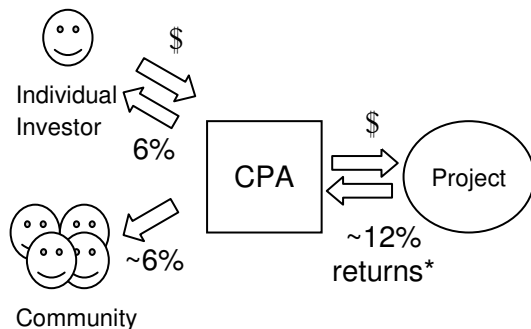


INVESTOR PROTECTIONS AND COMMUNITY RETURNS

We intend to negotiate the following terms with Manitoba Hydro as part of the power purchase agreement for our project:

- **Interest rate protection** is to be built in. The price for the electricity is to be adjusted annually based on prevailing Bank of Canada (BOC) interest rates in order to protect against interest rate fluctuations over time. The overall project is designed to return 12% based on today's BOC rate of 0.5% (i.e. the price for the electricity is to be based on targeting project returns of 11.5% above the BOC rate).
- **Community returns** are to be built in. Community returns reflect the difference between the return to individual investors (5.5% above the BOC rate) and the overall project returns (targeted to be 11.5% above the BOC rate). Community returns may be used for any purpose that participating investors in the local community choose through a voting process described on the Elton Energy web site. Examples include renovating a local hockey rink, helping a local family in need, creating a bursary, etc. The local investors decide for themselves how to spend the community returns.



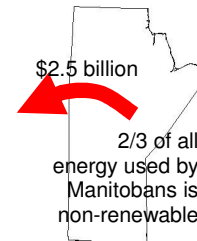
* Requires Manitoba Hydro to support 12% project returns

WHAT IS COMMUNITY POWER?

- Community power is a way to make an investment with favourable returns, while supporting our local communities and helping the environment.
- Ownership control is retained by the community investors and the project operates with a high level of transparency
- The project provides a risk-averse and fair rate of return
- The project enjoys broad participation from individuals of varying incomes

WHY COMMUNITY POWER?

\$2.5 billion leaves Manitoba each year to pay for non-renewable energy imports, such as petroleum and natural gas. This is more than \$2,200 for every man, woman and child. As the price of non-renewable energy imports rises faster than price of our hard-won commodity exports, such as agricultural products, our future standard of living is directly threatened.



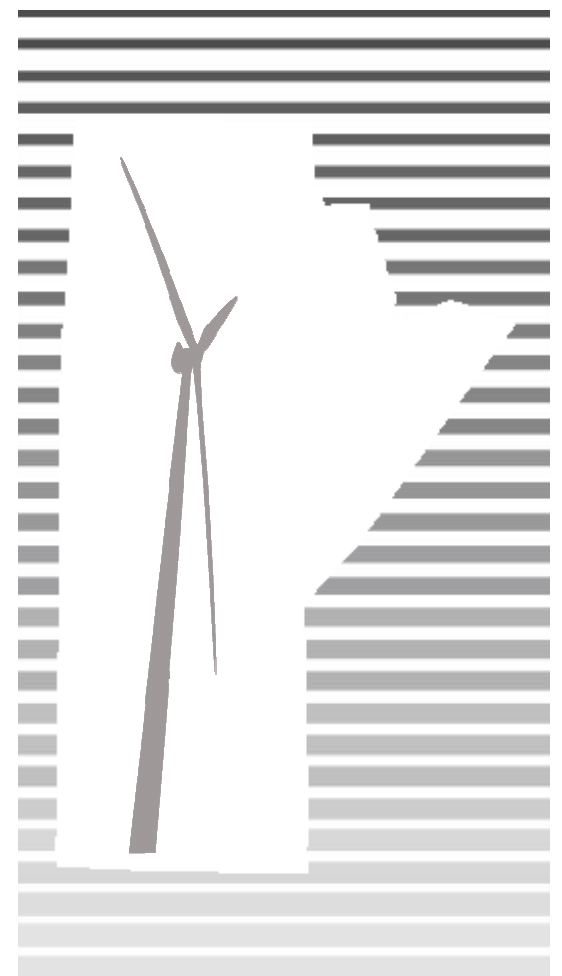
Deploying community-based renewable energy helps keep rural Manitoba healthy in three ways: (a) it directly increases investment in Manitoba, (b) it connects Manitoba communities to our overall energy use, and (c) it allows lucrative hydro power to be sold to the export market.

Elton Energy Cooperative

c/o Elton Municipality
Forrest, Manitoba R0K 0W0
Phone (204) 763-4646
www.eltonenergy.org

ELTON ENERGY COOPERATIVE (EEC)

Capturing Community Energy!



ELTON ENERGY TO BUILD 3 MEGAWATT WIND PROJECT

Elton Energy Cooperative (EEC) intends to build a 3 MW wind project consisting of two commercial-scale wind turbines that will be placed on the distribution side of the substation just outside of Forrest, Manitoba. The electricity produced by these wind turbines will be sold to Manitoba Hydro and will provide power to homes and businesses in the RM of Elton.

MET TOWER 2009-2011

We erected a meteorological tower in June 2009 in order to collect qualified wind data for a period of two years.

RAISE \$2.5 MILLION

We will raise \$2.5 million in equity by forming a partnership with Manitoba's Community Power Cooperative (CPC), a transparent, province-wide investment cooperative that allows Manitoba residents to purchase equity shares in renewable energy projects. The partnership will sell equity shares for \$1,000 each to 2,500 Manitoba residents. We will fund the remainder of the \$7.5 million project through a conventional bank loan. The community-based investors own the project and receive investment returns from the sale of wind power to Manitoba Hydro.

PARTNER WITH THE COMMUNITY POWER COOPERATIVE (CPC)

What is the CPC? The Community Power Cooperative (CPC) is an investment

cooperative that provides financial and technical services for Manitoba-based, local community power organizations such as EEC. Its mission is to keep Manitoba's renewable energy investment dollars in Manitoba.

What does the CPC do? The CPC assists EEC by taking care of all of the technical and financial details, such as securing a wind developer, choosing the best wind turbines for our area, building our pro forma and business model, negotiating with the bank, negotiating with Manitoba Hydro, managing the buying and selling of equity shares for the project, addressing ongoing operational requirements and financial audits over the 20-year life of the project, managing the community returns, reporting annually to the investors, and managing the decommissioning of the project at the end of the project term.

How does the CPC and EEC partnership work? EEC leverages CPC financial and technical expertise in exchange for a monthly fee. All fees to operate the CPC are built into the power purchase agreement that the partnership negotiates with Manitoba Hydro for the 3 MW project. If the CPC operates more efficiently than anticipated, then the surplus returns go to the community investors. If the CPC operates less efficiently than anticipated, it is held accountable to the community investors through a transparent reporting process that is built into the partnership agreement between the CPC and EEC, and adjustments are made through investor-controlled activities. A member of EEC is seated on the CPC board of directors at the time the partnership agreement is signed.

HOW TO PARTICIPATE

To participate, please become a member of EEC for \$10 by sending a cheque to the address shown on the back of this flyer along with your contact information. Members will be given preferential opportunity to invest in our first project.

At the time that we need investment funds (i.e. when the project is approved to proceed), we will invite the first 2,500 EEC members to purchase investment shares. We will provide an offering statement that describes the risks of the investment (similar to a prospectus for a stock offering).

Once you have reviewed the offering statement, you will sign a declaration that you understand the risks, and you will send the signed declaration along with a cheque to the CPC for purchase of the shares (the first round will likely limit investment to one share per investor in order to allow broad participation). Our web site will provide current project status.

Leveraging the CPC for the buying and selling of shares allows you to buy shares when they are available, and allows you to sell shares at any time, similar to the way that one sells stock shares. The CPC takes care of all of the transaction details.

The power purchase agreement with Manitoba Hydro will target 6% annual returns for the investor, and shares will qualify for RRSP status. Follow-on share offerings will occur based on the success of the initial project.