

Question 5

5. Please describe Tesla Resources, Inc. What was its function? Does any Scientology-related entity own any interest in the company?

During his lifetime, Mr. Hubbard invested in oil field technology and equipment in Lafayette, Louisiana. Trailour Oil Company, and related entities were in partnership with Mr. Hubbard to exploit the technology to detect otherwise hidden oil and gas reservoirs. In 1986 Trailour Oil Company and related entities declared bankruptcy.

Tesla Resources, Inc., and its related company, Tesla Technologies, Inc., were formed in mid-1986 to exploit the oil field technology and equipment Trailour Oil Company had been using. As its formation, Tesla Resources, Inc., was primarily owned by Author's Family Trust. Additional investors were later admitted to Tesla, but no Church of Scientology or Scientology-related organization ever invested in Tesla.

In 1988, the Tesla group merged with Western Resources, Inc., a company listed on the Vancouver Stock Exchange. Author's Family Trust received stock in Western and a small royalty interest in exchange for its interest in Tesla. In 1992, Western Resources, Inc., was merged with WRT Energy, Inc., a company traded on NASDAQ. Author's Family Trust received stock in WRT Energy and a royalty interest in exchange for its interest in Western. Currently, Author's Family Trust owns 75,000 shares in WRT Energy, which represents approximately 10% of WRT Energy's outstanding shares.