

SWEF TERRAWINDS RESOURCES CORP. Files First Quarter Financial Results

For further information:

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TORONTO, May 31, 2010 /CNW/ - SWEF TERRAWINDS RESOURCES CORP. (the "Company") announces it has filed with Canadian securities regulators its interim financial statements and Management's Discussion and Analysis ("MD&A") for the three month periods ended March 31, 2010 and 2009. These documents will be available at www.sedar.com and www.sweflp.com.

On January 16, 2008, March 10, 2008, April 29, 2008, August 29, 2008, November 13, 2008, December 1, 2008 and March 26, 2009 management provided instructions to shareholders regarding the process for submitting tax indemnity claims and the status of the claims process. Distributions of the funds held in trust by the Agent have commenced as the relevant taxation authorities have begun providing individual reassessments for the 2005 tax year allowing shareholders to make their tax indemnity claims. Further information is available at www.sweflp.com and www.terida.com/paymentagent.

Significant Events

On January 4, 2008, the Company entered into a tax indemnity payment agent agreement with a tax indemnity agent (the "Agent") whereby the \$24,490,816 tax indemnity fund was paid to the Agent to be held in trust for SWEF Terrawinds. The tax indemnity payment agreement has an original term of 30 months from closing and expires on June 30, 2010. The Board of Directors has resolved to extend the tax indemnity payment agreement to July 31, 2012. The agreement is extendible at the option of the Board of Directors.

Results of Operations

Net loss for the three month period ended March 31, 2010 was \$1.3 million compared to a net loss of \$0.2 million for the same period in fiscal 2009. The increase in net loss of \$1.1 million is due primarily to higher tax indemnity payments in the first quarter of 2010 compared to the first quarter of 2009.

Interest income for the three month period ended March 31, 2010 was insignificant compared to \$0.1 million for the same period in fiscal 2009. The decrease in interest income is due to declining interest rates.

Administrative costs for the three month period ended March 31, 2010 were \$0.1 million compared to \$0.2 million for the same period in fiscal 2009. The decrease of \$0.1 million is due to fewer professional fees incurred in the first quarter of 2010 compared to the first quarter of 2009.

Capital tax expense for the three month periods ended March 31, 2010 and 2009 was insignificant.

Future income tax recovery for the three month period ended March 31, 2010 was \$0.4 million, compared to recovery of \$0.1 million for the same period in fiscal 2009. The increase of \$0.3 million is due to the higher amount of tax indemnity payments made in the first quarter of 2010 compared to the first quarter of 2009.

Forward Looking Statements

Certain statements contained in this Press Release constitute forward looking statements within the meaning of the Securities Act (Ontario) regarding the future performance of the Company based on assumptions the management of the Company, considered reasonable at the time it was prepared as at May 27, 2010. All forward-looking statements are inherently uncertain and actual results may differ materially from the assumptions, estimates or expectations reflected or contained in the forward looking statements. We consider the assumptions on which these forward looking statements are based to be reasonable, but caution the reader that these assumptions regarding future events, many of which are beyond our control, may ultimately prove to be incorrect. These forward looking statements involve a number of risks, uncertainties and assumptions, including the risk of future tax assessments, litigation or other unanticipated expenses.

The Company disclaims any intention or obligation to update or revise any forward looking statements whether as a result of new information, future events or otherwise, except as required by law. These risks may cause the actual results, performance or achievements of the Partnership to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These cautionary statements expressly qualify all forward looking statements attributable to the Company.