



Sustainable Wealth Management Ltd.

Sustainable Oil Sands Sector Price Index™ (SOSSPI) Aug 2006 Commentary

All energy sectors were hit hard in August despite the continued turmoil in the Middle East and the sustained high crude oil price levels. The worst performing region was the US which experienced a 5.1% pullback followed by the Canadian region 3.5% drop. The Canadian oil sands sector managed to outperform its peers for the first time in four months but still lost 3.1%, equal to the performance of the S&P Global Energy Index.

Index	Symbol	Region	Aug 2006 Return
S&P/TSX Capped Energy	TTEN	Canada	-3.5%*
S&P Select Energy Sector	IXE	US	-5.1%**
S&P Global Energy	XGC	Global	-3.1%**
Oil Sands Sector Price Index™	SOSSPI	Canada	-3.1%*

* Return in Canadian dollar terms. **Return in US dollar terms.

Crude oil was down in August but still managed to remain above the \$70 range at month end. In the Canadian oil sands sector there was renewed optimism after July's disastrous announcement of the cost overruns at the Athabasca Oil Sands Project owned by Shell Canada, Chevron and Western Oil Sands. In fact Western Oil Sands was the best performing stock in the SOSSPI index in August, recovering most of the lost ground from July's 16.1% collapse.

There was no discernable pattern in the returns of the oil sands producers in August. Western Oil Sands recovered strongly in August but UTS Energy and Synenco Energy added to their double digit losses in July by dropping 7.8% and 5.3% in August. 14 of the 17 index constituents dropped in value in August, reflecting the 5%+ drop in crude oil prices. Fundamentally the oil sands producers are generating tremendous profits with crude oil and bitumen prices remaining high and natural gas costs are near annual lows. This will bode well for the 3rd Quarter earnings announcements and I expect to see the price appreciation of the oil sands producers reflect their strong fundamentals by the 4th quarter of this year.

Top Performing Stocks in Aug

Western Oil Sands	13.6%
Imperial Oil	1.7 %
Connacher Oil & Gas	0.8%

Worst Performing Stocks in Aug

Cdn Oil Sands Trust	-9.2%
Shell Canada	-9.0%
Petrobank Energy & Res	-8.9%



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The following table compares the Sustainable Oil Sands Price Index vs. the S&P/TSX Capped Energy Index benchmark

	SOSSPI Oil Sands Index	S&P/TSX Capped Energy Index
Price Appreciation Since June 30, 2004	174.7%	102.0%
% of index in oil sands producers	100%	67.9%
Number of Companies in the Index	17	65
% of Index in the Top Ten Holdings	73.7%	61.3%
Largest Individual Company Position in the Index	11.0%	13.6%
Smallest Individual Company Position in the Index	2.0%	0.1%

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