CORMARK SECURITIES INC.

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POWER & ALTERNATIVE ENERGY

Western Wind Energy Corp.

On The Cusp Of Cash Flow: Initiating Coverage

Recommendation: **Buy**

Target Price: **$2.55**

Company Statistics:

Stock Symbol: **WND - TSXV**
Price: **$1.47**
Shares Outstanding:
  Basic: **55.3 MM**
  Fully Diluted: **71.8 MM**
Market Cap: **$81.2 MM**
Net Debt: **$80 MM**
Enterprise Value: **$161 MM**
Average Daily Trading Volume: **180,000**
High – Low: **$1.73 - $1.00**

Company Description:

Western Wind Energy is developing wind and solar projects across North America, with a primary focus in California. The Company currently has 34.5 MW of wind capacity in operation and will add an additional 130.5 MW in 2011. It also has a 30 MW PPA for a late stage solar project in Puerto Rico.

Disclosure statements located at the back and inside back cover

Unless otherwise denoted, all figures shown in C$

Western Wind Energy Corp. (WND) is focused on the development of a pipeline of wind and solar assets, strategically located in attractive electricity markets with aggressively mandated renewable targets. Through its primary focus on the western US, WND provides investors with the most straightforward exposure to available development incentives and has shown great discipline in fully exploiting these incentives to avoid shareholder dilution and to maximize project returns. To this extent, it has managed to avoid many of the common pitfalls experienced by other development teams throughout the recession, without hindering the pace of its development.

Western is on the cusp of strong cash flow, with a large amount of capacity scheduled to come on line this year. As it turns the corner from a pure-play developer to a growth-oriented producer, its value has never been more apparent, presenting investors with significant upside. At $1.47 per share, the stock is applying a 35% discount to assets that are fully funded, under construction, and soon to be generating material cash flow. This, of course, ignores a pipeline that could see the stock trade north of $4.00.

Backed by an auspicious pipeline and a Management team that has displayed discipline with regard to shareholder dilution, the Company's outlook is promising. At 5.9x CF, we believe that the stock is significantly undervalued compared to its peer group at 11.1x and we are consequently initiating coverage with a Buy recommendation and a $2.55 target price.

Fiscal YE Dec. 31	2009A	2010A	2011E	2012E
Revenue ($ MM)	$2.8	$2.7	$7.6	$48.7
EBITDA ($ MM)	-$4.3	-$8.5	$0.6	$31.7
CFPS	-$0.07	-$0.14	$0.00	$0.25

Investment Highlights

Targeting Attractive Operating Regimes: Western Wind has taken a disciplined approach to development, focusing on regions that offer an attractive resource, strong electricity pricing and significant development incentives. The Company's primary focus is in California, where power pricing is high and the requirement to source 33% of power from renewable sources will drive utilities' demand to enter into long-term power purchase agreements with renewable developers.

Exploiting Stimulus Funding To Minimize Dilution: Management has been able to avoid many of the common pitfalls experienced by other development teams through the recession. By focusing on development in jurisdictions where development incentives are available, Management has successfully minimized dilution to shareholders, without hindering the development of its projects.

Cash Flow Positive In 2011: The Company currently has 34.5 MW of operating assets, which partially offset its overhead costs. In 2011, it will turn the page and begin producing material cash flow as it commissions 130.5 MW in California and Arizona. These assets will bring the Company's capacity up to 165 MW and will add $35 MM in annualized EBITDA. Both projects are fully financed and have turnkey agreements that protect WND from cost overruns. Net of overhead, we expect the Company to produce $32 MM in EBITDA and $0.25 in CFPS in 2012, excluding the potential commissioning of 40 MW in late 2012 that could increase our estimates by approximately 40% on an annualized basis.

Significantly Undervalued: Although the Company has a promising pipeline, the value of Western Wind is apparent even in the absence of this pipeline. We estimate the NAV of the fully funded, under construction projects scheduled to come-online in 2011 to be $2.09. At $1.47, per share, the stock is trading at 5.9x CF, compared to its peers at 11.1x, with no credit for pipeline. Our unadjusted NAV of the Company's existing assets and pipeline is over $4.00 and we have conservatively risk adjusted this to get to our price target of $2.55, which implies a return to the current trading price of 74%. We believe that as near-term assets commence production in 2011, much of this value will be realized.

Sale Of Tax Assets To Repurchase Shares: The Company is currently pursuing the sale of its tax assets for its Windstar and Kingman projects, which could generate proceeds of up to $65MM. Although this would accelerate the timing of cash taxes, we estimate that the net impact of such a sale would add approximately $31MM of incremental NAV or $0.45 per share. Management intends to use a portion of the proceeds to repurchase up to 36% of its stock through a substantial course issuer bid, which would be materially accretive to our NAV.

Figure 1 **Price Chart**

Source: BigCharts.com (May 5, 2011)

Market Overview

Targeting Attractive Development Jurisdictions

Western Wind is focusing on the development of a pipeline of wind and solar projects located in attractive electricity markets with aggressive renewable targets. To date, the Company's efforts have primarily been focused in California, which boasts one of the best wind resources in the US. WND is also pursuing development in Arizona, Ontario and the Commonwealth of Puerto Rico, where appealing electricity rates and financing alternatives are available.

Stimulus Funding Enhances Project Returns: The US is arguably the most attractive renewable energy regime in the world for near-term development. Stemming from the American Recovery And Reinvestment Act of 2009, developers can recoup 30% of the capital costs from renewable development projects through a cash grant (US Treasury Renewable Energy Grant), effectively substituting for their equity contribution and sometimes allowing the developers to pull equity out of the project. This benefit is also extended to development in Puerto Rico, due to its status as an unincorporated territory of the US. Additional stimulus available in Puerto Rico brings the recoverable capital costs of renewable projects up to 80%, making Puerto Rico a highly desirable market to operate in. In Ontario, attractive pricing under a feed-in tariff provides for excellent returns. For more information on stimulus funding available to WND, see Appendix A.

Primary Focus On California: California is the eighth largest economy in the world and its electricity rates are amongst the highest in mainland US. It also has the most aggressive Renewable Portfolio Standard (RPS) in the country, requiring 20% of all its electricity consumed to be sourced from renewable technologies, which will increase to 33% by 2020. With significant electricity demand and stringent renewable targets, the state is an attractive area for renewable power development.

Although the wind regime in California as a whole ranks the state as 19th in the US, there are a number of highly attractive regions within the State that are amongst the best in the country, including the Tehachapi Pass and San Gorgonio Pass, where WND has operating and under-construction projects and additional land suitable for development. The San Gorgonio Pass, which is home to WND's operating Mesa wind farm, is the second largest wind park in California, with over 600 MW, while the Tehachapi Pass, which is home to the Company's under-construction Windstar project, has over 1.1 GW of operating wind farms and boasts world class capacity factors in excess of 40%. These neighbouring wind farms provide reliable resource data and significantly ease the regional permitting process.

The main drawbacks to development in California are securing scarce transmission capacity and suitable land and seeing it through the State's onerous permitting and approval processes. However, WND has secured access to a sufficient land base in well established wind development regions that should allow it to continue the development of its early stage projects without getting sidelined by red tape.

Ease Of Permitting In Arizona: Although Arizona's electricity rates are lower than in California (average of US$0.097 / kWh in 2010 versus US$0.138 in California), the permitting and zoning process for power development is less challenging. In 2008, only 6% of power in the State was sourced through renewables as a result of an abundance of cheap coal, nuclear and hydro power. However, the adoption of an RPS requiring 15% of power to be sourced from renewable technologies by 2025 and a changing political will has begun to spur development, with PPAs for renewable energy now priced attractively.

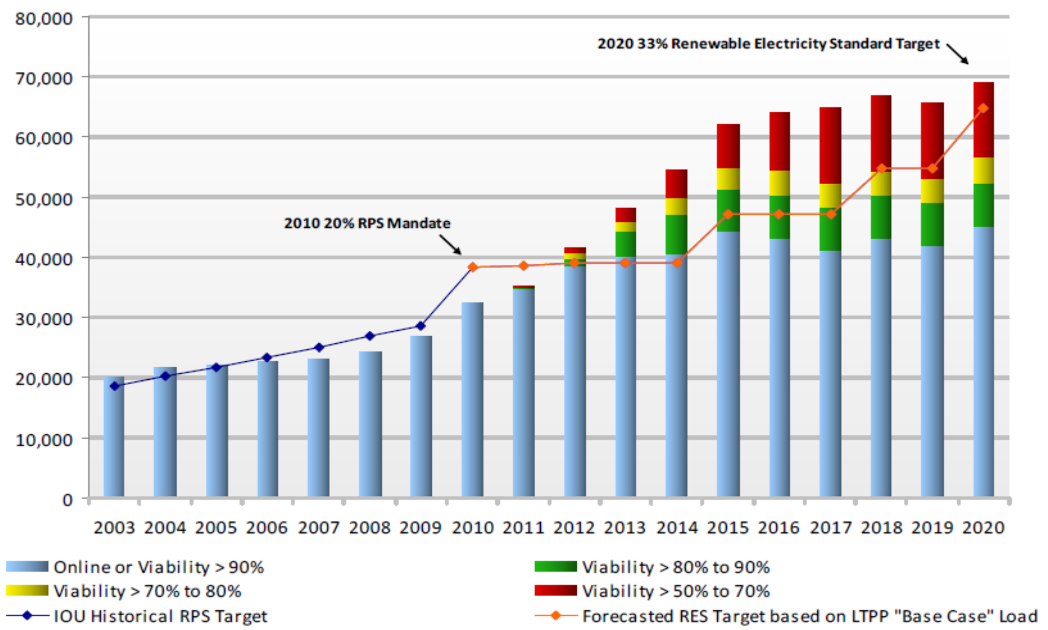
In Q3/11, WND will bring its first Arizona project online, which is expected to provide the base for an expansion project. In total, the Company has identified three sites in Arizona, including one under construction, which have a potential combined capacity of 220 MW.

Extensive Incentives In Puerto Rico: Puerto Rico is an unincorporated territory of the US and has an attractive environment for power development with high electricity pricing (US$0.29 / kWh) supported by the predominant use of crude oil for power production. As Puerto Rico is an unincorporated territory of the US, it functions according to US law, providing a stable business environment and access to stimulus funding under the American Recovery And Reinvestment Act. In addition to the federal 30% grant available throughout the US, renewable development in Puerto Rico is also eligible for an investment tax credit in the amount of 50% of project capital costs. The combination of these two development incentives allows developers to recover up to 80% of their capital costs.

Puerto Rico has a total generating capacity of approximately 5.9 GW, less than 1% of which comes from renewable sources. However, there is a Renewable Portfolio Standard of 12% by 2015, which the Territory intends to achieve primarily through the development of wind, solar and waste to energy projects. WND is currently developing a 30 MW PV solar project in Yabacoa, Puerto Rico, where irradiation levels are known to be very high.

Ontario Feed-In Tariff Program: Neither wind speeds or solar irradiation are particularly alluring in Ontario; however the Provincial Government has compensated for this with an attractively priced feed-in tariff for renewable projects, which allows for attractive project returns over the life of the long-term contracts. WND has submitted one 10 MW solar project into the FIT and is planning on submitting additional applications. Under the FIT, solar projects earn $0.443 / kWh and wind projects earn $0.135 / kWh.

Figure 2 **California RPS Standard And Required Increase In Renewable Generation**

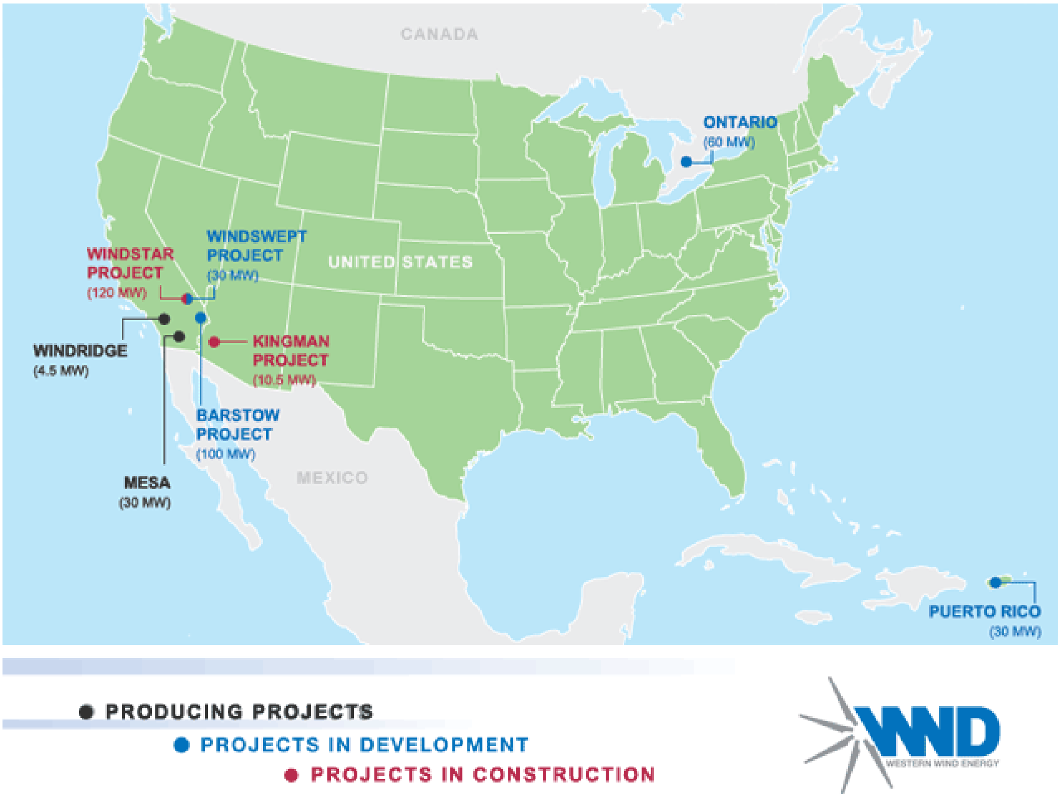


Source: California Public Utilities Commission, Renewable Portfolio Standard Q4/10 Report

Overview Of Projects

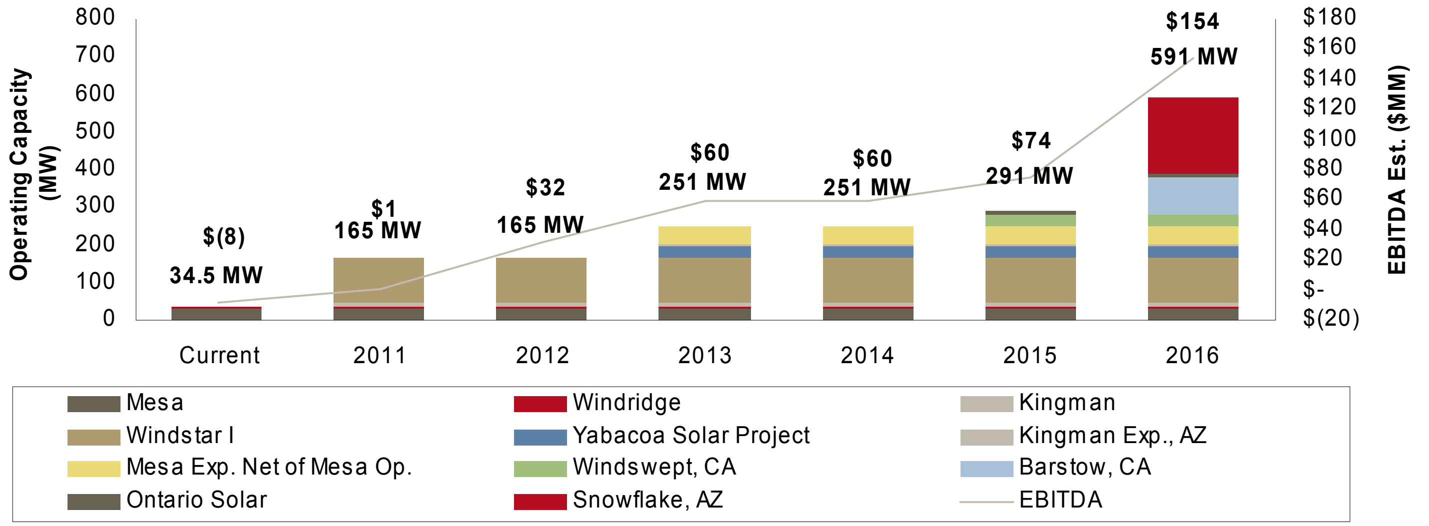
The Company's assets consist of 34.5 MW of operating capacity in California, 130.5 MW of fully financed assets under construction in California and Arizona and a large amount of optioned or leased land and proprietary wind data.

Figure 3 **Map Of Projects**



Source: Western Wind Energy Corp.

Figure 4 **Expected Capacity And EBITDA Growth**



Sources: Cormark Securities Inc., Company Reports

Operating Assets

34.5 MW Currently In Operation: In 2006, WND acquired two wind farms in California with a total rated capacity of 34.5 MW. These sites are located in two of the most attractive wind regimes in the US, with the 30 MW Mesa project located near Palm Springs, California in the San Gorgonio Pass and the 4.5 MW Windridge project located in Tehachapi, California. Both projects sell electricity to Southern California Edison at variable pricing determined by the Short Run Avoided Cost (SRAC), which fluctuates with natural gas prices. Although both projects are located in attractive wind regimes, the aging turbines at these facilities are unable to realize the full resource potential and a plan is in place to repower the projects, pending the availability of transmission capacity (discussed below). The variable revenue produced from these projects, which was $3 MM in 2010, serves to partially offset the Company's overhead costs.

Assets Under Construction

Increasing Capacity To 165 MW In 2011 With No Additional Equity Required: In addition to its existing projects in operation, the Company currently has two sites under construction, expected to add an incremental 130.5 MW of generating capacity.

120 MW Windstar Project: The Windstar project is scheduled to be complete in Q4/11 and construction began in December 2010. The project will consist of 60 Gamesa turbines and is being constructed under an Engineering, Procurement and Construction (EPC) agreement with RMT Inc, a subsidiary of Alliant Energy of Madison. With a turbine supply and EPC agreement, capital costs are effectively locked in, eliminating the risk of cost overruns. We expect production from Windstar to be significant based on the performance of nearby wind farms and site specific reports prepared by the project's lenders. The project will be located in the Tehachapi Pass Wind Park in California, which is home to over 700 MW of wind farms boasting world class capacity factors in excess of 40%.

Windstar Fully Financed: The total capital cost of the Windstar project is expected to be approximately $275 MM and Management expects to be able to access $90–95 MM from the US Treasury Renewable Energy Grant upon completion of construction. In December, the Company secured $275 MM of debt funding comprised of $205 MM from a syndicate of institutional lenders led by Manulife, $55 MM of bridge financing from Rabobank and $15 MM of interest free vendor financing. The institutional debt will have a term of 21 years including the construction period and will bear interest at a rate of 7.249%. The Rabobank bridge loan and the vendor financing will both be secured against the expected receipt of the US Treasury Grant, and will allow the Company to complete construction without having to raise equity. In fact, we expect the cash grant will provide $20 - $25MM of excess equity to be put toward future developments.

10.5 MW Wind And Solar Kingman Project: The Kingman project is located in Kingman, Arizona and will consist of a combination of 10.5 MW of wind and 500 kW of CIGS PV solar capacity. The Company has secured wind turbines from Gamesa, solar panels from Suntech and has signed a fixed price EPC agreement with RMT. The combination of wind and solar will smooth the generation profile, which has allowed for higher PPA pricing due to increased reliability. The project began construction in December and is expected to begin operating in Q3/11.

Kingman Fully Financed: Similar to Windstar, WND has managed to minimize the equity requirements of the Kingman project through the use of long-term debt and bridge financing secured against the US Treasury Grant. The expected capital cost of the project is $30 MM, which will be financed with $16 MM of long-term debt, $8.2 MM of bridge financing to be repaid by the cash grant and $5 MM of internal equity. KeyBank has arranged to provide $16 MM of seven-year debt at a rate of 6.78% amortized over 18 years and will also provide a $4.2 MM bridge loan repayable upon receipt of the cash grant, which is expected to be approximately $9 MM. The remaining $4 MM of bridge financing will be sourced through previously arranged vendor financing.

Pipeline

30 MW Of Contracted Solar In Puerto Rico: In February, WND signed a 20-year fixed price PPA in Puerto Rico with the Puerto Rico Electric Power Authority for a 30 MW solar project. WND has leased 400 acres of land for the project, obtained the necessary permits and approvals, and is now seeking financing. Management intends to make significant use of available stimulus funding for this project, likely recouping almost 80% of its capital costs from the receipt of the 30% US Treasury Grant and the 50% Puerto Rican Investment Tax Credit. We expect the Company to move quickly on the development of this project in order to begin construction prior to the US Treasury Grant deadline of December 31, 2011. In the mean time, we expect the Company to announce a financing package, an EPC contractor and an equipment supplier for the project. For more information on Puerto Rican incentives, see Appendix A.

Mesa Repowering Will Add 20 MW Of Capacity: As we noted above, both the Mesa and Windridge projects are operating well below their potential on account of the out-dated equipment in place. The 30 MW Mesa wind farm consists of 460 Vestas turbines, of which 430 are still operational. Management intends to repower the Mesa project, replacing the existing turbines with 20 to 23 new, more efficient turbines, which will increase the capacity to at least 46 MW and allow the project to realize significantly higher capacity factors. Currently, we estimate that the project is yielding a capacity factor of approximately 20% and we believe that this would increase to almost 40% using more efficient technology. Upon completion of the Mesa Repowering, Management will likely use some of the old turbines to replace out of service turbines at Windridge, which would bring its operational capacity from 1.5 MW up to its rated capacity of 4.5 MW. We note that the Mesa Repowering is contingent on existing transmission infrastructure being upgraded and Southern California Edison is currently seeking approval to complete this upgrade. Given that this relatively minor transmission upgrade would facilitate access to transmission for a number of low cost expansion projects without an overly onerous permitting process, we believe that upgrade request will be approved by the California Power and Utilities Commission (CPUC). Management expects the upgrade to commence this fall.

Significant Additional Land Holdings And Proprietary Wind Data: In addition to the above noted projects, WND has secured a portfolio of coveted land leases and options that will allow it to continually replenish its pipeline as later stage projects are advanced to production. In California, where the wind resource is rich but land is scarce, the Company has acquired proprietary wind data on an additional 66 wind energy sites that will allow it to take a targeted approach in pursuing the most promising projects. We believe that based on the Company's current land holdings and wind data, its pipeline exceeds 1,500 MW. However, we note that the attrition rate of early stage projects can be significant and only a fraction of this can be expected to see its way through to production.

Valuation Overview

Figure 5 **Valuation Overview**

Project	Capacity MW	Start-Up Date	Est. Capex US$MM	Power Price US$ / MWh	Rev. US$MM	EBITDA US$MM	Levered IRR	Unrisked NAV $MM	Unrisked NAVPS $	Prob.	Risk Adj. NAVPS $
Operating Assets											
Mesa	30.0		NA	$49.40	2.7	1.5		15.4	$0.21	100%	$0.21
Windridge	4.5		NA	$49.40	0.3	0.2		1.7	$0.02	100%	$0.02
	34.5				**3.0**	**1.7**		**17.1**	**$0.24**		**$0.24**
Under Construction											
Windstar I	120.0	Q4/11	275	$116	42.7	32.0	42%	127.2	$1.77	100%	$1.77
Kingman	10.5	Q3/11	30	$119	3.3	3.0	32%	9.3	$0.13	100%	$0.13
Equity Invested To Date								13.2	$0.18		$0.18
	130.5		**305**		**46.0**	**35.0**		**149.7**	**$2.09**		**$2.09**
Other Development											
Yabacoa Solar Project	30.0	2013	150	$220	10.7	9.9	29%	27.9	$0.39	50%	$0.19
Kingman Exp., AZ	10.0	2013	20	$121	3.2	2.9	44%	9.2	$0.13	25%	$0.03
Mesa Exp. Net of Mesa Op.	16.0	2013	100	$107	13.7	11.1	17%	19.5	$0.27	25%	$0.07
Windswept, CA	30.0	2015	75	$120	10.4	8.3	15%	4.7	$0.07	0%	$0.00
Barstow, CA	100.0	2016	250	$120	36.8	29.4	19%	24.8	$0.35	0%	$0.00
Ontario Solar	10.0	2015	50	$443	7.0	6.5	31%	10.9	$0.15	0%	$0.00
Snowflake, AZ	200.0	2016	500	$120	63.1	50.5	13%	12.4	$0.17	0%	$0.00
	396.0		**1,145**		**144.9**	**118.6**		**109.4**	**$1.52**		**$0.29**
Total	**561.0**		**1,450**		**193.8**	**155.2**		**276.2**	**$3.85**		**$2.62**
Cash On Hand And Via Option Exercise								20.5	$0.29		$0.29
Corporate Overhead								(25.3)	$(0.35)		$(0.35)
Net Asset Value (Excluding Sale of Tax Assets)								**271.4**	**$3.78**		**$2.55**
Estimated Incremental Value For Sale Of Tax Assets (Net of Accelerated Tax Impact)								31.3	$0.44		$0.00
Net Asset Value (Including Sale of Tax Assets)								**302.6**	**$4.22**		**$2.55**

Sources: Cormark Securities Inc., Company Reports

Valuation Overview

We have valued Western Wind using a DCF of its more advanced projects and then probability adjusted these projects to reflect the remaining hurdles to be overcome prior to their completion. For up and running projects and fully funded projects under construction, we have applied an 8% discount rate and a 100% probability factor. For the remaining pipeline, we have applied a 10% discount rate and varying probability factors that reflect the individual projects' stage of development. Finally, we have adjusted the NAV for cash available to offset future capex and the present value of corporate overhead. In Figure 5, we provide the major inputs for each project as well as their corresponding returns and contribution to our valuation.

Value Of Operating Assets Partially Decreases Overhead: Together, Mesa and Windridge produce enough cash flow to offset slightly more than half of the Company's $2.4 MM overhead costs. We value the cash flow from the projects at $0.24 per share and reduce this by $0.35 per share for the overhead to realize a net value for the operating Company of -$0.11 per share, excluding the pipeline and cash available for development.

Over $2.00 In Fully Financed Projects Under Construction: Although the Company has a significant pipeline of early stage projects, the value of Western Wind is apparent even in the absence of a pipeline. By the end of 2011, the Company will have an installed capacity of 165 MW through the addition of the 120 MW Windstar and 10.5 MW

Kingman projects. We believe these two projects are worth $2.09 per share net of capex spent to date.

Puerto Rico Moving Quickly: In addition to the projects under construction, the Company has a large pipeline in varying stages of development. The most advanced project is its Puerto Rico solar project, Yabacoa, which currently has a 20-year PPA for 30 MW and is in the process of arranging financing. We value Yabacoa at $0.19 per share on an unrisked basis and apply a 50% probability factor to account primarily for the lack of financing and definitive costs, which we expect to have greater clarity on later in 2011. We expect Management to fully utilize previously discussed stimulus to reduce its capital costs by up to 80%. (See Appendix A)

Mesa Repower And Kingman Expansion Likely To Proceed: The Company is planning to expand its capacity at Mesa and Kingman from 40.5 MW to at least 66.5 MW. Because much of the permitting and zoning of these projects is fairly straightforward given the previous work done on the base projects, these projects could be done quickly and cost-effectively. In total, we apply $0.10 to our valuation based on a 25% probability factor applied to the unadjusted cumulative NAV of $0.40 per share.

Upside In Early Stage Development: We believe that the remaining portion of the pipeline that we have modeled is worth approximately $0.75, however we have not incorporated any of this into our target price on account of the early stage nature of these projects.

Sale Of Tax Assets Could Add $0.45 Per Share: In addition to a number of WND's projects being eligible for the 30% US Treasury Grant, projects brought on-line in the US before the end of 2011 are eligible for a Bonus Depreciation incentive that allows them to claim 100% of their depreciable assets (net of half the cash grant received) against earnings in its first year of production.

100% Bonus Depreciation = Qualifying Capital Cost – (US Treasury Grant x 50%)

Although WND will not generate enough cash flow to make use of the bonus depreciation directly, the Company has engaged Rabobank to explore the sale of these tax assets. Management believes that it will be able to claim approximately $280 MM of bonus depreciation for the development of Windstar and Kingman, which could reduce an acquirer's tax bill by approximately $85 MM. Assuming the acquirer would require a 20% return on the acquisition of tax assets, WND could sell the tax shelter for approximately $65 MM. Although the sale of these tax assets would have immediate cash tax consequences, thereby reducing the NAV of the projects, we estimate that the Company could realize a net benefit of approximately $30 MM or $0.45 per share after accounting for the accelerated tax bill. However, the proceeds will vary based upon the cash flow of the acquirer and we have not included any value for the bonus depreciation in our valuation. Management has announced its intention to use a portion of the proceeds to acquire up to 36% (20 MM) of its outstanding shares through a substantial course issuer bid if the sale of the tax assets is successful.

Launching Coverage With $2.55 Target And Buy Recommendation: Including the potential sale of tax assets, we believe that the Company has an unrisked NAV of approximately $4.22, providing significant upside to the current share price of $1.47. However, even in the absence of early stage projects and sale of tax assets, there is a compelling case to own this stock, with a material amount of cash flow coming online in 2011. We have risk adjusted WND's project pipeline to derive a target price of $2.55, which is primarily comprised of the Company's operating and fully financed projects. Our target price provides a 12 month return of 74%.

Trading Below Peers: We expect the Company to produce $32 MM in EBITDA and $0.25 in CFPS in 2012, excluding the potential commissioning of 40 MW in late 2012 that could add an additional $13 MM and $0.09 in annualized EBITDA and CFPS, respectively. Based on these conservative estimates, WND is trading at 5.9x 2012 CF, compared to a peer group of renewable Independent Power Producers (IPPs) at 11.1x. Although WND's primary assets are still under construction whereas the majority of the comparables assets are currently operational, the risk to cost overruns or timing delays is minimal, rendering the current discount to its peers excessive.

Figure 6 **Comparable Peers**

		Mkt Cap	EV	EBITDA ($MM)			EV/EBITDA			P/CF		
	Price	($MM)	(MM)	FY0	FY1	FY2	FY0	FY1	FY2	FY0	FY1	FY2
♦ Algonquin Power & Utilities Corp.	$5.35	509	936	$73	$107	$142	12.8x	8.7x	6.6x	11.3x	7.6x	6.3x
♦ Boralex Inc.	$8.56	324	937	$67	$111	$119	13.9x	8.5x	7.9x	7.6x	5.3x	4.7x
Brookfield Renewable Power Fund	$23.41	2,451	4,294	$249	$329	$392	NMF	13.1x	11.0x	18.7x	12.2x	10.9x
♦ Innergex Renewable Energy Inc.	$9.80	585	1,012	$68	$105	$131	14.8x	9.6x	7.7x	25.0x	12.2x	11.0x
♦ Northland Power Inc.	$15.98	1,698	2,420	$129	$161	$216	NMF	NMF	11.2x	18.9x	12.4x	12.4x
♦ Plutonic Power Corporation	$2.18	143	407	$(10)	$25	$31	NMF	NMF	13.2x	NMF	16.5x	11.3x
Median		547	974				**13.9x**	**9.2x**	**9.4x**	**18.7x**	**12.2x**	**11.0x**
Western Wind Energy Corp.	**$1.49**	**82**	**163**	**$(8)**	**$1**	**$32**	**NMF**	**NMF**	**5.1x**	**NMF**	**NMF**	**6.0x**

♦ During the past twenty-four months, Cormark Securities Inc., either on its own or as a syndicate member, participated in the underwriting of securities and provided financial advice regarding the stock market insight and / or financial advice regarding the stock market insight and financial analysis regarding potential transactions for these companies or a predecessor company.

Sources: CapitalIQ for consensus estimates of peers and Cormark Securities Inc. for Western Wind Energy estimates

Balance Sheet In Good Condition: With equipment supply and turnkey construction agreements in place for Windstar and Kingman, the Company has excellent visibility with regard to the amount and timing of its upcoming cash requirements. We believe that the Company has sufficient capital at their disposal between previously arranged debt financing and in the money options and warrants to achieve commercial production at Windstar and Kingman without the need to access the equity markets.

Appendix A: Stimulus Funding

Leveraging Stimulus Funding To Minimize Dilution

Renewable Energy Grant Significantly Reduces Equity Requirement: Stemming from the American Recovery and Reinvestment Act of 2009, development companies are eligible to receive a cash grant from the Department of Treasuries for 30% of the qualifying costs of a renewable power projects, provided that 5% of the capital cost is incurred prior to the end of 2011. For wind projects, the in-service date must be before the end of 2012, whereas other technologies range between 2014 and 2017, with solar being 2017. This significant cash grant, which is received within 60 days of the project's commercial operation date (COD), provides developers with an opportunity to use bridge financing in place of corporate or project equity and thereby materially reduces dilution to shareholders and increases equity returns.

100% Bonus Depreciation Transferable To Taxable Entities: In addition to the US Treasury Renewable Energy Grant, projects brought online before the end of 2011 are eligible for a bonus depreciation incentive that allows them to claim 100% of their depreciable assets (net of half the US Treasury Grant received) against earnings in its first year of production. The benefit is reduced to 50% if the project is in service in 2012.

100% Bonus Depreciation = Qualifying Capital Cost – (US Treasury Grant x 50%)

Although this would not provide any direct benefit to smaller developers, the bonus depreciation is transferable to other larger entities with material taxable earnings, providing an avenue for developers to monetize this benefit.

50% Transferrable Investment Tax Credit In Puerto Rico: Renewable energy development projects in Puerto Rico are eligible for an Investment Tax Credit (ITC) in the amount of 50% of each project's capital costs. This ITC is transferrable to taxable entities within Puerto Rico and can therefore be monetized for an upfront payment as opposed to over time as the project generates taxable income. We expect that the sale of the ITC to a taxable entity within Puerto Rico could yield up to 90% of the total value. Because this stimulus can be used in conjunction with the US Department of Treasury Renewable Energy Grant, developers of renewable projects can recoup up to 80% of their capital costs, making project returns very attractive.

Appendix B: Selected Management & Director Profiles

The Company's management team has proven to be effective in navigating through regulatory hurdles in the western US as well as in the Commonwealth of Puerto Rico. In addition, Management has proven to be particularly astute in exploiting available stimulus funding and bridge financing structures to minimize dilution to shareholders. Western employs thirteen people on a full-time basis, with an additional six part-time consultants. The board of directors consists of four independent directors and two executive directors. Collectively, the management and directors of the Company own approximately 8.6% of the shares outstanding and 17.4% of the shares and options outstanding.

J. Michael Boyd

Chairman of the Board, Executive VP of Business Development

Michael Boyd is Chairman of Western Wind and is also employed by the Company as a part-time consultant to assist in acquiring, leasing and zoning real estate for wind development in Arizona. Through his previous work in Arizona, he has developed excellent relationships with local and state level government officials as well as Federal agencies and state utilities. These relationships are an asset to WND in its efforts to acquire, zone and permit land for development. Michael joined Western Wind in 2005 and owns approximately 115k shares in the Company.

Jeffrey Ciachurski

CEO

Jeff Ciachurski founded Western Wind in 1998 and has successfully led the Company through two asset acquisitions and a number of financings, contract negotiations and permitting approval processes. He has 20 years of public company experience and has proven valuable in driving projects forward while avoiding the many pitfalls experienced by other development teams through the recession. In particular, under his leadership, the Company has avoided arduous financing terms and managed to minimize dilution without hindering the development of its projects. Jeff owns 1.2MM shares and 1.9MM options.

Chris Thompson

CFO

Chris Thompson is a chartered accountant and has worked as a consultant for the last 20 years. Through his work as a consultant, he has provided strategic, corporate finance, M&A and regulatory advisory services to public and private companies operating in Canada, the US, Europe and Asia. Chris joined Western Wind in 2007 and owns 500k shares and 980k options.

Steve Mendoza

Executive VP and Chief Engineer

Steve Mendoza is an electrical engineer by training and has 35 years of experience in utility transmission and engineering, design, planning and operations. He has held senior positions at two Arizona utilities and previously acted as Chief Engineer and Deputy Director of the Arizona Power Authority. Steve has strong relationships with a number of utilities in Southwestern US and is frequently consulted with regard to regional transmission planning. Steve joined Western Wind in 2003.

Appendix C: Investment Risks

Fluctuations In Price Of Natural Gas	Although WND has no direct commodity exposure, fluctuations in the price of natural gas impact the price benchmark for new power purchase agreements in California, known as the Market Price Referent (MPR). To the extent that natural gas prices decline, future contract negotiations could be negatively impacted. However, the increasing requirement to source renewable power in order to meet the state mandated Renewable Portfolio Standards will provide renewable developers with the ability to negotiate pricing above the MPR. With regard to Arizona, electricity prices have been kept low due to an abundance of coal, nuclear and hydro; however the RPS standard and a lack of renewable capacity have been driving PPA prices to a level sufficient to support new investment.
Availability Of Financing	To date, WND has made extensive use of stimulus funding available under the American Recovery And Reinvestment Act of 2009 to fund its equity requirements for development. To the extent that certain stimulus funding is allowed to expire, including the US Treasury Grant, the Company will have to seek higher cost capital in its place, which may impact the pace of development. In addition, power projects require significant leverage and are consequently heavily reliant on the availability of debt. As a result, poor lending conditions could also negatively impact development.
Development Risk	There are many risks inherent in the development of a power project, including but not limited to obtaining the proper environmental and regulatory permits and approvals, transmission access, a power purchase agreement, financing and equipment supply agreements.
Unplanned Outages	Unplanned outages resulting from equipment failure may result in lost revenues and costly repairs. This could impact the Company's credit agreements as well as its existing off-take agreements.

Appendix D: Financial Estimates

Figure 7 **Western Wind Energy Corp. – Income Statement**

Fiscal YE Dec. 31 (C$000s)	2010A	2011E Q1E	2011E Q2E	2011E Q3E	2011E Q4E	2011E	2012E
Revenue	**$2,717**	**$542**	**$992**	**$1,662**	**$4,374**	**$7,571**	**$48,697**
Cost of Sales	1,491	406	390	475	1,264	2,535	12,493
Gross Profit	**1,226**	**136**	**603**	**1,187**	**3,110**	**5,036**	**36,203**
Amortization	956	226	223	220	127	796	8,453
Asset Retirment Obligation Accretion	7	7	7	7	7	28	112
Foreign Exchange Loss	(208)	-	-	-	-	-	-
SG&A	2,928	600	600	600	600	2,400	2,400
Interest Expense	68	-	-	348	1,563	1,912	15,317
Project Development	6,968	500	500	500	500	2,000	2,000
Operating Expenses	**10,719**	**1,333**	**1,330**	**1,675**	**2,798**	**7,136**	**28,282**
Income Before Undernoted	**(9,493)**	**(1,197)**	**(727)**	**(488)**	**312**	**(2,100)**	**7,922**
Interest Income	16	-	-	-	-	-	-
Gain on Sale of Capital Assets	23	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Earnings Before Taxes	**$(9,454)**	**$(1,197)**	**$(727)**	**$(488)**	**$312**	**$(2,100)**	**$7,922**
Current Income Tax Recovery (Expense)	-	-	-	-	-	-	-
Future Income Tax Recovery (Expense)	11,484	-	-	-	-	-	-
Net Income (Loss)	**$2,030**	**$(1,197)**	**$(727)**	**$(488)**	**$312**	**$(2,100)**	**$7,922**
Weighted Avg. Units Outstanding (Class B and Exchangeable)							
Basic	50,867	56,368	57,474	57,474	57,696	57,585	57,917
Diluted	53,119	70,757	70,757	70,757	70,757	70,757	70,757
EBITDA	$(8,469)	$(971)	$(504)	$80	$2,003	$608	$31,691
Adjusted EPS (F/D)*	**$(0.09)**	**$(0.02)**	**$(0.01)**	**$(0.01)**	**$0.00**	**$(0.03)**	**$0.11**
Gross Margin	45%	25%	61%	71%	71%	67%	74%
EBITDA Margin	-312%	-179%	-51%	5%	46%	8%	65%

*Adjusted for one-time items
Sources: Cormark Securities Inc. estimates, Company reports

Figure 8 **Western Wind Energy Corp. – Balance Sheet**

Fiscal YE Dec. 31 (C$000s)	2010A	2011E	2012E
Current Assets			
Cash and Cash Equivalents	$1,120	$19,423	$20,958
Accounts Receivables	214	1,245	8,005
Refundable Tax Credits	235	235	235
Income Taxes Refundable	-	-	-
Prepaid Expenses and deposits	1,395	2,371	11,685
Inventory	-	-	-
Total Current Assets	**$2,964**	**$23,274**	**$40,883**
Non Current Assets			
Restricted Cash	$127,243	$-	$-
Construction In Progress	11,722	-	-
Deposits	82,387	40,000	40,000
Property & Equipment	17,662	284,956	276,503
Goodwill	3,905	3,905	3,905
Intangible Assets	-	-	-
Future Income Tax Assets	8,566	8,566	8,566
Other Assets	-	-	-
Total Assets	**$254,449**	**$360,701**	**$369,857**
Current Liabilities			
Bank Overdraft	-	-	-
Accounts Payable and Accrued Liabilities	$9,052	$1,042	$2,054
Accrued Interest Liability	1,067	1,067	1,067
Current Portion of Long-term Debt	14,874	14,874	14,874
Total Current Liabilities	**24,992**	**16,982**	**17,994**
Non Current Liabilities			
Loans Payable	193,300	296,509	205,579
Asset Retirement Obligation	79	79	79
Future Income Tax Liability	-	-	-
Other Liabilities	477	477	477
Total Liabilities	**218,848**	**314,047**	**224,128**
Shareholders' Equity			
Common Shares Issued and Outstanding	54,569	58,722	59,875
Contributed Surplus	12,075	21,075	111,075
Warrants	4,477	4,477	4,477
Accumulated Deficit	(32,003)	(34,102)	(26,181)
Accumulated Other Comprehensive Income	(3,517)	(3,517)	(3,517)
Total Shareholders' Equity	**35,601**	**46,654**	**145,729**
Total Liabilities & Shareholders' Equity	**$254,449**	**$360,701**	**$369,857**

Sources: Cormark Securities Inc. estimates, Company reports

Figure 9 **Western Wind Energy Corp. – Cash Flow Statement**

Fiscal YE Dec. 31 (C$000s)	2010A	2011E	2012E
Operating Activities			
Net Income	2,030	(2,100)	7,922
Depreciation & Amortization	956	796	8,453
Asset Retirement Obligation	7	-	-
Future Income Taxes	(11,484)	-	-
Stock Based Compensation	1,153	1,153	1,153
Foreign Exchange Loss	(25)	-	-
Gain on Sale of Capital Assets	(23)	-	-
Other	-	-	-
CFO (Before Changes in Working Capital)	**(7,386)**	**(151)**	**17,528**
Changes in Non-cash Operating Working Capital	7,339	(10,017)	(15,063)
Cash Flow from Operating Activities	**$(47)**	**$(10,168)**	**$2,465**
Investing Activities			
Construction In Progress	(89,682)	11,722	-
Deposits	-	42,387	-
PP&E Purchases	-	(268,090)	-
Restricted Cash	(127,136)	127,243	-
Other	-	-	-
Cash Flow from Investing Activities	**$(216,818)**	**$(86,738)**	**$-**
Financing Activities			
Shares & Warrants Issued For Cash	6,855	3,000	-
Increase in LTD	209,249	104,624	-
Decrease in LTD	-	(1,415)	(90,930)
Redemption of Shares	-	-	-
Others	-	-	-
ITC Received	-	9,000	90,000
Cash Flow from Financing Activities	**$216,104**	**$115,209**	**$(930)**
Cash Beginning	**1,882**	**1,120**	**19,423**
Change in Cash	(762)	18,303	1,535
Cash Ending	**$1,120**	**$19,423**	**$20,958**
CFPS	-$0.14	$0.00	$0.25

Sources: Cormark Securities Inc. estimates, Company reports

Recommendation Terminology

Cormark's recommendation terminology is as follows:

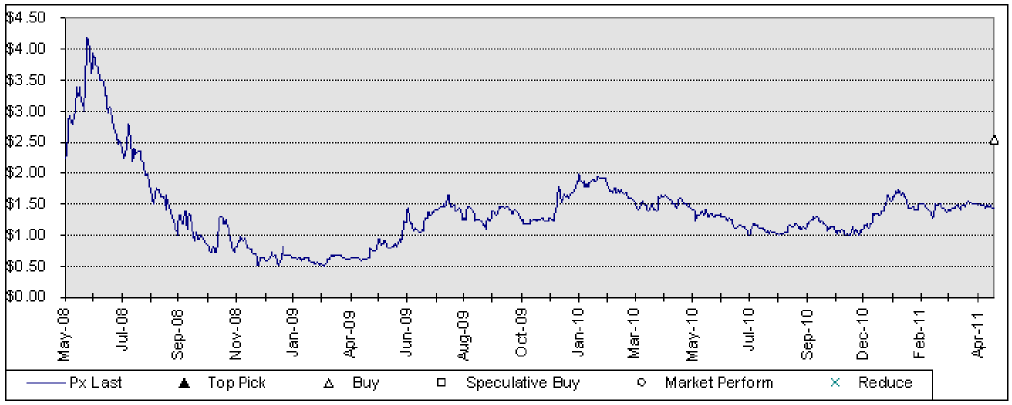
Top Pick	our best investment ideas, the greatest potential value appreciation
Buy	expected to outperform its peer group
Market Perform	expected to perform with its peer group
Reduce	expected to underperform its peer group

Our ratings may be followed by "(S)" which denotes that the investment is *speculative* and has a higher degree of risk associated with it.

Additionally, our target prices are based on a 12-month investment horizon.

Figure 10 **Disclosure Chart**

Western Wind Energy Corp. *Source: Cormark Securities Inc.



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If YES
1) Is it a long and/or short position?
2) What type of security is it?

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Buy or Top Pick	72%
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Buy or Top Pick	54%
Market Perform	35%
Reduce	50%

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*Information updated monthly on or about the 5th of each month. Updated May 05, 2011

Recommendation / Target Chg

Date	C$
06-May-11	2.55 (B)
13-Feb-09	- (Watchlist)

Source: Cormark Securities Inc.

Analyst Certification

I, James A. Morrison, hereby certify that the views expressed in this research report accurately reflect my personal views about the subject company(ies) and its (their) securities. I also certify that I have not been, and will not be receiving direct or indirect compensation in exchange for expressing the specific recommendation(s) in this report.

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