



Financial Statements

(Unaudited)

The Bay Wind Field Inc.

December 31, 2007

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Review Engagement Report

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To the Shareholders of

The Bay Wind Field Inc.

We have reviewed the balance sheet of The Bay Wind Field Inc. as at December 31, 2007, and the statements of earnings and deficit and cash flows for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of enquiry, analytical procedures and discussion related to information supplied to us by the Company.

A review does not constitute an audit and consequently we do not express an audit opinion on these interim financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian generally accepted accounting principles.



Kentville, Nova Scotia

April 8, 2008

Chartered Accountants

The Bay Wind Field Inc.

Statements of Earnings and Deficit

(Unaudited)

Year Ended December 31

2007

2006

Revenue			
Commissions	\$	7,951	\$ 7,339
Interest			<u>6,960</u>
		<u>14,911</u>	<u>11,846</u>
Expenses			
Administrative fees		4,710	2,690
Advertising		370	6,484
Courier and postage		509	526
Depreciation		207	259
Dues and fees		95	95
Honorariums		8,000	16,707
Insurance		5,250	1,275
Interest and bank charges		144	639
Marketing and public relations		1,770	12,203
Miscellaneous		2,556	214
Office supplies		1,007	321
Printing			228
Professional fees		8,192	12,263
Rent		675	3,523
Sales commissions		7,791	23,482
Telephone and internet		2,055	1,531
Travel		<u>11,908</u>	<u>15,005</u>
		<u>55,467</u>	<u>97,434</u>
Net loss	\$	<u>(40,556)</u>	\$ <u>(85,588)</u>
<hr/>			
Deficit, beginning of year	\$	(254,828)	\$ (169,240)
Net loss		<u>(40,556)</u>	<u>(85,588)</u>
Deficit, end of year	\$	<u>(295,384)</u>	\$ <u>(254,828)</u>

See accompanying notes to the financial statements.

The Bay Wind Field Inc.

Balance Sheet

(Unaudited)

Year Ended December 31

2007

2006

Assets

Current

Cash and cash equivalents \$ 139,238 \$ 248,830

Prepays 5,250 95

144,488 248,925

Investments (Note 3) 711,196 636,196

Equipment, net of depreciation of \$607 (2006 - \$403) 827 1,035

\$ 856,511 \$ 886,156

Liabilities

Accounts payable \$ 2,043 \$ 1,132

Shareholders' Equity

Capital stock (Note 4) 1,149,852 1,139,852

Deficit (295,384) (254,828)

854,468 885,024

\$ 856,511 \$ 886,156

On behalf of the Board

_____ Director _____ Director

See accompanying notes to the financial statements.

The Bay Wind Field Inc. Statement of Cash Flows

(Unaudited)

Year Ended December 31st

2007

2006

Increase (decrease) in cash and cash equivalents

Operating

Net loss	\$ (40,556)	\$ (85,588)
Depreciation	207	259
Change in non-cash operating working capital		
Increase (decrease) in payables	912	(14,693)
Increase in prepaids	<u>(5,155)</u>	<u>(95)</u>
	<u>(44,592)</u>	<u>(100,117)</u>

Financing

Issue of capital stock	<u>10,000</u>	<u>267,410</u>
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Investing

Purchase of investment	<u>(75,000)</u>	<u>(150,000)</u>
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Net increase (decrease) in cash and cash equivalents (109,592) 17,293

Cash and cash equivalents

Beginning of year	<u>248,830</u>	<u>231,537</u>
End of year	<u>\$ 139,238</u>	<u>\$ 248,830</u>

See accompanying notes to the financial statements.

The Bay Wind Field Inc.

Notes to the Financial Statements

(Unaudited)
December 31, 2007

1. Nature of operations

The Company invests in companies involved in the construction and operation of electrical generation facilities using wind turbines.

2. Summary of significant accounting policies

Depreciation

Rates and bases of depreciation applied to write off the cost less estimated salvage value of equipment over its estimated life is 20% declining balance.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and balances with banks, bank overdrafts, and highly liquid temporary money market instruments with original maturities of three months or less. Bank borrowings are considered to be financing activities.

Use of estimates

In preparing the Company's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and reported amounts of revenue and expenses. Actual amounts could differ from these estimates.

3. Investments	<u>2007</u>	<u>2006</u>
2,677,455 (2006 – 2,677,455) Renewable Energy Services Limited	\$ 486,196	\$ 486,196
375,000 (2006 – Nil) Scotian Windfield Incorporated	75,000	
870,000 (2006 – 870,000) Fourth Generation Capital Corporation	<u>150,000</u>	<u>150,000</u>
	<u>\$ 711,196</u>	<u>\$ 636,196</u>

The investments are recorded at cost. The investments represent a portfolio of private investments for which the market value cannot be determined.

4. Capital stock	<u>2007</u>	<u>2006</u>
Authorized		
50,000,005 common shares without par value		
Issued		
3,618,830 (2006 – 3,608,830) common shares	<u>\$ 1,149,852</u>	<u>\$ 1,139,852</u>

During the year 10,000 shares were issued for cash proceeds of \$10,000.

The Bay Wind Field Inc.

Notes to the Financial Statements

(Unaudited)
December 31, 2007

5. Financial instruments

The estimated fair value of cash and cash equivalents, trade accounts receivable, bank indebtedness and payable approximates carrying value due to the relatively short-term nature of the instruments and/or due to the short-term floating interest rates on borrowing.

6. Income taxes

The Company has not recorded in its financial statements the income tax benefits of losses carried forward of \$231,384. These losses are available to reduce taxable income in future years and if not utilized, will expire as follows:

2009	\$ 17,392
2010	\$ 26,798
2014	\$ 7,325
2015	\$ 46,831
2026	\$ 73,664
2027	\$ 59,374

7. New Accounting Standards

On January 1, 2008 the Company is required to adopt Section 3855 – Financial Instruments – Recognition and Measurement of the CICA Handbook.

Management is reviewing the impact of these new recommendations on their operations and intends to adopt the new standards when required.