

Ostrander Point Wind Energy Park



Information Newsletter October, 2008

A MESSAGE FROM GILEAD

Dear Neighbours,

I am pleased to be distributing our second newsletter for our Ostrander Point Wind Energy Park project and wanted to take this opportunity to wish everyone a happy Thanksgiving filled with fellowship and local food.

We held another successful open house on August 28, 2008, receiving valuable comments and feedback that will be addressed in our Environmental Review Report (ERR). This newsletter provides responses to the common questions raised at the open house and submitted on the feedback forms.

I would also like to take this opportunity to extend an offer to take interested persons to an operating wind farm. We will arrange to have a bus depart from the Prince Edward County Community Centre on Saturday November 15, 2008. If you are interested please contact Lesley Parnell, Gilead Power Corporation, at (705) 750-1023 ext 204 to book a seat(s), there will be limited seating for this event. At the time of booking Lesley will provide you with all the event details, please note it will be a full day activity. In order to attend your seat must be booked by October 31, 2008.

We are in the process of writing our ERR based on the studies that have been completed over the past 2 years. We intend to issue the draft version of our ERR in December, 2008. A notice will be distributed in December when our Draft ERR is available. Again, thank you for taking the time to come to our Open Houses and express your interest in our project. I look forward to seeing you on November 15, 2008.

Best wishes,

GILEAD POWER CORPORATION

Paul R. Pede
President

SECOND PUBLIC OPEN HOUSE QUESTIONNAIRE THEMES

The comments and information below are a summary of Gilead Power's responses to the new questions and comments posed by stakeholders in relation to the Ostrander Point Wind Energy Park (Project). For a full list of common comments and responses, please see the Project website: http://www.gileadpower.com/projects_ostrander_point.asp

Details of Lease Agreement with the Ministry of Natural Resources

Provided the Ministry of Natural Resources (MNR) approves the Plan of Development, Gilead will be granted a "Commercial Wind Energy Lease". This lease grants land from the Crown issued under the Great Seal of Ontario that conveys a leasehold interest in public land for the purpose of construction, maintaining and operating a wind park. The term of the lease will generally be for 25 years with one extension for a further term of 15 years. There are two options for the lease; wind turbines can either be surveyed individually, or the entire wind park may be surveyed as one site. The first lease is granted for individual turbines and the land between the turbines is considered non-exclusive thereby permitting traditional public use. The other lease option will be granted to include all individual turbine locations and associated area within the park. It should also be noted that a separate Land Use Permit is issued for access roads, utility corridors and any other infrastructure required outside the leased area.

Gilead continues to work with the MNR to determine which lease option is the most appropriate for the Ostrander Point Crown Land Block. Details of the lease agreement will be identified in the Environmental Review Report (ERR). Regardless of the lease option agreed upon, Gilead will not fence the perimeter of site, thus allowing traditional public use activities to continue.

In the unlikely event that Gilead is no longer capable of operating the wind park, the responsibility would not fall to the province. In this unlikely event, Gilead would option the project to another operator. If for some reason the project can't be sold, it would be decommissioned.

Gilead Power

Gilead Power Corporation is a privately-owned Canadian corporation based in Peterborough, Ontario. The company was founded in 2004 with a mission to identify and establish clean, renewable energy sources to augment conventional sources in Ontario and across Canada. Gilead has seven full time employees and approximately ninety private investors. Gilead is well financed through private equity, and has expertise in identifying, assessing and developing potential renewable energy projects.

In addition to completing the environmental assessment for the Ostrander Point Wind Energy Park, Gilead will be applying for all the necessary permits and approvals that are required to facilitate the development of a wind power project. Generally, these requirements include the environmental assessment, engineering design, and interconnection with the provincial electricity grid. The majority of these permits are applied for once the environmental assessment is completed and approved. Gilead is committed to the Ostrander Point Wind Energy Project and looks forward to becoming part of Prince Edward County.

Environmental Noise

Gilead will be adhering to the most stringent requirements during the operation of the wind plant. As stated in the previous Newsletter, the MOE noise guidelines for wind turbines, to which the Project must adhere, are most stringent for Class 3 Rural areas such as the Project Study Area. The sound level limit at a Point of Reception in Class 3 Areas, under conditions of

SECOND PUBLIC OPEN HOUSE QUESTIONNAIRE THEMES CONTINUED

average wind speeds up to 6 m/s (22 km/h) is 40 dBA between the hours of 7 PM and 7 AM. Background ambient sound levels for Class 3 Areas range from about 33 dBA at wind speeds of 6 m/s up to about 46 dBA at wind speeds of 11 m/s.

A detailed Environmental Noise Impact Assessment (ENIA) will be submitted to the MOE for technical review and approval. Upon approval, a Certificate of Approval will be issued under the Environmental Protection Act. The Project will then be required to operate according to the terms and conditions of the Certificate of Approval. Monitoring and reporting of the Project will also be completed as per the terms and conditions of the Certificate of Approval.

Location of Access Roads and Power Lines

Siting Project infrastructure is a complex process that involves many factors and variables. Environmental constraints such as the presence of wetlands, watercourses, and woodlots are key factors in siting Project infrastructure. Engineering, safety and operational considerations also affect where access roads and power lines are located. The proposed location of access roads and power lines will be presented in the Draft ERR.

The final routing of the main 44 kV transmission line has not yet been determined. Gilead is currently in discussions with Hydro One regarding potential transmission line routes and the potential to utilize existing transmission lines and/or easements within the area. Efforts will be made to minimize tree or vegetation removal to accommodate the transmission line. In the event that tree or vegetation removal is required for the transmission line, the appropriate mitigation measures will be presented within the Draft ERR.

Property Values

Based upon the data reviewed to date in other areas with established wind farms (e.g., Canada, USA, Europe, and Australia), no evidence of a material negative effect on property value as a result of the presence of wind farms was documented. Potential effects on property values will also be assessed in the ERR as part of the Socio-Economic Impact Assessment being completed for the Project. The results will be provided within the Draft ERR.

Important Bird Areas (IBAs) Designation

IBAs are designated by BirdLife International, a non-government organization. BirdLife, originally a European based organization, now works around the world to identify IBAs. In Canada, BirdLife is partnered with Nature Canada and Bird Studies Canada. IBAs are selected for a variety of criteria including areas that support rare species or species with restricted ranges, support concentrations of birds during breeding, wintering or migration, or contain a unique habitat type.

The Canadian Wildlife Service, in their Wind Turbines and Birds guidance document, consider proposed wind farm sites in or adjacent to IBAs to be "High Sensitivity". Such sites require more detailed preconstruction studies to determine potential impacts of the wind farm on birds. However, no provincial or federal policy addresses the placement of wind turbines in IBAs. The pre-construction bird monitoring implemented for the Project has been developed in consultation with the Canadian Wildlife Service/Environment Canada and in consideration of the IBA status of the area.

Local Purchasing

Local goods and services will be used during the construction phase of the Project when available in sufficient quantity and at competitive prices. We estimate that approximately 14% or \$5.3 million in construction expenditures will accrue to persons and businesses in the local area. The key construction related activities accruing to the local area include:

- Construction of concrete pads for the wind towers.
- Road construction.
- Power pole erection and mechanical installations.
- Electrical installations.
- Site security and fencing during construction.

A number of turbine manufacturers are being considered and a specific turbine type for this Project has not yet been finalized, however one of the turbines being considered is manufactured by AAER Inc. a North American manufacturer located in Quebec.

Wind Industry in Europe

As stated by the European Wind Energy Association (2008), wind is one of the most popular forms of electricity generating technologies in the European Union, comprising 40% of new power installations. Spain is leading in the development of new wind power installations with a record of installing 3,522 MW in 2007, the highest amount of wind installation in one year in Europe's history.

In Denmark, between 2001 and 2003, a replacement agreement was implemented to replace smaller turbines with larger turbines that have a greater capacity as well as to optimize turbine siting. A new replacement agreement was also implemented in 2004 and is scheduled to run to 2009. Approximately 20% of electricity consumed in Denmark today is from wind power. The Danish Wind Industry Association is aiming for a target of 35% wind power by 2015 (Danish Wind Industry Association, 2008).

YOUR INPUT IS IMPORTANT TO US

Your input is an important component of the consultation process. Your contribution allows us to become better informed about the study area, along with the potential effects of the Project.

Participation allows you to become better informed about the Project and to have your thoughts or opinions included in the EA process. We are responsive to concerns and carefully consider all of the feedback we receive. Your feedback can positively affect the design and construction of the Project.

Here's how you can provide input to the Project:

- Call us collect at (519)836-6050 (ask for Mark Kozak)
- Send an email with your comments to: ostranderpoint@stantec.com
- Send a fax to (519) 836-2493
- Send written comments by mail to:

Mark Kozak
Stantec Consulting Ltd.
361 Southgate Drive
Guelph, ON N1G 3M5



Visit us on the Web

We update the website as new information is available for the Project to provide timely and relevant information. This is part of our commitment to consult with the interested parties and inform local residents about the progress of the Project. Your feedback on the site, and the information presented, is always welcome.

Visit us on a regular basis and look for updates at: www.gileadpower.com