



SISM

Research & Investment Services

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Company Insight!

Industry: Tar-Sands Extraction & Production

Nevtah Capital Management Inc. US\$1.81

Initiating Coverage With A Speculative Buy/4 Rating

Nevtah Capital Management Inc. (Pink Sheets: NTAH) is a junior, pure-play tar-sands development company, whose principal asset is its 50/50 joint venture with Black Sands Energy. This venture focuses on recovering oil from tar-sands in world-class projects located in the Uinta Basin, the nation's most hydrocarbon-rich basin, in the state of Utah. The bulk of the tar-sands deposits have outcrops or surface exposures and can be recovered by open-pit mining techniques. NTAH's JV partner has invented a proven, patented, processing plant technology that is unique, highly mobile, scalable, and easy to transport. The Joint Venture partner owns oil sands leases within the Utah tar-sands areas in the giant deposits of Asphalt Ridge, Sunnyside and P.R. Springs. Its independent certified geologist estimates gross 651.6 million barrels in-place, 325.8 million barrels net to Nevtah. Black Sands scalable 300 barrel an hour tar-sands project is now in a position to move into production within the next six months at the Asphalt Ridge lease. We are initiating coverage on Nevtah Capital with a Speculative Buy/4 rating and a 12 - 18-month target price of \$4.60. Our target price is based on a 0.75x multiple to our assessment of Nevtah's NAV of \$6.11 per share.

Nevtah Capital Management Inc.

Financial Summary

52-Week Low-High	\$0.11 - \$1.99
Avg. Daily Trading Volume (50-day)	82,500
Shares Outstanding (mil.)	59,909,611
Market Capitalization (\$mil)	\$123.8 million
Options & Warrants 8.5 million avg. ex	\$0.24
Net Debt	\$0

Net Asset Value

Tar Sands	\$6.08
Additional Resources	\$0.03
Total NAV	\$6.11
Price / NAV	-70.4%
Total Price Target Return	154.1%

Estimated Oil Sands Resource (mln bbls)

Proven Reserves (50% recovery rate)	118,968
Probable, Possible Reserves	118,968
Total Recoverable Resource	237,937

12-Month Stock Performance



Investment Highlights:

- ☑ **In October 2005, Nevtah and Black Sands Energy** entered into a 50/50 Joint Venture to recover oil from tar-sands on leases located in the state of Utah. In November, Nevtah and Black Sands successfully implemented their enhanced pilot plant operation to recover oil from the tar-sands on the 4,190-acre Asphalt Ridge lease property. The pilot plant commenced oil production with a rich average oil saturation of 48% and a low in-sulphur content of 0.4% by weight. In addition, the JV partners have also secured a contract buyer for all of the oil produced from the Asphalt Ridge resource and will now focus on increasing the pilot plant's capacity with a new conveyor system and the installation of crushers at the site. During the pilot phase, the plant was enhanced and modified to an all-year production facility and is continuing its operations.
- ☑ **Black Sands has enhanced its patented, revolutionary, all-year new oil-sands extraction technology which has been** proven to work in very cold climates near atmospheric pressure and to be cost and eco-efficient. During 2006, Black Sands intends to build a commercial 300 barrel an hour plant at a cost of approx. \$3.5 million. This should allow an annual estimated production rate of 800,000 barrels of oil. If the tar-sands deposit is 100 feet thick and has 1.0 barrels of oil per cubic yard, it would result in only 5 acres being processed per year, creating a minimal footprint, minimizing environmental impact, and reducing remedial mining costs.
- ☑ **In the future, Nevtah intends to operate three giant tar-sands deposits** which include the Asphalt Ridge deposit, containing an estimated 1,048 million barrels of bitumen in-place. Historical geological reports, and geological assessments made by the United States Geological Survey and the US Department of Mines, indicate that the total recoverable oil reserves are estimated at 60,000 barrels per acre-foot in the Asphalt Ridge area. The P.R. Springs tar-sands deposit contains between 3.3 to 4.5 billion barrels of oil in place and the Sunnyside deposit contains more than 6 billion barrels of oil according to the Utah Geological Survey.
- ☑ **Prices for crude oil have again risen to levels** that may make tar-sands-based oil production in the US commercially attractive, and both government and industry are interested in pursuing the development of tar-sands resources as an alternative to conventional oil.
- ☑ **The Company's shares have seen considerable price increase in the past six months,** but with the leverage that the Company offers to the Utah tar-sands, the potential for substantial further appreciation is intact. Nevtah is sitting on a lot of oil, its professional consulting geologist estimates the company to have 325.8 million barrels in place. Currently, the share price trades at a discount of 70.4% to our calculated total NAV per share of \$6.11. We are initiating coverage on Nevtah Capital with a Speculative Buy/4 rating and 12 - 18 month target price of \$4.60. Our target price is based on a 0.75x multiple to our assessment of Nevtah's NAV of \$6.11 per share.

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COMPANY OVERVIEW

Nevtah Capital Management, Inc. (Pink Sheets: NTAH), based in West Palm Beach, Florida is a junior, pure-play tar-sands development company whose principal asset is its 50/50 Joint Venture with Black Sands Energy. This venture focuses on recovering oil from different tar-sands deposits in several locations in the Uinta Basin in the state of Utah, including the tar-sands giant deposits of Asphalt Ridge, Sunnyside and P.R. Springs. The Uinta Basin is among the nation's most hydrocarbon-rich basins. Utah contains almost 90% of the known tar-sands deposits in the United States, amounting to more than 24.4 billion barrels of oil in about twenty-seven deposits. Nevtah/Black Sands are developing its first commercial tar-sands production facility at the high tar-saturated outcrops of the Asphalt Ridge tar-sands deposit near Vernal, Utah. Nevtah agreed to fund the pilot plant and subsequently, to fund the development of a fully operational extraction plant. Nevtah will obtain an exclusive license, with the right to sublicense the proprietary technology to be used on the leases and on all future leases. Its Joint Venture partner, Black Sands, will be the operator on the leases. Nevtah is entitled to a 50% interest in the reserves located on its leases and future leases, and to a 75% working interest. Subsequent to the return of initial capital, net profits will be distributed 50/50 between the two Joint Venture partners.

Nevtah and Black Sands are jointly developing and applying the proprietary technology to the mining of tar-sands, which includes the testing of the demonstration plant, with the ultimate objective being the development of a commercial tar-sands extraction plant expected to entail three phases. Phase One is currently ongoing, with testing, debugging, and enhancement of the performance of the pilot plant. The pilot plant system has been moved to the other side of Asphalt Ridge, from the place where it was first set up just a few weeks ago. Moving the plant from one location to the other and setting it back up has taken about three weeks. Phase One also includes selection of the lease sites. Nevtah and its Joint Venture partner agreed that its first lease location would be the giant Asphalt Ridge deposit. Additionally, Phase One includes obtaining tar-sands material for testing with the pilot plant system, engagement in laboratory analysis of the test results obtained from the pilot plant, and finally, performance of the due diligence and the hiring of an independent engineering firm to evaluate the oil reserves. Nevtah raised \$3.3 million in 2005 and 2006 to maintain the operation of the pilot plant and various testing. Phase Two, on the way to the development of a commercial plant system, includes initiation of the manufacture and construction of an extractor vessel and preparation of an infrastructure to support the extraction unit. We estimate the cost of this to be approximately \$2 million, which must be funded by Nevtah Capital. Phase Three includes the expansion of the application of the technology through multiple extractor complexes in order to more rapidly exploit the reserves located on the leases. Phase Three also includes acquiring additional future leases. Nevtah/Black Sands has already secured acreages in leases in the three giant deposits of the Asphalt Ridge, P.R. Springs, and Sunnyside.

The production facility, with an output of 800,000 barrels of oil, is expected to be in operation during the summer of 2006, subject to Nevtah's successful fundraising. The giant Asphalt Ridge tar-sands deposit contains an estimated 1,048 million barrels of bitumen in-place. Of this, a total of 435 million barrels were categorized as measured and 438 million barrels as indicated, with the remaining 175 million barrels as inferred, with bitumen quality of low-sulfur and high-gravity. Total recoverable oil reserves are estimated to be 60,000 barrels per acre-foot in the Asphalt Ridge area. Until now, development of the Uinta Basin tar-sands, on a large scale, has never proceeded past the demonstration stage, although advancement of recovery technologies has continued. The technology base for the tar-sands industry has improved based on the experience of Canadian tar-sands operators. With the success of the Canadian tar-sands industry, renewed interest has also occurred at the Utah deposits.

Nevtah's JV partner, Black Sands Energy, has developed a patented, revolutionary, new oil-sands extraction technology that uses non-toxic organic solvents to cost and eco-effectively remove oil from tar-sands. The Company's extraction process has been developed and proven, with more than two years of successful pilot plant operations in Wyoming. The Company extracted roughly 2,000 barrels of heavy crude oil per day from tar-sands, with a proven 99.9% oil recovery efficiency at a cost of less than \$12.50 per barrel and with virtually no loss for solvent. To enhance operating efficiency and production costs, the Company modified its technology and installed a new pilot plant at its Asphalt Ridge leasehold. A 1-5 bbl/hr high, scalable, all-year system has been installed, which now operates near atmospheric pressure. Nevtah's JV partner intends to build a 300 barrel an hour commercial plant during 2006, with an annual estimated production rate of 800,000 barrels of oil.

TAR-SANDS

Tar-sands are a combination of clay, sand, water, and bitumen. The bitumen contains heavy, black, viscous oil. Tar-sands can be mined and processed to extract the oil-rich bitumen, which is then refined into oil. The bitumen in tar-sands cannot be pumped from the ground in its natural state; instead tar-sands deposits are mined, usually using strip mining or open pit techniques, or produced in-situ by underground heating or other tertiary recovery processes.

Tar-sands are mined and processed to generate oil similar to oil pumped from conventional oil wells, but extracting oil from tar-sands is more complex than conventional oil recovery. Oil sands recovery processes include extraction and separation systems to separate the bitumen from the clay, sand, and water that make up the tar-sands. Bitumen also requires additional upgrading before it can be refined. Because it is so viscous (thick), it also requires dilution with lighter hydrocarbons to make it transportable by pipelines.

Most of the world's oil (more than 5 trillion barrels) is in the form of tar-sands, although it is not all recoverable. While tar-sands are found in many places worldwide, the largest deposits in the world are found in Canada (Alberta) and in Venezuela, which each have about one-third of the world's total tar-sands resources. Much of the rest is found in various countries in the Middle East. In the United States, tar-sands resources are primarily concentrated in eastern Utah, mostly on public lands. The in-place tar-sands oil resources in Utah are estimated at 24.4 billion barrels.

Currently, oil is not produced from tar-sands on a significant commercial level in the US; in fact, only Canada has a large-scale commercial tar-sands industry, though a small amount of oil from tar-sands is produced commercially in Venezuela. The Canadian tar-sands industry is centered in Alberta, and more than one million barrels of synthetic oil are produced from these resources per day. Currently, tar-sands represent about 40% of Canadian oil production, though output is expanding rapidly. The tar-sands are extracted both by mining and through in-situ recovery methods. Canadian tar-sands are different than US tar-sands in that Canadian tar-sands are "water wetted," while US tar-sands, and especially Utah tar-sands, are "oil-wetted" and are therefore superior to the Canadian deposits. As a result of this difference, extraction techniques for the tar-sands in Utah will be less expensive than for those in Alberta.

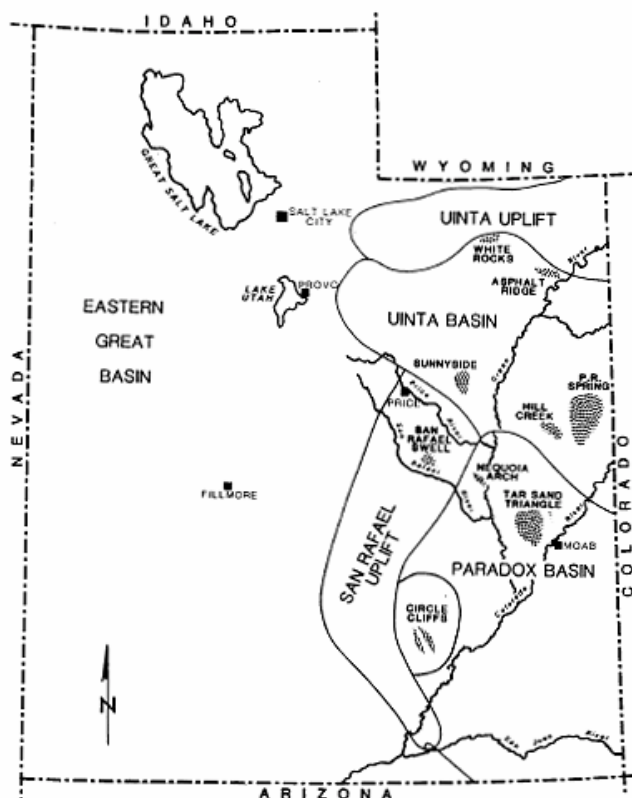
Prices for crude oil have again risen to levels that may make tar-sands-based oil production in the US commercially attractive, and both government and industry are interested in pursuing the development of tar-sands oil resources as an alternative to conventional oil.

Tar-sands deposits near the surface can be recovered by open-pit mining techniques. New methods have considerably improved the efficiency of tar-sands mining, reducing the costs. After mining, the tar-sands are transported to an extraction plant, where a hot water or organic solvent process separates the bitumen from the sand, water, and minerals. The bitumen is then transported, and eventually upgraded, into synthetic crude oil. Between one and two tons of tar-sands are required to produce one barrel of oil. Roughly 99.9 % of the bitumen can be recovered from the sands. After oil extraction, the separated sand and other materials are then returned to the mine, which is eventually reclaimed. In-situ production methods are used for bitumen deposits buried too deep for mining to be economical. These techniques include steam injection, solvent injection, and firefloods, in which oxygen is injected and part of the resource burned to provide heat. So far, steam injection has been the favored method. Some of these extraction methods require large amounts of both water and energy (for heating and pumping).

UINTA BASIN TAR-SANDS DEPOSITS

The Uinta Basin is among the nation's most hydrocarbon-rich basin. It has produced more than 377 million barrels of oil and more than 988 billion cubic feet of associated gas. Bituminous sandstones or oil-impregnated rock tar-sands with a very heavy viscous crude oil, which cannot be produced by conventional production techniques, are found throughout the Uinta Basin in rocks ranging in age from Permian to Tertiary. It has been esti-

MAJOR TAR SAND DEPOSITS OF UTAH



mated that the tar-sands deposits of Utah contain roughly 24.4 billion barrels of bitumen in-place (Ball Associates Ltd., 1964). When compared with estimates of proven US crude-oil reserves of 25.9 billion barrels, this represents a significant fossil energy resource (US Department of Energy, 1993). The Uinta Basin contains roughly half of Utah's tar-sands resource, and consists of twenty-seven tar-sands deposits. As mentioned before, development of the Uinta Basin tar-sands, on a large scale, has never proceeded past the demonstration stage, but with a current oil price of more than \$60 a barrel, the excitement about this resource is understandable and self-evident.

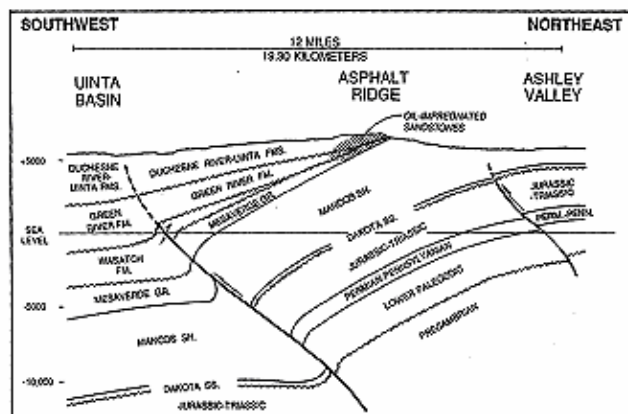
The Uinta Basin tar-sands deposits practically encircle the more than 9,000 square miles (23,310 km²) of the Uinta Basin, as well as occur within it. Deposits range in size from giant (containing more than 500 million barrels of in-place bitumen) to minor (containing less than 0.5 million barrels of in-place bitumen). Most of the tar-sands are in tertiary stratigraphic and structural sandstone traps. Tar-sands deposits are not homogenous; bitumen distribution in a deposit varies depending on the permeability and porosity of the host rocks.

Large accumulations of tar-sands occur in the sandstone of Eocene age, which is deposited in a fluvial-deltaic environment. Other tar-sands are found in alluvial and fluvial sandstone throughout the basin. In the Uinta Basin, four of the deposits are giant deposits, each containing in excess of one billion barrels of bitumen in-place. There are thirteen deposits containing more than 10 million barrels, with six deposits having more than 100 million barrels of bitumen in-place.

FIRST COMMERCIAL TAR-SAND PRODUCTION

The giant deposit at Asphalt Ridge is one of Utah's largest deposits, containing more than a billion barrels in place. Nevttah, through its Joint Venture partner, Black Sands Energy, is developing its first commercial tar-sands production facility at this tar-sands deposit located in the Uinta Basin, about 3.5 miles southwest of the town of Vernal. Nevttah, through its Joint Venture partner, Black Sands, owns approximately 4,190 acres of oil sands leases. Historical geological reports, and geological assessments made by the United States Geological Survey and the US Department of Mines, indicate that the total recoverable oil reserves are estimated up 60,000 barrels per acre-foot in the Asphalt Ridge area. This scalable oil sands project is now in a position to quickly move into production with Black Sands' oil sands extraction technologies identified for the project.

At Asphalt Ridge, the Duchesne River Formation (Eocene-Oligocene), containing interbedded fluvial sandstones, with associated shale's and conglomerates, lies unconformably atop the Rim Rock Sandstone. The Rim Rock Sandstone (Mesaverde) ranges from about 100 feet to more than 300 feet in thickness, due to erosion of the unit prior to deposition of the overlying Duchesne River Formation. The formation crops out conspicuously along the entire length of the ridge, within the Rim Rock Sandstone of the Mesaverde Group (Cretaceous), the Uinta Formation (Eocene), and the Duchesne River Formation (Oligocene).



On the Asphalt Ridge property, there are three different estimated tar-sands resources available. Spieker (1930) estimated total tar-sands resources at Asphalt Ridge at nearly two billion cubic yards, extending from the outcrop down dip 1.5 miles into the subsurface. Proven reserves were nearly 900 million barrels of bitumen, of which 400 million barrels were in the Rim Rock Sandstone and 500 million barrels were in the Duchesne River Formation. Kayser (1966) estimated that nearly 700 million barrels of bitumen were contained in the Rim Rock Sandstone within two tracts comprising

5,250 acres within the deposit. Ritzma (1979) classified the deposit as "giant" and estimated that 1,048 million barrels of bitumen were contained in-place. Of this total, he categorized 435 million barrels as measured and 438 million barrels as indicated, with the remaining 175 million barrels as inferred.

Mining of the Asphalt Ridge deposit for paving streets and sidewalks in the town of Vernal dates back to at least the 1920's. A number of unsuccessful shallow wells were drilled into the bitumen-saturated outcrops between 1910 and 1950 in an apparent attempt to locate liquid-petroleum below the asphaltic seal. During the 1930's, a tar-sands extraction plant, utilizing a hot water separation process, was built at the site of the Uinta County asphalt pit. During the early 1970's, Sun Oil Company drilled a series of test wells on the south end of the ridge, while Texaco and Phillips Petroleum Company performed exploratory drilling in the central part. Shell Oil Company and others drilled test wells on the north end of the ridge.

PATENTED PROCESSING PLANT

Black Sands Energy received patent protection on December 7, 1999 for its filed patent number 5,998,650. Using the Company's proprietary and environmentally friendly extraction technology, more than 99.9% of the oil within the tar-sands can be harvested. Furthermore, the resulting oil free sand is safe and can be sold as a construction material or used to back-fill the mining pits.

There are two major steps in the tar-sands production process: These steps are mining and extraction (separation of the oil from the sand).

Mining – The tar-sands ore will be mined using conventional surface mining techniques and equipment. After the overburden has been removed and a flat pit floor created, the oil-bearing solid material will be mined with mining operating equipments.

Extracting oil from oil-bearing solid materials such as tar-sands

The tar sand is dissolved in an enclosed container at 100F or higher. As the tar-sand dissolves it is passed to a wash chamber where any remaining oil is removed. The oil free sand is desolventized with heat which converts the liquid solvent a gas. The gas is 250 times less dense than the liquid. This phase change insures a high solvent recovery. The vegetable oil extraction industry has demonstrated high solvent and oil recovery for decades. It is much harder to extract oil from oil bearing seeds than dirt due to the cellular structure of seeds. Therefore, the degree of oil removal and solvent recovery should be higher for tar-sands. The solvent oil mixture is pumped into a critical unit which allow one to remove the asphalt and oil selectively from the solvent through heating and cooling alone. The oil depleted solvent is returned to dissolve additional tar-sand. The biggest reason that this process is economical is that the process is gentle and efficient. Due to the high altitude, pentane and hexane boil at 80F respectively 132F. Therefore, processing temperatures and pressures are kept very low. Over 99% of the solvent is recycled. Much of the heat used is also recyclable. Since the process does not use water to recover the oil much less energy is required. In addition, the solvent acts much faster and effectively at removing oil from the sand than water. The extraction efficiency and oil quality is much higher than for water. Lastly, the solvent process does not leave a big environment mess to clean up later. The solvent Black Sands uses is cheap and environmentally non-toxic.

Purifying the crude oil product improves the margin of Black Sands process and broadens the spectrum of potential buyers. Typically heavy crude is full of salt, minerals, and water which make processing difficult. Black Sands crude is free of such impurities. Its technology can upgrade crude on sight with simple processing equipment. The separation produces high API gravity crude which is low in sulfur; metals (such as nickel and vanadium) and asphalt with

normal interfere with the cracking process. The oil also has a lower viscosity than the raw crude which makes it easier to transport than the raw crude. This lighter crude is especially attractive to refiners who can not process the progressively heavier crude which are common to the industry. The separation process increases the purity and quantity of high quality oil produced.

RECENT ENHANCEMENT OF BLACK SANDS' EXTRACTION TECHNOLOGY

The installation of a heating coil to the bottom of the flash evaporator will minimize accumulation of condensed water. Two new basket type devices to improve the heat transfer in the flash evaporator have been built. A hydraulic motor on a lower steam bowl will improve the removal of sand from the bottom of the wash chamber when installed. Black Sands has also set up a conveyor system and has written software to drive it remotely. Black Sands has set up operations on lease #47278 at Asphalt Ridge, where the unit will run until the scale up unit is ready to go. Black Sands has also engaged an engineering firm from Oklahoma to engineer the scale up for a mobile unit that will process 25-35 barrels of oil per hour, followed by a large production unit that will process 100 bbls and then 300 barrels per hour. The extraction unit has been determined by the engineering company to be a remarkable piece of technology with world changing benefits in the tar-sands areas.



Black Sands' Pilot Project January 2006 at Asphalt Ridge

Black Sands and Nevtah are developing the plan to permit and begin operations on all of the leases by the end of May. They are also conducting thorough post experimentation sampling on the current site. This sampling consists of testing the soil beneath the equipment for a variety of contaminants, including volatile organic compounds, metals, and hydrocarbons. These tests will help in development of further mineral leases from an environmental standpoint. Black Sands, as the operator, has contracted a boring unit to help them identify the most suitable location to begin operations. This coring will be done on all leases in the Asphalt Ridge area allowing Black Sands to start processing their mining operational plan.

THE ECONOMICS OF THE BLACK SANDS' EXTRACTION PROCESS

This presentation utilizes the Black Sands' solvent extraction process, assuming one barrel/cubic yard and a one million barrel per year plant.

Key Points	\$/barrel
Mining	\$2.50
Energy	\$0.50
Waste Transportation and handling	\$1.00
Cost of upgrading oil	\$2.50
Water/solvent loss	\$0.15
Labor and Maintenance	\$2.00
Subtotal Direct Expense	\$8.65
Capital Equipment debt service	\$2.00
Total Direct Expenses	\$10.65

RESERVES AND RESOURCES

Nevtah/Black Sands has not yet established any reserves, although it has identified discovered resources. There are numerous uncertainties inherent in estimating quantities of bitumen resources, including many factors beyond Nevtah's control, and no assurance can be given that the indicated level of resources or recovery of bitumen will be realized. Determinations of recoverable bitumen resources on the Company's leaseholds were made between 1960 and 1996, based on geological interpretation and well data. The well data consisted of 18 cores, available from past drilling, by the US Department of Energy and private companies. In addition, five drillers' logs were available from private sources. However, such geological and engineering estimates have inherent uncertainties. For these reasons, estimates of the recoverable bitumen, and the classification of such resources, based on risk of recovery, prepared by different engineers at different times, may vary substantially.

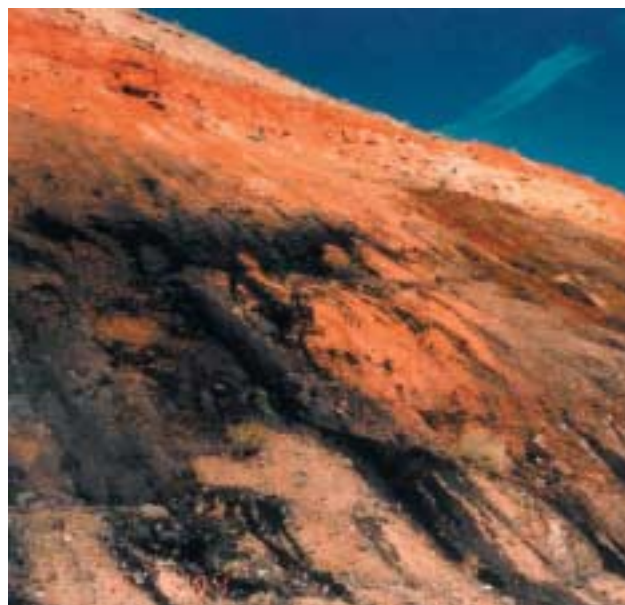
ESTIMATES OF RECOVERABLE BITUMEN

Until now, an updated mine plan has not yet been prepared for the projects by the JV partners Black Sands and Nevtah. Due to the extensive energy resources of the Uinta Basin it has been the subject of numerous geological investigations. Publications by the USGS and other oil companies' document the oil reserves are readily available. As a summary, laboratory solvent extraction results indicate the sands contain a high quantity of oil. Ninety percent of the samples analyzed yield greater than 10% + by weight of hydrocarbons. A 10% by weight recovery of oil will yield 0.9234 barrels of oil per cubic yard of oil sands. The oil is low sulfur oil and has a sulfur content ranging from 0.15 to 0.22%. The API gravity of the oil is 15°. The mean gravity after retorting is 21.5°. The JV partners hired Kenneth W. Pacheco from Littleton, Colorado, a professional consulting geologist to evaluate its leaseholds recoverable reserves. Based on information we received from Mr. Pacheco on March 28, 2006, he estimates for the Asphalt Ridge a total of 251,496,600 recoverable barrels of reserves for the JV partners, 339,430,000 recoverable barrels of reserves for the Sunnyside leases and 60,700,000 for the P.R. Springs leases, all barrel estimates are based on a 1996 Utah Geological Survey report. The quality of the oil is priced at the Bow River price which has a discount of approx. \$25 to the WTI price.

ASPHALT RIDGE DEPOSIT

The Asphalt Ridge is a billion barrel oil play, considered giants by the oil industry. The leases vary in richness from 10,000 to 150,000 barrels/acre, averaging about 45,000 to 100,000 barrels of recoverable hydrocarbons per acre. An average 100 acre lease in Asphalt Ridge will have reserves from 4.5 million to 10 million barrels of oil. From correlations from various field richness maps and the lease locations, an estimate can be made as to the available reserves. The DOE report estimates also Asphalt Ridge with 60,000 barrels/acre but the USGS report estimates Asphalt Ridge having 133,000 barrels/acre.

The Asphalt Ridge deposit consists of two zones of bitumen saturation that extends into the subsurface, down dip from the outcrops. Each of these zones can consist of a number of saturated intervals. Thickness of the saturated outcrop intervals ranges from 10 to 80 feet (3-24m). Poorly exposed in the foothills at the base and below Asphalt Ridge is the Asphalt Ridge sandstone. Overlying the Asphalt Ridge sandstone is the Rim Rock sandstone, which crops out conspicuously along the entire length of the ridge and is dominantly a sandstone, fine to coarse grained. The Rim Rock ranges from under 100 to over 300 feet (30-92 m) in thickness, due to variable truncation prior to deposition of the younger strata. The tar sand at Asphalt Ridge is very viscous at over 1,000,000 cp, and low in sulfur content at 0.4 weight percent. The measured resource in-place is estimated 830 million barrels underlying 29,000 acres.

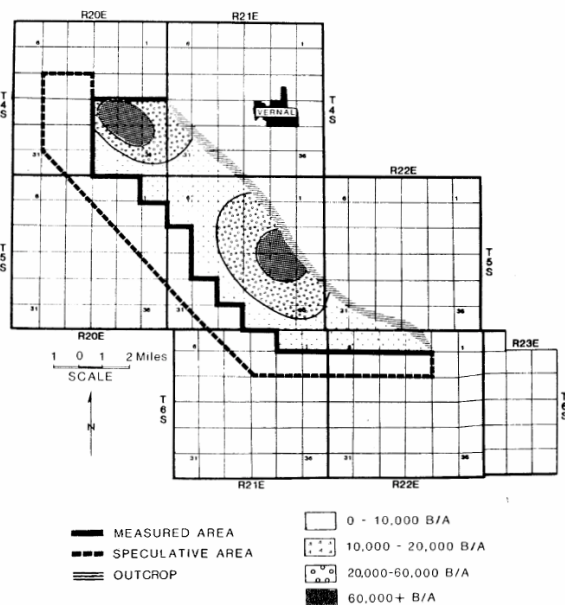


Asphalt Ridge; Tar-saturated outcrops

Numerous resource estimates have been calculated for the Asphalt Ridge deposit one from 900 million barrels of proven reserves, with 400 million in the Rim Rock and 500 million in the Duchesne River and estimated a total resource of nearly 2 billion cubic yard within the outcrop and extending 1.5 miles into the subsurface. Other estimates includes 700 million barrels for the Rim Rock within a 5,250 acre parcel within the deposit and one which classified the deposit as giant with 1,048 million barrels of gross bitumen-in-place, 435 million of this total is measured resource, 438 million is indicated and the remaining is speculative inferred.

Two areas at the Asphalt Ridge deposits have the greatest richness; one at each of the tar-impregnated outcrops containing over 60,000 barrels per acre and depend mainly on the net pay. At Asphalt Ridge the net pay ranges from 35 to 50 feet. The JV partners certified by the American Association of Professional Geologists Kenneth W. Pacheco from Littleton, Colorado estimates Blacks Sands / Nevtah's six mineral leases in the Asphalt Ridge to contain 251.4 million barrel of oil using 60,000 barrels per acre.

FIELD RICHNESS MAP—ASPHALT RIDGE, UTAH



The DOE report estimate P.R. Spring between 30,000 and 50,000/ barrels per acre; and the USGS report doesn't specifically give an estimate for BBL/Ac for P.R. Spring, however it gives an estimate of reserves to be 3.3 to 4.5 billion barrels of oil for P.R. Spring. We're using a more conservative barrels/acre value and estimate 30,000 barrels/acres instead of 80,000 barrel/acres Kenneth Pacheco used.

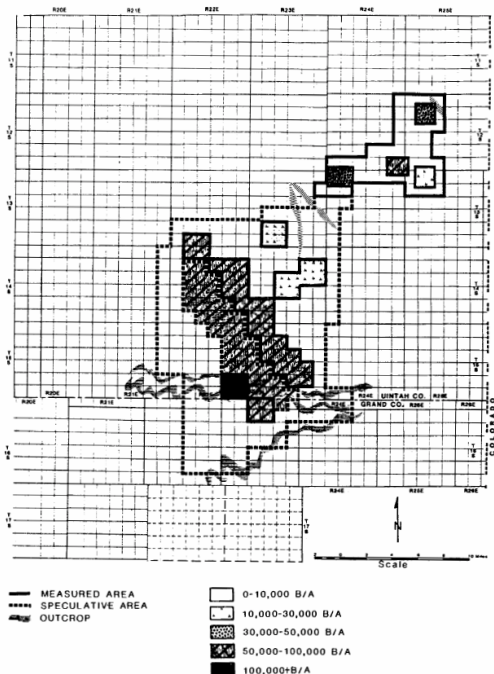
SUNNYSIDE DEPOSIT

Geological interpretation and well data were used to determine the measured and speculative filed outlines for the Sunnyside tar deposit. The well data consisted on 13 cores from private sources, plus information from private reviewers about the northern and western extent of the deposit. The Sunnyside tar-sands deposit is characterized by extensive tar-impregnated intervals along the eastern edge of the deposit. The Sunnyside tar-sands deposit is very rich and contains approximately 600,000 barrels per acre. This area extends two miles northwest-southeast along the central part of the outcrop. The richness of the deposit decreases gradually to the east and north away from the outcrop, reflecting the deltaic deposition of the sands. The Sunnyside bitumen has a gravity of 8° API and is characterized by a high viscosity and a low sulfur content of 0.7 weight percent. The measured Sunnyside resource in-place is estimated to be 4.4 billion barrels underlying 35,000 acres. The speculative resource in-place is estimated to be 1.7 billion barrels underlying 44,000 acres. About 90% of the measured Sunnyside resource and 60% of the acreage occurs where there are more than 100,000 barrels per acre-foot.

P.R. SPRINGS DEPOSIT

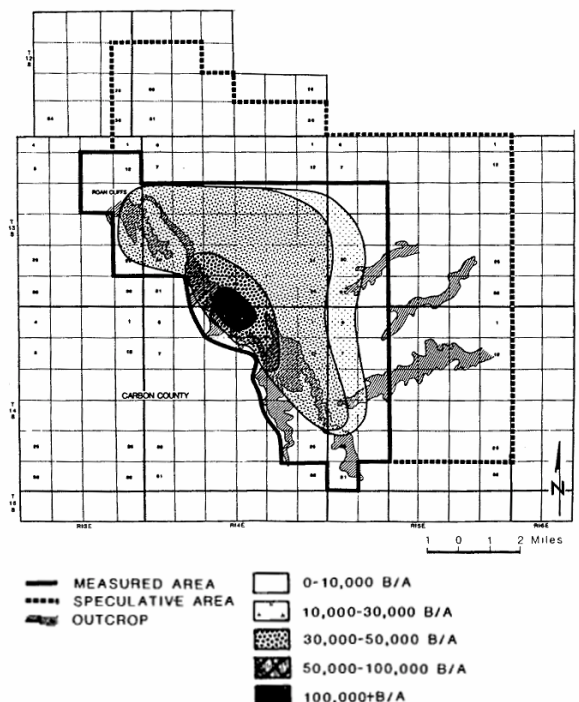
Geological interpretation and well data were used to determine the measured and speculative filed outlines. The well data consisted on 19 cores and 7 driller's logs, available from the Utah Geological and Minerals Survey and private sources. The general rule of classifying areas with core analyses as measured and areas with driller's logs as speculative was conservatory followed.

FIELD RICHNESS MAP—P.R. SPRING, UTAH



The tar-sands are characterized by high viscosity and low sulfur (0.4%) content and a gravity API of 9°. The estimated measured resource in-place at P.R. Springs is 2.1 billion barrels underlying 60,000 acres. The speculative resource in-place is estimated to be 2.2 billion barrels of oil underlying 125,000 acres. About 60% of the measured resource is in the central P.R. Springs area with a resource in place of more than 50,000 barrels per acre. The northeast P.R. Springs area contains about one-quarter of the measured resource, and is generally accounts for less than 50,000 barrels in-place per acre. The majority (64%) of the speculative resource stretches in a band to the southwest of the main measured area.

FIELD RICHNESS MAP—SUNNYSIDE, UTAH



For Nevtah's Asphalt Ridge, and Sunnyside leaseholds, we identified 60,000 barrels per acre as an appropriate parameter to estimate the recoverable reserves for the leaseholds in P.R. Springs we were using 30,000 barrels per acre to estimate the recoverable reserves. Preliminary estimate of recoverable bitumen assumed a recovery factor of 90%, which we have seen documented for other oil sands projects with similar ore quality.

RECOVERABLE ESTIMATES

The JV partners certified independent professional consulting geologist, Kenneth W. Pacheco from Littleton, Colorado summarized in his analysis dated March 28, 2006 the barrel in-place based on estimates based on a 1996 Utah Geological survey report as follows: Six leases on Asphalt Ridge with a total of 251.5 million barrels in-place, five leases in the Sunnyside with a total of 339.4 million barrels in-place and the smallest is the P.R. Springs with three leases and 60.7 million barrels in-place. We're using a more conservative approach than Kenneth Pacheco and have summarized our reserve analysis based primarily on Nevtah's leaseholds of 4,290 acres at Asphalt Ridge and 4,243 acres in Sunnyside with 60,000 recoverable barrels/acre reserves both and 30,000 barrels per acre on three leaseholds and 759 acres in P.R. Springs. Then we have discounted the recoverable reserves to a best estimate of 50 percent recoverable rate to take into account, that the commercialization stage is not yet reached but we expect the company to be a commercial producer within the next six months. Nevtah holds 50 percent of the reserves the other 50 percent goes to Black Sands.

Area	Low Estimate 30 percent (MMbbl)	Best Estimate 50 percent (MMbbl)	High Estimate 90 percent (MMbbl)
Asphalt Ridge	67,878	113,130	226,260
P.R. Springs	6,147	10,246	20,493
Sunnyside	68,736	114,561	229,122
Total	142,762	237,937	475,875
Nevtah 50%	71,381	118,968	237,937

EXPECTED MONETARY VALUE CALCULATION

We have calculated Nevtah's EMV with a 90% recovery factor. At a 90% recovery rate we have arrived at a pre-tax project value of \$1,546.6 million (Nevtah \$773.3 million) or \$11.30 fully diluted outstanding shares of Nevtah Capital, respectively \$5.65 per share after discounted this value with a 50% probability of success

	MMbbl	Unit Value	EMV-success	EMV-risked
Recoverable Reserves	118,968	\$3.25	\$773.2 mil.	\$386.6 mil
EMV/share			\$11.30	\$5.65

NET ASSET VALUE APPRAISAL (\$6.11 per share)

Our total calculated NAV is \$6.11 per Nevtah share, based on a best estimate of a 50% recovery rate on an assigned 118,968 million barrels of in-place bitumen and 118,968 million probable and possible reserves and resources on Nevtah's Asphalt Ridge, P.R. Springs, and Sunnyside leaseholds. The 10% pretax present value of future cash flow for Nevtah Management Capital Inc., calculated after operating costs and capital, is \$418.8 million (\$6.11 per fully diluted common share. See Tab. 1.) Nevtah Capital Management Inc. presently has 59,909,611 basic and 67.242 million fully diluted common shares outstanding.

INVESTMENT CONSIDERATION

Until now, development of the Uinta Basin tar-sands, on a large scale, has never proceeded past the demonstration stage, although advancement of recovery technologies has continued. Black Sands' engineering firm, who will scale up to a mobile unit, is responsible for fabricating the initial units, and has determined Black Sands' extraction unit to be a remarkable piece of equipment with world changing benefits in the tar-sands areas. Mining permits are being prepared by the State of Utah's Mining and Oil and Gas Depart-

ments, and Black Sands expects no delay in its efforts. So far, state officials have been very helpful in expediting the process of commencing the mining and processing. Black Sands is developing the plan to permit and begin operations on its 4,190-acre Asphalt Ridge lease by the end of May, with estimated total recoverable oil reserves of approximately 60,000 barrels per acre. In our view, a failure to raise sufficient Capex money and problems to scale up the pilot plant reflects the biggest risk for Nevtah to fail in its ambitious mining and extraction program during 2006/2007.

The Company's shares have seen considerable price increase in the past six months, but with the leverage the Company offers to the Utah tar-sands, the potential for substantial further appreciation is intact. Currently, the share price trades at a discount of 70.4% to our calculated total NAV per share of \$6.11. We set a Speculative Buy/4 recommendation with a 12- 18-month target price of \$4.60 and a total target price return of 154.1% from current levels. Our target price is based on a 0.75x multiple to our assessment of Nevtah's Net Asset Value of \$6.11 per share. Shares of NTAH should only be purchased investors who can tolerate above average risk

ANALYST DISCLOSURE

Analyst: Ernest C. Schlotter

Ernest C. Schlotter has been an analyst in the energy field since 1998. He is a securities analyst covering energy with SISM Research & Investment Services, Zurich, Switzerland. His areas of focus have included all energy industry sub-sectors, with a focus on independent companies in exploration/production. According to the tracking firm StarMine, based in San Francisco, Ernest C. Schlotter is a four out of five star analyst for EPS estimate accuracy.

Analyst Certification:

I, Ernest Schlotter, hereby certify that the views expressed in this research report accurately reflect my personal views about the subject securities and issuers. We also have inspected the pilot plant at the Asphalt Ridge property during our visit from January 9 to January 13, 2006. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the recommendations or views expressed in this research report.

Nevtah Capital Management Inc.
Net Asset Value Appraisal
(Pre-Tax at 10% D.C.F.)*

OIL RESERVES:
SISM estimates as of April 10, 2006
Asphalt Ridge, P.R. Springs, Sunnyside Tar-Sands - April 10, 2006

	Mbbls	Bbl	Value	Per Share
Recoverable Resources	118.968	\$3.25	\$386,646,000	\$5.65
Possible Resources	118.968	\$0.25	\$ 29,742,000	\$0.43
TOTAL RESERVES 3P			Sub-Total \$416,388,000	\$6.08

BALANCE SHEET: (May 9, 2006 – SISM Estimated)

Conversion of 8.5 million warrants @0.24	\$2,040,000	\$0.03
Long-term Bank Debt	\$0	\$0.00
TOTAL NET ASSET VALUE APPRAISAL	\$418,428,000	\$6.11

Nevtah Capital Management Corporation

Balance Sheets for the periods ended December 31, 2005 and 2004
(Unaudited and Prepared by Management)

December 31, 2005 December 31, 2004

Assets

Current

Cash	\$ 1,210,000	-
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	\$ 1,210,000	-
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Liabilities

Current

Accounts payable and accrued liabilities	-	-
Due to related parties	-	-

	-	-
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Shareholders' Equity

Common Stock: \$0.001 par value, authorized 250,000,000 shares; 58,669,611 shares issued and outstanding	58,669	18,333
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Additional paid-in capital	6,034,091	3,374,427
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Deficit accumulated during the development stage	(4,882,760)	(3,392,760)
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	1,151,331	(18,333)
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	\$ 1,210,000	-
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