

Profit From Wind Report



Executive Summary

SKYH Has the Potential to Generate Up to 350MW of Electricity: Sky Harvest Windpower Corp. is a United States and British Columbia reporting issuer involved in development stage wind power projects located in southwest Saskatchewan, Canada. Wind speed and environmental data relating to the Company's leased properties indicates that the properties host a strong and consistent wind resource that warrants the erection of wind power generation facilities with the potential to generate up to 350 MW of electricity. Sky Harvest Windpower Corp (OTCBB: SKYH), through its subsidiary, Sky Harvest Windpower (Saskatchewan) Corp., is developing two utility scale wind farm projects in Southwest Saskatchewan. Following are some of the key details regarding the SKYH opportunity:

- *The Sky Harvest project near Birsay is at an advanced stage of design and engineering, and is potentially at least a 175MW facility with an internally estimated potential capacity of up to 225MW.*
- *A project of 175MW could deliver enough electricity to supply 175,000¹ Saskatchewan homes.*
- *The proposed project could provide up to 180 jobs during construction with a third of those being primarily local opportunities.*
- *A recent independent engineering study concluded the 15,520 acre SKYH site has a capacity factor (a key industry measure of a wind resource) that is more than financially viable for a 175 MW wind farm.*
- *Numerous other environmental and wind resource studies have been completed and others are in process as SKYH prepares presentations and proposals necessary to secure a power purchase agreement.*
- *230 KV provincial electricity transmission lines are already present on the site, enabling cost-effective interconnection to the power grid.*
- *Under the recently announced Green Options Plan and the Green Options Partners Programs, government owned electric utility SaskPower will add 50 megawatts of generation capacity purchased from independent power producers for 2011.*

Market Outlook: As highlighted later in this report, the International Energy Agency notes that global installed wind capacity was 18 GW in 2000 and reached 195 GW in 2010, a compound annual growth rate of 27%. Even in its base and moderate growth projections, the Global Wind Energy Council predicts continued significant wind energy growth driven by growing demand, energy security and environmental factors. The Canadian Wind Energy Association estimates that wind power generation grew 10x in the last 6 years alone as Canada became 9th in the world in terms of installed windpower capacity in 2010. As evidenced by the Green Options programs, there is a strong commitment to wind power from Saskatchewan's government owned SaskPower, which has estimated² that it may be able to obtain 8.5% of total generating capacity from wind power, up from 4.7% currently. Looking to capitalize on this opportunity, SKYH continues its pre-development work, including supplementing the board of directors with relevant expertise and has announced a \$500,000 offering to obtain financing to fund additional development costs and working capital. As SKYH continues executing its operating strategy, it seems clear that growth will continue in the wind sector in Canada and globally.

SKYH Recent Price	\$0.55	<u>Please review the risk factors outlined later in this report and the important disclosures and disclaimers at the end of this report.</u>
SKYH - Approximate Market Cap	\$16.4 million	
52-Week Price Range	\$0.01 - \$0.60	

¹ http://www.saskpower.com/sustainable_growth/power_plan/generation_options/wind/realities.shtml

² http://www.saskpower.com/sustainable_growth/power_plan/generation_options/wind/

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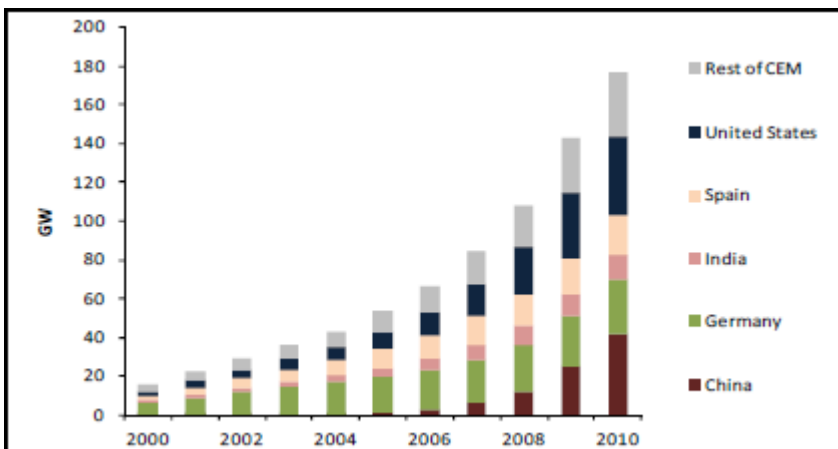
Introduction to the Wind Power Opportunity

The International Energy Agency (IEA) Calls for a Clean Energy Revolution:

In the 2011 Clean Energy Progress Report³, the IEA summarizes the drive for alternative power generation:

“Less than three years after fossil fuel prices hit an all time high and the world plunged into its deepest recession since the Great Depression, geopolitical events are driving prices steadily higher. The short - term risks to political stability and economic activity

posed by the world’s dependence on fossil fuels are again as manifest as its long - term threat to environmental sustainability. To break this dependency, the world needs a clean energy revolution.”

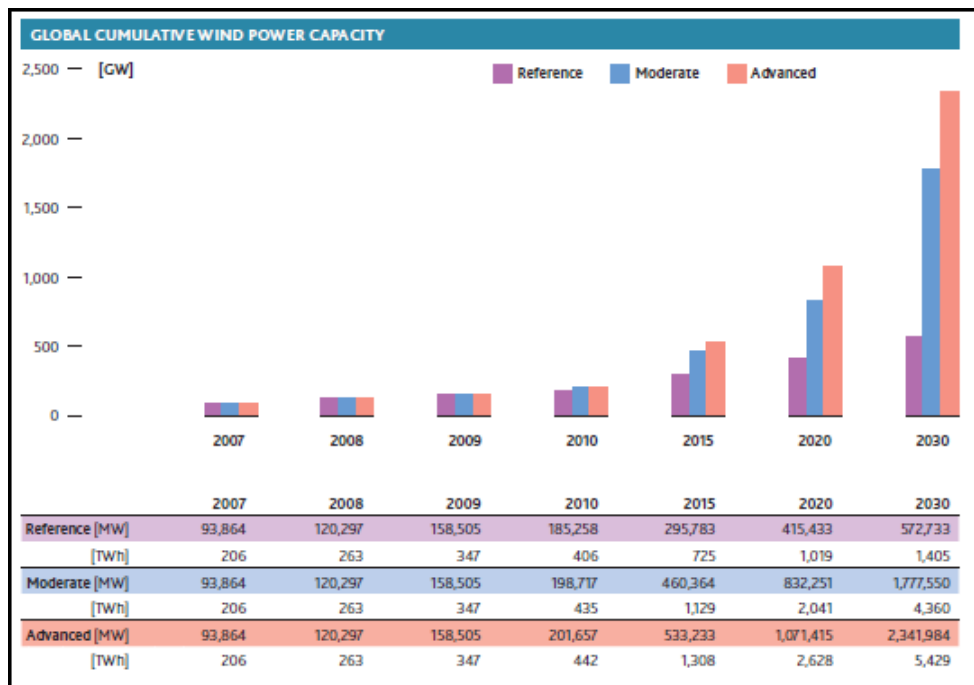


The IEA notes in the report that global installed wind capacity was 18 GW in 2000 and reached 195 GW in 2010, a compound annual growth rate of 27% reflected in the above graphic from the IEA report.

Global Wind Energy Council (GWEC)⁴ Cites Estimate of 30% - 60% Growth in World Energy Needs and \$13 Trillion in Investment Required:

With the estimate varying in relation to assumptions regarding gains in efficiency, the GWEC summarizes the key advantages of wind power and predicts substantial continued growth even in the Global Wind Energy Outlook 2010 reference and moderate projected scenarios:

“In contrast to the uncertainties surrounding supplies of conventional fuels, and volatile prices, wind energy is a massive indigenous power source which is permanently available in virtually every country in the world. There are no fuel costs, no geopolitical risk and no supply dependence on imported fuels from politically unstable regions.”



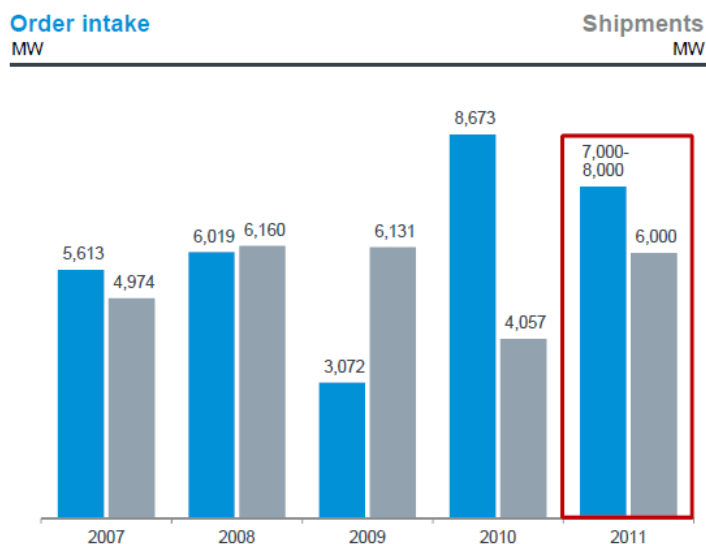
³ http://www.iea.org/Papers/2011/CEM_Progress_Report.pdf

⁴ <http://www.gwec.net/index.php?id=138>

The Canadian Wind Energy Association (canWEA) Windvision 2025 Report Calls for 20% Wind Power Generation by 2025: As noted in a recent canWEA release⁵, there was \$1.7 billion in new wind power investment in Canada in 2010, and wind energy has grown nearly 10 times in the last 6 years in Canada reaching a current capacity of 4,285 MW – comprised of 2,570 wind turbines operating at 131 wind farms. In the organization’s Windvision 2025 report⁶, canWEA cites the following benefits in calling for 20% wind power by 2025:

- *“Generating \$79 billion of investment that will make Canada’s wind energy sector a real player in a \$1.8 trillion global wind industry*
- *Creating at least 52,000 high quality, full-time jobs including many in rural communities*
- *Producing \$165 million in new annual revenues for municipalities*
- *Adding 55,000 MW of clean generating capacity that will strengthen our electrical grids and head off potential power shortages*
- *Stabilizing electricity prices*
- *Cutting Canada’s annual greenhouse gas emissions by 17 Megatonnes”*

Vestas⁷ Rebounds from Financial Crisis of 2009 and Expects 50% Growth in Shipments for 2011⁸: With a 16.3% market share⁹ in 2010, leading global wind turbine producer Vestas has a highly informed perspective on near and longer term trends in global wind power. Vestas, which has sold 43,000 turbines in 65 countries, predicts that 10% of the world’s electricity will be supplied by wind power by 2020, and expects a 50% growth in shipments for 2011 as the Company continues to rebound from the global financial crisis which heavily impacted 2009 results.



⁵ http://www.canwea.ca/media/release/release_e.php?newsId=115

⁶ http://www.canwea.ca/images/uploads/File/Windvision_summary_e.pdf

⁷ <http://www.vestas.com/en/about-vestas/profile.aspx>

⁸ <http://www.e-pages.dk/vestasws/2/fullpdf/full4bc777ce33dc5.pdf>

⁹ <http://www.vestas.com/en/investor/financial-reports/financial-reports-2010.aspx>; 2010 Annual Report Presentation

The Province of Saskatchewan

http://atlas.nrcan.gc.ca/site/english/maps/reference/national/can_political_e/map.pdf

Snapshot provided by the Government of Saskatchewan¹⁰:**Geography:**

- The province of Saskatchewan (derived from the Cree word for swift-flowing river) covers 651,036 square kilometers, or 6.5% of Canada.
- The climate is continental, characterized by large seasonal temperature ranges and low precipitation.

Demographics:

- The 2006 census estimated population at 968,157 and the April 2010 provincial estimate was 1,041,729. According to the CIA Factbook¹¹, the population for Canada in 2011 is 34 million, making it the 37th largest country in the world.
- The median age of 38.7 years was slightly below the average for Canada.

Economics:

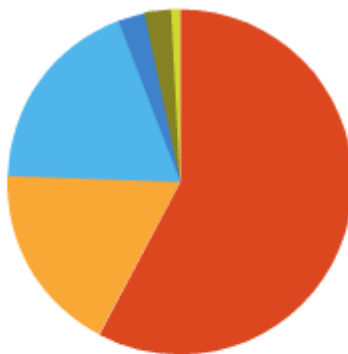
- Saskatchewan's GDP grew 3.9% in 2008 to \$41,646 million. Approximately 25% derived from primary industries such as Agriculture, Mining and Petroleum, with 15% coming from Finance, Insurance and Retail sectors, and almost 13% from the Wholesale and Retail trades.
- Saskatchewan's real GDP per capita increased by 3.7% (ranked 1st among the provinces) in 2008. Saskatchewan's productivity (real GDP per employed person) increased by 2.2% and was the highest among the provinces. Saskatchewan also led the nation in personal income (at 12.4%) and disposable income (at 13.7%) growth in 2008.

¹⁰ <http://www.gov.sk.ca/Default.aspx?DN=f80c0ebb-f1c6-497e-8bc0-30c215a5441f>

¹¹ <https://www.cia.gov/library/publications/the-world-factbook/geos/ca.html>

Power Generation and Renewable Power in Saskatchewan and Ontario**SaskPower Profile¹²:**

- The principal supplier of power in Saskatchewan, SaskPower serves 467,000 customers and manages \$4.9 billion in assets.
- SaskPower operates three coal-fired power stations, seven hydroelectric stations, five natural gas stations and two wind facilities with an aggregate generating capacity of 3,371 megawatts (MW), or 3,982 MW including power purchase agreements.
- SaskPower maintains over 157,000 kilometers of power lines, 56 high voltage switching stations and 184 distribution substations.
- SaskPower is owned by the Government of Saskatchewan through the Crown Investments Corporation of Saskatchewan, established by The Crown Corporations Act, 1993.

SaskPower Purchased Power and Supplied Electricity for 2008

2010 GROSS ELECTRICITY SUPPLIED – 20,759 GWh



Coal and hydro represent 46% of the net fuel and purchased power costs for 2010 while providing 77% of electrical requirements.

2010 Annual Report:

http://www.saskpower.com/news_publications/annual_reports.shtml

¹² http://www.saskpower.com/about_us/corporate_profile.shtml

SaskPower will have to rebuild or replace the entire electricity generation system by 2033. As a result, meeting customer needs will require significant new generation and transmission infrastructure. The planning¹³ to address supply issues is broken into three periods:

2010-2015: Short-Term Plan:

- *“Partner with a natural gas power provider to build a 261 MW natural gas power station (construction begins 2013)*
- *Focus on natural gas power generation projects*
- *Enter into agreements with out-of-province power providers for peak-load energy 'importing'*
- *Retrofit an existing coal-fired power plant with demonstration Carbon Capture technology*
- *Evaluate renewable fuel sources and emissions-reduction technology*
- *Build a world-class Carbon Capture testing facility*
- *Increase awareness of Small Power Producers Program*
- *Acquire up to 175 MW of wind power from large-sized power producers”*

2016-2023: Medium-Term Plan:

- *“Continue to partner with power utilities, power suppliers, First Nations groups and Saskatchewan communities for intermittent and peak-demand energy*
- *Evaluate renewable fuel sources and emissions-reduction technology, with a focus on solar and heat recovery generation technology*
- *Investigate electricity storage and smart grid technology*
- *Create a SaskPower Hydro Development Unit to review all current and potential hydro power production*
- *Complete a comprehensive evaluation of carbon capture technologies*
- *Evolve Small Power Producers Program Evolve Green Options Partner Program”*

2023-2032: Long-Term Plan:

- *“Continue to partner with power utilities, power suppliers, First Nations groups and Saskatchewan communities for intermittent and peak-demand energy*
- *Evaluate solar and heat recovery generation technology*
- *Complete an assessment of a large nuclear power supply option*
- *Pursue hydro power production projects recommended as part of the medium-term plan*
- *Evolve Small Power Producers Program Evolve Green Options Partner Program”*

Green Options Plan¹⁴: Under the Green Options Plan, announced in October 2009, SaskPower will undertake a competitive process to procure up to 175 MW of wind power from one or more independent power producers.

Green Options Partners Program: A standing offer program for SaskPower to purchase up to 50 MW of renewable power from private sector developers, with up to 25 MW of the total coming from wind power. The remainder will be generated through proven clean technologies, such as biomass, heat recovery or low impact hydro generation.

¹³ http://www.saskpower.com/sustainable_growth/power_plan/

¹⁴ <http://www.gov.sk.ca/news?newsId=c01931b6-9656-4e0d-a5bf-1994f343fecc>

Summary of SaskPower's Wind Generation Capacity:

- SaskPower's 150 MW Centennial Wind Power Facility¹⁵ was commissioned March 2006 and its 83 turbines can generate enough electricity to serve 69,000 Saskatchewan homes. SaskPower also operates an 11 MW wind power facility called Cypress Wind and purchases power from an 11.2 MW facility called SunBridge Wind.
- When the new wind generation is brought into service, wind power will make up about 8.5 per cent of SaskPower's total generating capacity - among the highest percentages in Canada.
- Currently, the corporation has 172 MW¹⁶ of wind power on its system and has signed an agreement with an independent power producer for another 25 MW to be in service in 2011.
- In announcing the launch of the two programs, SaskPower noted that it has been laying the foundation for more wind power by installing new natural gas generation providing peak generation service as a backup to wind power.

The Ontario Power Authority™ Feed-in tariff (FIT) Program¹⁷: Although not relevant to SKYH in terms of direct economic opportunity, the Province of Ontario's FIT program serves as a potential reference point for the prospects for renewable power in Canada. With a stated objective of helping Ontario phase out coal-fired electricity generation by 2014, the FIT program offers stable prices under long-term contracts for power generation from biomass, biogas, landfill gas, solar photovoltaic, waterpower and onshore / offshore wind.

Recent Developments with SaskPower:

- **SaskPower¹⁸ is planning to add about 50 megawatts (MW) of renewable power to the province's electricity grid through its second annual Green Options (GO) Partners Program lottery.** Applications for renewable power projects between 100 kilowatts (kWh) and 10 MW will be selected through a lottery, which closes at 3:00 p.m. June 1, 2011. This year SaskPower will purchase up to 50 MW of renewable power through the program, with up to 25 MW coming from wind. Other eligible generation technologies include solar, biomass, small hydro, waste heat recovery and flare gas.
- **Red Lily Wind Project¹⁹ now in service.** As of February 2011, Saskatchewan's newest wind power facility is now operational. Located northwest of Moosomin, the Red Lily Wind Project is adding another 26.4 megawatts (MW) of clean, renewable power to the province's electricity system. The Red Lily Wind Project was selected through a SaskPower solicitation to partner with independent power producers to build and operate small-scale electricity generation projects that produce no new greenhouse gas emissions. SaskPower has a 25-year agreement with the Red Lily Wind Energy Partnership, which is owned by Concord Pacific, to purchase power from the facility. Operation and supervision of the facility will be provided by Algonquin Power Co.

¹⁵ http://www.saskpower.com/about_us/generation_transmission_distribution/wind_facilities.shtml

¹⁶ http://www.saskpower.com/sustainable_growth/projects/generation/wind.shtml

¹⁷ <http://fit.powerauthority.on.ca/what-feed-tariff-program>

¹⁸ http://www.saskpower.com/news_publications/news_releases/?p=1169#more-1169

¹⁹ http://www.saskpower.com/news_publications/news_releases/?p=1163#more-1163

Powershares WilderHill Clean Energy™ and Global Wind Energy Funds

Powershares Global WindEnergy Portfolio Fund²⁰

1 Year Performance Chart:



Recent Top Holdings:

Enel Green Power S.p.A. 10.81%
 China Longyuan Power Group Corp. Ltd. 10.80%
 Iberdrola Renovables S.A. 9.84%
 Vestas Wind Systems A/S 9.52%
 EDF Energies Nouvelles S.A. 4.86%
 Innergex Renewable Energy Inc. 4.67%
 REpower Systems AG 4.65%
 EDP Renovaveis S/A 4.31%
 Nordex SE 3.91%
 China WindPower Group Ltd. 3.74%

Select Metrics:

Recent Price/Earnings Multiple: **23x**
 Recent Price / Book: **1.5x**
 Average Market Cap: **\$12.6 billion**
 1 Year Performance: **-13.2%**
 Ticker: **PWND**

Methodology: Based on the NASDAQ OMX Clean Edge® Global Wind Energy Index (Index). The Fund will normally invest at least 90% of its total assets in securities that comprise the Index and depository receipts based on the securities in the Index. The Index is designed to measure the performance of global companies engaged in the wind energy industry, which are primarily manufacturers, developers, distributors, installers and users of energy derived from wind sources.

Powershares WilderHill Clean Energy Portfolio Fund²¹

Year to Date Performance Chart:



Recent Top Holdings:

Ameresco Inc. Cl A 2.57%
 Molycorp Inc. 2.54%
 Tesla Motors Inc. 2.37%
 Fuel Systems Solutions Inc. 2.31%
 Rare Element Resources Ltd. 2.31%
 Universal Display Corp. 2.30%
 Sociedad Quimica y Minera de Chile S.A. ADS 2.26%
 Rubicon Technology Inc. 2.23%
 Maxwell Technologies Inc. 2.23%
 Ormat Technologies Inc. 2.17%

Select Metrics:

Recent Price/Earnings Multiple: **12.6x**
 Recent Price / Book: **2.0x**
 Average Market Cap: **\$2.8 billion**
 1 Year Performance: **8.3%**
 Ticker: **PBW**

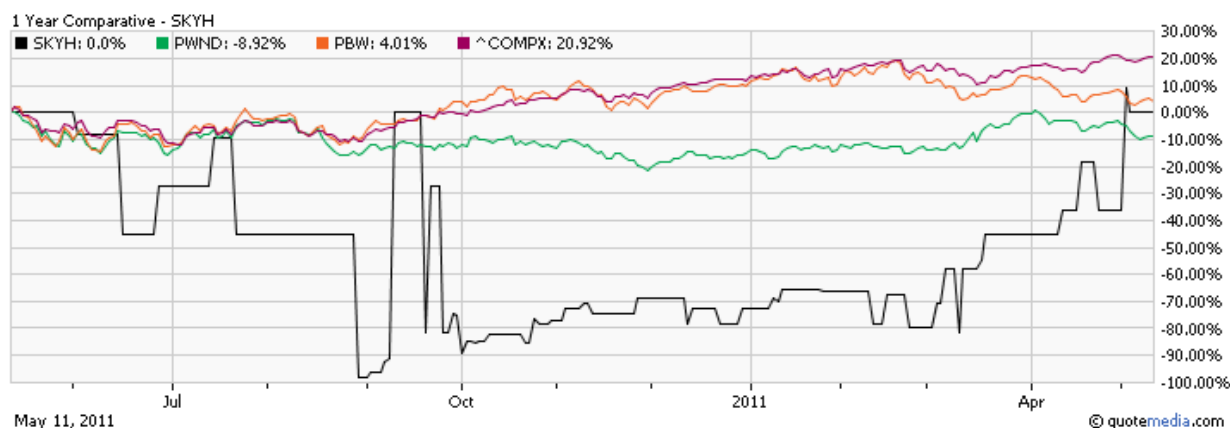
Methodology: The PowerShares WilderHill Clean Energy Portfolio (Fund) is based on the WilderHill Clean Energy Index (Index). The Fund will normally invest at least 90% of its total assets in common stocks that comprise the Index. The Index is designed to deliver capital appreciation through the selection of companies that focus on greener and generally renewable sources of energy and technologies that facilitate cleaner energy.

²⁰ <http://www.invescopowershares.com/products/overview.aspx?ticker=PWND>

²¹ <http://www.invescopowershares.com/products/overview.aspx?ticker=PBW>

SKYH Risks

SKYH risks are outlined in detail in its filings with the SEC, available at www.sec.gov, and with the British Columbia Securities Commission, available at www.sedar.com, which should be read in conjunction with this report. These risks include, but are not limited to the Company's dependence on additional capital to sustain operations and to continue as a going concern, uncertainty regarding when or if the Company will commence operations as an independent power producer, and uncertainty regarding the Company's successful completion of the requirements to secure a power purchase agreement.

SKYH Historical Price Chart from quotemedia.com

SKYH: Sky Harvest Wind Power

PWIND: Powershares Global WindEnergy Portfolio Fund

PBW: Powershares WilderHill Clean Energy Portfolio Fund

^COMPX: NASDAQ Composite Index

USD / CAD Exchange Rate (10-year chart from Yahoo! Finance)

As of 5/11/11, the exchange rate between the Canadian and United States dollars was approximately:

\$1 USD = \$0.9611 CAD

\$1 CAD = \$1.0405

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Overview of the OTC Bulletin Board²²

The OTC Bulletin Board[®] (OTCBB) is a regulated quotation service that displays real-time quotes, last-sale prices, and volume information in over-the-counter (OTC) equity securities. An OTC equity security generally is any equity that is not listed or traded on NASDAQ[®] or a national securities exchange. OTCBB securities include national, regional, and foreign equity issues, warrants, units, American Depositary Receipts (ADRs), and Direct Participation Programs (DPPs). The OTCBB is a quotation medium for subscribing members, not an issuer listing service, and should not be confused with The NASDAQ Stock MarketSM. There are no minimum quantitative standards which must be met by an issuer for its securities to be quoted on the OTCBB; however, the new Eligibility Rule limits quotations on the OTCBB to the securities of issuers that are current in their reports filed with the SEC or other regulatory authority. Issuers do not have any filing or reporting requirements with The NASDAQ Stock Market, Inc., or FINRA. Market Makers will be required to provide the periodic financial reports filed by OTCBB issuers with the SEC or other regulatory authorities pursuant to the Eligibility Rule. NASDAQ has no business relationship with the issuers of securities quoted on the OTCBB. Investors must contact a broker/dealer to trade OTCBB securities. Investors do not have direct access to the OTCBB service. The Securities and Exchange Commission's (SEC's) Order-Handling Rules which apply to NASDAQ-listed securities do not apply to OTCBB securities. It is important to note that FINRA has no regulatory authority over OTC Bulletin Board issuers. FINRA's responsibilities include establishing rules governing its broker/dealer members' business conduct; setting qualification standards for securities industry professionals; examining members for their financial and operational condition as well as their compliance with appropriate rules and regulations; investigating alleged violations of securities laws; disciplining violators of applicable rules and regulations; and responding to inquiries and complaints from investors and members. Due to the high level of risk involved in investing in Penny Stocks, the SEC created Rule 15g-2, which makes it "unlawful for a broker or dealer to effect a transaction in any penny stock for or with the account of a customer unless, prior to effecting such transaction, the broker or dealer has furnished to the customer a document containing the information set forth in Schedule 15G, Rule 15g-100, and has obtained from the customer a manually signed and dated written acknowledgement of receipt of the document." (SEC Rule 15g-2(a), Risk Disclosure Document Relating to the Penny Stock Market). If you believe that you have been defrauded by an OTC Bulletin Board issuer, you may file a complaint with your State Securities Regulator or contact the SEC's Office of Investor Education and Assistance.

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²² <http://www.otcbb.com/investorinformation/investorinfo.stm>