

The logo for Shear Wind Inc. features a stylized green bird-like shape with three wings extending upwards and outwards, resembling a 'W' or a bird in flight. The text 'Shear Wind Inc.' is positioned to the left of this graphic, with 'Shear Wind' in blue and 'Inc.' in black.

**Shear Wind Inc.**

**INVERAVANTE**

## **SHEAR WIND ANNOUNCES PROPOSED PRIVATE PLACEMENT**

October 14, 2009

**(HALIFAX, NOVA SCOTIA and CALGARY, ALBERTA)** -- Mike Magnus, President and CEO of Shear Wind Inc. ("Shear Wind") (TSXV: "SWX"), announces that Shear Wind has executed a subscription agreement ("Subscription Agreement") with respect to a proposed private placement (the "Private Placement") of an aggregate of 96,439,595 common shares of its share capital from treasury (the "Purchased Shares") to be issued to Genera Avante Holdings Canada Inc. ("GAHC"). GAHC is an indirect wholly owned subsidiary of Inveravante Inversiones Universales, S.L. ("Inveravante"), a Spanish utility conglomerate. Mr. Manuel Jove Capellán, President and CEO of Inveravante, holds approximately 99.95% of the voting securities of Inveravante. Mr. Manuel Jove Capellán, Inveravante and its affiliates are at arms' length to Shear Wind.

Pursuant to the Private Placement, GAHC will purchase the Purchased Shares at a subscription price of CAD\$0.2792 per share (the "Subscription Price"), for aggregate subscription proceeds of approximately CAD\$26,925,935.

The Private Placement will result in a change in control in which GAHC will become a new "Control Person" (as defined in the policies of the TSX Venture Exchange ("TSXV")), and accordingly, the Private Placement is subject to the approval of holders of common shares (the "Shares") of Shear Wind ("Shareholders") pursuant to TSXV policies. Shear Wind intends to obtain such approval through written consents of Shareholders holding more than 50% of the Shares listed on the TSXV in accordance with TSXV policies.

The closing of the Private Placement is subject to various conditions set forth in the Subscription Agreement, including obtaining the written consent to the Private Placement of Shareholders representing a minimum of 50.1% of the issued and outstanding Shares, and obtaining all necessary regulatory approvals, including TSXV approvals of the listing of the Purchased Shares, such closing to occur two business days following the date on which the last of the closing conditions specified in the Subscription Agreement has been satisfied or waived by GAHC or such other date as may be agreed upon by GAHC and Shear Wind. The Subscription Agreement may be terminated if, in particular, any of the conditions set out in the Subscription Agreement has not been fulfilled or waived on or before October 30, 2009.

The Subscription Agreement provides for, among other things, in case an unsolicited superior proposal is accepted by the board of directors of Shear Wind, a right to match in favour of GAHC. The Subscription Agreement also provides for a CAD\$2,000,000 break fee in favour of GAHC in the event that the Subscription Agreement is terminated under certain circumstances, including where Shear Wind's board of directors accepts, approves or recommends a superior proposal to the Private Placement (the "Termination Payment"). In the event Shear Wind enters into a definitive agreement with respect to an unsolicited superior proposal, in lieu of terminating the Subscription Agreement and receiving such Termination Payment, GAHC has the right, but not the obligation, to continue with the closing of the Private Placement and to tender the Purchased Shares pursuant to the superior proposal or vote in favour of such transaction in the same manner as the other Shareholders.

Concurrently with the closing of the Private Placement, and subject to TSXV approval, Shear Wind shall pay to STS Capital Partners International Inc. ("STS") a finder's fee of CAD\$1,750,000 and shall issue

4,500,000 warrants (the "STS Warrants") with each STS Warrant exercisable for one newly issued common share of Shear Wind at the Subscription Price per share for two years following the closing. STS is at arms' length to Shear Wind and GAHC.

As of the date hereof, there are 49,182,855 Shares issued and outstanding or 55,138,139 Shares on a fully-diluted basis (assuming the exercise of all currently outstanding options and warrants of Shear Wind). If the closing of the Private Placement occurs with the issuance of all 96,439,595 of the Purchased Shares to GAHC, there would be an aggregate of 145,622,450 Shares outstanding on a non-diluted basis and 156,077,734 Shares outstanding on a fully-diluted basis (assuming the exercise of all currently outstanding options and warrants of Shear Wind and the exercise of all 4,500,000 STS Warrants). Accordingly, GAHC would own and control approximately 66% of the Shares on a non-diluted basis and 62% of the Shares on a fully-diluted basis, thereby giving GAHC majority voting control of Shear Wind.

*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 Inveravante and GAHC**

Inveravante is a Spanish utility conglomerate founded at the beginning of 2007 by Mr. Manuel Jove Capellán, one of the most prestigious businessmen in Europe, who thus stayed within his industrial vocation after selling Fadesa Inmobiliaria. Inveravante is the brand or corporation name that groups together a complex company network and different business areas, sharing an extraordinary strategic vision of the global economy.

In its pursuit of innovation and excellence, Inveravante plans a strategic investment of €7 billion (€3.4 billion of which corresponds to the investment carried out in the BBVA) to be developed between 2007 and 2011. For this purpose the company has a top-level board of directors, a healthy investment capacity from a position of maximum solvency, a strategic vision geared towards creating value without frontiers, as well as strategic planning and control which guarantee reaching the goal.

Inveravante's portfolio assets in the field of renewable energy include the following:

- Latin America: developing hydroelectric, wind and biogas projects in Peru, Mexico, Panama, Costa Rica, the Dominican Republic, Brazil and Guatemala.
- Spain: the activity is currently focused on wind and photovoltaic solar projects in different regions, among which we could highlight the 50% stake in 6 wind farms in Galicia and Catalonia, together with Gestamp, the construction and operation of two thermosolar plants in Andalusia and Extremadura together with the Ibereólica Group (also 50%) and the 60% stake in Aventura Renewable Energies, a company devoted to the promotion and operation of renewable energy projects in Catalonia.
- Rest of Europe: developing partnerships in renewable energy projects in Romania, Turkey, Bulgaria and Poland.
- Morocco: framework agreement with the public energy company ONE for the prospecting and development of wind farm and solar projects in various parts of the country.

As for conventional energy, Inveravante's activity is focused on oil and gas. For this purpose, Inveravante set up Vetra Exploración y Producción Colombia SA, an oil company whose production is 25,000 barrels per day, present in the USA, Columbia, Peru, Ecuador, Mexico and Trinidad and Tobago. The company is the result of the merger between Vetra Energía and Petrotesting. Investments of U.S.\$300 million dollars are planned for the next 4 quarters to double production and reach proven reserves exceeding 100 million barrels.

Additional information on the various projects may be viewed on Inveravante's website: [www.inveravante.com](http://www.inveravante.com)

GAHC is an indirect wholly-owned subsidiary constituted under the laws of British Columbia for purposes of the Private Placement.

### **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. More particularly, and without limitation, this press release contains forward looking statements concerning: the obtaining of Shareholder approvals and the closing date of the Private Placement. 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 and Inveravante undertake 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”.*

The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.