

March 07, 1997

Solv-Ex's schedule claims are completely false and untrue.

Solv-Ex claims it is on schedule to commence oil production. In reality, Solv-Ex has stopped all work on its attempt to build a permanent facility. Instead, Solv-Ex is attempting to temporarily riggs completely unfinished plant with "flexible" piping, and three so-called "package" boilers. Flexible piping is equivalent to using a garden hose for house plumbing. Package boilers are portable, smaller and less efficient than industrial boilers, and are used mainly in emergencies to temporarily function in place of permanent, stationary boilers. The package boilers are not on site. We spoke to the pipe fitters, welders or boiler makers who are to do the work that Solv-Ex claims "is on schedule". None of them have seen any schedule or any plans. The plant still has no electrical connections, controls, motors, clarifier, gas, steam or water. Solv-Ex's "plan" seems to be to rig these package boilers to its poorly converted gravel washer, which it calls a log washer, and manually skim some bitumen. Solv-Ex does not have the funds, and it is economically unfeasible, to complete construction of the plant. Solv-Ex's statement has no purpose but to mislead investors.

Solv-Ex claims that Mr. Arthur N. Stefani, Group Manager of The Pace Consultants Inc. is independent. This is false and untrue. Last spring Mr. Rendall claimed that Pace had "audited" its projected per barrel operating cost. This was later proven false. Furthermore, Mr. Stefani has promoted Solv-Ex's stock in news papers, at investor conferences and at Solv-Ex's promotional October 3, 1996 Symposium hosted by Mr. Rendall. Finally, Mr. Stefani's Pace associate Mr. Stellman has also defended Solv-Ex in the press.

Solv-Ex claims that its workers recognize that it has been unjustly attacked. Last week Solv-Ex fired most of its work force in an attempt to prevent them from unionizing. Almost all the remaining pipe fitters, welders, boiler makers and iron workers voted against management and for the union. After resisting, Solv-Ex was forced to accept the unions and pay union wages. Solv-Ex is charged with firing workers to avoid unemployment insurance cost and other unfair labor practices. Solv-Ex workers regularly express frustration at Solv-Ex's disorganization and lack of seriousness, and as a result of their personal experiences are Solv-Ex's most critical observers. They know first hand that Solv-Ex is a scam. Investor should be aware that Mr. Young personally benefited by misappropriating funds and lending them to Solv-Ex. If it were not for these stolen funds this entire unfortunate farce would not have occurred.

Solv-Ex Corporation (Trading Symbol: SOLVQ) (Price: \$10.875)

Short selling involves a risk not associated with the purchase of stock including, but not only limited to, unlimited loss and stock borrowing risks. Additional information is available upon request.