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In the belief that the majority of big stocks are over-merchandised and often over-bought, TAI focuses primarily on a few early-stage micro-caps, energy trusts and junior oil/resources that show promise of substantially out-performing the averages over a 12-18 month period & beyond. The “micros” should probably not constitute >20% of most portfolios, depending on risk tolerance. This old oil analyst continues to much prefer selected energy trusts to the vast majority of mutual funds & business trusts.

Accelrate Power Systems [APS, Tsv: \$0.28] recently announced its biggest stocking order to date from its newly appointed South African distributor, Saficon Industrial Equipment [Pty], Ltd., trading under the name of Toyota Forklift. **The Company anticipates the order will be completed in Q1/07, with a further 6-mos. of dealer education & marketing involved before meaningful orders develop from the dealer network.**

As with VAS, APS got off the ground too quickly with the early indications of a break-thro' technology and a too-optimistic assessment of the time involved to commercialization. **On the plus side, unlike the vast majority of intriguing early-stage developments, the science/technologies of both are still intact and close to demonstrating positive cash flow.**

Despite major progress in developing the necessary infrastructure on a global basis, APS has done so at time when the marketplace has lost interest in early-stage break-thro's until they can demonstrate revenues/cash flow/earnings.

Fortunately, APS is finally knocking on the door, and while progress will continue to be slowed by difficulty in estimating a meaningful growth profile, there is no question that the pieces are finally in place for the establishment of the latter in the months ahead.

With a market cap of roughly \$7million, no bank debt & a major industrial technology in its infancy, APS continues to have no meaningful downside risk, while maintaining open-ended potential.