



**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:	\$2.30	2004 A	\$-0.06	---	\$0.14	430.4
52-week Price Range:	\$0.15 - \$2.30	2005 A	\$-0.09	---	\$1.64	36.7
Target Price (12 Months):	\$2.80	2006 A	\$-0.18	---	\$2.86	21.1
Avg. Daily Vol. (3 mo.):	34,954	2007 N/A	---	---	---	---
		2008 N/A	---	---	---	---

Balance Sheet Data (mil)	09/30/06	Ownership and Valuation (mil)	Current Rating History
Cash Equivalent:	\$1.5	Shares Outstanding:	26.20 Date Assigned: 8/7/2006
Working Capital:	\$-2.9	Inside Ownership:	54.00% Price at Rating: \$1.40
Long-Term Liability:	\$9.4	Institutional Ownership:	0.00% Original Price Target: \$2.10
Shareholder's Equity:	\$-11.4	Equity Market Value:	\$60.3 Time Frame: 12 Months

**Rating: Strong Speculative Buy**

12/22/2006

**BluePoint Energy, Inc. Announces Additional Projects Under Macy's Master Agreement; Reiterate Strong Speculative Buy and Raising Price Target**

Chapeau, Inc., d/b/a BluePoint Energy, Inc. (BluePoint Energy), announced that it has signed two additional Discount Energy Purchase Agreements with the Macy's East Division of Federated Retail Holdings, Inc. (Macy's East), a wholly owned subsidiary of Federated Department Stores, Inc. (NYSE:FD-\$38.00). Completion of these projects could provide approximately \$5.2 million in additional project revenue to BluePoint in 2007. BluePoint signed a Master Agreement with Macy's East in early August and announced the initial project wherein BluePoint will permit, engineer, and install its EnvironGen Energy Modules in the Macy's store in Brooklyn, NY. The additional projects will be installed in the Macy's store located in White Plains, New York, as well as the Macy's Roosevelt Field Mall store located in Garden City, New York.

These additional projects are further validation of BluePoint's strategic marketing approach of executing forms of master contracts to substantially reduce the contracting cycle (from site assessment through execution of discount energy purchase agreement) for subsequent contracts. Further, the contracts are visible evidence of Macy's continued confidence in BluePoint's ability to employ state-of-the-art environmentally responsible energy sources.

**SUMMARY**

BluePoint's common stock has been moving up in response to the recent announcements that include the plans for elimination of long-term debt and additional contracts with Starwood Hotels (NYSE:HOT-\$63.15) We reiterate our rating of Strong Speculative Buy and, in consideration of these recent events, are raising our 12-month price target to \$2.80 per share.

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

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**Dutton Associates.** John M. Dutton, President, 4989 Golden Foothill Parkway, Suite 4, El Dorado Hills, CA 95762 Phone (916) 941-8119, Fax (916) 941-8093

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