



RESEARCH NOTE

Blue Point Energy, Inc.

Richard W. West, CFA

<u>Symbol (OTCBB)</u>	<u>CPEU</u>	<u>Fiscal Year Ending: June</u>				
Industry:	Oil, Gas & Energy	Year	EPS	P/E	REVS	PSR
Recent Price:	\$0.56	2004 A	\$-0.15	---	\$0.17	85.6
52-week Price Range:	\$0.13 - \$0.60	2005 N/A	---	---	---	---
Target Price (12 months):	\$1.00	2006 N/A	---	---	---	---
Avg. Daily Vol. (3 mo.):	68,097	2007 N/A	---	---	---	---
		2008 N/A	---	---	---	---

<u>Balance Sheet Data (mil)</u>	<u>09/30/2005</u>	<u>Ownership and Valuation (mil)</u>	<u>Current Rating History</u>
Cash Equivalent:	\$0.6	Shares Outstanding:	26.00
Working Capital:	\$-2.6	Inside Ownership:	54.00%
Long-Term Liability:	\$4.3	Institutional Ownership:	0.00%
Shareholder's Equity:	\$-6.4	Equity Market Value:	\$14.6
		Date Assigned:	3/2/2006
		Price at Rating:	\$0.35
		Original Price Target:	\$1.00
		Time Frame:	12 Months

Rating: Speculative Buy

03/02/2006

**Bluepoint Energy, Inc., Completes Contract With
Major Resort Company**

Chapeau, Inc., d/b/a BluePoint Energy, Inc. (BluePoint), announced an initial Discount Energy Agreement with an operating company of Starwood Vacation Ownership, Inc. (Starwood), a wholly owned subsidiary of Starwood Hotels & Resorts Worldwide, Inc. (NYSE:HOT-\$64.40). The agreement with Starwood will operate under BluePoint's proprietary Discount Energy Purchase Agreement in association with BluePoint Energy Partners, thereby saving Starwood significant energy costs on an annual basis.

BluePoint will engineer, obtain necessary permits, and install their Lean-One® CHP Modules, powered by Cummins West, Inc. (NYSE:CMI- \$109.50), at the Kaanapali Ocean Resort Villas in Maui, Hawaii. These initial projects, will be installed at Kaanapali Ocean Resort Villas North and South, and could produce approximately \$1.9 million in revenue to BluePoint Energy, Inc. in calendar 2006.

SUMMARY

We are increasing our Rating to Speculative Buy based on several factors:

1. The initial agreement with Starwood could result in revenue of \$1.9 million in the calendar year 2006. There is the potential in the coming months for additional contracts with Starwood properties, and with other potential companies in the hospitality and healthcare market.
2. The recent alliance agreement with Cummins West, Inc., an exclusive distributor of Cummins Inc., to develop, market, sell, and service continuous duty distributed generation solutions, incorporating Cummins West full line of power generation products modeled within BluePoint's Lean-One® CHP Modules, is a major event in the life of BluePoint that could result in revenue in the near future. This contract with Starwood emphasizes the importance of the Cummins relationship to BluePoint.
3. The agreement to purchase manufacturing assets from Sierra Precision Services, LLC that consist of fabrication, assembly, and test equipment to substantially augment and upgrade BluePoint's production capabilities, will meet the demands of the new orders.
4. BluePoint is in talks to raise additional working capital to meet the demands of the new orders.

The prospects are certainly improving for BluePoint. BluePoint has the technology, the proprietary product - BluePoint Lean-One® CHP Modules, contracts with a major hospitality company, the new manufacturing capacity, and the potential to raise additional capital. At the current price level, based on 26.0 million shares outstanding, BluePoint's market capitalization is approximately \$14.0 million.

We raise our rating to a Speculative Buy, and establish a 12-month price target of \$1.00 per share.

Current Dutton Associates disclaimer and 17b disclosure information regarding Blue Point Energy, Inc.

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