

POWERTECH CORPORATION INC.

Equity Research | Special Situations

Ticker

Recommendation

12-month Target

Please see important disclosures at the end of this document

TSXV:PWB
\$0.49

SPEC. BUY
(unchanged)

\$1.00
(unchanged)

PowerTech Adds to Canadian Distribution Network

April 29, 2008

Market Data

| | |
|----------------------------|-----------------|
| 52-week High-Low | \$0.68-\$0.315 |
| Shares Outstanding | |
| – Basic | 36.0 million |
| – Fully diluted | 47.0 million |
| Market Capitalization | \$17.6 million |
| Cash (Dec 31/07) | \$0.6 million |
| Long Term Debt (Dec 31/07) | \$0.07 million |
| Fiscal Year End | September 30 |
| Major shareholders | Insiders: 44.0% |

Financial Data

| (’000s, except EPS) | FY07A | FY08E | FY09E |
|---------------------|-------------|-------------|-----------|
| Revenue | \$625.8 | \$2,449.9 | \$8,194.2 |
| EBITDA | (\$2,960.4) | (\$1,377.2) | (\$21.8) |
| Net Earnings | (\$3,790.5) | (\$2,293.2) | (\$883.2) |
| EPS (basic) | (\$0.12) | (\$0.06) | (\$0.02) |
| EPS (adjusted) | (\$0.09) | (\$0.06) | (\$0.02) |
| P/S | 28.1x | 7.2x | 2.1x |

Event

Yesterday, PowerTech announced the signing of two distributors, Hewitt Equipment Ltd. and Atlantic Tractors & Equipment Ltd., to its Canadian distribution network.

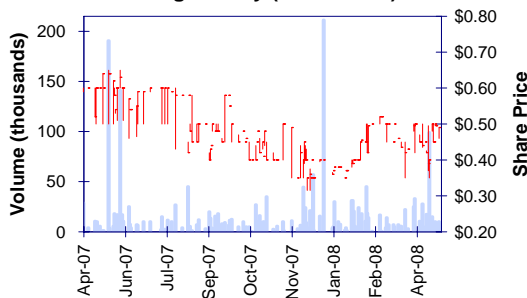
Highlights

Through its 14 branches, Hewitt Equipment Ltd.’s distribution network covers the regions of Quebec and Western Labrador; and through its 8 branches, Atlantic Tractors & Equipment Ltd.’s network covers Nova Scotia, Prince Edward Island and New Brunswick.

With these latest agreements, PowerTech now has in place a distribution network capable of serving all of Canada through Caterpillar distributors. PowerTech’s network in Canada now totals 90 branches, with Finning servicing Western Canada and Toromont servicing Ontario.

Although we consider these agreements to be positive overall, we do not consider the impact to be substantial enough in the short term to change our forecasts. Based on sales from previous Canadian distribution agreements, we do not believe these more recent agreements will have the same significant impact on revenue that the two previously announced OEM agreements will have.

Trading History (TSXV:PWB)



Company Description

PowerTech Corporation Inc. designs, manufactures and markets specialized technologies aimed at improving the performance, productivity and functionality of excavation equipment and industrial excavation systems. The company’s signature product the “PicBucket” attaches to conventional backhoes made by all manufacturers and combines the percussive power of a hydraulic hammer with the stripping force and maneuverability of the conventional bucket found on original equipment. The PicBucket can be used in the construction, demolition, forestry and mining industries, as well as by the military.

Investment Conclusion

We are maintaining our SPECULATIVE BUY recommendation and our 12-month target price of \$1.00, which is based on a Price/Sales multiple of 4x our 2009 sales forecast.

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IMPORTANT DISCLOSURES

April 29, 2008

| Company | Ticker | Ex | Rating | Price Target | Last Price | Market Cap (millions) | Shares o/s (millions) | Previous Volume | 52 Week | | Applicable Disclosures |
|-----------------------------|--------|----|--------|--------------|------------|-----------------------|-----------------------|-----------------|---------|---------|------------------------|
| | | | | | | | | | High | Low | |
| Altus Group Income Fund | AIF-U | T | Buy | \$22.00 | \$18.25 | \$191 | 10.5 | 29,650 | \$19.00 | \$12.04 | 7 |
| Power Tech Corporation Inc. | PWB | V | SpecB | \$1.00 | \$0.49 | \$18 | 36.0 | 10,000 | \$0.65 | \$0.32 | 1,8 |
| SilverBirch Inc. | SVB | V | SpecB | \$1.30 | \$0.44 | \$39 | 89.1 | 786,500 | \$0.51 | \$0.11 | 8 |

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- STRONG BUY:** NSI expects the share price to appreciate 30% or more over the next 12 months.
BUY: NSI expects the share price to appreciate 10% to 30% over the next 12 months.
HOLD: NSI expects the share price to appreciate 10% or less over the next 12 months.
SELL: NSI expects the share price to have a negative rate of return over the next 12 months.
SPECULATIVE BUY: NSI expects the share price to appreciate substantially over the next 12 months, but with a high level of inherent risk.

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