

# TERRAWINDS RESOURCES CORP\*SWEF GP INC.\*SWEF LP

Dear Unitholder,

November 13, 2008

We are sending this letter to you because we have found that our previous attempts to communicate with unitholders through standard protocols have not been very successful and many unitholders are unaware of the current situation at SWEF.

As you may recall, at a special meeting of unitholders held on December 28, 2007 unitholders approved the sale of all assets of the partnership and a plan by which the cash proceeds would be distributed over time. As part of that approval, a \$24.5 million tax indemnity fund was established to reimburse all unitholders for the taxes (but not interest) unitholders will have to pay as a result of the failure of Terrawinds to complete the windpower project. In order to receive this reimbursement, a unitholder must first receive a reassessment from the Canada Revenue Agency ("CRA") and, if applicable, Revenue Quebec ("RQ") and then submit the required documentation to our payment agent for review and approval. **It is anticipated that once a unitholder has made all the necessary filings with our payment agent and the CRA audit (referred to below) has been completed satisfactorily, a reimbursement cheque will be mailed directly to the unitholder within two to three weeks.**

We have previously informed unitholders that CRA was conducting an audit of the CEE claimed by Terrawinds in 2005 that was passed on to unitholders. The amount under review is approximately \$6.5 million or \$0.85 per unit. This audit has not yet been completed and CRA has not yet made a determination regarding the eligibility of these expenditures. We have provided CRA with all the information that they have requested and CRA has confirmed that no additional information is required at this time. Currently, that is all CRA will tell us. Until CRA has completed its audit, it will not **voluntarily issue the reassessments required by unitholders to initiate the tax indemnity process with the payment agent. We have also been advised by CRA that because of the volume of reassessments required (about 3,300), the preparation of such reassessments could take a considerable period of time. In the mean time interest is accruing from May 1, 2007 on any unpaid tax that is subject to reassessment at the prevailing prescribed interest rate which is currently 7% per annum.**

We have been advised by RQ that they are currently in the process of preparing the unitholder reassessments for Quebec resident unitholders, and that once all the reassessments have been prepared they will be mailed to unitholders. RQ indicated that they expect such reassessments to be mailed to unitholders before the end of this year.

I know many of you are frustrated with the slow pace and we share these feelings. Let me assure you that at every opportunity in our discussions with CRA and RQ, we have and will continue to encourage their expediency.

**If you would like to attempt to accelerate the tax indemnity refund process and pay an estimate of the taxes that will result from reassessment, thereby stopping the accrual of interest, you can find information on how to do that on [www.sweflp.com](http://www.sweflp.com). In particular, you should read and follow the precise instructions outlined in the Letter to Unitholders of SWEF LP dated August 29, 2008 regarding alternative steps for accelerating the tax indemnity refund process.** Additionally, we encourage all unitholders to register with our tax indemnity payment agent on [www.terida.com/paymentagent](http://www.terida.com/paymentagent) at your earliest convenience. This is the necessary first step in the process that will eventually result in unitholders receiving

reimbursement cheques. Please refer to the March 10, 2008 Letter to Unitholders noted below for detailed instructions.

Other important and informative SWEF LP press releases and unitholder communications that we have released and you should be aware of are listed below. These can all be easily accessed, for both reading and printing purposes on [www.sweflp.com](http://www.sweflp.com).

- Letter to Unitholders of SWEF LP dated January 16, 2008 regarding various matters relating to the sale of assets of Terrawinds Resources Corp. to SkyPower Corp. including information on the tax indemnity payment, the partnership's new website and the change of the partnership's name to SWEF LP.
- Press Release from SWEF LP dated January 16, 2008 announcing SWEF LP's first distribution to Unitholders.
- Letter to Unitholders of SWEF LP dated March 10, 2008 regarding the process for submitting tax indemnity claims.
- Press Release from SWEF LP dated April 29, 2008 announcing annual financial results.
- Letter to Unitholders of SWEF LP dated April 29, 2008 regarding an update on the tax indemnity process.
- Press Release from SWEF LP dated May 30, 2008 announcing financial results for the three month period ended March 31, 2008.
- Letter to Unitholders of SWEF LP dated August 29, 2008 regarding alternative steps for accelerating the tax indemnity refund process.
- Press Release from SWEF LP dated August 29, 2008 announcing financial results for the three and six month periods ended June 30, 2008 and providing an update on the Canada Revenue Agency audit process.

If you wish, we can mail or email to you a copy of any past or future materials posted on our website. Just email your name and mailing address or email address to me at [judsonmartin@sweflp.com](mailto:judsonmartin@sweflp.com). Our mailing address is SWEF LP, 86 Scollard Avenue, Toronto, Ontario, M5R 1G2. Attention: Judson Martin. Our facsimile is 416.961.0095 should you wish to send a fax. In all cases, please identify the material you would like to receive.

Should you have any questions, please direct them to me at [judsonmartin@sweflp.com](mailto:judsonmartin@sweflp.com).



Yours truly,  
W. Judson Martin  
Chairman  
SWEF GP Inc.