



Financial Statements

(Unaudited)

The Bay Wind Field Inc.

December 31, 2008

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Grant Thornton

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, 2008, 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.

Grant Thornton LLP

Kentville, Nova Scotia

February 26, 2009

Chartered Accountants

The Bay Wind Field Inc.
Statements of Earnings and Deficit

(Unaudited)

Year Ended December 31 2008 2007

Revenue		
Commissions	\$ 675	\$ 7,951
Interest	6,356	6,960
Miscellaneous	<u>3,557</u>	<u> </u>
	<u>10,588</u>	<u>14,911</u>
Expenses		
Administrative fees	9,616	4,710
Advertising		370
Courier and postage	557	509
Depreciation	166	207
Dues and fees	316	95
Honorariums		8,000
Insurance	5,250	5,250
Interest and bank charges	216	144
Marketing and public relations	500	1,770
Miscellaneous	550	2,556
Office supplies	1,050	1,007
Printing		228
Professional fees	2,147	8,192
Rent	535	675
Sales commissions	7,865	7,791
Telephone and internet	2,824	2,055
Travel	<u>15,798</u>	<u>11,908</u>
	<u>47,390</u>	<u>55,467</u>
Net loss	\$ <u>(36,802)</u>	\$ <u>(40,556)</u>

Deficit, beginning of year	\$ (295,384)	\$ (254,828)
Net loss	<u>(36,802)</u>	<u>(40,556)</u>
Deficit, end of year	\$ <u>(332,186)</u>	\$ <u>(295,384)</u>

See accompanying notes to the financial statements.

The Bay Wind Field Inc.

Balance Sheet

(Unaudited)

Year Ended December 31

2008

2007

Assets

Current

Cash and cash equivalents	\$ 18,467	\$ 139,238
Prepays		5,250
Accounts receivable	<u>803</u>	<u> </u>
	19,270	144,488
Investments (Note 3)	829,770	711,196
Loans receivable (Note 4)	99,000	
Equipment, net of depreciation of \$775 (2007 - \$607)	<u>663</u>	<u>827</u>
	\$ <u>948,703</u>	\$ <u>856,511</u>

Liabilities

Accounts payable	\$ <u>2,037</u>	\$ <u>2,043</u>
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Shareholders' Equity

Capital stock (Note 5)	1,278,852	1,149,852
Deficit	<u>(332,186)</u>	<u>(295,384)</u>
	<u>946,666</u>	<u>854,468</u>
	\$ <u>948,703</u>	\$ <u>856,511</u>

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 31

2008

2007

Increase (decrease) in cash and cash equivalents

	2008	2007
Operating		
Net loss	\$ (36,802)	\$ (40,556)
Depreciation	166	207
Change in non-cash operating working capital		
Increase (decrease) in payables	(6)	912
(Increase) decrease in prepaids	5,250	(5,155)
Increase in receivables	<u>(99,803)</u>	<u> </u>
	<u>(131,195)</u>	<u>(44,592)</u>
Financing		
Issue of capital stock	<u>129,000</u>	<u>10,000</u>
Investing		
Purchase of investment	<u>(118,576)</u>	<u>(75,000)</u>
Net decrease in cash and cash equivalents	(120,771)	(109,592)
Cash and cash equivalents		
Beginning of year	<u>139,238</u>	<u>248,830</u>
End of year	\$ <u>18,467</u>	\$ <u>139,238</u>

See accompanying notes to the financial statements.

The Bay Wind Field Inc.

Notes to the Financial Statements

(Unaudited)
December 31, 2008

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>2008</u>	<u>2007</u>
2,677,455 (2007 – 2,677,455) Renewable Energy Services Ltd.	\$ 486,196	\$ 486,196
438,870 (2007 – 375,000) Scotian Windfields Inc.	87,774	75,000
870,000 (2007 – 870,000) Fourth Generation Capital Corporation Limited	150,000	150,000
388,000 (2007 – Nil) The Gold Coast Wind Field Inc.	<u>105,800</u>	<u> </u>
	\$ <u>829,770</u>	\$ <u>711,196</u>

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

The Bay Wind Field Inc.

Notes to the Financial Statements

(Unaudited)
December 31, 2008

4. Loans receivable	<u>2008</u>
Loan to Lewis Mouldings, 15% annual interest payable monthly, no set terms of repayment	\$ 85,000
Loan to Gold Coast Inc., 0% interest, no set terms of repayment	<u>14,000</u>
	<u>\$ 99,000</u>

5. Capital stock	<u>2008</u>	<u>2007</u>
Authorized		
50,000,005 common shares without par value		
Issued		
37,432,700 (2007 – 3,614,270) common shares	<u>\$ 1,278,852</u>	<u>\$ 1,149,852</u>

During the year, 129,000 shares were issued for cash proceeds of \$129,000. Subsequently, the Company also issued shares to existing shareholders on a 10 for 1 basis.

6. 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.

7. Income taxes

The Company has not recorded in its financial statements the income tax benefits of losses carried forward of \$286,981. 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
2028	\$ 55,597

The Bay Wind Field Inc.

Notes to the Financial Statements

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8. Change in accounting policies

Adoption of 1506 - "Accounting Changes"

The Company adopted the Canadian Institute of Chartered Accountants ("CICA") Handbook standard 1506 "Accounting Changes". The new section prescribes the criteria for changing accounting policies, together with the accounting treatment and disclosure of changes in accounting policies, changes in accounting estimates and corrections of errors. Under this section the Company is also required to disclose new primary sources of GAAP that have been issued but that are not yet effective.

Future impact of recently issued standard

As of January 1, 2009, the Company will be required to adopt the following new standards issued by the CICA:

Section 1400 - "General Standards of Financial Statement Presentation", which provides general guidance on financial statement presentation and further clarifies what constitutes fair presentation in accordance with GAAP. The Company has determined that this new standard will have no material impact on the financial statements.

Section 3251 - "Equity", which establishes standards for the presentation of equity and changes in equity during the reporting period. The Company has determined that this new standard will have no material impact on the financial statements.

Section 1535 - "Presentation of Financial Statements", which will require additional disclosure of information about an entity's objectives, policies and processes for managing capital, as well as quantitative data about capital and whether the entity has complied with any capital requirements. Management does not expect the adoption of this Section to have a material effect on the Company's financial position and results of operations.