

SWFI January 2008 Update

The new year is looking very bright indeed for Scotian WindFields Inc. We finished 2007 under budget for operations and accomplished many of the objectives we set for ourselves. We did complete the process of responding to the RFP from Nova Scotia Power, in partnership with SkyPower of Ontario we have set up 10 metrological towers as well at 3 or our own. Unfortunately we were not awarded any Power Purchase Agreements as a result of the NSP Request For Proposals (RFP), however the assets of those projects (land, wind data and environmental assessments) can still be used for future projects. Another RFP is expected to be announced in 2008.

Inside-the-fence is an expression used for installing a wind turbine at specific location to serve a specific facility without going over the grid. In this market area we have had discussions with many potential clients, specifically two significant retail companies, to provide electricity directly onsite. The great news about these projects is we sell the power at closer to a retail rate, rather than at a very low wholesale rate as is the case with wind farms selling power into the grid. Unfortunately until the announcement plans are finalized between all the parties we can not provide any more specific information about the two retail companies. We were also in the news in January discussing such an installation for the Town of Truro's water treatment facilities. Look for some major announcements most likely before the end of February.

We are also expanding our efforts to find quality sources of renewable energy equipment to suit the many different applications we are developing. This involves a wide range of wind turbines, as well as some solar products as well. Inside the fence projects can require a wide variety of wind turbine sizes, depending on the energy needs of the user. We are also planning on expanding into the small scale commercial market (residential). When we do this, our plan is to include a special offer for people who are investors in the WindFields. We can say these recent developments will bring Scotian WindFields Inc. relevant cash flow in 2008 with the opportunity to multiply this cash flow through marketing efforts that will leverage our Nova Scotia wide ownership base.

One last note on project development is that one of the three testing sites mentioned above is showing excellent results. Due do to the hard work of the company president and a few others, we expect to have a distribution grid connected turbine operational on this site within 6 months.

The first accomplishment of SWFI in 2008 was the submittal of our response the Department of Energy's revised Energy Strategy. Our 63 page submission has been extremely well received by other stakeholders in industry, advocacy and government. This document, along with the summary release and popular "10 Myths of Renewable Energy" are available for download on our website.

More recently, SWFI was involved in two exciting funding applications to the NS EcoTrust program (gov.ns.ca/ecotrust/). The first proposal was submitted by SWFI and involved development of 8 inside-the-fence wind turbines, 4 of which would have flow battery energy storage supplied by VRB Power



Systems (Vancouver BC). The second application was submitted by the Ecology Action Centre, which would involve SWFI installing, operating and maintaining solar panels on a number of large thermal energy users (such as pools, hotels etc). This would result in SWFI becoming a Solar Utility, selling solar thermal energy to these clients in a very similar fashion to our inside-the-fence wind turbine applications. We are very excited about both of these proposals and expect to hear back from the EcoTrust fund coordinator before the end of February.

In conclusion, it has been an exciting start to 2008. There are many developments in the works that we hope to make public before Spring. We are confident that these developments will lead to the establishment of relevant cash flow in 2008.

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