



RESEARCH NOTE

BluePoint Energy Inc.

Richard W. West, CFA

Symbol (OTCBB)	CPEU	Fiscal Year Ending: June	EPS	P/E	REVS	PSR
Industry:	Oil, Gas & Energy	Year				
Recent Price:	\$1.40	2004 A	\$-0.06	---	\$0.0	---
52-week Price Range:	\$0.15 - \$1.90	2005 A	\$-0.09	---	\$0.33	111.2
Target Price (12 Months):	\$1.75	2006 E	\$0.00	---	\$0.0	---
Avg. Daily Vol. (3 mo.):	31,131	2007 N/A	---	---	---	---
		2008 N/A	---	---	---	---

Balance Sheet Data (mil)	03/31/06	Ownership and Valuation (mil)	Current Rating History
Cash Equivalent:	\$2.9	Shares Outstanding:	26.20 Date Assigned: 08/07/2006
Working Capital:	\$-1.2	Inside Ownership:	54.00% Price at Rating: \$1.40
Long-Term Liability:	\$8.1	Institutional Ownership:	0.00% Original Price Target: \$1.00
Shareholder's Equity:	\$-8.4	Equity Market Value:	\$36.7 Time Frame: 12 Months

Rating: Strong Speculative Buy

08/07/2006

BluePoint Energy, Inc. Announces \$7.0 Million Master Agreement With Macy's East To Provide Energy Conservation Services

Chapeau, Inc., d/b/a BluePoint Energy, Inc. (OTCBB-CPEU), announced on August 7, 2006, it had signed a 10-year Master Discount Energy Purchase Agreement with the Macy's East Division of Federated Retail Holdings, Inc. Macy's East is a wholly owned subsidiary of Federated Department Stores, Inc. (NYSE:FD-\$35.00). The Master Agreement could generate in excess of \$7.0 million in revenue over the next 10-years, and the initial project represents approximately \$2.3 million in revenue to BluePoint. For the initial project under the master agreement, BluePoint Energy, Inc. will permit, engineer, and install BluePoint EnviroGen™ Energy Modules in the Macy's store located in Brooklyn, New York. (Note: EnviroGen™ Energy Modules is the new brand name for the Lean-One CHP Modules that has been formally retired.) A number of additional Macy's store locations have been earmarked and are undergoing pre-contract finalization, including the Herald Square flagship store located in New York City. These next contract announcements are expected shortly.

Summary

The Macy's agreement, along with the previously announced similar master agreement with an operating company of Starwood Vacation Ownership, Inc., a wholly owned subsidiary of Starwood Hotels & Resorts Worldwide, Inc., are most significant events for BluePoint's EnviroGen™ Energy Module technology, as well as BluePoint's business model. The Macy's agreement comes on the heels of BluePoint's announcement that the State of California Department of Corrections and Rehabilitation (CDCR) had accepted a response to a Request for Qualifications (RFQ) to provide energy conservation services to a total of 40 correctional institutions. These events are most positive for BluePoint, and it now appears that it is only a matter of time until revenue begins flowing to BluePoint. Based on these agreements, we are now raising our Rating to a Strong Speculative Buy and increasing our price target to \$2.10 per share.

Current Dutton Associates disclaimer and 17b disclosure information regarding BluePoint Energy Inc.

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