATIONS/NOLITOUR with 301,000 travellers, BROKAIR, VACANCIES AIR TRANSAT (FRANCE), and LOOK VOYAGES (99.2% interest) with 1.4 million travellers (in legs). Incoming tour operators and services at travel destinations include AIR TRANSAT HOLIDAYS USA, DMC TRANSAT (71.5% interest), JONVIEW CANADA (35.8% interest), with 161,000 travellers, TRAFIC TOURS (40% interest), and TOURGREECE (40% interest by Look Voyages) with 120,000 travellers. Distribution and travel agencies include CONSULTOUR, EXIT TRAVEL, ANYWAY, and CLUB VOYAGES (FRANCE). Air Transat offers flights out of its principal bases in Montreal, Toronto, Vancouver, Quebec City, Calgary, Edmonton, Halifax and St.John's, as well as some flights out of Winnipeg and Saskatoon. Through certain policy changes that come into force at the beginning of 2002, Air Transat was designated to operate scheduled flights between Canada and the following European countries: the Netherlands, Belgium, Ireland, Italy, Portugal and Poland. These scheduled routes are in addition to those already held by Air Transat for the United States, Cuba, France, the United Kingdom and Germany. Air Transat flies to some 90 destinations in 27 countries and is the leading air carrier in Canada specialing in charter services.* ***It is the first choice of holiday travelers for France, Belgium, the Netherlands, the United Kingdom, Greece, Germany, Portugal, Cuba, the Dominican Republic, Mexico, Venezuela, Colombia and Costa Rica. Air Transat mainly serves sunshine destinations during the winter season and European destinations during the summer.*** *Air Transat currently operates a fleet of 17 aircraft with a seating capacity of c4,000 seats. In 2002, Air Transat had approximately 13,700 flights, with 264 flights a week on average. STAR Airlines operates six Airbus A320 aircraft with 180 seats each and one Airbus A330-200 aircraft with 364 seats.* ***In fiscal 2002, approximately 2.9 million passengers traveled with Air Transat, divided amongst the major market segments as follows: international flights (81.2%), transborder flights (12.3%), and domestic flights (6.5%). In fiscal 2002, STAR Airlines carried some 819,000 passengers to numerous destinations, the main destinations being Spain, Italy, Greece, Senegal, Tunisia and Morocco. TOUR OPERATORS accounted for a little over 60% of Air Transat's revenues for the year ended on October 31, 2002 totaling $1.25 billion out of $2.08 billion in revenues.*** *The year of 2001 saw a major expansion of the travel agency network. The Transat group now has approximately 231 franchised, affiliated, or wholly-owned agencies. Consultor is the leading franchisor in Quebec and ranks second in Canada. It has based its development strategy on the vertical integration of the major components of leisure travel. The Corporation's tour operators and travel agencies benefit from the availability of seats on the Corporation's own air carriers. This strategy encourages synergies, ensure reciprocal loyalty between the levels of operations and permits better quality control of the Corporation's products and services. It also gives the Corporation more flexibility to adjust prices, products and services offered by the different levels of operations, enhancing its ability to operate profitably. This strategy has led the Corporation to acquire, or to invest in outgoing tour operators and travel agencies in Canada and in Europe while continuing its air carrier services, and has also led the Corporation to acquire, invest in or create incoming tour operators.*

Information edited and published by J_V Investment Advisors is believed to be reliable, but cannot be guaranteed as to its accuracy.
J_V Investment Advisors (its affiliates), directors, officers and/or employees may have a position in these securities.
Information and opinions expressed herein does not constitute a solicitation
to purchase or sell these securities mentioned.

The Original Pencil Letter, a division of JvInvestment Advisors, SEC Registered Investment Advisor
Copyright © 2000 – All rights reserved

Converted to Oil & Gas Trust Effective July 12, 2005

66 *C2.20*

THUNDER ENERGY INC.
(TSE-THY/http://www.thunderenergy.com)

An Alberta-Based Energy Company Moving into the Ranks of a Junior Oil & Gas Company

4 Year High	Price Low	3-Year C.F.P.S. Growth Rate P.A.	1Q C.F.P.S. Growth Rate	Est. 2000 E.P.S.	P/CF	12 Mo. Target	% Gain
C3-1/4	C90¢	45%	200%	95¢	2.3x	C5-3/4	161 %

Capitalization as at March 31, 2000	*Millions*	*%*
Long-term Debt	$ 23.7	39.0
Provision for Site Restoration	0.3	0.5
Deferred Income Taxes	8.4	13.9
Shareholders' Equity (27,553,560 shares*)	28.3	46.6
Total	$ 60.7	100.0

**Fully diluted with all directors and officers as a group holding 7.5% of the outstandings as at April 17, 2000 with 2-outside institutions holding 31.1% noting 2.4 million shares @ $2.50 were priced June 30, 2000.*

Action: Buy for short, intermediate and long-term capital appreciation.

Thunder Energy Inc. of Calgary, Alberta, Canada is an emerging energy company that has recently entered the ranks as a significant junior oil & gas producer.

Of the over 150 locations in Thunder's drilling inventory, 65% is weighted to natural gas *where the average finding costs for total reserves since inception was C$5.03 per boe noting the gas to oil revenue ratio in 1999 was 55 percent. During the 1Q, the Company completed a 92% buyout of its 3-core properties - Rosalind, Matziwin and Manola, all Alberta based for C$49.1 million effective January 1, 2000. This translates to C$6.10/boe for proved reserves and C$5.10/boe for proved plus probable reserves. A 4th new core area was added in 1999 known as Fern/Big Valley which included 45 sections of land and control of a 10 mmcf/d plant with considerable available capacity where a no. of shallow gas plays will be drilled.*

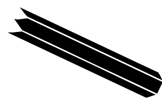
For the year ended December 31, 1999, THY reported revenues of C$15.4 million versus C$10.0 million, an increase of 54 percent. Net income was C$2.4 million against C$1.3 million, while c.f.p.s. was C33¢ vis-à-vis C25¢, an increase of 32 percent. For the 1Q, THY reported revenues of C$6.25 million versus C$2.07 million, a jump of 202 percent, while c.f.p.s. was C15¢ vis-à-vis C5¢, a gain of 200 percent. Over a 70% production gain was recorded in the 1Q which averaged 2,543 boe/d. Thunder has locked-in prices on futures markets for c50% of production until mid-2001 at av. prices of C$4.00/mcf at AECO and US$24.00/bbl. for WTI.

Comments: ***CANADA HAS TOTAL NATURAL GAS RESERVES OF c75 TRILLION CU. FT. NOTING THE usa CONSUMES c23 TRILLION CU. FT. PER YEAR WHICH WOULD EXHAUST CANADA'S RESERVES IN c3.5 YEARS****. Natural gas prices can only move higher in the medium to longer term. Even with the recent 500,000 bbls./da cut-back by Saudi Arabia, THY should reach its goal of 95¢ in cash flow per share for the year 2000 which assumes WTI (US$/bbl.) at $24.50 (should average $26.50 for 2000) and a natural gas price of C$3.65 (Alberta spot) ($/mcf) or $3.50 (THY wellhead). THY trades at a bargain 2.3x cash flow, which should expand to 6x in the next 12-months. According to Doug Dafoe, Pres. and CEO, THY is "on the verge of reaching a major milestone of 5,000 boe/d within 1-year" which would produce C$1.35 per share in cash flow for 2001 on a low CASH FLOW MULTIPLE of 1.6x and on a higher Cdn. $ over US70¢.*

Telephone Interview*: With Brent Kirkby, V-P Finance and CFO, July 12, 2000.*

Copyright © 2000 – All rights reserved

THUNDER ENERGY, A BACK-UP REPORT



Overview

An estimated 40% of gas reserves (University of Calgary) remaining to be found in Western Canada are expected to come from shallow to medium depth geological zones. These plays are the backbone of Thunder's core areas. Thunder primarily pursues gas plays, but the multi-zone potential in the area has yielded significant oil production and reserve additions. Drilling success has been in excess of 90% since the company was formed in 1996. Using a typical Thunder drilling prospect, which THY expects to average 1 bcf per well, and with a $3.50 gas price, the before tax of return for wells drilled is now estimated at more than 200 percent, with a 4.5 times recycle ratio. The Company has achieved proved reserves of 100,000 boe per well and average productivity of 80 boe/d over 90 wells drilled. This high rate centers around the considerable knowledge the Company has gained about its core areas, which all share similar geology. The multi-stacking zones reduce risk, as does focus on shallow to medium depth drilling. Rosalind remains the company's largest source of both oil and natural gas, and further growth is planned in 2000. Thunder's Mannville oil pool discovery in late 1997 is continuing to be developed, along with a second oil pool discovered in late 1998. A third pool has been evaluated on 3D seismic, with drilling plans pending. In 1999, Thunder installed acid gas injection facilities to increase sour gas processing. Manola is primarily a gas play with the added advantage that volumes are sold to a local utility at a premium to spot market prices. The area is largely unexplored, as, until last fall, there was a lack of processing facilities. New pipeline capacity has been added and a mid-stream operator completed a 10 mmcf/d gas facility in October. This plant is currently dedicated to Thunder. Previously shut-in gas wells plus new wells drilled during 1999 have been brought onstream resulting in current production in excess of 8.0 mmcf/d. Thunder has a huge inventory of exploration and development wells to choose from in 2000, including development of existing pools. Matziwin has consistently provided Thunder with multi-zone oil and gas prospects. Capacity is currently available, and drilling is expected to generate substantial growth in 2000. Three gas wells currently awaiting pipeline construction should be tied in by mid-year. Other plans for the year include expansion of the exploration block in the south, and Thunder is pursuing down spacing of existing oil pools. Thunder acquired Fern/Big Valley in 1999. Successful drilling in 1999 doubled production to 550 boe/d and further increases will be seen in 2000. The Company markets its natural gas into the Alberta spot market and through aggregators, which sell to major markets in Canada and the United States. Aggregator prices are based on a combination of term and spot markets. Crude oil and natural gas liquids are sold on a spot basis at various delivery points in Alberta. Prices received for crude oil and natural gas liquids are determined by the quality of the crude compared to a benchmark price for light sweet oil. Thunder's composite crude oil is a medium blend averaging approximately 25° API and is discounted to the Edmonton light (40° API) posted price. In 1999, Thunder increased its exposure to the Alberta spot market for natural gas sales with 20% of total sales directed to the spot market, up from 15% in 1998) with TransCanada accounting for 40%, Progas 15%, Pan Alberta 10%, and Others 15%. To capture current pricing upside, this trend will continue. In January 2000, 50% of Thunder's natural gas production was sold on the Alberta spot market. Recent forward hedges will allow Thunder to pursue a substantial drilling program and, at the same time, make fixed debt repayments until the end of 2000 reducing 2Q long-term debt of c$62 million to c$50 million and Thunder's debt ratio to less than 2x. Based on the proforma acquisition as at December 31, 1999, natural gas reserves proved plus probable stand at 114 billion cu. ft., while oil and NGLs reserves proved plus probable stand at 7.94 million bbls. which equates to a natural gas life index of 13.6-years and a oil and NGL life index of 12-years where both these figures reflect current average daily production as at June 1, 2000 (proforma acquisition). Total land holdings have grown from 124,813 net acres in 1999 (150,00 net acres as at March 31, 2000) from 42,015 in 1997. After allowing for the buyout, THY's net asset value for proven + ½ probable reserves is C$5.17 at 10% and C$4.05 at 15%.

Information edited and published by J_V Investment Advisors is believed to be reliable, but cannot be guaranteed as to its accuracy.
J_V Investment Advisors (its affiliates), directors, officers and/or employees may have a position in these securities.
Information and opinions expressed herein does not constitute a solicitation
to purchase or sell these securities mentioned.

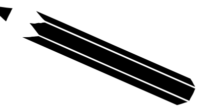
The Original Pencil Letter, a division of JyInvestment Advisors, SEC Registered Investment Advisor
Copyright ©1999 – All rights reserved

Prior to 2 - for - 1 December 6, 2000

101 13-15/16

SURMODICS

(NASDAQ – SRDX)



A Leading Provider of Surface Modification Solutions for Medical Devices

1 Year High	Price Low	1 Year E.P.S. Growth Rate P.A.	1Q E.P.S. Growth Rate	Est. 1999 E.P.S.	P/E	36 Mo. Target	% Gain
16 ½	7-3/16	500%	300%	50¢	28	30	115%

Capitalization as at January 31, 1999	Millions	%
Shareholders' Equity (7,245,305 shares*)	$ 23.6	100

**The Company completed its IPO on March 3, 1998 offering 2.3 mil. shares at 7½ which raised $15.5 million net noting Principals own 68% of the outstanding.*

Action: Buy for intermediate and long-term capital appreciation.

SurModics, Inc. of Eden Prairie, Minnesota is a leading provider of surface modification solutions to the medical device industry.

SurModics is a major leader in the emerging field of medical device surface modification with a large market potential where less than 5% of the $130 bn. medical device industry currently utilizes surface modification technology. Year-to-date agreements more than doubled last year's total with 4 new 2Q PhotoLink Licenses signed. These new licenses include some exciting product applications which should add to the Company's future royalty growth. So far this year 7-agreements are with 6-different medical device manufacturers, all of whom are new clients. The new contracts are primarily related to various catheter and guidewire applications. The Company continues to build a diverse license portfolio that includes 40 companies up from 34 at year end.

For the year ended September 30, 1998, SRDX reported revenues of $9.8 mil. versus $7.6 million, an increase of 29 percent. More importantly, royality revenues increased 64% to $4.8 million from $2.9 million including PhotoLink royalities. Net income was $1.6 million vs. $246,000, while e.p.s. was 24¢ vis-à-vis 4¢ per share. First quarter revenues increased by 38¢ to $2.6 mil. with PhotoLink revenues up 83%, while e.p.s. came in at 12¢ vis-à-vis 3¢. At year end, the Company's net operating loss carry forwards were $4.7 million expiring through to 2011 with an additional $490,000 expiring in 2001.

Comments: *The W/W medical devices industry totaled $130 billion in 1997 and is growing c7% annually where less than 3% of this mkt. or $3.9 bn. involves coated medical devices currently. It is estimated that c50% of the worldwide medical device market is relevant to surface modification suggesting a major total market opportunity of $65bn. A sub-market for W/W angioplasty products, which includes cardiology catheters, stents and other products, exceeded $3.0 billion in 1998. Based on a $65 billion market opportunity and assuming manufacturers and buyers/users are willing to pay a value added of 2% of the retail price of the device, then the W/W market for modification surface technologies equates to $1.3 billion annually. SurModics and other suppliers of surface technology typically receive upfront 2% to 6% of the retail price of the medical device as payment for the technology. Preliminary e.p.s. for September 30, 2000 is 75¢.*

Telephone Interview*: With Steve Hathaway, V-P and C.F.O. April 16, 1999*

Copyright © 1999 – All rights reserved

SURMODICS

Overview

SurModics' primary focus is the commercialization of its patented PhotoLink process (the Company has 21 patents issued in the USA in addition to extensive foreign patent coverage). PhotoLink is a versatile, easily applied, light-activated coating technology that modifies medical device surfaces, providing many performance-enhancing characteristics e.g. lubricity, hemocompatibility, infection, resistance and drug delivery. Lubricity coating improves ease of use, shorter procedure times and increased patient comfort. Lubricious coating combined with infection resistance, hemocompatibility and drug delivery can provide even greater therapeutic benefits. SurModics derives some 60% of its revenues from lubricious coating. The estimated cost of central venous catheter related blood infection was $28,960 per patient and that this infection has a 25% attributable mortality rate. Medical devices coated with antimicrobials, antibiotics or antiseptics significantly lower the risk of patient infection. Studies show that PhotoLink lowers friction on device surfaces by 85% to 95%. Hemocompatible coating reduce blood clotting by more than 90%. And PhotoLink can also cut the adherence of bacteria to surfaces by 97% to 99%, lowering the risk of infection. SurModics' strategy is to license the PhotoLink process to medical device manufacturers who apply the coating process to their own unique medical devices in their own facilities. Most of these licenses are licenses that are non-exclusive, which enables SurModics to spread its risk by putting in place agreements with many manufacturers in the same marketplace noting that about 75% of licenses are non-exclusive. License agreements generally last 15-years or the life of SurModics patents covering the licensed procedure whichever is longer. SurModics negotiates as repeat fees a 2% to 6% of the sales of those medical devices that incorporates the PhotoLink technology. Many licenses also incorporates a minimum royality to be paid prior to market launch of a medical device. Since 1994 Royality Revenues have grown from $1.69 million to $4.78 in 1998 for a c30% CAGR (Compound Annual Growth Rate). Royalities of $4.78 million accounted for 48.9% of '98 revenues, while product sales of $2.79 million accounted for 28.5% with royalities growing 64.2% and product sales growing 29.6%. Product sales of reagents were up 60.7%. An impressive and growing portfolio of applications of over 110 on the market has resulted in significant increases in both royalities and reagent sales, the latter of which is an indication of future product sales by licenses and accounted for c8% of 1998 revenues. It must be pointed out that royalities require no additional investment and carry a gross margin of 100% and account for some 50% of SurModics revenues noting that some of these royalities are on products that have not hit the market yet including some 40 products. SurModics clients include the Who's-who of the healthcare cos. including Abbot Labs, Target Therapeutics (Boston Scientific)(Target has 84% of the USA market for neurovascular devices) and many other medical companies. PhotoLink margins are very high since manufacturers apply the process in their own facilities. A stable part of SurModics revenues is stabilization solutions which is used to expand the shelf life of diagnostic kits for Abbot Labs and others, and was 20% of '98 revenues growing 20% for the year.

Summary

PhotoLink has great potential especially in the field of drug delivery where the process could be used to bind drugs onto surface devices. Once in the body they would be released directly to targeted areas. SDRX should be accumulated.

Information edited and published by J_V Investment Advisors is believed to be reliable, but cannot be guaranteed as to its accuracy.
J_V Investment Advisors (its affiliates), directors, officers and/or employees may have a position in these securities.
Information and opinions expressed herein does not constitute a solicitation
to purchase or sell these securities mentioned.

Copyright© 2000 – All rights reserved

13.8 **2 1/32**

SHOE PAVILION, INC.
(NASDAQ-SHOE/http.//www.shoepavilion.com)

Largest Independent Off-Price Footwear Retailer on the West Coast

2 Year High	Price Low	5 year E.P.S. Growth Rate P.A.	1 Q E.P.S. Growth Rate	Est. 2000 E.P.S.	P/E	12 Mo. Target	% Gain
11 1/4	1.59	27%	- 62.5%	35¢	5.8	3 3/4	85%

Capitalization as at January 1, 2000	Millions	%
Deferred Rent	$ 1.71	8.2
Shareholders' Equity (6,800,000 shares*)	19.04	91.8
Total	$ 20.75	100.00

**All directors and officers as a group (5) held 67.4% as at March 31, 2000 with the Chairman holding 66.2%. The Company's IPO was priced at $7 on February 27, 1998.*

Action: Buy thin for short-term capital appreciation.

Shoe Pavilion, Inc. of Richmond, California, founded in 1979, is the largest Independent off-price footwear retailer on the USA West Coast that offers a broad selection of women's and men's designer brand shoes.

The Company offers quality designer and name brand footwear at 30% to 70% below department store regular prices for the same shoes. Quality brands include Espirit, Puma, Clarks, Dexter, Skechers, Dr. Marten and Timberland at 30% to 70% off. The Company opened, net of closures, 42 stores during 1999. Recent important developments included opening or launching on-line shopping. The most significant event in 1999 (July) occurred when Shoe Pavilion entered into an exclusive agreement with GORDMANS, INC. (formerly Richman Gordman ½ Price Store, Inc.) to operate their shoe departments which added 33-new stores expanding the Company's presence from 3-states to 11-states. In May, 2000, the Company entered into an exclusive agreement with Zappos.com, the leading provider of e-commerce services to the footwear industry (Zappos.com is the world's largest shoe store, giving its customers access to more than 25 million pairs of shoes from over 125 brands). The Shoe Pavilion also sells through it's own website, Yahoo, iVillage and AOL.

For the year ended January 1, 2000, SHOE reported revenues of $71.6 million versus $55.9 million, an increase of 28 percent. Net income was $2.0 million against $2.8 million. E.P.S. for the year was 30¢ vis-a-vis 42¢, and 40¢ the previous year. First Q e.p.s. was 3¢ on a revenue increase of 36% to $19.3 million. BV is running around $3 per share. Substantial improvement is expected in the 3Q and beyond.

Comments: *The moribund shoe market has worked in the Company's favor since it has enhanced the SHOE'S access to good products from manufacturers, as demand has fallen from their other customers. The SHOE operates in the fastest-growing segment of the marketplace noting it's a hybrid retail merchandising concept that has found a lot of favor with consumers since carrying brand names legitimizes the concept and discounting offers the consumer a level of value that they do not get elsewhere in full-service shoe stores and department stores. Other cos. are trying to fill the same niche, but there is plenty of room to grow noting most cannot match the SHOE's 30% to 70% off. The full-price stores just can't touch them while stores are very inexpensive to open too. Preliminary e.p.s. in 2001 is for a return to the previous 40¢ to 45¢ level for a forward P/E of c4.5x noting the industry P/E for 2000 is c8.2x where SHOE sells at a c45% DISCOUNT.*

***Telephone Interview**: With Dmitry Beinus, Chairman & C.E.O. on June 15, 2000.*

Copyright© 2000 – All rights reserved

SHOE PAVILION, A BACK-UP REPORT

Overview

The Company was among the first footwear retailers on the West Coast to expand the off-price concept into the designer and name brand footwear market. As at January 1, 2000, the Company operated 78-stores in California, Washington and the state of Oregon compared to 69-stores as at January 1, 1999 plus 33-licensed shoe departments acquired in July, 1999. The recently acquired licensed stores are much less expensive to run than leased stores since rent paid on licensed stores is based on a percentage sales. All of these licensed stores were running at 100% capacity during 1999. The Company's stores are strategically located in strip malls, outlet centers and downtown locations, frequently in close proximity to other off-price apparel retailers that attract av. similar customers. Stores generally range in size from 3,000 to 14,000 sq. ft. and offer between 15,000 and 30,000 pairs of shoes. In early 1997, the Company entered the Los Angeles market by assuming the leasehold interests of Standard Shoes, a Los Angeles based footwear retailer and then converted 9 of its stores to Shoe Pavilion stores. Net of closures the Co. opened 42-stores in 1999, 14-stores in 1998, 14-stores in 1997 and 3-stores in 1996 noting the Co. intends to open 10 to 15 new stores, primarily in its existing markets, in 2000. The Company's operating strategy is designed to allow the Company to offer customers 30% to 70% below department store prices for the same shoes noting the key elements are: off-price concept premium brands, board selection of designer footwear, diverse vendor network and selective bulk purchases, self-service stores and internet commerce which is growing. The Company's growth strategy is to continue with new store openings, increase comparable store sales, pursue acquisition opportunities and convert old stores to its off-price merchandising format noting 20% of all footwear sales is highly fragmented and includes family and specialty shoe stores and promote the commerce via the internet which it actively pursues. At the Shoe Pavilion, customers navigate amid racks, bins or rows of shoe boxes neatly stacked on shelves, tables and cardboard boxes. The stacks are topped with samples of the shoes below. Customers search out the right styles and sizes, then hunt for a bench to try them on. There is NO BACK ROOM where more sizes might be found List prices generally range from between $19.99 and $69.99 for women's shoes, and between $39.99 and $99.99 for men's shoes. About 60% of its market is in women's shoes, 30% in men's and 10% in athletic footwear noting no children's shoes are stocked. The biggest change made to date was change from SERVICE to SELF-SERVICE during the years of 1993 to 1995, a successful changeover. The Shoe Pavilion gets more than 44% of its inventory from its top 10 suppliers as at year-end and sources directly from factories in Italy, Brazil and China an additional 10.8%. The Company operates from a centrally located warehouse and office facility with some 92,000 sq. ft. which was increased 60% in early 1999. The no. of stores have increased from 38 in 1995 to 111 in 2000 for a CAGR of 24%, net sales of $25.5 million in 1995 to $71.6 million in 2000 for a CAGR of c23% and shareholders' equity from $2.7 million to $19 million for a CGAR of c46 percent. As a result of SHOE's expansion in 1999, total square footage grew by 34% to approximately 659,000 square feet compared to 493,000 square feet for the same period last year. Net margins were running at 5% for the previous 2-years up from 3% in 1996, and 2.8% in 1999 noting net margins will be much higher going forward. Store locations are as follows: 31 in Northern California, 30 in Southern California, 4 in Oregon and 13 in Washington plus 33 licensed shoe departments in 8-additional states. Some plans exist for out-of-state expansion in AZ and IL such as in the Chicago area, but primary focus is to fill its existing markets so the Company can leverage its advertising and then, perhaps reduce expenses which is starting to occur. The Company has already upgraded ALL its information systems which has been and continues to be beneficial in evaluating and running the business, and more importantly it provides the necessary platform to add substantial growth. Poor weather has effected the 2Q, but is improving. Internet sales are encouraging noting the Co. is experiencing sales of ½ to 1 store per year from the Internet. This turnaround situation is grossly undervalued trading at a discount of around 33 percent to its current book value. By 2006, 200 stores will be in-place.

Information edited and published by J_V Investment Advisors is believed to be reliable, but cannot be guaranteed as to its accuracy.
J_V Investment Advisors (its affiliates), directors, officers and/or employees may have a position in these securities.
Information and opinions expressed herein does not constitute a solicitation
to purchase or sell these securities mentioned.

Copyright © 2001 – All rights reserved

210 9

HEADWATERS INC.
(NASDAQ-HDWR/http://www.hdwtrs.com)

A Leader, Innovator and Developer for the Transforming Coal into a Special Alternative and Qualified Fuel

1-Year High	Price Low	1-Year Revenue Growth Rate P.A	9 Month E.P.S. Growth Rate	Est. 2001 E.P.S.	P/E	12 Mo. Target	Gain
15.80	2.06	315%	177%	80¢	11.2	15	67 %

Capitalization as at September 30, 2000	Millions	%
Notes Payable + other Long-term Liabilities	$ 5.2	19.8
Deferred Revenue	10.5	39.7
Shareholders' Equity (23,341,000 shares*)	10.7	40.5
Total	$ 26.4	100.0

*As at March 23, 2001, all directors and officers as a group held 8.6% of the outstandings. Options exercised at year-end were 2.2 million shares at a weighted av. price of $5.29 per share. In fiscal 2000, Headwaters adopted a stock buy back program for up to 3 million shares and as at June 30, 2001, it had repurchased c2.33 million shares at an av. price of $4.96 for a consideration of $11.4 million.

Action: Buy for short, intermediate and long-term capital appreciation.

Headwaters Incorporated of Draper, UT brings energy technology to the marketplace by adding value to fossil fuels such as coal and heavy oils.

FULL YEAR REVENUES for HEADWATERS have SURGED 315% on innovative chemical technology that interacts with carbon based feedstock to produce an alternative fuel. *Through its existing fuels business, Headwaters earns a stable and growing royalty stream that provides capital needed to expand its fossil energy technologies. On May 3, 2001, Headwaters announced it was purchasing the privately-held Hydrocarbon Technologies Inc. based in NJ, an alternative fuel maker, for $14.5 million in cash and stock which is the FIRST acquisition for HEADWATERS in the course of its 13-year history and is slightly accretive for fiscal 2001 with increasing net earnings in future years. Technologies acquired include that for converting coal into clean diesel fuel and a catalyst technology that helps turn heavy oil into light oil which will be later commercialized.*

For the year ended September 30, 2000, HDWR reported revenues, excluding non-recurring transactions, of $27.8 million versus $6.7 million, a surge of 315 percent. With licensing fees up 394% to $17.3 million and chemical sales up 364% to $9.7 million. First time net income was $3.7 million against losses in previous years, while e.p.s. came in at 15¢. For the first nine months ending June 30, 2001, HDWR reported revenues of $32.8 million up 72% with diluted e.p.s. up 177% to 61¢. Chemical sales are up 148% to $15.4 million. Net operating loss carry forwards of c$31 million were available to offset future taxable income as June 30, 2001.

Comments: ***HDWR*** *was the* ***BEST PERFORMER*** *on the Utah top-10 gaining* ***574%*** *to close @ $16, a record high, during the first half of 2001 reflecting the energy crisis in the West.* ***The SYNFUELS MARKET is more than a ONE BILLION MARKET growing @ 30% per year and is competitively priced to the traditional fuels market.*** *Preliminary e.p.s. for fiscal 2002 are $1.00 on a P/E of only 9x offering SUPERIOR VALUE going forward.*

Telephone Interview*: With Sharon Madden, Director, IR, via Kirk Benson, CEO, August 14, 2001.*

Copyright © 2001 – All rights reserved

HEADWATERS, A BACK-UP REPORT

Overview

Headwaters' technologies are being used to transform coal, coal fines, coal refuse and other coal derivatives into a special qualified fuel. The technologies molecularly bind coal derivatives into a formed fuel through a significant chemical reaction. The resulting product has been classified as a "qualified fuel" within the meaning of Section 29 of the U.S. Internal Revenue Code. Headwaters' technology royalties and chemical reagent sales ultimately derive from each licensee's ability to manufacture and sell qualified fuels that generate tax credits for the facility owner. Section 29 of the U.S. Internal Revenue Code provides for a credit against regular federal income tax with respect to sales of qualified fuel to an unrelated party. The Section 29 credit equates to approximately $20.00 - $28.00 per ton of alternative fuel. The Section 29 credit is subject to a phase our after the unregulated oil price reaches approximately $48.00 per barrel. Headwaters earns royalties based upon the sale of qualified fuel. Headwaters also earns revenues from chemical reagent sales to these producers. Headwaters technologies have broader potential applications. For example, the technologies can also be used to transform coke dust into formed coke. The Headwaters technologies can also be used to convert iron rich wastes into usable iron. These by-products present environmental problems for the steel industry. Because of their high iron content, they also have high potential value. Headwaters technologies have been demonstrated to be capable of producing briquettes from such steel production wastes. Such briquettes can be further processed in metal reducing furnaces to form high grade pig iron, a common form o feed material used in the steel industry. Briquettes containing other by-products appear potentially marketable to ferrous and non-ferrous metals producers and to other industrial consumers. ***HEADWATERS HOPES TO DIVERSIFY ITS OPERATION IN RELATED BUSINESSES, BUILDING ON ITS CORE COMPETENCIES IN SPECIALTY CHEMICALS, ENERGY, ANDIN RESOURCE RECOVERY.*** *There are 28 facilities owned by unaffiliated third parties located in nine states that are licensed to use Headwaters' alternative fuel technology. Headwaters and its licensees are in the process of increasing production levels and product sales. An industry report estimates that the optimum potential production level for the Headwaters' alternative fuels technology is 23,000,000 tons per year on the low side to 44,000,000 tons per year on the high side. Licensees' reports of alternative fuel sale for the quarter ended September 30, 2000 yield annualized sales of approximately 9,800,000 tons (actual: 2.4 million tons). For the year ended September 30, 2000, a total of 5.5 million tons of synfuel or alternative fuels were sold in addition to over 9 million dry pounds of chemical emulsions which represented a 333% gain over 1999 for chemical sales (over 2 dry pounds of chemicals are required for every ton of synfuel produced). The fees paid to Headwaters under the license agreements are not based on the sales price of the alternative fuel product but rather the tax credits earned. The license agreements generally have a term continuing through the later of January 1, 2008 or the corresponding date after which tax credits may not be claimed or are not otherwise available under Section 29 or the tax code. The price for the chemical sold to the licensees falls into two categories: a fixed price, or an amount equal to Headwaters' cost plus a prescribed mark-up. The chemical reagent is currently manufactured by Dow Chemical Corporation for Headwaters utilizing Headwaters' patented and proprietary technology through to 2007. Headwaters does not inventory any chemical material but instead arranges with Dow for shipping of the chemical reagent directly to the facilities. Major licensees were as follows for 2000: PacifiCorp affiliated licensees; a Fluor Corporation affiliated licensee; and Pace Carbon Fuels, L.L.C. affiliated licensees all of which accounted for c65% of revenues. Headwaters has a contract to operate one alternative fuel facility located in Pennsylvania. Headwaters has eight U.S. patents that expire on January 21, 2014 and one U.S. patent that expires on August 9, 2011. Year-end 2000 net margins were 13.3% while net margins for the first nine months of 2001 were 45.4 % (3Q was 46.7%) with expected fully taxed net margins of over 25 percent per annum going forward in future years.*

Information edited and published by J_V Investment Advisors is believed to be reliable, but cannot be guaranteed as to its accuracy.
J_V Investment Advisors (its affiliates), directors, officers and/or employees may have a position in these securities.
Information and opinions expressed herein does not constitute a solicitation
to purchase or sell these securities mentioned.

The Original Pencil Letter, a division of JvInvestment Advisors, SEC Registered Investment Advisor
Copyright © 2003 – All rights reserved

Taken Over Effective July 12, 2005 @ US$2.60 cash OR C$3.22 by Logibec Groupe

12.5 89¢

MDI TECHNOLOGIES, INC.
(TSX-V: MDD.U/http://www.mditech.com)

A Leading Software Systems and Support Provider to the Long-Term Healthcare Market

1-Year High	Price Low	1-Year Revenue Growth Rate P.A.	1-Year E.P.S. Growth Rate	Est. 2003 E.P.S.	P/E	18 Mo. Target	Gain
C93¢	C20¢	35%	1,100%	US15¢	3.9x	C3.70	316%

Capitalization as at September 30, 2002	Millions	%
Long-term Debt + Capital Lease Obligations	US$ 0.083	1.7
Shareholders' Equity (12,192,584 shares*)	0.379	98.3
Total	US $ 0.462	100.0

**All directors and officers as a group (5) held 58% of the outstanding as at January 1, 2003. Warrants outstanding total 953,020 with expiration dates ranging from September 2, 2003 through to August 21, 2005 at a low exercise price of C$1.00 (365,000 shares) to a high exercise price of C$3.86 (300,000 shares). Outstanding options total 751,583 with expiration dates ranging from May 5, 2003 through to April 3, 2007 at a low exercise price of C21¢ to a high of C$4.25.*

Action: Buy for short-term capital appreciation.

MDI Technologies, Inc. of St. Louis, Missouri develops and markets a family of software products for the healthcare industry.

MDI has DELIVERED a RETENTION RATE OF 96% of its CUSTOMERS since the Company was founded in 1982 ENJOYING SIX QUARTERS OF PROFITABLE EARNINGS GROWTH. *On August 26, 2002, MDI introduced its HIPAA Organizer, a stand-alone module designed to help* ***Long-Term Care (LTC) facilities*** *organize the* ***OVERWHELMING TASK*** *of complying with HIPAA regulations that have become law for all healthcare facilities throughout the USA. Contrary to historical summer slumps in software sales, the summer of 2002 was the* ***BEST SUMMER*** *for MDI since it was founded. Also, in August an agreement was signed with a PA nursing home management corporation that owns and manages long-term care facilities in Ohio and Pennsylvania and in January, 2003 with an Oklahoma state corporation.*

For the year ended December 31, 2002, MDD.U reported revenues of US$6.8 million versus US$5.18 million, a gain of 32 percent. Net income was US$1.4 million against US$128,831, while e.p.s. was US12¢ against 1¢, a surge of 1,100 percent. Recurring revenues continue to climb steadily as the Company gathers additional market share. Currently, recurring revenues are at a rate of US$4.7 million annually. The month of January, 2003 was a RECORD MONTH with increasing net margins and market share.

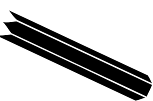
Comments*:** ***IT services spending will grow from US$7.09 BILLION in 2001 to US$11.91 BILLION in 2006 for a CAGR (Compound Annual Growth Rate) of c11 percent according to IDC in 2002. MDD.U has 6.5% of the 17,000 LTC facilities in the USA whose total market value is estimated @ US$1 BILLION per year. The Assisted Living Facilities market which the Company has entered into during 2002 accounts for another 30,000 facilities USA wide valued @ an additional US$1 BILLION. Combined these facilities are growing at 11.5% per annum and will total 90,000 in 2010. Preliminary earnings for December 31, 2004 are estimated at US17¢ per share on a very low P/E of 3.5x which should expand to at least a market multiple of 16x producing a potential gain of 316 percent.

Telephone Interview*: With Todd A. Spence, President and C.E.O. February 10, 2003.*

jvinvest@smallcapoftheweek.com
PROFIT FROM IT
IT'S USER FRIENDLY
February 10, 2003

Copyright © 2003 – All rights reserved

MDI TECHNOLOGIES, A BACK-UP REPORT

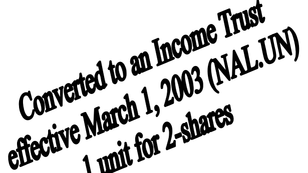


Overview

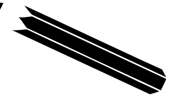
MDI which serves a USA nationwide client base of 1,100 + customers develops and markets a family of software products for the healthcare industry. Such products deliver an innovative system that allows long-term care facilities the ability to run clinical and accounting software applications either locally or over the internet. In addition, MDI provides assessment tools and staging criteria for customized patient care in the long-term care segment of the healthcare market. In 1999, MDI began deploying its first product via the ultra-thin client technology based on Microsoft's Windows 2000 Terminal Server and Citrix MetaFrame. Such technologies allow the company to deliver its products offering via the Internet from the one central location, ***PROVIDING SIGNIFICANT COST SAVINGS*** *for both MDI and its customers. MDI Technologies flagship line of Windows-based software products services offer* ***ON-LINE ADVANTAGES: MEDICAL RECORDS*** *– is designed to effectively monitor and assess the medical situation of each patient from care history to generating reports to any changes in the patient's physical status,* ***PREVIEW -*** *allows you to make financially sound decisions earlier in the admissions process by calculating the projected expenses and reimbursements for the first 14 days of care,* ***MARKETING/QUICK ADMIT*** *– simplifies and organizes the critical marketing process by streamlining the admission process,* ***HUMAN RESOURCE CENTER*** *– designed to assist management personnel in the hiring and development of employees,* ***TOUCH TIME*** *– accurately tracks employee hours and helps streamline the payroll process,* ***ACCOUNTS RECEIVABLE*** *– effectively handles the full range of Long-Term Care billing transactions and operations for Private, Medicare, Medicaid, DMH, Veterans Administration and Managed Care,* ***ACCOUNTS PAYABLE -*** *this date sensitive feature offers flexibility for posting or paying invoices,* ***GENERAL LEDGER*** *– designed to interface with the* ***Accounts Payable, Accounts Receivable and Payroll*** *systems allowing access to up-to-the-minute balance on accounts,* ***SCHEDULE PRO*** *– allows multiple supervisors to create rolling schedules for each shift and discipline in their department as well as tracking days off,* ***PAYROLL*** *– accommodates multiple departments, multiple pay rates and multiple shifts per employee and meets all state and federal requirements,* ***VALUE ADDED SERVICES*** *– MDI offers free, unlimited basic training to users and once that training has been completed offers a comprehensive training program and full support services.* ***As at December 31, 2002, revenues were distributed as: SOFTWARE RENTAL FEES 58%, SOFTWARE LICENSE SALES 25%, SUPPORT AND MAINTENANCE FEES 12%, ASP HOSTING FEES 3%, and VALUE-ADDED SERVICES 2%. MDI provides solutions for a highly regulated industry where electronic submission is required by law in 2003 for: MDS Assessments, PPS Reimbursement, and HIPAA (Compliance with the Health Insurance Portability and Accountability Act of 1996 is now mandatory).*** *MDI's standard agreements are for two to five year terms. Software pricing varies from low of US$5,000 to a high of US$500,000 with an average of US$40,000 with Michigan, Missouri and Ohio accounting for over 10% of revenues. Thereafter, the client has the option to either cancel their agreement with MDI or renew for another term. This client retention adds to MDI's ever-growing recurring revenue stream. This represents an increase of 30% year over year. The Company used surplus cash from operations to retire most current debt on the balance sheet, including bank debt of approximately US$500,000 and capital leases in excess of US$150,000. While not anticipating any cash requirements over the near term, the Company nevertheless has secure a US$1,000,000 line of credit with a US Bank. The purpose of the line of credit is to remain well positioned to take advantage of opportunities as they might arise in the marketplace.* ***Net margins were running in excess of 20.6 percent for the year ending December 31, 2002 and should continue at this level going forward with a FULL PIPELINE expected in 2003 according to Todd Spence, President and C.E.O. MDD.U is UNDERVALUED and represents a VERY ATTRACTIVE BUY in a VERY ATTRACTIVE INDUSTRY where medical represents c14% of usa GDP.***

Information edited and published by J_V Investment Advisors is believed to be reliable, but cannot be guaranteed as to its accuracy.
J_V Investment Advisors (its affiliates), directors, officers and/or employees may have a position in these securities.
Information and opinions expressed herein does not constitute a solicitation
to purchase or sell these securities mentioned.

Copyright © 2002 – All rights reserved



143 **3.25**



NEWALTA CORPORATION
(TSE-NAL/http://www.newalta.com)

Canada's Premier Environmental Manager of Industrial Waste

3-Year High	Price Low	1-Year E.P.S. Growth Rate	6 Months E.P.S. Growth Rate	Est. 2003 E.P.S.	P/E	18 Mo. Target	Gain
C5.00	C2.00	30.2%	-13%	C38¢	8.5	C4.80	48%

Capitalization as at December 31, 2001	Millions	%
Long-term Debt + $3MM 8% Conv. Debs. due September 30, 2003	$ 48.08	24.8
Future Income Taxes	29.77	15.4
Site Restoration	2.30	1.2
Shareholders' Equity (35,408,000 shares*)	113.76	58.6
Total	$ 193.91	100.0

*All directors and officers as a group (9) as at April 10, 2002 held 15.6% of the outstandings. During 2001, a total of 966,450 shares were repurchased @ an average price of $2.80 per share under its Normal Course Issuer Bid Program for up to 5% of outstandings as at December 31, 2001. A total of 1.45 million options were exercised at an average price of $ 4.93 per share as at December 31, 2001. On April 4, 2002, the Company completed a bought deal offering 8.2 million shares @ $3.65 per share.

Action: Buy for short, intermediate and long-term capital appreciation.

Newalta Corp. of Calgary, Alberta products quality products from wastes that have recoverable resources.

Newalta has the LARGEST MARKET without a doubt in western Canada in OILFIELD WASTE and is a LEADER in RECYCLING SOLVENTS and GLYCOL/ANTIFREEZE, while its success in CONVERTING WASTE LUBE OIL into HIGHER VALUE PRODUCTS is UNIQUE in NORTH AMERICA. *In June 2001, it acquired Aqua-Pure's Calgary facility for $3.5 million, the first industrial waste recovery of its kind in Alberta, while in August it acquired Anadime, an oilfield services company offering waste processing and treatment services in Western Canada for $20.9 million. On August 13, 2002, Mowhawk Lubricants Ltd. generating revenues of c$20 million was acquired for c$9 million (accretive) financed with a $6 million 9.5% conv. deb. convertible @ $4.00 per share + cash.*

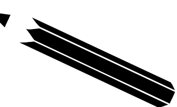
For the year ended December 31, 2001, NAL reported revenues of $92.9 million versus $78.4 million, an increase of 19%. Net income was $10.23 million against $7.71 million, while fully diluted e.p.s. was 30.9¢ vis-à-vis 23.5¢, a gain of 30.2%. Goodwill was low @ around 6%. Earnings per share for the first six months ending June 30, 2002 was down 13% to 11.7¢ on a revenue gain of 11% with Q2 e.p.s. down 27% to 4.4¢ per share. Results were impacted by dilution, an oil patch slowdown and reduced drilling activity off by c40%.

Comments: *Newalta has become THE DEFINITIVE INDUSTRIAL WASTE MANAGEMENT in Canada gaining 50% of the total market and a higher percentage of segments in which it operates.* ***PLANNED EXPANSION into EASTERN CANADA where the size is at least 3x that of the WEST is an IMMEDIATE and MAJOR OPPORTUNITY. The potential market in Canada overall was C$1 BILLION in 2001 with an ADDITIONAL OPPORTUNITY in the US of C$3.5 billion per annum and C$35 BILLION GLOBALLY with the right partners.*** *Newalta has value ranging from 1.5x year-end BV of $3.21 or $4.80 per share to a net BV for P, P & E of $5.35 per share going forward. E.p.s. for 2002 should come in at c33¢ on a P/E of 9.8x.*

Telephone Interview: *With Ronald L. Sifton, SVP, Finance and CFO, August 28, 2002*

Copyright © 2002 – All rights reserved

NEWALTA, A BACK-UP REPORT



Overview

Newalta with a network of 32 service centres, world class technologies, diversified services and products and over 435 employees is leading the transformation of the waste management industry. It collects and TREATS a BROAD SPECTRUM of INDUSTRIAL WASTES. By producing quality products from wastes that have recoverable resources, Newalta closes the environmental loop. Its focuses on recycling and the recovery of products for resale with minimal disposal. NEWALTA does not look for opportunity since it finds it right in its own backyard – from oil & gas fields of Western Canada, across the agricultural backbone of the praires to the industrial, refining and manufacturing centres of Eastern Canada. OPPORTUNITY for Newalta include automotive, forestry, pulp & paper, manufacturing, mining, oil & gas, petrochemicals and transportation. ***ITS GOAL FOR CUSTOMERS IN MANY INDUSTRIES IS "ONE-STOP SHOPPING". With more than 880,000 barrels of crude oil recovered in 2001 @ an average price of cUS19 per barrel. Newalta expects to recover more than 1 million barrels in 2002.*** *Newalta COLLECTS* ***industrial waste*** *e.g. contaminated fuels, glycol/ antifreeze, greases, oil filters, oily and corrosive waters, paint wastes and cans, plastics, solvents, sump sludges, tank sludges and bottoms, automotive engine oil, compressor oils, cutting and machining oils, heavy duty engine oils and transmission fluid AND also* ***oilfield*** *waste e.g. drilling wastes, frac fluids, residual treatment sludges, slope oil, spill materials, tank bottoms and well workover waters. As a result, Newalta PRODUCES glycol and solvents, fuels (waste oil is thermally processed and sold as asphalt flux, drilling oil, burner fuel, explosive career fluid, refinery feedstock and diesel fuel), metals (metal from paint cans and oil filters is shredded and sent to recyclers for steel manufacturing) and crude oil and solids.* ***In 2001, 54.5 million litres of products were sold to customers****. Customers include: Alberta Energy, Anadarko, Apache, ARC Resources, Baytex Energy, Burlington Resources, Calpine, Devon, Husky Energy, Nexen, PanCanadian Energy, Perto-Canada, Petrovera Resources, Star Oil & Gas, and Talisman Energy. Collection and processing accounted for 76% of revenues with product sales at 24% in fiscal 2001 which included an average 7% mid-year price increase. The Conventional and Heavy Oilfield segment accounted for 68% of revenues, while Industrial and Oil Recycling accounted for 32% where the average price for these products in 2001 increased approximately 35% from 2000.* ***Approximately 85% of the waste materials received are generated from ongoing oil production in Western Canada.*** *Heavy oilfield revenue represented 21% of revenues and is estimated to be c18% for 2002. Operating margins for Conventional Oil can vary from 35% for WTI (US$/bbl) at $20 to as high as c49% at $30, while Heavy Oil can vary from c47% at $20 to as high as c58% at $30. The outlook for Conventional Oil remains positive with current crude oil prices being well above price levels where production would be shut-in. Capital expenditures for 2001, net of disposal proceeds, were $51.8 million, up substantially from $14.0 million in 2000. The Aqua –Pure facility and Anadime acquisitions and subsequent capital upgrades totaled $26.2 million or 51% of the Company's 2001 total capital expenditures. Growth and productivity capital of $17.6 million, in 2001, consisted of major upgrades and expansions of Airdrie, Calgary, Elk Point, Drayton Valley and Zama, Alberta and a new facility at Nanaimo, British Columbia. Sustenance capital for 2001 was approximately $8.0 million (2000 - $5.3 million) and is expected to be approximately $8.0 million for 2002. During 2001, the Company continued the development of centrifuge technology to recover crude oil from difficult-to-treat liquid waste oil streams. Since 1993 through 2001, revenues have compounded @ close to 26% per annum with e.p.s. compounding @ 15% per annum with net margins fairly steady at 10.4% in 1993 vis-à-vis 11.0% in 2001 up from 9.8% in 2000.* ***The Eastern Market @ a potential size of $650 million offers Exceptional Opportunities going forward where collection and recycling of oil filters, glycol/antifreeze, lubricating oils and other industrial-related materials are DIRECTLY TRANSFERABLE to these new markets.*** *On May 2, 2001, Canadian Crude Separators (CCR.UN) made an unsolicited bid when Newalta was trading @ $3.35 per share which was thwarted on July 6, 2001.* ***NAL represents a VERY ATTRACTIVE BUY.***

Information edited and published by J_V Investment Advisors is believed to be reliable, but cannot be guaranteed as to its accuracy.
J_V Investment Advisors (its affiliates), directors, officers and/or employees may have a position in these securities.
Information and opinions expressed herein does not constitute a solicitation
to purchase or sell these securities mentioned.

Copyright © 2003 – All rights reserved

385 **2.85**

FIRST CALGARY PETROLEUMS LTD.
(TSX: FCP/LSE: FPL/http://www.fcpl.ca)

The Algerian MLE Pool is Emerging as a Giant Gas & Condensate Field Far Exceeding Expectations

1 Year High	Price Low	MLE Well #1 Flowed	MLE Well #2 Flowed	First Quarter E.P.S.	36 Mo. Target	Gain
C3.42	C83¢	43 mmcf/d	183 mmcf/d	negative $0.01	$6	110%

Capitalization as at March 31, 2003	Millions	%
Provision for Site Restoration Costs	$ 0.035	0.05
Shareholders' Equity (124,547,157 shares*)	72.067	99.95
Total	$ 72.102	100.00

*All directors and officers as a group (4) held 2.09 million shares as at April 30, 2003 or about 1.67% of the outstandings. In February of 2003, 14,893,620 shares were issued (10,807,620 shares @ $2.35 per share and 4,086,000 shares @ $0.95 per share) and 893,617 common share purchase warrants exercisable @ $2.60.

Action : Buy for speculative intermediate and long-term capital appreciation.

First Calgary Petroleums Ltd. of Calgary, Alberta is a Canadian oil and gas exploratory company that is actively engaged in international exploration and development activities, primarily in North Africa.

The MLE-1 and MLE-2 wells, located in the Berkine Basin on the same geological structure in the LEDJMET BLOCK, successfully tested gas and condensate from multiple geological horizons totaling a WHOPPING 53,200 BOE per day on a combined basis. *The MLE-3 was scheduled to commence in June of 2003. Two gas pipelines connect Algeria to southern Europe under the Mediterranean including Italy. Sonatrach, the state oil & gas company, is looking into the expansion of these pipelines and a 3rd export pipeline to Spain is planned to commence contr. in 2003. Algeria's energy sector has become one of the most sophisticated in the world with the latest production and drilling technology available.*

To date, FCP has not entered into production and revenues are nil, while the loss for Q1 ended March 31, 2003 was $1.17 million vis-à-vis $721,725. Cash and cash equivalents were $39.9 million and are enough to fulfill exploratory obligations. Future obligations through to 2006 year-end entails US$19 million for Algeria and may involve an additional secondary in future.

Comments: *FCP/FPL is clearly a FUTURE TAKE OVER CANDIDATE going forward.* **Algeria has the largest reserves of gas in Africa (146.5 TCF) and third largest oil reserves (15.4 billion bbls). Exploration success rates are among the highest in the world, particularly within the Berkine Basin. Drilling densities remain very low, averaging only 15 wells per 10,000 km^2 compared with a world average of 95 and North America's mature basins at 500. Algeria provides 15% of the continent's natural gas consumption and some 29% of Europe's gas imports. European consumption of natural gas is projected to increase approximately 46 per cent by 2010 while Algeria is looking to increase its production capacity by 40 per cent by 2005. Using a PV (10) with escalating prices over the field life of the LEDJMET block ONLY, DeGolyer and MacNaughton has estimated a net asset value for gross reserves of proven plus probable of 2.4 TCFe to proven, probable and possible of 5.7 TCFe of between US$2.75 per share (US$372 million) to US$4.24 per share (US$573 million) or about C$3.87 per share to C$5.98 per share @ current exchange rates net to FCP fully diluted.**

Telephone Interview: *Executive Assistant to Richard G. Anderson, President and C.E.O. July 22, 2003*

Copyright © 2003 – All rights reserved

FIRST CALGARY, A BACK-UP REPORT

Overview

First Calgary Petroleums has commenced drill programs on their two licenses in the oil rich BERKINE BASIN, ALGERIA. THE AREA IS WIDELY CONSIDERED TO BE ONE OTHE MOST PRODUCTIVE, YET UNDEREXPLORED BASINS IN THE WORLD. First Calgary is one of the only seventeen operators in Algeria including such others as Anadarko, Burlington and Total-Fina-Elf. *Like all foreign companies operating in Algeria's oil industry, First Calgary obtained licenses for the Exploration and Exploitation of Hydrocarbons with Sonatrach, the Algerian state-owned oil company. A production-sharing agreement is in place with Sonatrach on the Ledjmet Block and a joint venture agreement on the Yacoub Block.* ***(51%/49%) for oil only.*** *Upon commercialization of each of the Blocks, a 25 year and 30 year exploitation license for oil and gas respectively will be issued on the Ledjmet Block and a 20 year exploitation license on Yacoub.* ***The LEDJMET and YACOUB blocks lie south of Tunisia near the Tunisia-Libya border in central Algeria****. To date, three wells have been drilled on Ledjmet Block 405b* ***covering 255,000 acres (1,108 km^2) lying 80 km from a gas pipeline with capacity*** *include MLE-1, MLE-2 and MZL-1. "The Ledjmet Block, held 100 per cent by FCP and Sonatrach, the Algerian national oil company, is emerging as a world class gas and condensate field far exceeding our original expectations," explains Richard Anderson, President and CEO of FCP. "The field has all the required elements: extensive reserves at high working interest, large production rates, and excellent market opportunities for the products to Europe." Based on the well drilled to date and the 3D seismic, the structure has been mapped to be in excess of 100 km^2 in size. Immediate plans are to drill three additional appraisal wells to further delineate the MLE structure. Enafor Rig #29 is presently rigging up on the MLE-3 well location and will commence drilling in the next few days. The MLE#3 well will be immediately followed by the MLE-4 and MLE-5 wells. These wells are expected to move the majority of the reserves in the possible category to the proved and probable categories. FCP also reports the acquisition of 600 km^2 of seismic data, immediately adjacent to and west of the MLE pool, is proceeding. FCP expects to identify drilling locations on two large separate mapped structures by the fourth quarter of 2003. In addition, a 240 km 2D seismic acquisition program on the Yacoub Block 406a has been completed* ***covering a large 251,000 acres (1,091 km^2) lying 10 km from an oil pipeline with capacity,*** *and processing and interpretation are underway to identify a second drilling location on the Block.* ***The independent engineering firm, DeGolyer and MacNaughton of Dallas, Texas, has estimated the gross proved, probable and possible reserves of FCP's Ledjmet Block 405B to be more than 5.7 trillion cubic feet equivalent (TCFe) of recoverable natural gas reserves.*** *The Berkine Basin has emerged as one of the most prolific onshore hydrocarbon trends. In the past twelve years more than 5 billion barrels of recoverable oil have been discovered in the basin, traped in several giant field accumulations. Flow rates of oil wells average 8,000 barrels per day but can exceed 20,000 barrels per day.* ***The basin becomes more prone to the south where a number of wells, including MLE-2, have tested high rates of gas and condensate.*** *The geological reasons for this success are clear; a world-class petroleum system with excellent source rocks, reservoirs, seals and faulted traps. Recent advances in seismic exploration technology, particularly 3D, allow structures to be targeted with a higher degree of precision.* ***In the past three years more than 300,000 bbls per day of oil production have been added from the Berkine Basin with substantial increments planned over the coming months.*** *With the Ledjmet reserves supporting commercial exploitation, the Company has initiated project development and financing discussions with parties which will not have a diluting effect for FCP's shareholders. The Company is in the enviable position of having a large field close to existing pipelines with readily available markets.* ***Noting the estimated NAV of cC$6 per share for the LEDJMET block only and a further 10% stock dilution going forward, we estimate FCP has a current range value of minimum C$4 per share to C$6 per share OR 40% investor to c110% in future capital appreciation. The above NAV EXCLUDES the YACOUB block evaluated by FCP itself at US$715 million (C$1 billion) OR an additional C$7.46 per share in net asset value fully diluted for 800 MMBBLs of oil.***

Information edited and published by J_V Investment Advisors is believed to be reliable, but cannot be guaranteed as to its accuracy.
J_V Investment Advisors (its affiliates), directors, officers and/or employees may have a position in these securities.
Information and opinions expressed herein does not constitute a solicitation
to purchase or sell these securities mentioned.

Copyright © 2001 – All rights reserved

70 ***3.60***

BIOLASE TECHNOLOGY
(NASDAQ-BLTI/http://www.biolase.com)

The World Leader in Painless Hard and Soft Dental Laser Technology

3-Year High	Price Low	1-Year Revenue Growth Rate P.A	First Half Revenue Growth Rate	Est. E.P.S. 2002	P/E	60 Mo. Target	Gain
6.70	1.75	37.8%	96%	22¢	16.4	10	178%

Capitalization as at December 31, 2000	Millions	%
Long term Debt	$ 1.17	52.4
Shareholders' Equity (19,366,522 shares*)	1.06	47.5
Total	$ 2.23	100.0

**All Executive Officers and Directors (c7) held 8.1% as at March 9, 2001.*

Action: Buy for short, intermediate and long-term capital appreciation.

BIOLASE Technology, Inc. of San Clemente, CA is an advanced medical technology company, which possesses and develops advanced dental, cosmetic, aesthetic and surgical products, including Waterlase ™ (HydroKinetic®) surgical cutting systems and other advanced laser and non-laser based products for the professional and home consumer market.

BIOLASE Technology, Inc. was ranked the 7th fastest growing technology company in the DELOITTE & TOUCHE Fast 50 for the Orange County and San Diego regions during the 4Q of 2000 where the Company is currently the #1 seller of hand-tissue lasers in the world with over 400 systems sold in over 21 countries since 1998. *The Company has increased marketing and the new product introductions for WaterLase ™ (Millennium II) and the TwiLite™ dental diode laser which do not cause trauma to the root of the tooth, commonly associated with the drill. The traditional dental drill can cause problems which later in life often result in the need for adult dentistry including crowns, root canals and tooth extractions. The WalerLase™ is a dramatic improvement over traditional dentistry. Leaders in the dental community recognize both WaterLase™ and TwiLite™ as the most advanced dental laser systems available.*

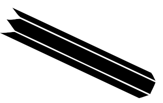
For the year ended December 31, 2000, BLTI reported sales of $9.65 million versus $7.0 million, an increase of 37.8 percent. The net loss narrowed to $3.7 million from $4.8 million. The 4Q sales growth was 100%. For the six months ending June 30, 2001, BLTI reported revenue up 96% to $7.4 million with losses narrowing. BLTI will be cash flow positive in the 4Q of 2001 for the first time. Net operating loss carry forwards of over $23 million are available to offset future taxable income.

Comments: *Lasers are relatively new to the veterinary market where this segment alone should grow to $200 million in 5 to 10-years.* ***The potential market for dental lasers is enormous since there are approximately 140,000 dentists in the USA alone and another 400,000 prospective dental laser customers around the world. Just the USA market alone represents a market opportunity of cUS$3 billion growing at over 10% per annum, while the W/W market is valued at cUS$7.5 billion. Penetration over the next few years of only 3% represents possible revenues of c$500 million****. Earnings per share in 2006 should be around 50¢,* ***a P/E of 7.2,*** *based on a penetration of ½ of 1% of the then total market of c$17 billion assuming a 15% net margin on shares outstanding of 28 million providing a CAGR (Compound Annual Growth Rate) of c23 percent.*

Telephone Interview*: With Edson Rood, C.F.O. October 1 and 2, 2001*

Copyright © 2001 – All rights reserved

BIOLASE TECHNOLOGY, A BACK-UP REPORT



Overview

BioLase Technology, Inc. designs, designs, develops, manufactures and markets fully patented laser-based systems for use in dental and medical applications. The current generation of the Company's laser-based systems incorporates its proprietary HydroKinetic™ technology into its surgical tissue cutting system, Millennium®, which utilizes an erbium, chromium: yttrium scandium gallium garnet ("Er, Cr:YSGG") laser and a proprietary air-water spray. The unique laser pulses act to rapidly energize and transform atomized water droplets from the air-water spray into smaller, energized water molecules that can precisely remove both dental hard and soft tissues. This patented break through technology is Er, CR YSGG laser included hydrokinetics. When operating in this hydrokinetic mode, the Millinnium® system has dramatic benefits over any previously available technology for cutting the entire range from hard to soft tissues. Hard tissues refer to enamel, dentin, cementum and bone. BioLase is the only company commercializing the revolutionary Er, Cr YSGG Hydrokinetics. The Millennium® system is in the early stages of being marketed both in the United States and internationally for dental hard and soft tissue applications. ***The Company also has clearance from the United States Food and Drug Administration ("FDA") to market a laser-based surgical tissue cutting system in the United States for a broad range of dermatological and general surgical soft tissue applications. This clearance provides the Company the opportunity to expand use of its HydroKinetic™ technology to areas outside of dentistry.*** *The Company has temporarily deferred further development of the DermaLase™ for aesthetic and dermatologic applications to focus on WaterLase™ (Millennium II). The Company also has a soft-tissue laser system, Twilite™, introduced in late 1999 that incorporates the newest state-of-art semiconductor diode technology for a broad range of dental cosmetic and soft tissue procedures. Twilite™ is in full production priced at $20,000 to $24,000. The Company has developed a home consumer product called LazerSmile™, a toothbrush that utilizes a light source and a proprietary gel for whitening teeth. In mid-1999, the Company licensed the manufacturing and distribution rights of LaserSmile™ to a home consumer product distributor for a royalty on future sales. The LazerSmile System consists of a specially formulated gel and a unique optical LaserBrush that delivers safe, monochromatic light around its bristles. The retail price of the LazerSmile System is $129.95 and will result in an outgoing consumable business of the special whitening gel and additional brush heads. The Company also has under development LaserSpray™, an air-water spray accessory designed to be used on a variety of medical and dental laser systems to cool the tissue being lazed, and a fluid conditioning system known as FlavorFlow™, for which it has been granted a patent, that sanitizes, flavors and administers fluids and enhances the scent of air present during dental and medical procedures. WaterLase™ (MILLENNIUM II), which uses a patented HydroKinetic™ technology, is a water-based surgical system that combines the power of a laser with a high-precision water-spray to actually cut hard-tissue (tooth) surfaces and sells for around $45,000. In a controlled, double-blind clinical trial comparing MILLENNIUM to conventional high-speed drills, 98.5 percent patients reported no discomfort.* ***CONVENTIONAL DENTAL DRILLS USE FINE-CHISELED POINTS TURNING AT HIGH SPEEDS TO CUT AWAY AT TOOTH SURFACES. MILLIONS OF AMERCIANS EXPERIENCE FEAR AND ANXIETY TRIGGERED BY THE PAIN OF THE ABRASIVE ACTION AND THE HIGH-PITCHED WHINE OF THE DRILL. IN A STUDY BY THE UNIVERSITY OF TEXAS SOUTHWESTERN MEDICAL CENTER, APPROXIMATELY 30% OF ADULTS REPORTED THAT THEY EXPERIENCE MODERATE TO HIGH LEVELS OF DENTAL FEAR. SOME EXPERTS ESTIMATE THAT MORE THAN 50% OF THE U.S. POPULATION DOES NOT RECEIVE REGULAR PREVENTIVE DENTAL CARE DUE LARGELY TO THE FEAR AND ANXIETY.*** *BIOLASE is expected to have significant sales in the Pacific Rim for many years noting 15 Waterlase™ Systems will be sold in Korea for 2001* ***(50for 2002)*** *for the first time noting 16,000 dentists.*

Information edited and published by J_V Investment Advisors is believed to be reliable, but cannot be guaranteed as to its accuracy.
J_V Investment Advisors (its affiliates), directors, officers and/or employees may have a position in these securities.
Information and opinions expressed herein does not constitute a solicitation
to purchase or sell these securities mentioned.