

GUIDELINES FOR COMPLETING 2008 FEDERAL INCOME TAX RETURN FOR SWEF INVESTORS:

The following general summary is intended to assist SWEF LP Unitholders in preparing their 2008 federal income tax return (form T1) in respect of their ownership of SWEF LP Units. In the case of Quebec residents, a separate Quebec income tax return must also be filed (see Guidelines for Completing 2008 Quebec Income Tax Return for Quebec Resident SWEF Investors).

SWEF Investors are encouraged to consult their own tax advisors concerning the tax consequences of their ownership and disposition of SWEF LP Units and the proper tax reporting based on their own particular circumstances.

SWEF LP 2008 Allocations

Unitholders were allocated the following amounts by SWEF LP for the 2008 taxation year (unitholders should refer to the 2008 T5013 tax slip recently issued by SWEF LP for further details):

- 1) Limited partnership loss: \$0.29172 per unit (see Box 22 on form T5013)

Unitholders should report their limited partnership loss from SWEF LP (i.e. \$0.29172 multiplied by the number of SWEF LP Units held) as follows:

- A) Schedule 4 – *Statement of Investment Income*: enter the amount of the limited partnership loss (the amount from Box 22 on form T5013) in Part III – *Net Partnership Income (Loss)*
- B) Report the amount from Part III – Schedule 4 as entered above on line 122 of your T1 Return. (NOTE: depending on the circumstances, the amount that can be claimed may be limited)

- 2) Capital gains: \$5.36176 per unit (see Box 70 on form T5013)

Unitholders should report the capital gains allocated from SWEF LP (i.e. \$5.36176 multiplied by the number of SWEF LP Units held) as follows:

- A) Schedule 3 – *Capital Gains (or Losses) in 2008*: enter the capital gains allocated from SWEF LP (the amount from Box 70 on form T5013) on line 174.

Disposition of SWEF LP Units in 2008

Unitholders had their SWEF LP Units repurchased for cancellation in December 2008 in consideration for an equal number of shares of SWEF Terrawinds Resources Corp. (the "Shares"). The general partner of SWEF LP determined that the Shares should be valued at a nominal amount of \$0.01 per Share, which represents the proceeds of disposition to Unitholders of each SWEF LP Unit repurchased.

1) Capital loss:

Unitholders should report what is expected to be a capital loss on the repurchase of their SWEF LP Units in 2008 as follows:

A) Schedule 3 - *Capital Gains (or Losses) in 2008*: complete section 3 – *Publicly Traded Shares, Mutual Fund Units etc.* as follows:

Number	Name of fund/ class of shares	(1) Year of Acq'n	(2) Proceeds of Disposition	(3) Adjusted Cost Base	(4) Outlays and expenses	(5) Gain (or loss)
# of Units	SWEF LP – Limited Partner Units	2005	\$0.01 x number of Units	See SWEF letter dated Mar. 26/09	nil	Column 2 minus 3

All other applicable capital gains (or losses) from all other sources are also entered on Schedule 3 – *Capital Gains (or Losses) in 2008*. The "Total capital gains (or losses)" is entered on line 197, and the amount on line 197 is multiplied by 50% to determine the amount of "Taxable capital gains (or net capital loss) in 2008" which is entered on line 199. Instructions on Schedule 3 in the T1 Guide should be followed in order to determine how to report the amount of any "taxable capital gains" or a "net capital loss" so determined.