Catch the Wind Ltd.
(A Development Stage Company)
Interim Consolidated Financial Statements
For the Period ended March 31, 2009

(Expressed in United States dollars)

Unaudited

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Catch the Wind Ltd.
(A Development Stage Company)
Consolidated Balance Sheet
As at March 31, 2009
Unaudited

(Expressed in United States dollars)	March 31 2009 $	December 31 2008 $
Assets		
Current assets:		
Cash and cash equivalents	5,494,610	9,143,767
Accounts receivable	27,731	-
Inventory (Note 4)	963,656	230,931
Prepaid expenses and other assets	68,133	103,902
	6,554,130	9,478,600
Capital Assets (Note 5)	553,875	28,140
Project Development Costs (Note 6)	4,214,200	3,075,002
Deposits	56,487	4,499
	11,378, 692	12,586,241
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	805,101	826,750
Due to related party (Note 8)	402,400	527,135
Obligation under capital leases – current portion	112,643	-
Deferred revenue and deposits	354,500	200,000
Total Liabilities:	1,674,644	1,553,885
Obligation under capital leases (Note 9)	247,855	-
Shareholders' Equity		
Capital stock	13,096,998	13,096,998
Contributed surplus	274,686	166,754
Deficit	(3,915,491)	(2,231,396)
	9,456,193	11,032,356
	11,378,692	12,586,241

Approved on behalf of the Board:

(signed) "*Philip L. Rogers*"
Director

(signed) "*David A. Samuels*"
Director

See accompanying notes to interim consolidated financial statements.

Catch the Wind Ltd.
(A Development Stage Company)
Interim Consolidated Statement of Loss and Comprehensive Loss

Unaudited

	Three months ended March 31, 2009	Three months ended March 31, 2008
Expressed in United States dollars	$	$
Revenues:	-	-
Expenses:		
Salaries and benefits	637,246	-
General and administrative	285,617	4,406
Amortization	20,307	-
Sales and marketing	73,732	15,157
Consulting fees	114,451	-
Professional fees	40,840	18,947
Professional engineering fees (Note 8)	509,011	-
Research	-	2,468
Interest	6,743	-
Foreign exchange gain	(3,852)	-
	1,684,095	40,978
Net loss and comprehensive loss for the period	(1,684,095)	(40,978)
Net loss per common share - basic and diluted	(0.04)	(0.00)
Weighted average number of common shares outstanding	38,046,784	25,000,000

See accompanying notes to the interim consolidated financial statements.

Catch the Wind Ltd.
(A Development Stage Company)
Interim Consolidated Statement of Shareholders' Equity
For the Period ended March 31, 2009

Unaudited

	Common Shares	Stated Capital	Contributed Surplus	Deficit	Shareholders' Equity
(Expressed in United States dollars)	#	$	$	$	$
Balance at December 31, 2008	38,046,784	13,096,998	166,754	(2,231,396)	11,032,356
Stock based compensation (Note 7)	-	-	107,932	-	107,932
Net loss for the period	-	-	-	(1,684,095)	(1,684,095)
Balance at March 31, 2009	38,046,784	13,096,998	274,686	(3,915,491)	9,456,193

See accompanying notes to the interim consolidated financial statements.

Catch the Wind Ltd.
(A Development Stage Company)
Interim Consolidated Statement of Cash Flows
For the Period ended March 31, 2009

Unaudited

(Expressed in United States dollars)	March 31, 2009 $	March 31, 2008 $
Operating activities		
Net loss for the period	(1,684,095)	(40,979)
Items not affecting cash:		
Amortization	20,307	-
Stock-based compensation	107,932	-
Changes in non-cash operating assets and liabilities:		
Accounts receivable	(27,731)	-
Inventory	(732,725)	(9,313)
Prepaid expenses and other assets	35,769	(19,290)
Deposits	(51,988)	-
Accounts payable and accrued liabilities	(21,649)	2,357
Deferred revenue and customer deposits	154,500	-
Cash used in operating activities	(2,199,681)	(67,225)
Investing activities		
Purchase of capital assets	(173,407)	(12,730)
Purchase of project development costs	(1,139,198)	(301,258)
Cash used in investing activities	(1,312,604)	(313,988)
Financing activities		
Due to related party	(124,735)	381,213
Payments of capital lease obligations	(12,137)	-
Cash used in financing activities	(136,872)	381,213
Decrease in cash and cash equivalents	(3,649,157)	-
Cash and cash equivalents – beginning of period	9,143,767	-
Cash and cash equivalents – end of the period	5,494,610	-
Supplemental disclosure of cash flow information		
Cash paid for interest	$ 6,743	$ -
Cash paid for income taxes	$ -	$ -
Assets acquired under capital leases	$ 372,635	$ -

See accompanying notes to the interim consolidated financial statements and non-cash transactions.

Catch the Wind Ltd.
(A Development Stage Company)
Notes to Interim Consolidated Financial Statements
March 31, 2009 and 2008
(Unaudited)
(Expressed in United States dollars)

1. ORGANIZATION AND DESCRIPTION OF BUSINESS AND GOING CONCERN

Catch the Wind, Inc. ("CTW") was incorporated under the laws of the Commonwealth of Virginia on March 18, 2008. CTW operated as an unincorporated entity and affiliate of Optical Air Data Systems, LLC ("OADS"), a Virginia limited liability company, for the period from its inception (on January 1, 2008) to March 17, 2008.

Management of OADS holds a majority of the ownership interests in OADS and also directly or indirectly owns a majority of the common shares of Catch the Wind Ltd. (“CWL” or the “Company”). OADS and CWL are, therefore, under common control and OADS is considered a related party for purposes of accounting under CICA Handbook Section 3840 "Related Party Transactions".

As at December 31, 2008 and March 31, 2009, the Company had no revenues and losses of $2,231,396 and $1,684,095 respectively. These unaudited interim consolidated financial statements have been prepared on the basis of accounting principles applicable to a “going concern”, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. Continuation of the Company as a going concern is dependent upon the company achieving profitable operations, and/or the ability of the Company to obtain additional financing when necessary. There is no guarantee that the Company's current level of operations will yield positive results. If the “going concern” assumption were not appropriate for these consolidated financial statements, then adjustments would be necessary to the carrying values of assets and liabilities, the reported expenses and the balance sheet classifications used. Such adjustments could be material.

2. BASIS OF FINANCIAL STATEMENT PRESENTATION

The accompanying unaudited interim consolidated financial statements are prepared by management in accordance with Canadian generally accepted accounting principles (“GAAP”). Accordingly, certain disclosures normally included in annual financial statements prepared in accordance with GAAP are not provided. Except as described in Note 3, these interim consolidated financial statements follow the same accounting policies and methods of application of those used in the preparation of the audited annual consolidated financial statements and should be read in conjunction with the annual audited consolidated financial statements and the accompanying notes included thereto for the year ended December 31, 2008. The results of operations for the interim period are not necessarily indicative of the results of operations for any other interim period or for a full fiscal year. Note disclosures have been presented for material updates to the information previously reported.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Leases

Leases that transfer substantially all the benefits, risks and rewards of ownership to CTL are recorded as capital leases and classified as Capital Assets with a corresponding increase to obligations under capital leases. Amortization will be recorded when the assets are placed into service. All other leases are classified as operating leases under which leasing costs are expensed in the period incurred. Deposits received, as part of the lease agreements will be offset against the lease obligations during the term of the lease.

Goodwill and Intangible Assets

On January 1, 2009, the Company adopted Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3064, "Goodwill and Intangible Assets", which replaced Section 3062, "Goodwill and Other Intangible Assets", and Section 3450, "Research and Development Costs". This new section establishes standards for the recognition, measurement, presentation and disclosure of goodwill and internally developed intangible assets and requires that research and development expenditures be evaluated against the same criteria as expenditures for intangible assets. The adoption of this new Section did not have an impact on the Company's financial results.

CICA EIC 173 : Credit Risk and the Fair Value of Financial Assets and Liabilities

Effective January 1, 2009, the Company adopted CICA Emerging Issue Committee Abstract ("EIC") 173 "Credit Risk and the Fair Value of Financial Assets and Liabilities". EIC 173 recommends that the determination of fair value of financial assets and liabilities take into account a company's credit risk as well as the credit risk of the counterparty. The adoption of EIC 173 had no material impact on the Company's financial statements.

4. INVENTORY

Inventory is comprised of the following categories as of March 31, 2009

	March 31, 2009	December 31, 2008
Inventory – components	$322,455	$230,931
Inventory – work in progress	641,201	-
	$963,656	$230,931

5. CAPITAL ASSETS

Capital assets consist of the following as of March 31, 2009:

	Cost	Accumulated Amortization	Net Book Value
Furniture & Fixtures	$30,051	$875	$29,176
Computer equipment	5,192	288	4,904
Test and manufacturing equipment	50,670	929	49,741
Tradeshow booths	105,581	2,697	102,884
Software costs	13,029	3,257	9,772
Test and manufacturing equipment under capital lease	372,635	15,237	357,398
	$577,158	$23,283	$553,875

6. PROJECT DEVELOPMENT COSTS

Project Development Costs consist of the following as of March 31, 2009:

Vindicator	$ 4,092,951
Other	121,249
Ending balance	$ 4,214,200

No amortization expense was recorded with respect to these costs, as the Company has not yet commenced commercial production of the Vindicator unit. Since inception, the Company has not earned any revenues from this project.

7. STOCK OPTIONS

CWL has an Amended and Restated Stock Option Plan (the "Plan") in accordance with the policies of the TSX Venture Exchange Inc. for the benefit of the directors, officers, employees and consultants of the Company and its affiliates, including CTW. Under the Plan, a maximum of 10% of the common shares outstanding of the Company are from time to time reserved for issuance.

As of March 31, 2009 CWL issued 1,925,000 stock options to directors, officers, employees and consultants of CWL, CTW and OADS. Options granted to directors vest over a 2-year period and options granted to officers, employees and consultants vest over a 4-year period, and in each case expire five years from the date of grant thereof. CWL determined the fair value of these stock options granted under the Plan using the Black-Scholes model with the following assumptions:

	March 2009	Jan 2009	Dec 2008
Risk-free interest rate	1.75%	1.50%	2.38%
Dividend yield	--	--	--
Volatility	65%	56%	55%
Expected term (in years)	4	4	4

Option pricing models require the use of highly subjective estimates and assumptions including the expected stock price volatility. Changes in the underlying assumptions can materially affect the fair value estimates.

A summary of the Company's stock option and warrant activity is as follows:

	Number of options	Weighted average exercise price (CDN)
Balance as at December 31, 2008	3,072,307	$1.22
Granted	175,000	$1.30
Forfeited	(442,124)	$1.30
Balance as at March 31, 2009	2,805,183	$1.27

Stock options outstanding from grants from inception to March 31, 2009 are as follows:

Option Price	**Number of Options**	**Vested Options**	**Weighted Avg. Price (CDN)**	**Expiry Date**
1.30	1,242,690	100,000	$1.30	September 18, 2013
1.30	100,000	0	$1.30	October 28, 2013
1.30	1,146,210	0	$1.30	September 18, 2010
1.30	100,000	0	$1.30	January 5, 2014
1.30	75,000	0	$1.30	March 31, 2014
0.998	141,283	141,283	$0.998	September 18, 2009
	2,805,183	241,283	$1.25	

The Company recorded a stock option expense of $107,932 for the period ended March 31, 2009.

8. RELATED PARTY TRANSACTIONS AND ECONOMIC DEPENDENCE

Management of OADS holds a majority of the membership interests in OADS and indirectly owns a majority of the common shares of CWL. OADS and CWL are, therefore, under common control and OADS is considered a related party for purposes of accounting under CICA Handbook Section 3840 "Related Party Transactions". The Company relies upon OADS for research, development and engineering services related to its LIDAR technology, administrative support and office and support space, pursuant to the terms of a license agreement, a services agreement and a sublease agreement, each such agreement previously entered into between CWL and OADS, as further described below. The Company believes that these related party transactions between CWL and OADS reflect fair market value and are substantially equivalent to the terms that would have been negotiated had the companies operated on an arm's length basis.

Licensing Agreement

Effective September 3, 2008, CTW entered into a licensing agreement (the "Licensing Agreement") with OADS under which CTW was granted an irrevocable, transferable, exclusive worldwide right and license to develop, produce and sell products based on fiber optic sensing technology developed by OADS for any and all applications, excluding military applications and commercial avionics and airborne instrument applications (the "Licensed Technology"). The Licensing Agreement provides CTW with the right to sublicense the Licensed Technology to third parties.

The costs incurred by OADS prior to December 31, 2007 related to the development of the Vindicator remote wind sensor, the underlying LIDAR technology, and the ownership of patents held by OADS with respect thereto, are not reflected in these consolidated financial statements.

Services Agreement

Effective September 3, 2008, CTW entered into a Services Agreement (the "Services Agreement") with OADS under which CTW engages OADS, on a non-exclusive basis, to provide technical assistance and other services to CTW as needed on a best-effort as-available basis. Under the terms of the Services Agreement, OADS' services are billed to CTW on a time and materials basis. CTW also reimburses OADS for direct out-of-pocket expenses incurred by OADS on CTW.

The unaudited consolidated financial statements for the period January 1, 2009 to March 31, 2009 reflect the following labor charges from OADS:

Financial Statement Caption		OADS Labor Charges
Work in progress (included in Note 4)	$	339,768
Professional engineering fees	$	509,011
Project development assets	$	790,716
Total labor charges	$	1,639,495

At March 31, 2009, the Company owed a balance of $402,400 to OADS for labor charges and general administrative costs for the period from March 15, 2009 to March 31, 2009.

All balances payable to OADS are due on demand. During the period from January 1, 2009 to March 31, 2009, CTW paid to OADS a total of $1,298,301 ($643,452 for project development costs, $377,599 for professional engineering fees, $249,056 for work in progress, and $28,194 in general administrative expenses.)

9. CAPITAL LEASE OBLIGATIONS

The company has entered into capital leases with future minimum lease payments as of March 31, 2009 for the years as follows:

2009	$119,386
2010	159,182
2011	150,134
2012	14,831
Total minimum lease payments	443,533
Amount representing interest (at rates of 15%)	(83,035)
Present value of minimum capital lease payments	360,498
Less current portion of obligations under capital leases	(112,643)
Long- term portion of obligations under capital leases	$247,855

The obligations under capital lease are secured by the related test and manufacturing equipment.

10. SUBSEQUENT EVENTS

On May 20, 2009, the Company completed a private placement (the “Private Placement”) of 16,743,000 shares of common stock of the Company at a price of (CDN) $1.30 per share. In connection with the Private Placement, the Company paid a commission equal to 6% of the gross proceeds of the brokered portion of the Private Placement to National Bank Financial Inc., Research Capital Corporation and Canaccord Capital Corporation (collectively, the "Agents"), who acted as agents for the Private Placement. The Company also granted compensation options to the Agents entitling the holders thereof to acquire an aggregate of 1,003,080 shares of common stock of the Company at an exercise price of (CDN) $1.30 per share, exercisable for the 24-month period following the completion of the Private Placement. Placement costs totaling $1,207,443 were offset against the proceeds of the Private Placement. Net proceeds that will be recorded to equity in connection with the Private Placement will total $17,483,281.

The net proceeds of the Private Placement will be used to further develop the efficient manufacture of the Vindicator and other laser based wind sensors, expand the company’s sales force and field engineering personnel as well as for general working capital purposes.