

**The Bay Wind Field Inc.
Non-Consolidated Financial Statements
(Unaudited)
December 31, 2010**

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Jeremy Sanford Chartered Accountant Inc.
PO Box 2410
127 Hwy #303 Conway
Digby, Nova Scotia, B0S 1A0
Tel: (902) 245-6400
Email: jeremy@sanfordfinancial.ca

Review Engagement Report


To the Shareholders of **The Bay Wind Field Inc.**

I have reviewed the Non-Consolidated balance sheet of **The Bay Wind Field Inc.** as at **December 31, 2010** and the Non-Consolidated statements of loss and deficit and cash flows for the year then ended. My 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 me by the Company.

A review does not constitute an audit and consequently I do not express an audit opinion on these Non-Consolidated financial statements.

Note 3 indicates that a controlling investment in a company has not been accounted for on the equity basis. The effects of this departure from Canadian generally accepted accounting principles on the unaudited Non-Consolidated financial statements have not been determined.

Except for the failure, as described in the preceding paragraph, to account for the investment on an equity basis, based on my review, nothing has come to my attention that causes me to believe that these Non-Consolidated financial statements are not, in all material respects, in accordance with Canadian generally accepted accounting principles.



Chartered Accountant Inc.

Digby, Nova Scotia
March 8, 2011

The Bay Wind Field Inc.
Non-Consolidated Statement of Loss and Deficit

(Unaudited)
Year Ended December 31

	<u>2010</u>	<u>2009</u>
Revenue		
Interest	\$ 12,837	\$ 12,997
Miscellaneous	170	-
	<u>13,007</u>	<u>12,997</u>
Expenses		
Administrative fees	8,988	3,241
Advertising	507	300
Courier and postage	163	390
Director fees	5,000	-
Dues and fees	340	25
Insurance	5,000	5,000
Interest and bank charges	169	128
Loss on write-off of office equipment	-	662
Office supplies	1,111	293
Professional fees	2,345	2,458
Sales commissions	3,760	-
Telephone and internet	2,302	3,053
Travel	2,678	2,297
	<u>32,363</u>	<u>17,847</u>
Net loss	<u>\$ (19,356)</u>	<u>\$ (4,850)</u>
Deficit, beginning of year	\$ (337,036)	\$ (332,186)
Net loss	(19,356)	(4,850)
Deficit, end of year	<u>\$ (356,392)</u>	<u>\$ (337,036)</u>

See accompanying notes to the financial statements

The Bay Wind Field Inc.
Non-Consolidated Balance Sheet

(Unaudited)
 December 31

	<u>2010</u>	<u>2009</u>
Assets		
Current		
Cash and cash equivalents	\$ 81,773	\$ 22,043
Accounts receivable	2,313	-
	<u>84,086</u>	<u>22,043</u>
Investments (Note 3)	836,770	836,770
Loans receivable (Note 4)	85,000	85,000
	<u>\$ 1,005,856</u>	<u>\$ 943,813</u>
Liabilities		
Current		
Accounts payable	\$ 1,996	\$ 1,997
Shareholders' Equity		
Capital stock (Note 5)	1,360,252	1,278,852
Deficit	<u>(356,392)</u>	<u>(337,036)</u>
	<u>1,003,860</u>	<u>941,816</u>
	<u>\$ 1,005,856</u>	<u>\$ 943,813</u>

On behalf of the Board

_____ Director

_____ Director

See accompanying notes to the financial statements

The Bay Wind Field Inc.
Non-Consolidated Statement of Cash Flows

(Unaudited)

Year Ended December 31

	<u>2010</u>	<u>2009</u>
Increase in cash and cash equivalents		
Operating		
Net loss	\$ (19,356)	\$ (4,850)
Loss on write-down of office equipment	-	662
	<u>(19,356)</u>	<u>(4,188)</u>
Change in non-cash operating working capital		
Receivables	(2,314)	14,803
Payables and accruals	-	(39)
	<u>(21,670)</u>	<u>10,576</u>
Financing		
Issue of capital stock	<u>81,400</u>	<u>-</u>
Investing		
Purchase of investment	<u>-</u>	<u>(7,000)</u>
Net increase in cash and cash equivalents	59,730	3,576
Cash and cash equivalents, beginning of year	<u>22,043</u>	<u>18,467</u>
Cash and cash equivalents, end of year	\$ 81,773	\$ 22,043

See accompanying notes to the financial statements

The Bay Wind Field Inc.

Notes to the Non-Consolidated Financial Statements

(Unaudited)

December 31, 2010

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

Revenue recognition

Revenues are recognized when reasonable certainty exists that interests, dividends or other revenues will be received.

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.

Investments

Investments in companies subject to significant influence are accounted for at historical cost.

Financial instruments

The estimated fair value of cash and cash equivalents, trade accounts receivable, accounts payable, and other liabilities 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.

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>2010</u>	<u>2009</u>
2,677,455 (2009 - 2,677,455) shares of Renewable Energy Services Ltd.	\$ 486,196	\$ 486,196
438,870 (2009 - 438,870) shares of Scotian Windfields Inc.	87,774	87,774
870,000 (2009 - 870,000) shares of Fourth Generation Capital Corporation Limited	150,000	150,000
408,000 (2009 - 408,000) shares of The Gold Coast Wind Field Inc.	112,800	112,800
	<u>\$ 836,770</u>	<u>\$ 836,770</u>

The Bay Wind Field Inc.

Notes to the Non-Consolidated Financial Statements

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December 31, 2010

3) Investments (continued)

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

The Company owns approximately 73% of the outstanding shares of The Gold Coast Wind Field Inc. Management has decided not to consolidate the financial statements of The Gold Coast Wind Field Inc. with its own financial statements due to the additional costs involved.

4) Loans receivable

	<u>2010</u>	<u>2009</u>
Loan to Lewis Mouldings and Wood Specialities Limited, 15% annual interest payable monthly, no set terms of repayment.	<u>\$ 85,000</u>	<u>\$ 85,000</u>

5) Capital Stock

	<u>2010</u>	<u>2009</u>
Authorized 50,000,005 common stock without par value		
Issued 37,514,100 (2009 - 37,432,700) common shares	<u>\$ 1,360,252</u>	<u>\$ 1,278,852</u>

During the year, the Company issued 81,400 shares at \$1 per share for proceeds of \$81,400.

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 \$308,066. These losses are available to reduce taxable income in future years and if not utilized, will expire as follows:

2014	7,325
2015	46,831
2026	73,664
2027	59,374
2028	55,597
2029	32,674
2030	32,601

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8) Subsequent events

The Company's offering document dated January 21, 2011 was approved by the Nova Scotia Securities Commission on January 24, 2011. Under this document, the Company is offering to issue shares at \$1 per share with a minimum total offering of \$50,000 and a maximum total offering of \$3,000,000. The minimum offering amount and all other conditions of the initial closing must be achieved on or before April 4, 2011. The Company has received a provisional extension of the closing date of this offering until July 20, 2011. Additional terms of the share offering are described in the "CEDIF Offering Document" dated January 21, 2011 which is available from the Company's office.