



FINAVERA WIND ENERGY

Power play – Initiating Coverage

INVESTMENT THESIS

Finavera Wind Energy was awarded four Electricity Purchase Agreements by BC Hydro in the April 2010 Clean Power Call. The four wind projects will generate \$80 million per year in EBITDA once complete by 2015.

VALUATION

We value Finavera by aggregating the NAV of its four contracted projects and applying an additional discount factor to certain projects that we believe could pose an extra risk to complete. We are Initiating Coverage with a **BUY (Speculative)** recommendation and a **\$1.15/share** target price.

FOCUS POINTS

- Contracts with BC Hydro to generate over \$80 million in EBITDA annually.
- Agreement with GE Energy to fund equity portion of 77 MW Wildmare Wind Project – significantly reducing dilution risk.
- Also signed a development agreement where GE becomes the preferred wind turbine supplier for its four B.C. wind farms in exchange for some development funding.
- Contracts have inherent value that make Finavera an ideal takeover candidate for a player with a strong balance sheet.

Recommendation: **BUY (Speculative)**

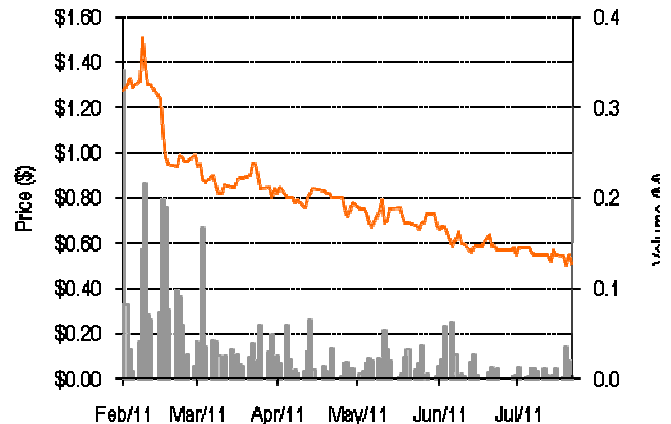
Symbol/Exchange: FVR/TSXV
 Sector: Infrastructure Services
All dollar values in C\$ unless otherwise noted.
 Current price: \$0.51
 One-year target: \$1.15
 Target return: 125%

Financial summary

Shares O/S (M)	35.0	52-week range	\$0.45 - \$1.65	
Market cap (M)	\$18	Avg. weekly vol. ('000)	236	
Market float (M)	\$8	Fiscal year-end	31-Dec	

C\$	F2010A	F2011E	F2012E	F2013E
Income from JVs	\$0.0	\$0.0	(\$2.2)	(\$2.0)
Net capacity (MW)	0	0	14	37

Source: Versant Partners



Company profile: Finavera Wind Energy is an independent power producer focused on renewable energy. The Company is currently developing four wind projects totalling 300 MW for which it received power purchase agreements with BC Hydro.

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See disclosure and a description of our recommendation structure at the end of this report.

INVESTMENT THESIS

We are initiating coverage of Finavera Wind Energy (“Finavera”, the “Company” or “FVR”) with a **BUY (Speculative)** recommendation and a one-year price target of **\$1.15/share** based on a NAV of its contracted power assets.

Although still in the development stage, we see inherent value in four long-term contractual agreements that the Company has signed with BC Hydro. These four contracts tied to output from four wind farms that will be built between now and 2015 will generate an aggregate of \$80 million per year in EBITDA.

Furthermore, while the possibility of dilution risk exists in order to fund project construction, investors should be aware that the Company has already been able to fund the Wildmare Wind Project with the aid of an agreement signed with GE Energy Financial Services (“GEEFS”). Under the agreement, GEEFS shall finance the equity portion of the wind farm and help provide debt in exchange for approximately 70% interest in the project— thereby eliminating any dilution risk to FVR for the project. The quality of the Company’s contracted wind farms is such that a major renewable energy player such as GE, with over thousands of megawatts of development experience, has also agree to provide development funding of \$7.5 million in exchange for being the projects’ preferred turbine supplier.

COMPANY OVERVIEW

Based in Vancouver, Finavera Wind is an independent power producer with a focus on wind energy development. The Company is currently developing four British Columbia based wind farms for which it holds Electricity Purchase Agreements (EPAs) with BC Hydro. These important EPAs essentially translate to 25-year, fixed price off-take agreements to supply green power to the only electric utility in British Columbia. The four wind farms will total 300 megawatts (MW) in generating capacity and generate over \$100 million in revenues and \$80 million in EBITDA annually when they are fully operational in 2015. In addition, Finavera holds 10 percent of the development rights for the Cloosh Valley 105 MW wind farm on Ireland’s West Coast.

History in brief

2003: Finavera Renewables established in Ireland. The Company secures a development site for wind project in Cloosh Valley (Ireland).

2005: Secures development sites for wind projects in British Columbia.

2007: Company gets listed on the TSX Venture. Submits four B.C. wind projects into the province’s environmental assessment process. Acquires development rights for the Three Hills Wind Power projects in Alberta.

2008: Sells Ghost Pine Wind Project while retaining 50% ownership of the Lone Pine Project – both of which were part of the Three Hills projects. Submits its four British Columbia wind projects totalling close to 300 MW into the *BC Hydro Clean Power Call Request for Proposals*.

2009: Initiates JV discussions for 105 MW Cloosh Valley Wind Project

2010: BC Hydro awards Finavera with 25-year EPAs for all four of the Company's wind power projects submitted in the 2008 Clean Power Call. The four wind farms will have a generating capacity of 301 MW with expected completion dates staggered between 2012 and 2015.

Enters into a joint development agreement with GE Energy Financial Services ("GEEFS"), a unit of General Electric Company, for the development of its four B.C. wind farms. Under the terms of the agreement, GEEFS will provide a loan to FVR of up to \$7.5M in exchange for becoming Finavera's preferred wind turbine supplier.

Signs an agreement with Scottish and Southern Energy Group ("SSE") for the co-development of the 105 MW Cloosh Valley Wind Project in Ireland. As part of the deal, the Company divests a majority interest in its grid connection rights to SSE for €8.4M but shall retain 10 percent of the project.

2011: Completes 10-for-1 share consolidation

Signs an agreement with GEEFS for the development of its 77 MW Wildmare Wind project (one of the four BC wind farms). Under the terms of the agreement, the Company shall grant GEEFS approximately 70% of Wildmare in exchange for the required cash equity required to finance the project.

PROJECT PORTFOLIO

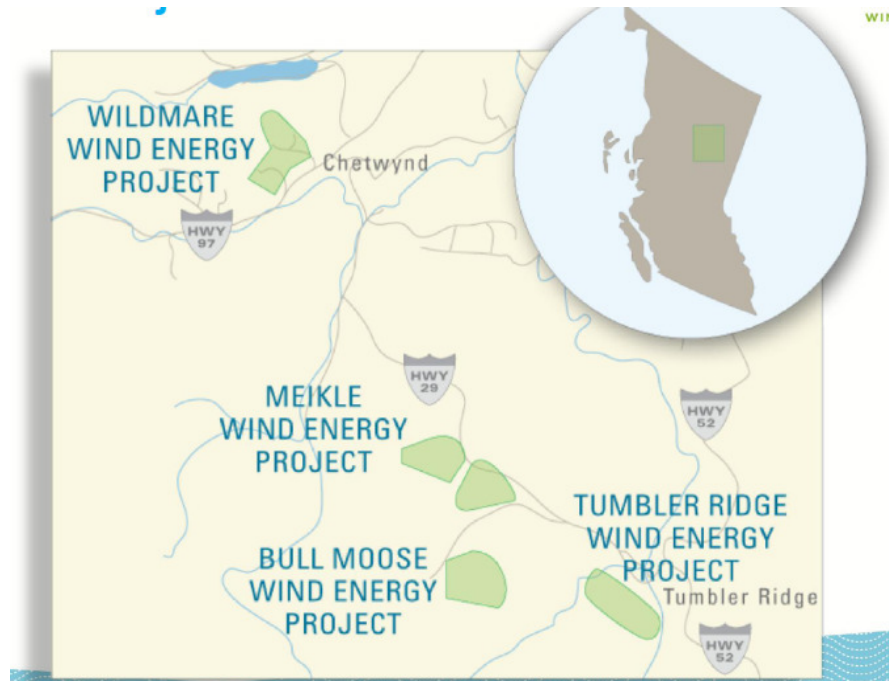
Projects under contract

In March 2010, BC Hydro awarded Finavera with Electricity Purchase Agreements tied to four wind farms in the Peace River region (Exhibit 1) of British Columbia. The four wind farms, totalling just over 300 MW in generating capacity, represent about 25 percent of the electricity purchased by BC Hydro in the Clean Power Call (see Exhibit 2). All four projects are located within five kilometres of existing transmission lines, which have significant capacity available and adjacent to existing highways. The company estimates that the four projects will cost approximately \$770 million to construct or \$2.55 million per MW.

GE Strategic Partnership

In February 2011, Finavera announced that it had signed an agreement with GE Energy Financial Services (a unit of General Electric Company) whereby the two companies had agreed on indicative terms for an equity investment by GEEFS in the 77-megawatt Wildmare Wind Energy project. Under the agreement, Finavera would provide the non-cash equity, including the energy contract, permits and development work to date, and serve as managing partner. In return, GEEFS would provide for equity financing. Based on current financial information, it is estimated that Finavera would retain a 30 percent economic interest in Wildmare. The two companies would jointly arrange debt financing and retain a third-party engineering firm to oversee construction of the project

Exhibit 1. Finavera Wind Energy Peace River Projects



Source: Finavera Wind Energy

We view the contracted B.C. assets as very high quality due to the following characteristics:

- **Contract with BC Hydro:** The long-term EPA with a high-quality customer ensures an off-taker will purchase all power generated by the wind farms over a 25-year period making it readily financeable and lowering cash flow volatility.
- **Agreements with GE:** Ensures no dilution risk for at least one project and opens the door to future collaboration on other wind farms. Due diligence conducted by GE prior to entering into the deal attests to the quality of the projects. There is a very strong potential that GE will supply the wind turbines.
- **Intangibles:** Signed interconnection agreement for transmission access; strong First Nations relationships in areas surrounding projects; and vicinity to roads and transmission lines.

WILDMARE

The Wildmare Wind Energy project is a proposed 77.4 MW wind farm located five kilometres west of Chetwynd and can be accessed by existing roads. Commercial operation is anticipated to begin in late 2013 with expected annual output of 236 GWh.

In November 2010, management submitted the Environmental Assessment (EA) application for the Wildmare wind project. The application is currently being reviewed by the BC Environmental Assessment Office. Management believes that the project will not result in any significant environmental impacts and anticipates receiving an EA certificate by November 2011. Following receipt of the EA certificate, Finavera will proceed to financial close and begin construction of the wind farm sometime in 2012.

In May 2011, the Company announced that it had signed an early engineering procurement agreement with BC Hydro for the Company's Wildmare Wind Energy Project. The agreement allows BC Hydro to commence certain permitting, engineering and procurement activities in a timely manner in advance of an interconnection agreement being executed.

MEIKLE

The Meikle Wind Energy project is a proposed 117 MW wind farm located twenty kilometres from Tumbler Ridge and can be accessed by existing roads. Commercial operation is anticipated to begin in late 2013 with expected annual output of 362 GWh. Management anticipates submitting the Environmental Assessment application for Meikle in Q3/2011.

TUMBLER RIDGE

The Tumbler Ridge Wind Energy project is a proposed 47.2 MW wind farm located eight kilometres southwest of the community of Tumbler Ridge and can be accessed by existing roads. Commercial operation is anticipated to begin in November 2012 with expected annual output of 144 GWh. Project metrics are supported by approximately four years of wind and climatic data from on-site meteorological towers.

In November 2010, management submitted the Environmental Assessment (EA) application for the Tumbler Ridge wind project. The application is currently being reviewed by the BC Environmental Assessment Office. Management believes that the project will not result in any significant environmental impacts and anticipates receiving an EA certificate by November 2011. Management anticipates signing a turbine supply agreement as well as an Engineering, Procurement and Construction (EPC) contract in Q3/11. Following receipt of the EA certificate, Finavera will proceed to financial close and begin construction of the wind farm.

In May 2011, the Company announced that it had signed an interconnection agreement with BC Hydro for this project. The interconnection agreement identifies the responsibilities of both Finavera and BC Hydro and the detailed steps required to interconnect the Tumbler Ridge Wind Energy Project to the BC Hydro Transmission System. The Agreement also confirms that the commercial operation date of November 2011 is achievable.

BULLMOOSE

The Bullmoose Wind Energy project is a proposed 60 MW wind farm located twenty kilometres from Tumbler Ridge and can be accessed by existing roads. Commercial operation is anticipated to begin in late 2015 with expected annual output of 192 GWh. Management anticipates submitting the Environmental Assessment application for Bullmoose in 2012.

Exhibit 2. Summary of projects for awarded EPAs

Proponent Name	Project name	Location	Energy Source	Capacity (MW)	Firm Energy (GWh/year)
Alta Gas Ltd.	Crownsnest Pass Power	Sparwood	waste heat	11	46
Box Canyon Hydro Corporation and Sound Energy Inc.	Box Canyon	Port Mellon	hydro	15	50
Castle Mountain Hydro Ltd.	Benjamin Creek	McBride	hydro	6	27
C-Free Power Corp.	Jamie Creek	Gold Bridge	hydro	19	41
Cloudworks Energy Inc.	Big Silver-Shovel Creek	Harrison Hot Springs	hydro	37	110
Cloudworks Energy Inc.	Northwest State River	Mission	hydro	18	44
Cloudworks Energy Inc.	Tretheway Creek	Mission	hydro	21	56
CP Renewable Energy (B.C.) Limited Partnership	Quality Wind	Tumbler Ridge	wind	142	434
Creek Power Inc.	Boulder Creek	Pemberton	hydro	23	48
Creek Power Inc.	North Creek	Pemberton	hydro	16	34
Creek Power Inc.	Upper Lillooet River	Pemberton	hydro	74	143
ENMAX Syntaris Bid Corp.	Culliton Creek	Squamish	hydro	15	56
Finavera Renewables Inc.	Bullmoose Wind	Tumbler Ridge	wind	60	142
Finavera Renewables Inc.	Meikle Wind	Tumbler Ridge	wind	117	327
Finavera Renewables Inc.	Tumbler Ridge Wind	Tumbler Ridge	wind	45	140
Finavera Renewables Inc.	Wildmare Wind	Chetwynd	wind	71	204
Pacific Greengen Power	Bremmer / Trio	Harrison Hot Springs	hydro	45	148
Kwagis Power Limited Partnership	Kolkish River		hydro	45	183
Long Lake Joint Venture	Long Lake	Stewart	hydro	31	139
NI Hydro Holding Corp.	Ramona 3 + Chickwat Creek + CC Creek	Sechelt	hydro	45	198
Plutonic Power Corporation / GE Energy Financial Services	Upper Toba Valley	Powell River	hydro	124	214
Run of River Hydro Inc.	Mamquam	Squamish	hydro	25	68
Sea Breeze Energy Inc.	Knob Hill Wind	Port Hardy	wind	99	281
Selkrik Power Company	Beaver River	Golden	hydro	44	86
Swift Power Corp.	Dasque-Middle	Terrace	hydro	20	46
			TOTAL	1168	3265

Source: BC Hydro "Clean Power Call Request for Proposals – Report on the RFP Process" August 2010

Development Projects

CLOOSH VALLEY (IRELAND)

The Cloosh valley project is a proposed 105 MW wind farm to be located in County Galway (Ireland). The site was selected for a wind farm on the basis of above-average wind speeds, a generous feed-in tariff regime in Ireland and due to its close proximity to a soon to be built transmission line. In 2010, Finavera signed a co-development agreement with Scottish and Southern Energy (SSE) and Coillte, the Irish Forestry Board. Scottish and Southern has extensive experience in wind project development and has a number of wind farms in operation in Ireland and the UK while Coillte is a state-run company that controls 8% of the land mass of Ireland. The agreement resulted in €8.4 million of staged payments to Finavera as the project proceeds to financial close while Finavera also maintains a 10% equity position in the project in order to realize ongoing revenue once the project is in operation. Construction is targeted to commence in 2014 with a commercial operating date in the following year.

Other projects

THREE HILLS WIND PROJECT (ALBERTA)

The Three Hills wind project was acquired in 2007. Following the acquisition, the company sold its interest in the 75MW Ghost Pine Wind Project (Phase 1 of the Three Hills wind project) in 2008 for a price of \$4.5M.

Today, the company retains a 50% interest in phase II of the Ghost Pine project (otherwise referred to as Lone Pine) with another party. Lone Pine has an estimated capacity of 75MW. The company anticipates that there is available grid capacity within eleven kilometres of the site.

CASCADES (BRITISH COLUMBIA)

The Company previously held three Investigative Use Permits (“IUPs”), issued by the Province of British Columbia, in the Cascades Mountain region of south-central BC. Management has assessed these projects and short-listed one project for further development, and allowed two of the IUP’s to lapse. The Company has renewed the IUP for the Cascades’ Prospect Creek Project until August

2011. Additionally, a Licence of Occupation has been secured to permit the installation of wind data collection equipment in the region. The Company also continues to assess other potential applications for IUP’s in different areas of BC.

CATALYSTS

Short term

Q3/11

- **Receipt of Environmental Assessment certificate for Tumbler Ridge and Wildmare:** potential small but positive impact.
- **Turbine supply agreement for Tumble Ridge:** pricing and energy output will give us better indication on project economics

- **Engineering, procurement and construction contract for Tumbler Ridge:** pricing and timing will give us clearer indication of project economics and a guarantee on commercial operating date.

Q4/ 11

- **Financial close for Tumbler Ridge:** strong positive catalyst – last significant hurdle before construction.
- **Start of construction on Tumbler Ridge:** mildly positive catalyst

Medium term

Further strategic partnerships: We believe that Finavera and GE Energy could strike an agreement similar to what they have with Wildmare on its other three wind projects. The most likely candidate would be Tumbler Ridge since it is the one closest to its construction start date. We would view any agreement leading to non-dilutive financing on Tumbler Ridge as a strong positive catalyst.

Takeover: FVR currently holds four EPAs with no risk of equity dilution for one of its projects. Furthermore, its 10 percent in the Cloosh Valley project will also hold some value as a development project. As a takeover candidate at its current condition, it could be an interesting play. On the other hand, we believe that the Company will only become a very attractive takeover candidate as it progresses through its milestones and starts operating its first project (November 2013). At that point, we believe that Management will have proven out its project development skills and the attractiveness of its project portfolio for an acquirer interested in long-term annuity type investments with a growth pipeline.

VALUATION

As the Company does not hold operating assets, its value is tied to contracts in hand. We will therefore base our valuation on NAV of projects with EPAs (i.e. Tumbler Ridge, Wildmare, Meikle and Bullmoose). While Finavera's ten percent interest in the Cloosh Valley project holds some value, we will refrain from including it in our price target until we feel that more tangible progress is being made on project completion.

Assumptions

The following is a summary of assumptions that we applied for determining NAV of each project:

- **Project length:** 25 years, which equates to the length of each EPA. We also assume a conservative terminal value of 7.5× cash flows of year 25 (comparables trade for 9× to 11×). We note that project length is such that terminal value is small relative to each project's NAV.
- **Pricing:** We assume a base price of \$103.1/MWh which is the "Weighted-Average Plant Gate Price" for wind projects awarded with EPAs in the 2010 Clean Power Call. This price is indexed annually at

100% of CPI in the years preceding start of operation and 50% of CPI in the years following (using 2009 as a base year). We assume CPI of 2%.

- **Revenues:** Equal to price multiplied by energy output. All generated energy shall be purchased by BC Hydro.
- **Operating expenses:** 17 percent of revenues. Include all cash expenses (including insurance, taxes, maintenance and royalties). Typical margins for wind energy projects are 80% to 85%.
- **Depreciation:** 75 percent of project is wind power equipment which falls under class 43.1 and depreciates at a rate of 50% per year (declining balance). The rest of the project depreciates at 6% per year (declining balance).
- **Tax rate:** 29 percent
- **Debt:** Interest rate of 6.5% and debt/equity ratio of 80/20. Mortgage style debt paid over 20 years with payments beginning at start of operation of wind farm. Pre commercial operation loans shall be capitalised.
- **Cost of equity:** 12%
- **Retained ownership:** We assume that Finavera will be able to reach a financing deal for all projects similar to what was done with GE for Wildmare. In essence, we assume that FVR will give up 70 percent of the economic interest of each project in exchange for financing the equity portion of the capital expenditures.
- **Fully diluted shares outstanding:** 37.42 million shares (as of March 31st, 2011). We assume 2.42 million ‘in the money’ options shall get converted.

In addition, we apply project specific assumptions which we have summarized in the Exhibit 3.

Exhibit 3. Wind projects - NAV assumptions

Project	Capacity (MW)	CapEx	Expected annual output (GWh)	Expected COD
Tumbler Ridge	47.2	\$131 million	144	November 2012
Wildmare	77.4	\$195 million	236	November 2013
Meikle	117	\$288 million	362	November 2014
Bullmoose	60	\$155 million	192	November 2015

Source: Finavera Wind Energy, Versant Partners

By applying the metrics mentioned above, we obtain the following summary NAV table:

Exhibit 4. NAV summary

	NAV	Discount factor	Discounted NAV
Tumbler Ridge	\$0.22	0.85x	\$0.18
Wildmare	\$0.38	0.90x	\$0.34
Meikle	\$0.54	0.85x	\$0.46
Bullmoose	\$0.20	0.80x	\$0.16
		<i>Sub-total</i>	<i>\$1.14</i>
		<i>Remainder of Cloosh Valley staged payments</i>	<i>\$0.26</i>
		<i>Cash from options</i>	<i>\$0.06</i>
		<i>Corporate overhead</i>	<i>-\$0.30</i>
		Total	\$1.17

Source: Finavera Wind Energy, Versant Partners

NAV Discount

Note that we have applied an extra discount factor to NAV to account for what we feel is a higher risk for completion to operation (including financing risk and construction risk).

We obtain a valuation of \$1.17/share which we round off to \$1.15/share to get our one-year target price and which translates to a 125% upside to where FVR closed on the previous day of trading.

More upside potential

The following are other potential sources of value creation that could lead to greater upside for FVR investors:

- **NAV maximisation:** By removing the discount factor from each project's NAV, we can add an extra \$0.19/share. We believe that FVR will trade closer to 100 percent NAV when its first wind farm attains commercial operation.
- **Cloosh Valley:** By applying metrics similar to its BC based projects, we estimate that the Company's 10 percent stake in the Cloosh Valley Wind project should be worth \$0.12/share. We believe that the project's value will be reflected in FVR's stock price once the Company obtains in EPA for Cloosh Valley.
- **Takeover:** FVR possesses considerably more upside as a takeover candidate than as an operator. Firstly, a potential buyer would be able to develop Finavera's suite of wind projects and eliminate corporate overhead. This alone would be worth \$0.30/share (see Exhibit 4). Secondly, a buyer with a sufficiently strong balance sheet would be able to finance the projects without having to give up retained ownership to GE or any other party. Third, a buyer would be able to extract greater value from each project for itself thanks to a lower cost of equity.

Finally, the buyer would probably have greater leverage to negotiate for better debt terms than Finavera alone and would have greater potential to maximize NAV and develop Finavera's development pipeline.

RISKS

We have identified the following points that could be hurdles in FVR reaching our valuation of the Company:

- **Financing risk:** In order to build out its contracted assets and monetize its four EPAs with BC Hydro, Finavera will require over \$800 million in construction capital, out of which \$140 million will be needed over the next 18 months. While the Company already has agreed on equity financing with GEEFS for one of its projects (Wildmare), questions still remain on financing the debt portion of the project as well as finding capital for more short-term need (Tumbler Ridge). Financing risks include: stock dilution, necessity to pushback start of construction and lower leverage scenarios reducing return on equity.
- **Construction risk:** Project economics are highly dependent on construction cost and schedule. It is imperative that the Company sign a fixed-price, fixed start date EPC contract in order to attenuate this risk.
- **Stock liquidity:** While its long-term potential is promising, the Company's current small trading volume and market capitalization make it difficult for an investor to enter and exit an investment without impacting price movement. We believe this will be adjusted over time as the Company grows but it should remain a factor in making an investment decision.

RECOMMENDATION

Given the upside potential combined with the risks associated with owning this stock, we are recommending a **BUY (Speculative)** on FVR with a one-year target price of **\$1.15 per share**.

APPENDIX A – MANAGEMENT

Management

Jason Bak - CEO, Director and Founder

Jason founded and became the CEO of Finavera in 2003 with the vision of building a diversified energy company focused initially on natural gas, wind energy and wave energy. In 2005 Finavera was split into Finavera Gas and Finavera Renewables. Jason has actively led the development of renewable energy technologies and over 1,000MW of grassroots wind projects in Europe and Canada to mature development projects approaching construction. He has led the asset sale of a portion of Finavera's wind development portfolio to Florida Power and Light (NextEra). Jason obtained a degree in Applied Physics from Simon Fraser University in Vancouver, Canada in 1997.

Peter Leighton – President and COO

Peter is a senior executive with more than twenty years of experience in leadership roles within the energy industry. He was most recently the COO and prior to that the CFO of Accenture Business Services for Utilities, and was also a founding executive of the predecessor company, CustomerWorks Limited Partnership. Some of Peter's other previous positions include: Development Executive for Fletcher Challenge Energy's independent power practice; Director of the Independent Power Association of British Columbia; Business Development Executive for Terasen Inc.; and Finance Executive with Amoco Canada.

Jon S. Lever - CFO

Jon has been a Certified Management Accountant since 1991. He began his career with the chartered accountant firm of Touche & Ross Co. Jon has been involved with several resource companies including roles as CFO of Tournigan Gold Corp. and Wealth Minerals Ltd.

Michael Thompson – Senior VP (Wind Energy)

Michael has over 11 years experience in natural resource development and civil engineering, both in Europe and North America. During this time, he has worked for several major international civil and environmental companies, primarily in a consulting capacity. Michael has been involved in energy, mining and civil engineering project development for many large projects around the world. Immediately before joining Finavera, he managed a large team of engineers in the resource development sector at both the project and operations level for Golder Associates Ltd in western Canada. Michael holds an undergraduate degree in Natural Environmental Science and a Masters degree in Engineering Geology from the UK.

Myke Clark – Senior VP – Business Development

Myke has more than a decade of experience in communications and is responsible for investor relations, public relations, and corporate development. Prior to joining Finavera in 2006, he spent almost a decade in journalism as a radio and television reporter with the Canadian Broadcasting Corporation and other news outlets. Myke is also responsible for new business development for Finavera Wind Energy.

APPENDIX B – CASH FLOWS AND NAV CALCULATION FOR TUMBLER RIDGE

Tumbler Ridge

(in m\$ unless otherwise noted)

Income statement	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	
Electricity revenue	\$2.6	\$16.0	\$16.2	\$16.3	\$16.5	\$16.7	\$16.8	\$17.0	\$17.2	\$17.3	\$17.5	\$17.7	\$17.9	\$18.0	\$18.2	\$18.4	\$18.6	\$18.8	\$19.0	\$19.1	\$19.3	\$19.5	\$19.7	\$19.9	\$20.1	
Operating cost	\$0.4	\$2.7	\$2.7	\$2.8	\$2.8	\$2.8	\$2.9	\$2.9	\$2.9	\$2.9	\$3.0	\$3.0	\$3.0	\$3.1	\$3.1	\$3.1	\$3.2	\$3.2	\$3.2	\$3.2	\$3.3	\$3.3	\$3.4	\$3.4	\$3.4	
EBITDA	\$2.2	\$13.3	\$13.4	\$13.6	\$13.7	\$13.8	\$14.0	\$14.1	\$14.2	\$14.4	\$14.5	\$14.7	\$14.8	\$15.0	\$15.1	\$15.3	\$15.4	\$15.6	\$15.7	\$15.9	\$16.1	\$16.2	\$16.4	\$16.5	\$16.7	
Book Value (start)	\$131.0	\$105.5	\$84.3	\$38.2	\$23.9	\$14.6	\$8.9	\$5.4	\$3.3	\$2.0	\$1.2	\$0.8	\$0.5	\$0.3	\$0.2	\$0.1	\$0.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Depreciation	\$25.5	\$41.1	\$25.1	\$16.3	\$9.3	\$5.7	\$3.5	\$2.1	\$1.3	\$0.8	\$0.5	\$0.3	\$0.2	\$0.1	\$0.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Interest payment	\$6.8	\$6.6	\$6.4	\$6.3	\$6.0	\$5.8	\$5.6	\$5.3	\$5.0	\$4.8	\$4.4	\$4.1	\$3.8	\$3.4	\$3.0	\$2.6	\$2.1	\$1.6	\$1.1	\$0.6	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Unused tax losses	-\$30.2	-\$64.6	-\$82.8	-\$90.8	-\$92.4	-\$90.1	-\$85.2	-\$78.5	-\$70.6	-\$61.8	-\$52.2	-\$41.9	-\$31.0	-\$19.5	-\$7.5	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Taxes	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$1.5	\$3.9	\$4.0	\$4.2	\$4.4	\$4.7	\$4.7	\$4.7	\$4.7	\$4.8	\$4.8
Net Income	-\$30.2	-\$54.5	-\$16.1	-\$8.0	-\$1.7	\$2.3	\$4.9	\$6.7	\$7.9	\$8.8	\$9.6	\$10.3	\$10.9	\$11.5	\$12.1	\$11.2	\$9.4	\$8.9	\$10.4	\$10.9	\$11.4	\$11.5	\$11.6	\$11.7	\$11.9	
Cashflow to equity	-\$30.2	-\$34.5	-\$16.1	-\$8.0	-\$1.7	\$2.3	\$4.9	\$6.7	\$7.9	\$8.8	\$9.6	\$10.3	\$10.9	\$11.5	\$12.1	\$11.2	\$9.4	\$8.9	\$10.4	\$10.9	\$11.4	\$11.5	\$11.6	\$11.7	\$11.9	
Principal repayment	\$2.7	\$2.9	\$3.1	\$3.3	\$3.5	\$3.7	\$3.9	\$4.2	\$4.5	\$4.8	\$5.1	\$5.4	\$5.7	\$6.1	\$6.5	\$6.9	\$7.4	\$7.9	\$8.4	\$8.9	\$9.0	\$9.0	\$9.0	\$9.0	\$9.0	\$9.0
Depreciation	\$25.5	\$41.1	\$25.1	\$16.3	\$9.3	\$5.7	\$3.5	\$2.1	\$1.3	\$0.8	\$0.5	\$0.3	\$0.2	\$0.1	\$0.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
FCF to partners	\$7.3	\$3.8	\$3.9	\$4.0	\$4.2	\$4.3	\$4.5	\$4.6	\$4.7	\$4.9	\$5.0	\$5.2	\$5.3	\$5.5	\$5.6	\$4.3	\$2.1	\$2.0	\$2.0	\$1.9	\$1.4	\$1.5	\$1.6	\$1.7	\$1.9	\$2.0
FCF to FVR	-\$2.2	\$1.1	\$1.2	\$1.2	\$1.3	\$1.3	\$1.3	\$1.4	\$1.4	\$1.5	\$1.5	\$1.6	\$1.6	\$1.6	\$1.7	\$1.3	\$0.6	\$0.6	\$0.6	\$0.6	\$0.6	\$0.6	\$0.6	\$0.6	\$0.6	\$0.6
NAV to FVR=	\$8.1																									
NAV per share=	\$0.22																									

Source: Versant Partners

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