

SkyPower Wind Energy Fund LP Enters into Definitive Purchase Agreement to Sell its Terrawinds Project Near Rivière-du-Loup, Québec to SkyPower Corp.

Unitholders Expected to Receive Net After-Tax Proceeds and the Benefit of Prior and Future Period Tax Savings Totaling Approximately \$9.72 per Unit

Meeting of Unitholders to be Held on December 28, 2007

TORONTO, Nov. 27 /CNW/ - SkyPower Wind Energy Fund LP (the "Partnership") announced today that it has entered into a definitive purchase agreement (the "Asset Purchase Agreement") to sell its Terrawinds wind energy project near Rivière-du-Loup, Québec and related assets to SkyPower Corp. for proceeds (net of the assumption of approximately \$211 million of indebtedness and certain other liabilities of Terrawinds by SkyPower Corp.) of approximately \$77.2 million in cash (the "Asset Sale").

A special committee of independent directors (the "Special Committee") of the Partnership's general partner, SkyPower I GP Inc. (the "General Partner"), carefully reviewed and considered the terms of the Asset Purchase Agreement and the Partnership's current circumstances and alternatives with the advice and assistance of its legal and financial advisors. Credit Suisse Securities (Canada), Inc. acted as financial advisor to the General Partner and has provided an opinion to the Board of Directors of the General Partner that, as at November 26, 2007 and subject to the qualifications and limitations set out in the opinion, the consideration expected to be received by Unitholders as a result of the Asset Sale is fair, from a financial point of view, to Unitholders. A copy of that opinion will be included in the Circular to be sent to Unitholders as described below. The Special Committee has determined that the Asset Sale is in the best interests of the Partnership and its Unitholders and will recommend that Unitholders vote their Units to approve the Asset Sale and related matters.

The Asset Purchase Agreement

In accordance with the terms of the Asset Purchase Agreement, SkyPower Corp. will purchase substantially all of the assets of Terrawinds for a purchase price of approximately \$77.2 million in cash (net of the assumption by SkyPower Corp. of the existing debt of approximately \$211 million and certain other liabilities of Terrawinds) (the "Purchase Price"). The cash proceeds of sale will be used as follows:

- At closing (expected to occur in late December 2007), approximately \$24.5 million of the Purchase Price or approximately \$3.17 per Unit (the "Tax Indemnity Amount") will be paid by Terrawinds to a tax indemnity payment agent (the "Indemnity Agent") and will be used to indemnify Unitholders for the taxes payable by them as a result of the loss of certain deductions from income for Canadian federal and provincial income tax purposes that Unitholders expected to

receive for their 2005 taxation year at the time they purchased their Units. Unitholders will be entitled to claim compensation from the Indemnity Agent for the taxes payable as a result of the loss of those deductions (but not for interest payable by them in respect of those taxes) after they have received and presented to the Indemnity Agent the relevant tax assessments from Canadian federal and provincial taxation authorities. Any balance of the Tax Indemnity Amount remaining after Unitholders have received their indemnity payments, plus accrued interest and net of expenses, will be returned to Terrawinds and will ultimately be distributed to all Unitholders pro rata. The Partnership and its advisers will discuss with the Canada Revenue Agency and Revenue Québec whether a process can be implemented that will expedite delivery of the tax reassessments to Unitholders. Detailed information concerning the process that Unitholders must follow to obtain indemnification will be set out in the Circular referred to below which will be sent to Unitholders in early December 2007. Unitholders may also review the Asset Purchase Agreement and the Circular when they become available at www.sedar.com.

- At closing, \$5 million of the Purchase Price (approximately \$0.65 per Unit) will be paid into an escrow account for a period of four months for the purpose of indemnifying SkyPower Corp. against certain unforeseen claims, if any, that may be made during that period against the purchased assets or against SkyPower Corp. relating to the project, the Partnership or Terrawinds (other than claims relating to the liabilities assumed by SkyPower Corp.). On or about April 30, 2008, the escrow agent will release the full amount of the escrow (plus accrued interest, and net of expenses and any indemnification payments made to SkyPower Corp. and any amounts set aside for claims made during the four month period) to Terrawinds and that amount will then be distributed pro rata to Unitholders.
- At closing, Terrawinds and the Partnership will set aside a portion of the Purchase Price as a reserve to pay transaction expenses, liabilities not assumed by SkyPower Corp., and ongoing expenses of the Partnership and Terrawinds that will be incurred during the period until all amounts available for distribution to Unitholders have been distributed and the Partnership and Terrawinds have been dissolved. The amount of the reserve has not yet been determined but is currently expected to be not less than \$7 million and could be greater. If the amount of the reserve is insufficient, some or all of any excess Tax Indemnity Amount or released escrow funds may be used to meet expenses and liabilities. Any portion of the reserve not required for the foregoing purposes will ultimately be distributed pro rata to Unitholders as soon as possible.
- The balance of the Purchase Price remaining after the foregoing allocations have been made at closing will be used to make an initial cash distribution to Unitholders early in January 2008. The amount of that distribution has not yet been determined but would be approximately \$5.28 per Unit assuming a \$7 million reserve for expenses.

Unitholders will also retain the benefit of certain income tax deductions previously received by them (approximately \$1.34 per Unit, representing potential tax savings of approximately \$0.62 or \$0.65 per Unit based on the highest marginal income tax rate for an individual resident of Ontario or Québec, respectively, and assuming, in the case of a Québec resident, that the Unitholder has sufficient investment income to permit the deduction of losses allocated from the Partnership for Québec income tax purposes) and will obtain the benefit of certain income tax deductions in future periods. However, as noted below, interest is accruing on the taxes payable by Unitholders as a result of the loss of their deductions from May 1, 2007 and will continue to accrue until those taxes are paid by Unitholders, which will have the effect of reducing the amounts to be retained by Unitholders. As such interest is not deductible for tax purposes and no indemnity payment will be made in respect of such interest, Unitholders should consider paying the additional taxes payable as soon as possible.

The following table summarizes the approximate net after-tax payments and tax savings per Unit that a Unitholder, who is an individual resident of Ontario and for whom income tax is assessed at the highest marginal rate, is expected to retain following completion of the Asset Sale, subject to the qualifications noted above and in the notes to the table.

Tax Indemnity Amount ⁽¹⁾	\$ 3.17
Escrow Funds	0.65
Initial Cash Distribution	5.28
Previous Tax Savings ⁽¹⁾⁽²⁾	0.62
Future Tax Savings ⁽¹⁾⁽³⁾	0.30
<u>Less: Interest on Unpaid Taxes⁽¹⁾⁽⁴⁾</u>	<u>(0.30)</u>
<u>Net Amount</u>	<u>\$ 9.72</u> ⁽⁵⁾⁽⁶⁾

Notes:

- 1) Based on a Unitholder who is an individual resident of Ontario and for whom income tax is assessed at the highest marginal rate.
- 2) Represents tax savings in respect of Canadian exploration expense ("CEE") of \$0.85 per Unit in 2005, and allocations of losses of \$0.22 per Unit in 2005 and \$0.26 per Unit in 2006.
- 3) Represents tax savings in respect of future allocations to Unitholders of losses and deductions for prior Partnership financing costs of \$0.21 per Unit, to be allocated to Unitholders in 2007 and deductible by Unitholders in 2008 and 2009 (assuming dissolution of the Partnership in 2008).
- 4) Represents interest payable by Unitholders on unpaid taxes accruing at an assumed annual rate of 9% during the period from May 1, 2007 to May 1, 2008. Unitholders can stop interest from accruing on unpaid taxes by paying the taxes. Unitholders are encouraged to consult their personal tax advisers.
- 5) Assumes that Unitholders will realize a capital loss on the disposition of their Units in 2008 in an amount sufficient to offset the capital gains allocated to

Unitholders by the Partnership in 2008. Does not reflect the time value of money in respect of previous and future deductions.

Unitholders who are residents of Québec and for whom income tax is assessed at the highest marginal rate are expected to retain approximately \$9.86 per Unit, calculated on the same basis and subject to the same qualifications noted above and assuming that such Unitholders have sufficient investment income to permit the deduction of losses allocated from the Partnership for Québec income tax purposes.

Unitholders Meeting

A meeting of Unitholders (the "Meeting") to consider the Asset Sale and related matters is expected to be held on Friday, December 28, 2007. In the Partnership's current circumstances, in particular because amounts owing to lenders may become payable on December 31, 2007, it is desirable for the Asset Sale to be completed on or before December 31, 2007. Completion of the Asset Sale is subject to approval by the affirmative votes of at least two-thirds of the Units voted at the Meeting and the satisfaction or waiver of the other conditions set out in the Asset Purchase Agreement, including the consents of Terrawinds' and SkyPower Corp.'s senior lenders. An information circular (the "Circular") containing notice of the Meeting and setting out the details of the Asset Sale and the amounts expected to be received by Unitholders following the Asset Sale is expected to be mailed to Unitholders in early December 2007.

About SkyPower Wind Energy Fund LP

The Partnership has invested in the common shares, including flow-through shares, of Terrawinds Resources Corp., a Canadian corporation formed for the purposes of constructing and operating a 166MW wind energy project near Rivière-du-Loup, Québec which would generate electricity for sale to Hydro-Québec pursuant to a 21-year power purchase agreement.

Certain statements included in this news release constitute "Forward-Looking Statements" within the meaning of the Securities Act (Ontario). Such forward-looking statements involve unknown risks, uncertainties and other factors, including the risk that Unitholders may not recover some or all of the purchase price of their Units if the Asset Sale is not completed and the risk that, if the Asset Sale is completed, the net after-tax payments and tax savings that Unitholders will ultimately retain may be less than expected. Certain other risks and uncertainties as well as additional information are outlined in the Partnership's 2006 Annual Report and other continuous disclosure documents available on www.sedar.com (<http://www.sedar.com/>). Those 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.

The forward-looking information contained in this news release represents the expectations of the SkyPower Wind Energy Fund LP as at November 26, 2007 and,

accordingly, is subject to change after that date. However, SkyPower Wind Energy LP expressly disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable law.

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