

February 19, 1997

Management's representations concerning Solv-Ex's progress are entirely false and untrue despite a new SEC investigation into its Chairman's role in fraudulent securities transactions.

Last Monday, Solv-Ex Chairman John S. Rendall made statements intended to lead investors to believe that Solv-Ex's plant could be ready to produce oil in February. In fact, nothing could be farther from the truth. Aerial photographs of Solv-Ex's plant taken on that very same day show that not even the plant's walls and roof have been fully erected.

Mr. Rendall's statements form part of Solv-Ex's shamelessly aggressive stock promotion. These promotions include a strategy of discrediting investors who are short SOLV stock and of leading other investors to believe that short sellers artificially depress Solv-Ex's stock, which creates buying opportunities. This is completely false and untrue. On the contrary, we see no indication that SOLV's stock price reflects the detailed and well-informed opinions of many securities and oil industry professionals who firmly believe that SOLV is over-valued and that management's projections are completely unrealistic.

On Monday, February 10th, on a broker and investor conference call, Mr. Rendall said that Solv-Ex's "whole plant is now ready" and that he gets "goose bumps" when he has talks about "applying for permits for 100,000 barrels per day production". These proclamations came simultaneously with Mr. Rendall's disclosures that the Company will fail to produce oil this month, his refusal to give any cash flow or earnings per share estimates for this year or any year, and his refusal to discuss SOLV's net cash position and capital requirements.

On the conference call, Mr. Rendall also stated that he "knows of nobody, nobody" who has seen Solv-Ex's operations and does not believe that Solv-Ex "is for real". In fact, almost the opposite is true. For 16 years this Company has tried and has failed to gain credibility or establish and maintain a legitimate industrial or financial relationship. Solv-Ex leads investors to believe that the "Peter Young financing" validated its plans. Again, the opposite is true. It has now been shown that the money Solv-Ex received came from an illicit transaction and was misappropriated from unknowing innocent retail fund investors.

We believe that the money Solv-Ex has "put into the ground" has created no value, is lost and is not recoverable. As of December 31, 1996, only 46 days after raising a new \$13 million, in addition to the approximate \$70 million it raised last year, Solv-Ex had only \$16 million in cash. Solv-Ex has a \$400 million market value, no access to legitimate financing sources and no ability to generate earnings or cash. In addition, contrary to their public written statements we know that both Solv-Ex and Mr. Rendall are under investigation by the Securities and Exchange Commission for securities fraud. Therefore, we see no reason why any prudent investor should buy or hold SOLV stock and strongly recommend that investors who own Solv-Ex sell their shares and believe that short selling of Solv-Ex shares is appropriate.

Solv-Ex Corporation (Trading Symbol: SOLVQ) (Price: \$15.75)

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.