



WATTS WIND ENERGY



Vensys 1.2MW installed by Eon WindElectric

THIS CEDIF OFFERING IS MADE THROUGH AN OFFERING DOCUMENT, WHICH CAN BE OBTAINED FROM AN AUTHORIZED SALES AGENT OR FINDER, BY CALLING 902-448-1416 AND ASKING FOR DAVID REGAN.

INVESTMENT HIGHLIGHTS:

A special purpose entity for the acquisition, installation and operation of a single, 1.5 MW wind turbine backed by a 20 year power purchase contract

Stable Economics/Low-risk

- ✓ 20 year Nova Scotia Power contract
- ✓ Predictable costs
- ✓ No employees

High Yielding

- ✓ Management estimates the potential for double digit average yield over 20 years expected to be paid-out annually
- ✓ Contract includes inflation adjuster

Significant Tax Savings Available

- ✓ RRSP eligible
- ✓ Up to 65% in potential tax credits:
 - 35% NS Equity Tax Credit eligible
 - Eligible for further 30% in CEDIF* tax credits

Experienced Promoters Investing

- ✓ Wind turbine manufacturing and installation engineers
- ✓ Independent power production and distribution engineers
- ✓ Turbine operating & maintenance management engineers
- ✓ Chartered accountant from KPMG
- ✓ Securities lawyer
- ✓ Team is co-investing >\$500,000 in cash

* See conditions on back



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Project consists of one, 1.5 MW Vensys wind turbine

- Signed a power purchase agreement with Nova Scotia Power on December 9, 2009.
- Land lease secured, development permit obtained and power grid connection approved.
- Special purpose company, which is intended to install, operate and own only one, 1.5 MW Vensys wind turbine.

Economics

- Highly predictable revenues and expenses expected to permit significant yield annually to investors.
- Long-term, outsourced contracts for installation, operation, maintenance and accounting for predictable overheads.
- Rather than reinvesting profits into the Company for more wind turbines or other purposes, the current intent is to annually distribute most of its net profits by way of dividends after paying all expenses and funding a capital reserve.

Promoters

- Watts Wind Energy was formed by Seaforth Engineering Group Inc. and Eon WindElectric Inc., and is managed by Seaforth Energy Inc. – experienced players in the renewable energy sector.
- Officers include operators of successful renewable energy projects and founder of a turbine maintenance company.
- Directors included a KPMG tax accountant and a securities lawyer.

Investment Vehicle Structure

- Eligible for 35% non-refundable Nova Scotia Equity Tax Credit (“NSETC”) by individual to a maximum annual investment of \$50,000 (maximum annual credit of \$17,500), subject to applicable terms including 5 year hold period.
- Organized as a CEDIF which provides for an additional 20 per cent credit in year five, subject to further 5 year hold period (to year 10). In year 10, eligible for a further 10 per cent credit, subject to further 5 year holder period (to year 15). Other conditions apply.
- RRSP eligible - Investment can be from new funds, or a transfer from an existing RRSP.
- The initial closing of the transaction may not occur prior to March 1, 2010, and if so eligibility for tax credits under the NSETC and CEDIFs, as well as RRSPs eligibility, would be delayed until the following tax year.

INVESTORS SHOULD READ THE OFFERING DOCUMENT BEFORE MAKING AN INVESTMENT DECISION. WATTS IS SUBJECT TO NUMEROUS RISK FACTORS AND POTENTIAL CONFLICTS OF INTEREST AS DESCRIBED IN THE OFFERING DOCUMENT AND INVESTORS SHOULD CAREFULLY READ AND CONSIDER SUCH RISK FACTORS AND POTENTIAL CONFLICTS OF INTEREST. AN INVESTMENT IN WATTS IS SUBJECT TO INHERENT RISKS AND UNCERTAINTIES THAT MAY BE GENERAL OR SPECIFIC AND WHICH MAY AFFECT THIS FUTURE-ORIENTED FINANCIAL INFORMATION. A VARIETY OF FACTORS, MANY OF WHICH ARE BEYOND THE CONTROL OF WATTS, AFFECT ITS OPERATIONS, PERFORMANCE AND RESULTS, AND COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THE EXPECTATIONS EXPRESSED IN ANY FUTURE-ORIENTED FINANCIAL INFORMATION. INVESTORS SHOULD READ THE OFFERING DOCUMENT FOR A DESCRIPTION OF SOME OF THESE FACTORS. THESE AND OTHER FACTORS SHOULD BE CONSIDERED CAREFULLY AND READERS SHOULD NOT PLACE UNDUE RELIANCE ON OUR FORWARD-LOOKING STATEMENTS. WATTS DOES NOT UNDERTAKE TO UPDATE ANY FORWARD-LOOKING STATEMENT THAT IS CONTAINED IN THIS DOCUMENT OR IN OTHER COMMUNICATIONS EXCEPT AS REQUIRED BY LAW.