400% Profits in "Black Diamonds"

They're not precious gems, but rather an incredible new source of cheap, reliable electricity. And only one company in the world is ready to bring this technology to market.

You've probably never heard of Dan Ferris. But to a small circle of Wall Street insiders, he's something of a legend. As chief analyst for the *Real Asset Investor*, a financial newsletter that follows the hard asset and commodity markets, his recommended trades racked up 405% profits in just 13 months.

As a natural resources analyst, Dan discovered an uncanny knack for digging into markets and uncovering trends and opportunities others missed. And it was while covering mining companies for *Real Asset Investor* that he made the discovery that's going to make you much richer than you are right now.

"In 1997, I saw that platinum was quietly being bought in great quantities by a number of small start-up ventures, almost all of whom were using the white metal as a catalyst in experimental fuel cells," says Dan.

However, the "energy research breakthrough" Dan discovered is not fuel cells per se. It's something a step beyond fuel cells. In a few minutes, we'll show you what this technology is and how you can profit handsomely by investing in it now, while ground-floor opportunities still exist.

But first there are a few things you must understand to fully grasp the enormity of this once-in-a-lifetime investment opportunity. Once you do, you'll be able to implement some adjustments to your portfolio that will dramatically accelerate your wealth accumulation — building the substantial net worth you need to enjoy the freedom, comfort, and luxury that true financial independence can provide.

The new U.S. power crisis.

To begin with, the popular press has been writing about energy shortages for decades, but as the events of the last several months have shown, we've finally reached the true "crisis" stage of the global energy crisis — with a dire shortage of electric power, the likes of which haven't been seen since Thomas Edison invented the light bulb.

Demand for electricity in the United States is growing at breakneck speed. Electricity is being used to power everything from millions of Internet appliances and PCs to cars and cell phones.

continued

The result is a massive boom in electricity demand. In the last 20 years, consumption of electricity has more than doubled — with demand far outstripping the supply. In the next 20 years, U.S. electricity consumption is expected to rise almost 30 percent more.

Utilities simply cannot keep up with consumption. In California, for instance, the Bonneville Power Administration says that California can no longer rely on electricity from 30 hydroelectric dams in four Northwestern states to make up for the shortfall from CA's in-state plants. (California imports nearly 30% of its total power from other states in the Pacific Northwest.)

The total cost for power in California quadrupled from $7 billion in 1999 to $28 billion in 2000 — a fourfold increase in just one year! Estimates put CA's energy costs for 2001 in the $50 billion range.

During the latest California energy shortfall, businesses lost between $70,000 and $6 million per hour during every power brownout or blackout. High-tech firms that suffered a 3-hour power outage in June of 2000 lost as much as $1 million per hour.

Similarly, Con Ed in New York City says it can't keep the electricity flowing if next summer is as hot as the last one.

The "utility grid" is overtaxed beyond its capacity. Existing power plants, many of them decades old, are already at maximum capacity. There's no way to get the grid to meet the growing demand, which is why we're seeing blackouts and brownouts throughout the country during peak summer demand periods.

Secretary of Energy Spencer Abraham concludes: "My assessment is that we have an energy crisis. It's a long-term crisis ... we certainly are confronting the greatest challenge we've had in at least two decades."

Building new power plants requires huge budgets, project schedules that stretch over years, and enough paperwork to make even the most diehard bureaucrat put his head down on the desk and weep.

The Department of Energy estimates construction costs for a new 1,000-megawatt oil-and-natural-gas-fired plant at $575 million. The bill for a new nuclear plant of the same capacity would be over $2 billion. Which is why North America is finally turning to a new mode of electricity supply, "distributed power generation."

In the old model, businesses and residences get electricity by tapping into a utility grid where the power sources are centralized plants. The electricity is made at the plant and then transported, at great cost, huge distances to reach the end consumer.
As you can imagine, this is horribly inefficient. (It's also vulnerable to service interruptions, should the central utility's power plant fail.)

In distributed power generation, electricity is made by much smaller units — think of them as "personal power plants" — located in the customer's office, plant, or home. Examples include:

- Solar.
- Wind.
- Diesel generators.
- Fuel cells.
- Cogeneration.
- Batteries.

Distributed power generation has been an idea for decades, but it could never become a reality unless the cost of distributed power became competitive with the cost of utility power. And for decades, it wasn't even close.

But all that's changing. And today, the success of distributed energy technology is virtually ensured by a principle of technology marketing that has been proven to be true beyond a shadow of a doubt...

"My assessment is that we have an energy crisis. It's a long-term crisis ... we certainly are confronting the greatest challenge we've had in at least two decades."

When technology prices drop, sales skyrocket

When a technology is introduced, the cost of development — and the inefficiency of the first models — makes it unaffordable to all but a few of the richest "early adapters" — people who have the curiosity, boldness, and (most important) money to try the new system first.

The early mainframe computers, for instance, cost millions of dollars and took up an entire room. (Mark I, built at Harvard in 1943, was the first full-size working computer. It contained 760,000 parts, 33,000 electromechanical relays, 500 miles of wire, and weighed 5 tons.)

Half a century later, we have desktop PCs and laptops that weigh only a few pounds, can fit into a briefcase, and have more than a thousand times the computing power of the Mark I. And millions of people own them.

(It has often been said that if the auto industry kept up with technology like the computer industry has, we would be driving cars that cost $25 and got 1,000 miles per gallon.)

The same cycle is taking place with energy even as you read these words. As the technology for distributed power becomes more refined and efficient, the cost per kilowatt of distributed electricity is falling rapidly.

At the same time, utilities are raising their prices — which they are free to do in today's deregulated market — because of the (to them) favorable supply/demand ratio created by the global energy shortage.

Twenty years ago, distributed energy wasn't even close to cost competitive. Solar energy cost upwards of $500 per kilowatt-hour (kWh).

Today, increased efficiency in solar collection systems has reduced the cost of solar energy one hundredfold, to around $5 per kilowatt-hour.

In 1999, the average cost per kilowatt-hour for electricity from natural gas-fired power plants was $3.52, and for oil, $3.18 per kWh. And these prices are constantly being raised by profit-hungry utilities who, ignoring distributed power, mistakenly think they have a semi-monopoly in which consumers have no choice but to tolerate their price gouging.

The fact is, distributed power technologies — solar, wind, generators, fuel cells — are all rapidly becoming cost-competitive with utility energy on a dollars per kWh basis.

The question then becomes: If the distributed power market is about to explode, what's the smartest bet an investor can place to profit from these new energy sources? Solar? Windmills? Batteries? Generators?

Surprisingly, there's a technology that beats them all — and we've found the one company poised to dominate this new power technology.

The technology, "black diamond," enables fuel cells to make the transition from laboratory curiosity to commercial feasibility. In fact, black diamonds hold the key to solving today's utility crisis with economical, compact, portable fuel cells.

But to understand why you should back up the truck and load up on this company's shares, you've got to understand something...

...why 95% of distributed energy stocks *won't* make their shareholders rich

Why can't you just buy any distributed power company's

shares, sit back, and wait to get rich?

Because in distributed energy technology — as in every other sector of the stock market — most of the companies are doomed to be mediocre performers, even when the technology as a whole takes off.

Everything in the world follows a bell curve: A few laggards, at the bottom of the bell curve, perform far worse than the average. If you pick a stock in a sector at random, just because you want to get into that sector, you risk buying a laggard — and losing a lot of money.

The majority of stocks in any sector fall in the middle of the bell curve. These are your "average" performers. They won't do much better than the rest of the market. They won't do much worse. Again, it's a crapshoot as to whether you'll make a little money, or lose a little.

At the top of the bell curve are the winners — stocks that can earn legacy-size wealth for savvy investors who buy early, hold on as they skyrocket, then sell for 200%, 300%, even 500% profits or more.

But, whether we're talking distributed energy, tech, utilities, small caps, or any other sector, how do you find those stocks at the top of the performance bell curve? The ones that are going to outperform 95% of the other companies in their sector and leave the rest of the market eating their dust?

Fortunately, there is a known formula that has consistently and reliably helped us pick winners in virtually every new technology introduced over the past decade. It's ...

The "Infrastructure Imperative."

Or, why every new technology is dominated by only one or two companies that make investors rich

In every new technology, there are one or two companies that emerge as long-term winners. And almost without exception, these are firms whose product is essential to the technology, not peripheral to it. Firms who provide the infrastructure on which the technology runs — or can dominate the niche through superior technology, innovative distribution, or some other advantage not easily copied by their competitors.

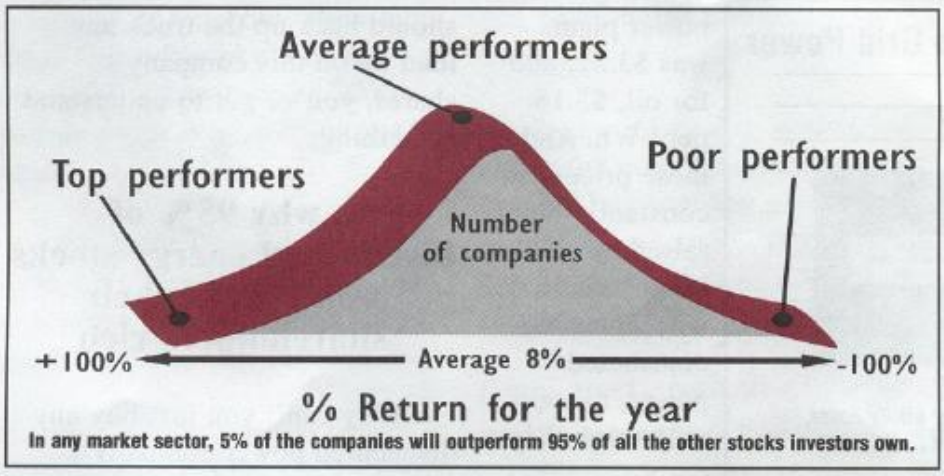
I call this the "Infrastructure Imperative." The idea is simple: If air conditioning was the next new thing in technology, I wouldn't buy shares of one of the dozens of air conditioning firms, all with look-a-like products, all competing for the same market share. I'd buy the stock of the one company that made the vital *compressor* on which virtually every air conditioner depended for its very operation.

The Infrastructure Imperative is not theory; it is a principle that has been proven over and over again. So if we can figure out what company makes technology that is critical to the distributed power energy boom, we can cash in handsomely on this trend.

How have investors already profited from the Infrastructure Imperative?

In semiconductors, only one company out of hundreds of chip makers — Intel — consistently earned huge profits for its shareholders. And it's no accident. Superior R&D enabled Intel to dominate the semiconductor marketplace with the fastest microprocessor for three decades.

From 1971 to 1998, Intel



In any market sector, 5% of the companies will outperform 95% of all the other stocks investors own.

made more profits than any other U.S. high-tech corporation (except for Microsoft). Do you know how much profit Intel's two biggest competitors — National Semiconductor and Advanced Micro Devices — made during the same period? Zero. That's right. Zilch. Zip. Nada.

Intel stock split more than a dozen times throughout the decades, making Intel shareholders rich. Had you bought $1,000 worth of Intel stock when the company first went public 30 years ago, your Intel stock would be worth $1,557,640 today!

Always, always, the company that builds the *infrastructure* is the one that makes its shareholders rich in any new technology.

In PC software, thousands of companies are fighting for shelf space for their programs. Yet almost everyone who owns a computer is a Microsoft customer. The reason? When Windows was launched, it quickly took root as the industry standard — and nobody could dislodge it.

Today, despite all the antitrust actions, they continue to dominate the industry as no one else ever has — or likely ever will. If you had bought $10,000 worth of Microsoft stock in September 1996, your investment would have multiplied almost sevenfold — to $68,000 — by January 2000.

Or, let's look at mobile phones. In wireless communications, an infrastructure called "CDMA" is emerging as the industry standard protocol over which wireless messages are sent and received.

CDMA, or Code Division Multiple Access, vastly improves the sound quality of cellular phones. In addition, CDMA extends the reach of the phone's signal, so there are fewer "dropped" calls (and fewer costly base stations need to be built).

Qualcomm is the leading developer and manufacturer of CDMA-based systems and equipment. In May 1997, a share of Qualcomm sold for around $5.80.

Then wireless exploded, and CDMA rode the explosion with it (during the last few years, Qualcomm's annualized growth rate has averaged 67.3%). By August 2001, Qualcomm was selling for $58.85 a share — a tenfold increase in price!

There are more examples. But you get the idea. Every new technology makes some investors wealthy. But not every company in the new technology is a winner. In fact, most are losers ... and only one or two in each category create legacy-size portfolios for investors.

In distributed power, we must find out which technology is about to emerge as the next big thing, then determine what company makes a product vital to its infrastructure.

PCs and the Internet and

DISRUPTIVE DEVASTATION

In 1990, sales of the **Britannica** multi-volume encyclopedia reached an all-time peak of $650 million. The firm's two hundred year history (three Scottish printers started the encyclopedia in 1768), aggressive direct sales force, and the guilt of parents wanting to "do something" for their children had combined to create a very stable business.

That's when **Microsoft** decided to introduce a CD ROM encyclopedia.

Britannica must have snickered when **Bill Gates** bought the down-market **Funk and Wagnall** brand name. But Gates was smart: he realized that Britannica was banking on parents' emotional need to do something for their kids, not the quality of the encyclopedia. You see, what Bill Gates realized is that parents were willing to spend $1500 to better their children's education. It didn't matter to them whether that meant buying Britannica or buying a PC that came with an encyclopedia.

The marginal cost of each CD ROM encyclopedia was less than $2.50. The production cost of Britannica is 100 times that amount, *plus $500 for sales commission.*

The result of the CD ROM — a dramatically more efficient means of sharing information — was the destruction of an entire industry. Direct sales of encyclopedias have fallen by more than 90% since 1990. Shareholder value has fallen by more than an order of magnitude (Britannica was sold in 1996 for less than half of book value).

The only clear winner has been the consumer: you can now use Britannica's search engine at www.britannica.com for free. And, as they say, it really is the best search engine on the web.

And that my friend is why I tell investors to look for *"a dominant physical advantage."* Without that kind of an edge, some new technology can quickly come up and destroy the value of your investment in no time.

semiconductors were the last big thing. Distributed power is the next big thing — the emerging trend that is going to build legacy-size wealth for the few investors astute enough to act now, while there's still time to get in on the ground floor... and before Wall Street discovers this opportunity and drives prices through the roof.

And in the distributed power market, the clear infrastructure winner is ...

...A tiny, miniature power plant that runs on "black diamonds" and expels pure water!

When people hear the term "fuel cells," they think of science fiction exhibits at World's Fairs showing the "electric car of the future." But in fact, fuel cells are nothing new.

The British physicist William Robert Grove (1811-1896) built the first fuel cell way back in 1839. In the cell, hydrogen and oxygen combine to produce water, generating electricity in the process.

How fuel cells work

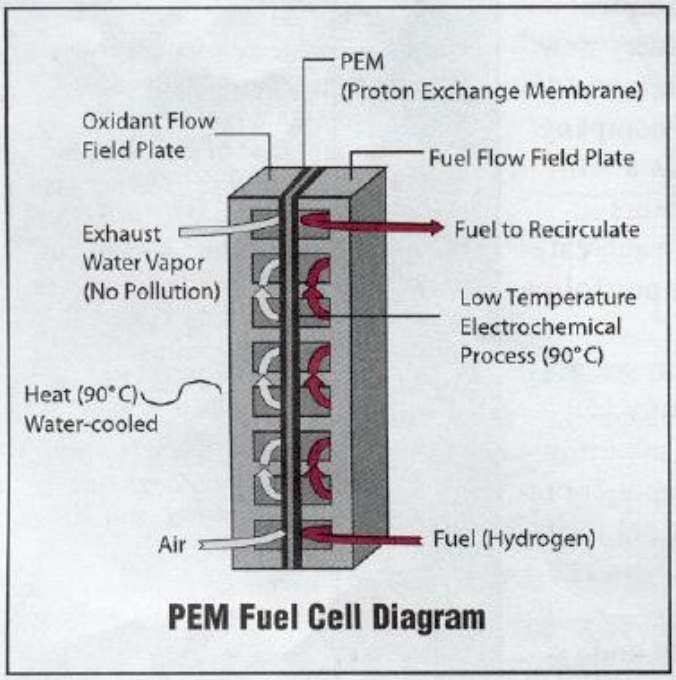
All fuel cells share the same basic structure. A fuel cell is two pieces of metal with a paper-thin sheet of high-tech plastic between them. It looks like a sandwich. And it generates clean electricity with no combustion.

The "fuel" for fuel cells is not gasoline or other hydrocarbons — it's pure hydrogen. And "black diamonds" are the best source on Earth of hydrogen for fuel cells.

A hydrogen atom is the simplest atom in existence, consisting of one electron orbiting a single proton. When hydrogen hits the first metal piece — the anode — the two subatomic particles are separated.

The electron gets sent off through a circuit. The hydrogen's proton swims through the electrolyte toward the other piece of metal, the cathode.

At the cathode, the stripped down hydrogen atom — a proton without its electron — meets an oxygen atom. Two of these stripped-down hydrogen atoms combine with one oxygen atom to form water, which is exhausted from the system.



PEM Fuel Cell Diagram

Grove's fuel cell worked, but it never caught on for commercial use. The reason: The difficulty of getting the fuel — hydrogen — for the fuel cell.

Although we're used to burning gas, oil, and coal for power, none of these is the key energy source on Earth. Hydrogen is.

Hydrogen is by far the most common substance in the universe. It is estimated that 90 percent of all the atoms in the universe are hydrogen atoms.

Our sun converts 4 million tons of hydrogen to helium per second through nuclear fusion. Even though we are 93 million miles from the sun, the Earth receives about 85 trillion kilowatts of constant energy from sunlight — equivalent to the energy that would come from burning 1,150 billion tons of coal per year.

But, while hydrogen is plentiful throughout the universe and on the sun, it's not so easy to produce in a lab or plant.

With electric power, the cost per kilowatt-hour is critical. So

if the fuel is too expensive, the power generating system won't be cost effective. That, until recently, was the problem with fuel cells — producing the hydrogen was just too expensive.

That's why Dan is so enthusiastic about a new company whose stock he is recommending — a firm whose "black diamond" technology is producing low-cost hydrogen for fuel cells by the ton ...

...and making fuel cells cost-competitive with — or even cheaper than — the utility grid!

Think about it. The energy crisis means millions of households and businesses in the United States (and throughout the world) can no longer blindly rely on utilities to supply them with reliable, cost-effective power. The lights can go out at any time, with no notice or warning.

But people are unwilling to do without reliable electricity. Have you ever had the power out in your home? Even if it's a few hours, you get cranky, call the utility, and demand they get the power back on. Without electricity in the summer, the household temperature becomes unbearable within a couple of hours. And the food in the freezer and refrigerator spoil within a day.

In today's technology-based world, businesses can't afford to be without electricity either. Without power, you can't use your fax machine, copier, or computer. If your server's power is cut off, you can't send or receive e-mail, and your Web site goes down. Customers can't find you online or order your products. It's a disaster.

More and more companies are turning to distributed energy generation as an alternative to costly, unreliable utility power. ValueWeb, for example, one of the nation's largest Web hosting companies, has a 2,000-liter diesel generator to supply its own power.

But Dan's #1 distributed power stock has something far better than diesel generators: Black diamonds. And...

Black diamonds are *better* than black gold

For its rich energy content, oil has often been called "black gold." Well, gold is nice, but what's even more precious? Diamonds. And now "black diamonds" can solve the energy crisis — and make savvy investors rich in the process.

How is this so? Well, scientists at one company have just solved the puzzle of how to make fuel cells practical. The answer is a patented "hydrogen on demand" technology that makes hydrogen by using boron — the "black diamond" of the chemical world.

Boron is a black, very hard substance with a melting point of 4,172 degrees Fahrenheit. When combined with nitrogen, it can form a substance harder and tougher than diamonds.

Many years ago, much of our boron came from Death Valley in California, and wagons hauled by mule-teams went there to get it out. Nowadays certain other dried-up lakes in California are better sources.

Dan's #1 pick in distributed energy is a small company, as yet undiscovered by Wall Street, that has developed a new process for producing "boron-generated hydrogen."

Their patented hydrogen-on-demand system uses an innovative boron chemistry process to generate pure hydrogen cleanly and efficiently from safe raw materials.

The energy potential of hydrogen is stored in sodium borohydride. This white crystalline powder* consists of one atom of sodium, one atom of boron, and four atoms of hydrogen.

In the presence of a catalyst, the atoms in the molecule separate, and hydrogen is produced. The hydrogen thus liberated can be used in a fuel cell, battery, or in internal combustion engines that have been modified to burn hydrogen.

It's clean, inexpensive and efficient. The cost, bulk, pollution, and complexity of steam-methane reformers, partial-oxygen reactors, auto-thermal reforming, electrolysis, and other conventional hydrogen-produc-

* Boron in its pure state is black, but when combined with Sodium forms a white compound.

ing methods are eliminated!

In essence, this is the ultimate "infrastructure" company for the distributed energy industry — the one company that makes the fuel which all other companies need to run their fuel cells!

The company has already built a hydrogen-on-demand system for an SUV (sport utility vehicle) prototype, and is working with Daimler Chrysler to develop technology for future vehicles.

Fuel cells are expected to achieve 40% electrical efficiency — double the 20% efficiency of the average internal combustion engine. And they are non-polluting. Cars emit deadly carbon monoxide and other noxious fumes. The waste product from fuel cells? Pure, clean water. You can actually drink the "waste" a fuel cell produces!

Think of the advantage for businesses. A clean, reliable power source, under their roof and under their control, that doesn't pollute.

It costs businesses millions of dollars a year to comply with the EPA's increasingly strict environmental regulations. But fuel cells run totally clean. No more expensive EPA compliance audits. No more costly pollution control devices. No more fines. Executives have even gone to jail for dumping toxic waste and other EPA violations. But no one has ever been arrested for discharging pure water!

Power for businesses and cars is the tip of the iceberg for the enormous marketplace for the new fuel cell technology. Anywhere you see an engine or battery, there's a market for fuel cells. Engines pollute and wear out and cost a fortune in replacement parts. Batteries have to be recharged and replaced, and they can't get you very far for very long. As long as a fuel cell has hydrogen, it never stops making electricity.

And with Black Diamond Technology, now fuel cells can have all the inexpensive hydrogen they need to keep on making reliable, clean, cheap power for millions of business and consumer customers.

But they can only get it from one company. Which is why buying this stock is the equivalent, in the fuel cell market, of owning the only gas station in a city with 8 million cars.

400% profits from the "next new thing"

Now, if you have followed Dan Ferris's career as of late, you know that in July 2000, he said electricity demand was going through the roof because of the Internet's "dirty little secret" — that it runs on coal-powered electricity. Investors who followed his advice made over 94% during the worst year the market has seen since the 1970s.

Well, Dan says the profit potential from "black diamonds" is *four times* the profit potential of Internet coal-power! That means people who invest in his Black Diamond stock are on target to earn 400% profits.

How long will it take to triple, quadruple, or quintuple your money when you buy this company today?

Dan has prepared a new special report, ***400% Profits from "Black Diamonds"***, that reveals the name of our Black Diamond stock and gives you his complete recommendations on the company.

You cannot buy Dan Ferris's ***400% Profits from "Black Diamonds"*** report anywhere, at any price. But I will send you a copy absolutely free when you join us as a subscriber to Dan's unique wealth-building service ...

The Dan Ferris Power Report

The <u>only</u> financial advisory dedicated to making double and triple-digit profits investing in distributed energy companies

So far we've talked about distributed energy generation as an alternative to utility power. And if that alone were the case, investing in Dan Ferris's distributed power stocks could easily and quickly help you make back any of your portfolio losses from the recent tech stock meltdown.

But the real secret of the

profit potential of "Black Diamonds" and other "distributed" energy companies is in the word "distributed."

In conventional "centralized" power generation, a centrally located utility produces electricity — with a tremendous up-front capital investment in a power plant required.

That utility has the cost of a giant power plant, the salaries of as many as 10,000 employees, trucks, cars, warehouses full of supplies and equipment, executive salaries, taxes, fees ... the list is endless.

Then, all that expensive electricity has to be transmitted, at great expense, over power lines to the end-user homes and businesses, many miles away.

"At great expense" is the key phrase here. When you get your utility bill, only about 25% of the money you are being charged represents the cost of the electricity itself. The rest is for that expensive centralized production and transmission system.

That means distributed power generation has the potential to cut electricity bills for business and residential customers as much as 75%!

Electricity today is a $225 billion market. A deregulated market in which the most competitive providers will win the customers' energy dollars. If the distributed power companies whose shares we buy can allow businesses and consumers to produce their own power, in their own offices or homes, at 75% less than utilities charge, someone's going to get mighty rich!

"Black Diamonds" and other breakthrough technologies (some of which I will reveal shortly) are now making all kinds of distributed power systems — from solar to fuel cells to turbines — commercially viable and cost-competitive. The profit potential for investors who buy these companies now is staggering.

73% ... 94% ... 113% profits even as the NASDAQ lost half its value

Some other financial advisors, in addition to Dan, also deal with the power and energy sector: Roger Conrad on utilities. George Gilder on ultra-reliable power sources for Internet businesses. Bob Czeschin on oil and gas.

But *The Dan Ferris Power Report* is the only investment newsletter focused exclusively on distributed power generation stocks ... the one segment of the power and energy sector about to explode.

Just look at some of the profits Dan Ferris has already made for his readers:

- Dan was the first analyst to talk about the Internet's "dirty little secret" ... that all these high-tech companies were powered by coal! While everyone else was buying Microsoft, Cisco, and Amazon.com on the way down, Dan was buying CONSOL Energy, a company that sells coal, at 11 times earning. Dan's readers locked in 94% in profits!

- Deregulation has spurred an unprecedented wave of mergers and acquisitions in the power generation world, and when companies buy other companies, shareholders often make quick, huge profits. Dan recommended three water utilities ripe for takeover, and all three were bought out in short order. Those who got in with Dan made a quick 59% profit on Dominguez Services, 56% on Aquarion Corp., and 73% on United Water Resources.

- While other analysts were predicting permanently high platinum and palladium prices, Dan said, "White metal prices are going to fall." And sure enough, palladium dropped from $1,100 to $500 an ounce. Dan's colleagues thought he had gone crazy when he bought Stillwater Mining, the largest palladium miner outside of South Africa, at 103 times earnings. But Dan's readers made a quick 59% in profits on the trade.

- Natural gas is the fastest growing electricity fuel in the world. Dan's readers made 55% profits on El Paso Energy, the largest natural gas pipeline company in the

continued

United States and 113% profits on EOG Resources, the most active natural gas driller in the U.S.

- An accounting scandal that made the front page of the *Wall Street Journal* caused Waste Management Inc.'s share price to plummet 53% overnight. Dan's readers bought at the dip and sold when it went back up for 93% profits.

- Caterpillar Inc. is the world's largest provider of distributed power generation. Subscribers who got in with Dan made a 56% gain on this trade. Had you invested $10,000 in Caterpillar and sold when Dan said "sell," you would have pocketed $5,600 in profits (enough to pay for your subscription to *The Dan Ferris Power Report* almost 19 times over — from just one trade!).

But that's not all.

In addition to these winners ... and the 400% profits we believe our Black Diamond stock is on target to make ... Dan has identified five more companies he thinks will be big winners in the distributed power generation sector.

The 5 distributed power generation stocks you must own NOW!

You already get Dan's new special report, ***400% Profits from "Black Diamonds,"*** absolutely FREE when you accept my invitation to try *The Dan Ferris Power Report* 100% risk-free for a full 3 months.

But for a limited time only, I'm offering you a second special report, also absolutely free.

Titled *5 Distributed Power Stocks You Must Own Now*, this report gives you Dan's complete research and recommendations on his 5 top picks for today — five companies (in addition to our Black Diamonds stock) poised to double over the short-term ... and return 300% or even 400% further down the road.

Investors who lost tens of thousands of dollars ... or even hundreds of thousands of dollars ... in the recent tech-stock meltdown are simply not going to gain it back with index funds or earning "average" market returns.

The long bull market of 20% annual gains is gone, and not likely to return anytime soon. Especially with the U.S. economy growing at just 0.2 percent in the spring of 2001 — its most anemic performance in 8 years. And although the economy always recovers eventually after major disaster, the tragic events of September 11, 2001, sent the markets into a nosedive in the short-term immediately following the attacks.

In 2000, the NASDAQ lost over 50% and the S&P fell 10%. As I write this, the Nasdaq is down over 840 points, and the S&P 500 is down over 200

READERS GIVE RAVE REVIEWS

"Thanks for making me rich." --Mike S.

"WMI, MO, EOG and CNX are doing great, thanks to you. I respect your investment advice, and like your attitude." --Mike J.

"I've rarely seen such a complete thorough presentation in a newsletter." --Charles. M

"In my books you are truly a great man! Any letter you write I would love to subscribe to it. I love your revolutionary views." --Dr. S.T.

"Thank you so much for your response. I will definitely be switching to your new newsletter as I like your stock picks & the information you provide about those picks. You do such a good job." --M.W.

"You're the real deal." --Carl R.

"Congratulations, Dan, for your "nomination" to PSIA. A great bonus for readers." --C. M.

"After subscribing to many different investment newsletters, I like yours the best." --Bill M.

"Thanks very much for your incisive 'No BS' market commentary. We really appreciate the intensity of your studies in the market." --Stephen B.

"Thanks so much for the continuing stream of superb insights into the market!" --Barry B.

"I just finished the latest issue. Another work of art. I subscribe to (far too many) other newsletters and yours has to be my favorite."
--Paul K.

"If there is a place to vote for the 'Most Responsive Newsletter Writer' I want to know so I can submit your name." --R. Gale

"Thank you very much for your amazingly prompt response." --Joe G.

points. And if 7 consecutive interest-rate cuts by Alan Greenspan at the Fed failed to boost the market's anemic performance, what else will?

Dan Ferris doesn't play the broad stock market. Who can reasonably be expected to keep up with over 7,000 publicly traded companies? The answer: No one, of course. And we don't even try.

Instead, Dan generates over 100% annual profits in the "hidden sector" of distributed power generation — a subset of power and energy that's a "market within a market."

This sector consists of only a few dozen players. So unlike most analysts, who have to consider thousands of stocks, Dan can concentrate on a niche market of less than 100 companies.

And he tracks these companies full-time, 60 hours a week, every week of the year. (The due diligence he performs usually includes lengthy, private audiences with the CEOs of the companies Dan is considering buying — CEOs most other analysts never talk to.) So he has an intimate, in-depth understanding of the distributed power market unduplicated in the industry.

The distributed power generation sector's performance is not ruled by the nation's economics, but by the nation's energy crisis — a long-term trend with unstoppable momentum. And when it's "lights out" for the country's utilities, those distributed power companies with economical, viable technologies will rule the roost ... and their investors will reap the rewards.

Here's just a quick peek at what you'll find inside the pages of this unique money-making research report on the best-positioned distributed power companies — astonishing profit opportunities with ground-floor positions still available — if you act swiftly:

Hot Distributed Power Stock #1:
The One Solar Energy Company You Must Buy NOW!

Earlier in this bulletin I mentioned that solar power, like fuel cells, is dramatically dropping in cost per kilowatt-hour — from $500 a few years ago to around $5 today — rapidly making it a viable alternative to utility power.

The "Infrastructure Imperative" says we want to own companies that are central to any new technology or are otherwise able to dominate their niche. Recall our analogy: In a city with 8 million automobiles, if you owned the only gas station in town — or the only tire store, or the only auto repair shop — you would get rich beyond the dreams of avarice.

Our #1 solar energy company is in just such a situation. They make solar panels — but not the way other solar companies do.

Solar panels are built using silicon crystals. All solar manufacturers must grow these crystals artificially, or else their panels cannot convert captured sunlight to electrical energy. The problem is, the silicon crystals are expensive and time-consuming to produce. This sharply limits the profit margins — and production capacity — of most solar panel makers.

This company is different. They have developed a proprietary technology that allows them to grow the silicrystals four times faster than their competition. That means they can produce four times as much product — and meet critical delivery schedules that others miss. On top of that, they have established a unique working agreement with the world's largest producer of silicon metal to supply them with dirt-cheap silicon feedstock — the raw ingredient from which the crystals are made. Lower raw material costs will dramatically increase their profit margin on every solar panel they sell.

As the market for solar power takes off, so will this company's shares. Dan estimates the stock will double or triple in price within 12 to 24 months. Buy now.

Hot Distributed Power Stock #2:
Make Money Selling 600-Pound Hockey Pucks

If you've ever strapped on

continued

ice skates and played hockey, you know that it's tough to stop a hockey puck that comes whizzing toward you at 90 miles per hour.

Well, imagine a 600-pound hockey puck made of steel and spinning over 230 times faster than an LP record (remember records?). That's the product Active Power (ACPW) makes.

The 600-pound hockey puck is called a flywheel, and Active Power has used it to create the world's most efficient back-up energy storage system.

The massive flywheel — a single, solid mass of forged steel — spins at a steady 7,700 revolutions per minute.

An object this big, spinning this rapidly, stores an enormous amount of kinetic energy. If there's a power outage, the wheel — connected to a generator — continues to provide power, getting the user past the outage with no interruption in electric supply.

It's the ultimate UPS (uninterruptible power supply). The kind that Internet service providers, Web hosting services, data centers, telecommunications carriers, and other businesses for whom continuous power is critical are standing in line for, waiting to buy.

Cash and equivalents indicated in Active Power's most recent quarterly reports are $137 million. Revenues were up 91% from the previous quarter. Buy ACPW under $30 and hold on to double or triple your money.

Hot Distributed Power Stock #3:
Jet Engines That Fit in Your Kitchen

You know the power in a jet engine. Now imagine all that power in a miniature jet engine about the size of your refrigerator!

This company makes the refrigerator-sized jet engine, and it's the heart of the most efficient power technology ever built.

These "micro-turbines" are smaller than diesel engines, and they make only slightly more noise than a dishwasher. The units run at least 400 degrees cooler than large-scale utility turbines, and generate virtually no pollution — only about one tenth of one percent of the amount of noxious (NOx) gases generated by a diesel generator.

Simply put, the company's micro-turbine is the best new source of reliable off-grid power (next to black diamonds) available anywhere. And Dan wants you to buy the stock now, before Wall Street catches on and starts the buying frenzy that will send share prices through the roof.

But how do you get the details on this trade?

As with our Black Diamond report, you cannot buy Dan's *5 Distributed Power Stocks You Must Own NOW* Special Report anywhere, at any price. But a copy is yours FREE when you accept my offer of a no-risk trial subscription to *The Dan Ferris Power Report*.

"Hire" Dan Ferris as your exclusive distributed power investment advisor for just $24.92 a month

Many investors today are hiring money managers to handle their investments in specific sectors — small caps, mid caps, technology, blue chips, global equities — in managed accounts. These accounts usually have a $100,000 minimum and a management fee of 2 to 3%. That means on a $100,000 account, you'd be paying the manager $2,000 to $3,000 to guide you in that sector.

Well, Dan Ferris is widely recognized as an expert in the emerging distributed power sector. And now you can put him to work building your personal wealth for an exceptional bargain ... as a subscriber to *The Dan Ferris Power Report*.

You get:

• 12 monthly issues of *The Dan Ferris Power Report*. In each quick-reading issue, you get Dan's full report on another hot distributed power stock he's recommending. You also get his current portfolio with updated buy, sell, or hold recommendations on all open positions.

• Specific stop-loss orders

for each recommended stock based on degree of risk and other market factors. This way you have unlimited upside potential, with your downside risk sharply limited.

• Unlimited access to our subscribers-only Web site where you can search and read past and current issues, all special reports, check an updated portfolio in real-time, and even talk to other subscribers on our Bulletin Board.

For all of this Dan doesn't charge you $2,000 or even $1,000. Your cost for his Power Report service is a very reasonable $24.92 per month. That's around what you'd pay for one trade with a discount broker like Charles Schwab! Only Dan's trades are guaranteed to make you lots more money....

Your satisfaction guaranteed or your money back.

How can you be sure *The Dan Ferris Power Report* is worth the price we ask? Because it is a small investment with zero downside risk.

Activate your No-Risk Subscription using the form on page 15. When your free bonus reports and first issues arrive, examine them carefully. Trade some of the stocks — for real or on paper.

Then decide. If you are not absolutely convinced *The Dan Ferris Power Report* is the best investment you have ever made in financial advice, simply cancel your subscription within 90 days.

You will receive a prompt refund of your full subscription fee, without question or quibble. All issues and reports received are yours to keep free, with no further obligation or commitment of any kind.

I can't think of a fairer — or more risk-free — way for you to sample Dan Ferris's market-beating advice.

Some like it hot. And it's going to get even hotter. So get in now for the biggest profits, before it's too late.

Distributed energy is not a "flash in the pan" technology. The energy crisis is a long-term trend, and increased global warming will only make things worse.

Since the industrial revolution, the amount of carbon dioxide in the Earth's atmosphere has increased 30 percent. Increased levels of carbon dioxide have a greenhouse effect, trapping heat in our atmosphere instead of allowing it to escape into outer space.

As a result, Earth's atmospheric temperatures are slowly and continually rising. Scientists estimate that in some regions, the number of deaths attributed to excess heat will double by 2020.

According to the latest study from the Intergovernmental Panel on Climate Change, a global temperature increase of up to 10.4 degrees Fahrenheit will take place by the year 2100. The utility grid will NEVER catch up with the increased electricity demand this heat wave creates, and only our distributed power companies can fill the gap.

Nationwide energy shortages, rising gas prices, overburdened utility power plants, and an antiquated utility infrastruc-

continued

SIGN UP TODAY FOR THESE SPECIAL SUBSCRIPTION EXTRAS!

• 12 monthly issues of *The Dan Ferris Power Report*. In each quick-reading issue, you get Dan's full report on another hot distributed power stock he's recommending. You also get his current portfolio with updated buy, sell, or hold recommendations on all open positions.

• Specific stop-loss orders for each recommended stock based on degree of risk and other market factors. This way you have unlimited upside potential, with your downside risk sharply limited.

• Unlimited access to our subscribers-only Web site where you can search and read past and current issues, all special reports, check an updated portfolio in real-time, and even talk to other subscribers on our Bulletin Board.

• Access to the weekly hotline, offering the latest tips, updates and recommendations.

Mt. Vernon Publishing, 105 West Monument Street, Baltimore, MD 21201, publishes *The Dan Ferris Power Report*. Monthly subscriptions are $299 per year (12 issues). Application to mail at Periodicals. Postage Rates Pending at Baltimore MD and at additional mailing offices. Send address changes to *The Dan Ferris Power Report*. 105 West Monument Street, Baltimore, MD 21201.

ture mean hard times and heavy burdens ahead for thousands of utility customers.

But they also mean big profits for savvy investors who get in early on the companies leading the new distributed power revolution that's going to save this country — and the world — from the looming global energy threat.

Maybe you missed out on the dot.com craze, the boom in telecom, the computer revolution, or broadband profits. But it's not too late to get in on the next big thing: distributed power. And there's no man better qualified to help you than Dan Ferris.

Don't find yourself saying, at the end of the decade, "If only I'd gotten in on those distributed power stocks at the beginning!" The beginning is here, and there is still time to get in and make the lion's share of the profits that 99.9% of investors will miss.

More than 1,000 investors are already making handsome double and triple-digit profits with Dan Ferris's distributed power stocks. To join them, call toll-free 866-599-4162 now. Or complete and mail the form on page 15 today. You'll be glad you did.

Sincerely,

Porter Stansberry, Founder,
www.pirateinvestor.com

Yours FREE — Our Gift to You! 3 Special Bonus Reports
Yours with your risk-free subscription to The Dan Ferris Power Report

Special Report #1: 400% Profits from "Black Diamonds"

In the old Superman TV series, Superman made diamonds by squeezing coal. Now an innovative energy company has found a way to "squeeze" precious hydrogen — the fuel which all fuel cells need to run — from boron, the "black diamonds" of the chemical world. In this report you will discover:

- Why the market for fuel cells is about to explode.
- Where "black diamonds" come from.
- Who has developed the proprietary "black diamond" technology that can generate an endless supply of low-cost hydrogen for fuel cells.
- How to buy into "black diamond" technology now — and hold on for a 400% gain!

Special Report #2: 5 Distributed Power Stocks You Must Own NOW!

Dan's recommendations on the five hottest distributed power stocks, including:

- Double-digit profits from 600-pound spinning "hockey pucks" that generate reliable back-up power during utility power failures.
- The one solar energy company you must own today.
- 100% to 200% returns from "mini-turbines" — the most efficient distributed power technology ever built.
- An undervalued methanol maker that trades at only five times earnings.
- A fuel cell power plant maker poised for triple digit gains.

Special Report #3: The SCS Power Paradigm: The Easiest Way to Pick Power Stocks

Are you the type who likes to double or triple your money in the stocks you buy, but also wants to understand the companies or technologies you are buying?

This report explains — in plain, simple English — the SCS Power Paradigm Dan uses to pick his winners. That's SCS for:

- Small — Distributed power generation systems are located at the end user's home or office, not at a giant utility power plant. Space is at a premium. So the system must be small — the more compact, the better.
- Cool — Successful distributed power technologies run at much lower temperatures than their utility counterparts. After all, who wants a 1,500 degree furnace in their home or office?
- Smart — Smart power is power generation with superior intelligence engineered into it — for instance, a fuel cell system that automatically activates a back-up if one of the main cells fails.

The Dan Ferris Power Report • Express Subscription Order Form

❑ YES!, please sign me up for a risk-free subscription to the *Dan Ferris Power Report* and rush me my special reports and password for *The Dan Ferris Power Report* website, plus my regular e-mail updates..."Off-the-Grid".

1 ❑ **BEST OFFER:** *Two years* of the ***Dan Ferris Power Report*** for just $499. I save $99, receive my secret password to *The Dan Ferris Power Report* website, 24 issues of *The Dan Ferris Power Report* and my free special bonus reports:

1. *5 Distributed Power Stocks You Must Own NOW*
2. *The SCS Power Paradigm: The Easiest Way to Pick Power Stocks*
3. *400% Profits from "Black Diamonds"*

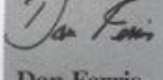
2 ❑ **GREAT OFFER:** *One year* of the ***Dan Ferris Power Report*** for $299. I receive my secret password to *The Dan Ferris Power Report* website, 12 issues of *The Dan Ferris Power Report* and my free special bonus reports:

1. *5 Distributed Power Stocks You Must Own NOW*
2. *The SCS Power Paradigm: The Easiest Way to Pick Power Stocks*
3. *400% Profits from "Black Diamonds"*

SATISFACTION GUARANTEE

I think my research is the best that money can buy. That's why I'm offering you this no-risk, money-back guarantee: If for any reason you're not thrilled with your *Dan Ferris Power Report* subscription, simply let me know in writing within 90 days and I'll send you a full refund — no questions asked. The special reports are yours to keep... FREE! I really hope you'll join us!

Sincerely,



Dan Ferris
Editor,
The Dan Ferris Power Report

To order, call toll-free
1-866-599-4162
This is a toll-free number and your order can be processed in just minutes

❑ My check is enclosed, payable to *The Dan Ferris Power Report*
(Maryland residents, please add 5% sales tax.)

Please charge my: ❑ Visa ❑ MasterCard ❑ American Express

Card Number _____ Exp. Date _____

Signature *(required for Credit Card orders)* _____

Name _____

Street Address _____

City _____ State _____ Zip _____

Phone Number _____ Email address _____ Email address required for *Off The Grid* updates and website access

If you're online, you can begin using the service today! Or, tear out and Fax this subscription form immediately to: 410-230-1224
Also, you can mail this completed form to *The Dan Ferris Power Report* 105 W. Monument Street; Baltimore, MD; 21201

POWR4T

INSIDE THIS SPECIAL REPORT

"My assessment is that we are in a long-term energy crisis. I'd say we certainly are confronting the greatest challenge we've had in at least two decades."
—Spencer Abraham, U.S. Secretary of Energy

Acres of Black Diamonds!

Imagine getting in on the ground floor of the next big thing in energy technology ... a revolutionary fuel cell system that's going to single-handedly solve the energy crisis for much of North America ... and perhaps the world.

In California, lurking beneath dried-out lake beds known only to miners and certain chemists, are acres of "black diamonds" — deposits of sodium borohydride, a compound derived from boron, one of the hardest substances known to man.

Now one technology company has patented a process that converts the sodium borohydride — plentiful in supply — to generate the cheap, high-purity hydrogen all fuel cells need to produce electricity.

The "Black Diamond Technology" is about to revolutionize the power industry ... like AT&T in telecommunications, Intel in semiconductors, Microsoft in software, or Cisco in networking.

Inside this special investor's bulletin, you'll discover:

- **Why Black Diamonds are going to make investors 5 times richer than they are right now (see page 3).**
- **A "hidden" stock market sector poised to return 200%, 300%, even 400%... even if the S&P 500 remains flat or turns more bearish (p. 11).**
- **How to make a small fortune with the "Infrastructure Imperative" (p. 4).**
- **How to find the 5% of energy stocks that are going to outperform 95% of all the companies in the power and energy sector (p. 4).**
- **The next big energy stock profit opportunities from the man who made 94% on CONSOL Energy... 113% on EOG Resources... 73% on United Water Resources... 93% on Waste Management... and 58% on Stillwater (p. 9).**

PLUS

The 3 FREE Special Reports You Need to Profit From the Power & Energy Sector

The Dan Ferris Power Report
105 W. Monument Street
Baltimore, MD 21201

PRSRT STD
U.S. Postage
PAID
Southern, MD
PERMIT #968