



For Immediate Release – Marketwire Services

## **SHEAR WIND ANNOUNCES THAT SUBSIDIARY IN FINAL STAGES OF CLOSING DEBT FINANCING**

### **SHEAR WIND GUARANTEES PROMISSORY NOTE**

October 7, 2010

**(HALIFAX, NOVA SCOTIA)** – Shear Wind Inc. ("**Shear Wind**") (TSXV: "SWX") announces today that Glen Dhu Wind Energy Limited Partnership ("**Glen Dhu LP**") is in the final stages of closing a debt financing (the "**Debt Financing**") from an arm's length party for Glen Dhu LP's 62.1 megawatt Glen Dhu wind power project in Nova Scotia (the "**Glen Dhu North Project**"). The transaction is expected to close on or about October 8, 2010. Completion of the transaction is subject to execution of a definitive credit agreement and satisfaction of the conditions precedent to that credit agreement. The Debt Financing is expected to be for approximately \$107,000,000 with a floating interest rate, and provides construction financing of the Glen Dhu North Project and then converts to a term loan, subject to the terms and conditions of the credit agreement. Shear Wind owns approximately 51% of the limited partnership units (the "**Units**") Glen Dhu LP. Genera Avante Holdings Canada Inc. ("**GAHC**") owns approximately 49% of the Units of Glen Dhu LP. In addition, GAHC owns approximately 62% of Shear Wind on a fully diluted basis. GAHC is owned by Inveravante Inversiones Universales, S.L. ("**Inveravante**"), an international corporation based in Spain. The credit facilities will be secured by a first priority lien on substantially all of the assets of Glen Dhu LP, including all of the Units owned by Shear Wind and GAHC in Glen Dhu LP and all of the outstanding shares owned by Shear Wind and GAHC in Glen Dhu Wind Energy Inc., the general partner of the Glen Dhu LP.

Shear Wind has agreed with Inveravante to use reasonable efforts to put forward to its shareholders (in accordance with all requirements under applicable Canadian securities and corporate law as well as any requirements of the TSX Venture Exchange) a resolution, which, if approved by the shareholders, would allow Shear Wind to become a party to the contingent equity commitment agreement between Inveravante and the lenders to Glen Dhu LP for the Glen Dhu North Project (the "**Contingent Equity Commitment Agreement**"). Under the Contingent Equity Commitment Agreement, the lenders can require further amounts to be contributed to Glen Dhu LP for the Glen Dhu North Project in the event that certain events occur. If Shear Wind becomes a party to the Contingent Equity Commitment Agreement, Shear Wind would be required to contribute 51% of any

amounts to Glen Dhu LP that may become owing under the Contingent Equity Commitment Agreement.

In addition, Shear Wind also announces that further to its news release dated August 27, 2010, its wholly-owned subsidiary, Vindt Resources Inc. ("**Vindt**") has issued an unsecured promissory note ("**Note**") to GAHC. The Note is in the principal amount of \$1,050,000, has a 10 month term and bears interest at 12% per annum. The Note is guaranteed by Shear Wind and the amounts due and owing under the Note at the maturity date may be converted, in whole or in part, at the option of GAHC into common shares of Shear Wind at a conversion price of \$0.20.

The financing was required to assist Vindt in moving forward in the development of its 100 megawatt Willow Ridge wind project in Alberta. Vindt was due to meet a security requirement of \$990,000 plus GST, by August 31, 2010 for the Alberta Electric System Operator's ("**AESO**") Connection Process Stage 3 costs. GAHC agreed to provide the necessary bridge financing to Vindt to make the required payment to AESO. Willow Ridge project is located in a well-known wind regime in Southern Alberta.

*This news release shall not constitute an offer to sell or the solicitation of an offer to buy any securities of Shear Wind in any jurisdiction.*

### **About Shear Wind**

Founded in 2005, Shear Wind is headquartered in Halifax, Nova Scotia and is engaged in the exploration and development of renewable wind energy properties in Canada. Shear Wind is focused on building a strong company based on a secure and sustainable supply of clean wind energy. Shear Wind is committed to building shareholder value governed by environmental stewardship. Additional information on the various projects may be viewed on Shear Wind's website: [www.shearwind.com](http://www.shearwind.com).

### ***Forward-Looking Statements / Information***

This news release may include certain forward-looking information, including statements relating to business and operating strategies, plans and prospects, using words including "anticipate", "believe", "could", "expect", "intend", "may", "plan", "potential", "project", "seek", "should", "will", "would" and similar expressions, which are intended to identify a number of these forward-looking statements. Forward-looking information reflects current views with respect to current events and is not a guarantee of future performance and is subject to risks, uncertainties and assumptions. Actual results may differ materially from information contained in the forward-looking information as a result of a number of material factors, including failure to secure adequate financing to develop projects of Shear Wind. Shear Wind undertakes no obligation to publicly update or revise any forward-looking information contained in this news release, except as may be required by applicable laws, rules and regulations. Readers are urged to consider these factors carefully in evaluating any forward-looking information.

**FOR FURTHER INFORMATION PLEASE CONTACT:**

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*Shear Wind Inc. trades on the TSX Venture Exchange under the symbol "SWX".*

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