



WATTS WIND ENERGY INC.

Third Amendment to Offering Document

June 30, 2010



Watts Wind Energy Inc. ("Watts" or the "Company") filed an Offering Document (the "Offering Document") dated January 27, 2010, an amendment (the "First Amendment") to the Offering Document dated February 19, 2010 and a second amendment (the "Second Amendment") dated April 12, 2010 with the Nova Scotia Securities Commission.

The Offering Document is hereby amended pursuant to this Third Amendment to disclose the following:

The Company has signed an agreement with Horizon Wind Inc. ("Horizon"), as general partner of Horizon Wind Limited Partnership ("Horizon LP") in connection with debt and equity financing for the project at Watt Section, Nova Scotia (the "Watts Project"). Horizon LP has recently installed, commissioned and owns four (4) of the exact same 1.5MW Vensys V77 wind turbines in Maryvale, Nova Scotia. Horizon is a private company with its head office in Toronto, Ontario. It is not related to Watts or the Seaforth Group of Companies, except that it has ownership in the Maryvale wind farm that contracted Eon WindElectric Inc. to perform wind consulting and project management services.

As a result, the Company is undertaking transactions (the "Transactions") whereby, amongst other things:

- (1) A limited partnership to be named Watts Wind Energy Limited Partnership ("Watts LP") will be established, with the Company and Horizon serving as limited partners and Watts GP Inc. ("WGP") will be established to serve as general partner.
- (2) WGP will be owned jointly by the Company and Horizon LP.
- (3) The Company will transfer its assets related to the Watts Project to Watts LP in exchange for limited partnership units of Watts LP (the "Units").
- (4) The Company and Horizon will each subscribe for Units of Watts LP at a price of \$1.00 per Unit on a pro rata basis as needed to finance the Watts Project, up to a maximum investment by Horizon of \$2,000,000. As a condition precedent to financing, Watts shall provide evidence to Horizon that it has sufficient resources so that, with the investment from Horizon LP, there will be sufficient funding to complete the Watts Project.
- (5) WGP, in its capacity as general partner for Watts LP, will have a call option or retraction right, and Horizon in its capacity as general partner for Horizon LP will have a put option or a redemption right, on 1,780,000 Units at a price of approximately \$1.22 per Unit, exercisable on 90 days notice between 6 months and 12 months of the commissioning of the wind turbine to be installed and upon receiving long term post-construction debt financing. Horizon LP will continue to hold approximately 210,000 Units of Watts LP. Following such transaction, there will be maximum 2,210,000 Shares outstanding, or such other number as the parties may reasonably agree to ensure sufficient financing for the Watts Project.

All net cashflow earned by Watts LP will be distributed to the limited partners of Watts LP prior to the closing of any transaction contemplated in this section.

- (6) Upon Watts LP receiving adequate debt financing to acquire the 1,790,000 Units from Horizon LP, Horizon LP will have priority to the proceeds of such debt financing to complete the sale of the 1,790,000 Units to Watts LP. If the sale of the 1,790,000 Units to Watts LP does not occur within 12 months of the commissioning of the wind turbine, Horizon LP shall have the right to require Watts LP to sell the wind turbine and/or have priority on the net cashflow of the Watts Project to be used to repurchase the 1,790,000 Units as the net cashflow allows.

At this time, the Company is not expecting any additional limited partners for Watts LP, but this may change in the future.

As a result, this means that estimated potential revenues, capital costs, operating payments as disclosed and/or discussed in the Offering Document would apply to Watts LP, rather than the Company. The Company will receive its pro rata share of distributions from Watts LP, and such amounts net of any costs associated with the Company will potentially be available for distributions by the Company to shareholders that invest in the Company if and when distributions are made.

The Company is in negotiations with respect to a Turbine Supply Agreement with Vensys AG.

The pre-construction financing cost for the Watts Project described above is higher than originally budgeted, but the Company has realized some improvements to its budget related to slightly lower turbines supply costs as well as currency fluctuations between the Euro and the Canadian dollar since the Offering Document was initially filed. In the end, the net result is no change to the Company's estimate of the potential installed cost of the 1.5 MW Vensys V77 wind turbine, which is approximately \$4.2 million, or \$4.5 million with contingencies.

In addition, Lillian (Lil) MacPherson has been appointed as a director of Watts and is an independent director. Kevin Yuill has stepped down as a director as a result of internal policies regarding board memberships at his new employer. Information about Lil MacPherson is below:

Name: Lil Mac Pherson

Business street address:
5547 Atlantic Street
Halifax, NS
B3H 1G6

Business telephone number: 444-3844

Business fax number: 444-3693

Names of employers, titles and dates of positions held during the last 5 years with an indication of job responsibilities:

Owner / President
The Wooden Monkey Restaurant
Opened in 2004

Education (degrees, schools, dates): Trained Al Gore Presenter on Global Warming.

The Nova Scotia government recently enacted legislation designed to introduce a feed-in-tariff ("FIT") for community-based projects. Under current draft regulations, a project with at least 50% ownership by a CEDIF would qualify for the FIT, subject to compliance with all applicable requirements. Although the Watts Project will not be eligible for the FIT, the Company may be able to own or invest in other projects in the future which qualify for the FIT. It is currently unknown whether the Company will or will not do so, and the amount of the FIT has not been determined. However, the Company will consider making investments in future projects that may qualify for the the FIT for community-based projects.

The minimum investment for the Offering is changed from \$1000 to \$500.

The deadline for the initial Closing date is extended to August 31st, 2010 or such earlier date as the Company may choose, so long as it has met the minimum conditions of the Offering.

CERTIFICATE

This third amendment to the offering document that has been prepared as prescribed by Form 1 of the *Community Economic-Development Corporations Regulations*, does not:

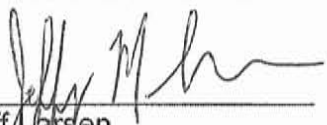
- contain an untrue statement of material fact;
- omit to state a material fact required by Form 1, or
- omit to state a material fact necessary to make a statement in this offering document not misleading.

DATED at Dartmouth, Nova Scotia, this 30th day of June, 2010.




Stan Mason
President, Treasurer and Director

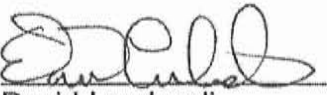
Jim Frodin
Chairman and Director



Jeff Larsen
Vice-President, Secretary and Director



Paul Pynn
Vice-President and Director



David Lombardi
Director

Phillip Hollett
Director

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Director

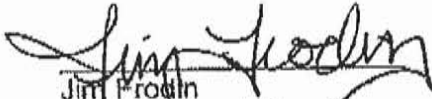
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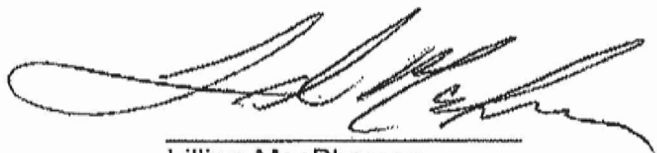
Simon Melrose
Director

29th June 2010

Lillian MacPherson
Director

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Simon Melrose
Director

A handwritten signature in black ink, appearing to read 'Lillian MacPherson', written over a horizontal line.

Lillian MacPherson
Director