



Sustainable Wealth Management Ltd.

Sustainable Oil Sands Sector Index™ (SOSSI) January 2007 Commentary

Energy commodity prices diverged in January with crude oil dropping 4.8% while natural gas gained 21.7%. OPEC failed in its attempt to defend the \$60 price level and crude oil prices briefly touched \$50 at the low. Natural gas managed to gain dramatically after a very warm start to winter was replaced with a cold January. The US energy sector was the leader this month with a slight loss of -0.8% followed by the Canadian energy sector (benchmark -1.4% and oil sands -1.9%). The Global energy sector was the worst performer with a loss of -3.1%.

Index	Symbol	Region	Jan 2007 Return
S&P/TSX Capped Energy	TTEN	Canada	-1.4%*
S&P Select Energy Sector	IXE	US	-0.8%**
S&P Global Energy	IXC	Global	-3.1%**
Oil Sands Sector Index™	SOSSI	Canada	-1.9%*

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

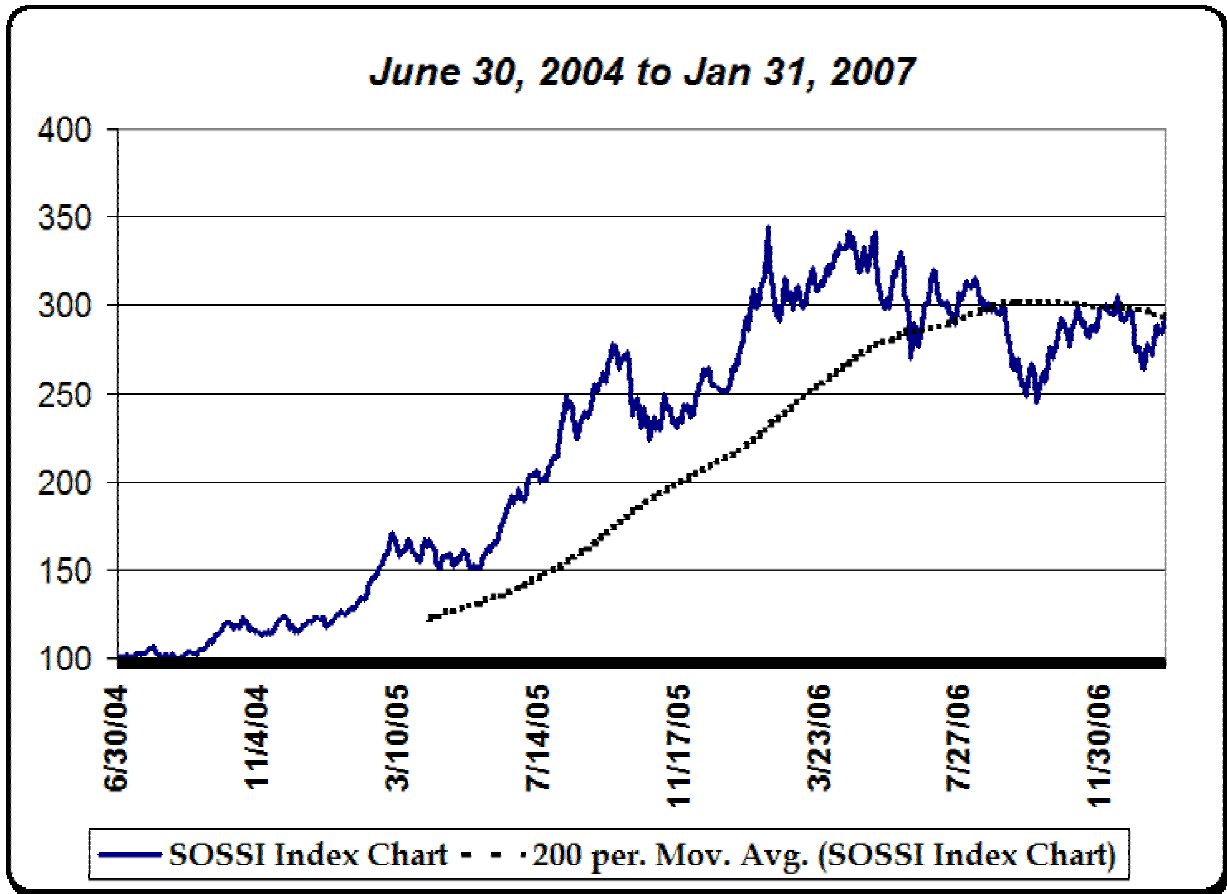
Top Performing Stocks in Jan		Worst Performing Stocks in Jan	
Nexen	10.7%	Synenco Energy	-9.7
Petrobank Resources	5.6%	Cdn Oil Sands Trust	-7.8%
Encana	5.2%	UTS Energy	-6.0%

Merger activity in Canada's oil sands sector resulted in a raised bid by Royal Dutch Shell for its Canadian subsidiary. Nexen benefited because it is viewed as an attractive target for a multinational energy company. The same can be said of Encana but I suspect the strong rise in natural gas prices had more to do with its gain in January. Petrobank continues to test and bring on production using its revolutionary THAI extraction methodology. On the losing side, operational difficulties at Syncrude (COS.un main asset) and the environmental concerns related to mining projects hurt the prospects for UTS and Synenco in January.

The following chart shows the long term trend in the Oil Sands Sector Index and its 200 day moving average. Notice that it is bumping into overhead resistance at this point. In my opinion, a break above a moving average would be very bullish at this time.



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In addition, if the index can stay above the 260-270 level you have the potential for a reverse head and shoulder pattern developing. The downside is that a break below the 240 low of Oct 2006 would probably indicate more downside pressure on the Canadian oil sands stocks. Currently, the index has been trading in the 290+ range and is short term bullish.

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