



*For Immediate Release*

## **CATCH THE WIND REPORTS SECOND QUARTER 2010 FINANCIAL RESULTS**

- **Quarter marked by start of commercialization phase of operations, corporate re-domestication and capital raise -**

**Manassas, VA, August 19, 2010** – Catch the Wind Ltd. (TSX-V: CTW), developer and manufacturer of the Vindicator<sup>®</sup> Laser Wind Sensor (LWS) and other wind sensor products, today reported its financial results for the three- and six-month periods ended June 30, 2010. All figures are in U.S. dollars unless otherwise stated.

“Our second quarter was marked by a number of significant milestones that further demonstrate our progress as a public company and the commercial potential of our Vindicator<sup>®</sup> LWS,” said Phil Rogers, President and CEO of Catch the Wind, Inc. “Most notably, we entered into a sales agreement with BP Wind Energy and completed the re-domestication of the Company, a process that resulted in the removal of the .S from our trading symbol. These developments, coupled with a product sale to enXco and the certification program signed with a Germanischer Lloyd subsidiary subsequent to quarter end, clearly demonstrate that the focused execution of our strategy is producing positive results and generating increased interest from blue-chip customers and investors alike.”

### **Second Quarter Highlights**

- Signed a sales agreement with BP Wind Energy, a leading owner and operator of wind power facilities with over 1,200 MW in commercial operation in the United States.
- Completed a corporate re-domestication to the Cayman Islands. The re-domestication was initiated for the purpose of achieving greater flexibility in potential future financings, and was not completed for any tax reason.
- Completed a process to remove the “.S” designation from the Company’s ticker symbol on the TSX Venture Exchange, resulting in the new symbol “CTW”.
- Completed a private placement of 2,576,000 units, each at a price of CDN \$2.00, generating gross proceeds of CDN \$5,152,000. The proceeds will be used for the further development, production and sales of the Company’s product lines and for general corporate purposes.

### **Highlights Subsequent to Quarter End**

- Signed a sales agreement with enXco, a leading company that develops, constructs, operates and manages renewable energy projects throughout North America.
- Signed an agreement with GL Renewables Certification, an independent certification body for renewable energies, to certify safety and performance of the Company’s Vindicator<sup>®</sup> LWS.

- Appointed Christopher Lowe, a senior financial executive with more than 17 years of experience in the investment banking and energy sectors, as an independent director of the Company.
- Signed a six-month evaluation agreement with AWS Convergence Technologies, owner and operator of the WeatherBug brand of professional and consumer weather products and services.

### **Financial Performance**

Through the first six months of 2010, Catch the Wind operated as a development stage company focused on the commercialization of its Vindicator<sup>®</sup> LWS and other wind sensor products. As a development stage company, the Company netted cash receipts from product sales against capitalized development costs. As a result, the Company did not recognize any revenue for the three- and six-month periods ended June 30, 2010. However, the Company transitioned from a development stage to a commercial enterprise late during the second quarter, and commencing with the reporting of Q3 FY2010 financial results, the Company will be classified as a commercial enterprise and will report recognized revenue as appropriate.

Operating expenses for Q2 of FY2010 were \$4.5 million and included an inventory write-down related to the production of Vindicator<sup>®</sup> LWS and Racer's Edge beta units of \$1.3 million. The inventory write-down charge represents the accounting treatment of costs associated with the in-house production of the beta units. Operating expenses for Q2 FY2009 were \$2.1 million.

On a six-month basis, operating expenses totaled \$7.8 million for FY2010 and \$3.8 million for FY2009, respectively. The growth in operating expenses for the quarter and first half of 2010 compared to the same periods last year is consistent with management's expectations, and was primarily attributable to an increase in staff and consultants required to support the business, increased travel expenses and professional fees, including engineering support and sales and marketing costs related to accelerating commercialization.

Catch the Wind recorded a net loss for Q2 FY2010 of \$4.4 million, or \$0.08 per share. This compares to a net loss of \$2.1 million, or \$0.05 per share, for the corresponding period of FY2009. On a year-to-date basis, Catch the Wind had a net loss of \$7.7 million, or \$0.14 per share, for FY2010 compared to a net loss of \$3.8 million, or \$0.09 per share, for FY2009. Net cash usage for the second quarter of FY2010 was approximately \$4.7 million.

At June 30, 2010, Catch the Wind held cash and cash equivalents of \$6.6 million, compared to cash and cash equivalents of \$10.6 million at December 31, 2009.

### **Outlook**

"Building on recent sales, our focus for the balance of the year will be centered on adding to our business development pipeline and identifying single or small unit orders with the various players of the renewable energy market in North America and Europe," added Mr. Rogers. "We believe this approach will generate larger unit orders over the longer term, particularly as customers are able to confirm first hand the benefits that the Vindicator<sup>®</sup> LWS delivers, namely increased energy output and reduced turbine operating costs."

Catch the Wind will file its financial statements for the period ended June 30, 2010 and related Management's Discussion and Analysis (MD&A) with securities regulatory authorities within applicable timelines. Catch the Wind's financial statements, MD&A and related documents will be available via SEDAR as well as through the Company's website, [www.catchthewindinc.com](http://www.catchthewindinc.com).

## **Conference Call**

Catch the Wind will host a conference call to discuss its second quarter and year-to-date 2010 financial results on August 20, 2010 at 3:00 p.m. EST.

To access the conference call by telephone, dial 647-427-7450 or 1-888-231-8191. Please connect approximately 15 minutes prior to the beginning of the call to ensure participation. A question and answer session for analysts and institutional investors will follow management's presentation.

A live audio webcast of the conference call will be available at [www.catchthewindinc.com](http://www.catchthewindinc.com). Please connect at least 15 minutes prior to the conference call to ensure adequate time for any software download that may be required to join the webcast. The webcast will be archived at the above web site for 30 days.

A taped rebroadcast will be available to listeners until 12 a.m. ET on Friday, August 27, 2010. To access the rebroadcast, please dial 416-849-0833 or 1-800-642-1687 and enter passcode 89529715 followed by the number sign.

## **About Catch the Wind Ltd.**

Catch the Wind Ltd. is a high-growth technology company headquartered in Manassas, Virginia. The company was founded in 2008 to develop and manufacture the Vindicator® laser wind sensor.

Catch the Wind serves the commercial market sector for laser based wind sensor systems, recognized as the "gold standard" in wind measurement. The company is focused on becoming a major contributor in making clean, renewable wind energy more affordable and profitable. For more information, visit [www.catchthewindinc.com](http://www.catchthewindinc.com).

## **Forward-Looking Information**

This news release includes certain forward-looking statements within the meaning of Canadian securities laws. Forward-looking statements involve risks, uncertainties and other factors that could cause actual results, performance, prospects and opportunities to differ materially from those expressed in such forward-looking statements. Forward-looking statements in this news release, include, but are not limited to, economic performance and future plans and objectives of Catch the Wind. Any number of important factors could cause actual results to differ materially from these forward-looking statements as well as future results. Although Catch the Wind believes that the assumptions and factors used in making the forward-looking statements are reasonable, undue reliance should not be placed on these statements, which only apply as of the date of this news release, and no assurance can be given that such events will occur in the disclosed timeframes or at all. Catch the Wind disclaims any intention or obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

*Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

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**Catch the Wind Ltd.**  
**Consolidated Balance Sheets**

	June 30, 2010	December 31, 2009
(Expressed in United States dollars)	\$	\$
	(unaudited)	
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	6,616,889	10,616,065
Accounts receivable	83,236	119,627
Inventory	2,492,912	1,667,997
Prepaid expenses and other assets	170,879	107,719
	9,363,916	12,511,408
Capital assets	6,117,588	6,486,358
Other intangible assets	6,641,145	5,889,286
Deposits	81,109	77,045
Total assets	22,203,758	24,964,097
<b>Liabilities and Shareholders' Equity</b>		
Current liabilities:		
Accounts payable and accrued liabilities	1,577,204	1,339,905
Due to related party	411,243	355,685
Obligations under capital leases - current portion	196,381	179,633
Long-term debt - current portion	172,261	166,213
Deferred revenue and customer deposits	104,500	360,000
	2,461,589	2,401,436
Obligations under capital leases	134,722	218,026
Long-term debt	4,306,387	4,394,057
Total liabilities	6,902,698	7,013,519
Non-controlling interest	152,431	182,913
<b>Shareholders' Equity</b>		
Capital stock	5,751	5,488
Contributed surplus	35,413,557	31,572,347
Warrants	1,201,360	-
Deficit	(21,472,039)	(13,810,170)
Total shareholders' equity	15,148,629	17,767,665
Total liabilities and shareholders' equity	22,203,758	24,964,097

**Catch the Wind Ltd.**  
**Consolidated Statements of Loss, Comprehensive Loss and Deficit**  
**Unaudited**

	Three months ended June 30,		Six months ended June 30,	
	2010	2009	2010	2009
(Expressed in United States dollars)	\$	\$	\$	\$
<b>Expenses:</b>				
Salaries and benefits	637,057	485,151	1,489,169	1,122,397
General and administrative	573,370	233,738	1,342,355	538,850
Inventory writedown - Beta units	1,277,461	621,378	1,331,838	621,378
Amortization	261,942	50,243	467,345	70,550
Sales and marketing	279,297	98,144	327,814	171,876
Consulting fees	168,119	104,024	279,109	218,475
Professional fees	541,975	149,979	944,772	190,819
Professional engineering fees	551,840	498,074	1,195,441	1,007,085
Research and development	154,325	-	282,096	-
Interest expense, long-term debt	80,849	-	162,542	-
Interest expense, leases	13,872	14,016	28,308	20,759
Interest income	(6,871)	(6,789)	(13,692)	(26,284)
Foreign exchange loss (gain)	4,165	(100,666)	3,493	(104,518)
	<u>4,537,401</u>	<u>2,147,292</u>	<u>7,840,590</u>	<u>3,831,387</u>
<b>Loss before non-controlling interest</b>	(4,537,401)	(2,147,292)	(7,840,590)	(3,831,387)
Non-controlling interest	(88,306)	-	(178,721)	-
<b>Net loss and comprehensive loss</b>	(4,449,095)	(2,147,292)	(7,661,869)	(3,831,387)
Deficit - Beginning of period	(17,022,944)	(3,915,491)	(13,810,170)	(2,231,396)
Deficit - End of period	<u>(21,472,039)</u>	<u>(6,062,783)</u>	<u>(21,472,039)</u>	<u>(6,062,783)</u>
<b>Net loss per common share - basic and diluted</b>	(0.08)	(0.05)	(0.14)	(0.09)
Weighted average number of common shares outstanding	<u>56,940,807</u>	<u>45,774,322</u>	<u>55,918,071</u>	<u>41,931,900</u>