

**INGEN TECHNOLOGIES, INC.****(PINK SHEETS - CRTZ - \$0.11)****INVESTMENT OPINION: AGGRESSIVE BUY RECOMMENDATION****ONE-YEAR TARGET PRICE: \$0.35**

We recommend purchase of the common shares of Ingen Technologies, Inc. ("Ingen," the "Company," or "CRTZ") as an Aggressive Buy Recommendation for risk-oriented investors seeking superior capital appreciation returns. Ingen Technologies is engaged in developing, manufacturing, and marketing its proprietary and efficient portable low-gas warning products for use with pressurized gas cylinders. The Company was incorporated in Nevada in 1999, has headquarters in California, and became publicly owned after a reverse merger in March 2004. There are about 14 million shares outstanding, which approximates the share float. The share price range in 2004 is \$.30 - \$.01 and since the merger in March is \$.14 - \$.08. Daily trading volume has averaged about 30,000 shares. The stock now trades in the Pink Sheets component of the U.S. Over-The-Counter Market.

Ordinarily, we would routinely label a buy recommendation of a Pink Sheets stock as being speculative, *per se*. However, we believe that Ingen has already achieved a number of corporate accomplishments (see Investment Positives below) which make the adjective "speculative" inappropriate. In particular, we believe that Ingen's corporate viability is quite assured and that the outlook for revenue growth is excellent. This is because the Company has a patent on its key product that is perceived to be competitively superior in features and that is to be launched into large existing medical and other markets. Another big economic plus for tiny Ingen is that demand for its "medium-technology" product is totally independent of the computer software/hardware spending cycle – which critically affects many other so-called "tech" stocks. However, "aggressive" does remain as an operative caveat in our recommendation because of the risk circumstances inherent to an emerging technology corporation and the above-average price volatility which usually characterizes Pink Sheets stocks.

At the present time, our positive CRTZ investment thesis is essentially qualitatively based, i.e., the conceptual outlook is excellent, on balance. But, there is some quantitative investment valuation comfort, as well. Based on the March 2004 press release, we estimate FY 5/2004 revenues hit \$1 million and that FY 5/2005 revenues can comfortably reach \$2 million (a 100% gain). At the present price of \$.11 per share, CRTZ's market cap is only about \$1.5 million. These figures give CRTZ estimated Market Cap/Sales ratios of only about 1.5x for FY 5/2004 and .75x for FY 5/2005. We think these valuations are attractively low for a company with Ingen's many attributes and excellent outlook! Even our one-year Target Price of \$.35 per share would imply a FY 2005 Market Cap/Sales ratio of \$5 million/\$2million, or a reasonable valuation of 2.5x. And, our FY 2005 sales estimate of \$2 million could easily be low, which would benefit these valuations.

PRODUCT/MARKETS

Currently, Ingen's main product is its BAFITM -- a digital, real-time warning system that continuously measures and monitors gas (usually oxygen) in pressurized gas cylinders. This patented device (U.S. Patent # 6,137,417, granted 10/24/2000) is light weight (about one pound); is compact (about 2"x 4"x 6"); is made of FDA-approved components designed for long lives; and attaches easily to most of the millions of pressurized gas cylinders in use. This product is currently in second-generation development, with advanced wireless and digital electronic features, which transmit more accurate data than conventional mechanical gauges. User safety (patients must get oxygen) is a key attribute of the BAFITM because it provides a simultaneous audio and visual warning. And, economy in use is also a significant product benefit because tank (cylinder) refilling can be done at less cost than with alternate methods. Further, the amount of learning necessary to use the device is low.

The medical market is the first and largest target for Ingen, consisting of 8 million patients in the U.S. who use oxygen regularly. Worldwide, there are some 22 million such users. As the world population of over 6 billion inexorably increases in average age, more respiratory/pulmonary/cardiovascular diseases will occur which will lower oxygen levels in the bloodstream, thereby increasing demand for oxygen equipment. A variety of non-medical end markets also co-exist: residential, construction, aircraft, and governmental (fire, police, and military). For example, millions of homes use natural gas in cylinders for dryers, ovens, and outdoor cookers.

INVESTMENT POSITIVES AND NEGATIVES**Positives**

1. The key product is patented and competitively superior.
2. Markets currently exist and are large, both in absolute terms and relative to Ingen's small size.



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3. Demand should grow moderately long-term and is non-cyclical.
4. An experienced and well-credentialed management team is already in place.
 - Chairman /CEO Scott R. Sand has a B.S. Degree in Biomedical Engineering and possesses an outstanding track record in marketing/management of sophisticated medical equipment (most recently with electro-nystagmography, or ENG), with Eye Dynamics, Inc.).
5. Marketing channels have been established with medical product distributors and manufacturing reps.
6. Manufacturing has commenced.
7. Founders and current managers are committed, having invested over \$4 million in Ingen. Insiders also own convertible preferred shares.
8. Financing facilities can support strong sales growth, for a while.
9. CRTZ appears undervalued conceptually and quantitatively, in our opinion.
 - At the present price of \$.11 per share, Ingen's market cap approximates only \$1.5 million.
 - This compares favorably with our FY 5/2005 sales estimate of at least \$2 million.
 - Even with our one-year Target Price of \$.35 per share, the resulting Market Cap/Sales Ratio would be \$5 million/\$2million, or a reasonable 2.5x.

Negatives

1. Huge reliance on a single product.
2. Heavy dependence on the dynamic CEO (Scott Sand).
3. The balance sheet lacks strength, presumptively.
4. Substantial share price volatility is likely.
 - Typical of Pink Sheets stocks.
 - CRTZ is a "penny/stock" literally and S.E.C.-wise, thereby limiting its marketability.
 - Ingen is still relatively unknown among investors.

William N. Walling, Jr., CFA, Chairman

ABOUT EMPIRE RESEARCH ASSOCIATES, INC.

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