

December 20, 2010

**Re: Syntaris Power 2010 Year in Review**

Dear Shareholders:

This past year was filled with more certainty as the company reached a number of significant milestones. As the President and CEO, I am pleased to be leading our company forward and building on the accomplishments of 2010. With this in mind, here is a brief update on Syntaris Power and what to expect in the year ahead.

It is clear that the Province of British Columbia needs more electricity to meet the demand that is forecasted to grow 25%-40% over the next 20 years. Along with other renewables, hydropower is crucial to meeting this growing demand for electricity. As of this April, the Government of British Columbia introduced the new Clean Energy Act which states that clean or renewable electricity generation must continue to account for at least ninety percent (90%) of total electricity generation. Syntaris is well situated to take advantage of the new legislation through our development portfolio of hydro assets exceeding 600 MW.

March 2010 marked a major milestone in the year with Syntaris being awarded an energy purchase agreement from BC Hydro for the Culliton Creek Hydropower Project. The Culliton Creek Project is located north of Squamish and when completed is expected to generate some 15 megawatts of power, sufficient to provide electricity to approximately 7,500 homes. To date, Syntaris has completed and submitted the Culliton Creek Development Plan for review by applicable Government agencies. In addition, Hatch, a global engineering design consulting firm, has been engaged as the Owners Engineer. The scope of Hatch's work for the Culliton Creek Project will involve contract support, review of existing materials and a design sufficient to tender for Engineer, Procure, Contract (EPC) proposals. Construction on the Culliton Creek Project is expected to begin in Summer, 2011, with a commercial operation date of Fall, 2013.

In order to align itself with Ontario's Feed-in Tariff Program the Province of British Columbia proposed changes to the BC Hydro Standing Offer Program (SOP) this year. The proposed changes include a significant increase in energy purchase pricing and an increase in the size of projects allowed under the SOP. This allows Syntaris to accelerate its development timelines for the company's projects that can now be classified as near to mid-term opportunities under this streamlined "feed in tariff" type program for green energy. This includes 263 MW of project assets to be submitted into the BC Standing Offer Program over the next 2-4 years. As a result, Syntaris has initiated the placement of water gauges in a number of its projects this past Spring in order to gather more accurate hydrological data prior to submitting bids to BC Hydro under the SOP.

This past summer, the Company entered into a promising agreement with Fort Chicago Energy Partners L.P. (Fort Chicago), a \$3.5 billion energy income trust headquartered in Calgary Alberta. Fort Chicago acquired an interest in the Culliton Creek project as part of its purchase of a number of renewable energy assets this year from ENMAX Corporation, the Southern Alberta utility. Fort Chicago brings a considerable wealth of expertise in the energy development sector. As such, they have proven to be excellent partners, providing expertise and advice as an active member of the joint Syntaris/Fort Chicago project development committee.

Upon the advice of an independent investment banking counsel and as part of a consolidation of operations, Syntaris merged with its US subsidiary Evergreen Power Corp this past August. The Company agreed to acquire Evergreen on the basis of one share of Syntaris for every 2.67 shares of Evergreen. This merger will allow Syntaris to expand business beyond British Columbia and

Canada. Evergreen Power Corp. currently has an option to participate in the development of the Soule River Hydropower project located in Alaska and the Kopidno and the Domo bio-energy power projects in the Czech Republic.

Volatility in the global financial markets and the retraction of credit has presented some significant challenges in accessing equity and debt capital, particularly for smaller independent power developers. However, I am proud to say that Syntaris has managed to weather the financial storm and to fund its operations independent of the institutional investment banking markets. Furthermore, the company continues to build and enhance its substantial network of Exempt Market Dealers (EMDs) who are actively marketing Syntaris tax advantaged equity investment to their clients. This includes a Cdn \$10 million equity private placement the Company intends to offer in early 2011, that will be issued at a premium to the fall offering of Cdn 1.30 per share.

In June of this year, Syntaris engaged Marathon Capital, a leading U.S. based financial advisory firm to the renewable energy market. Working with senior management, Marathon has assisted Syntaris in focussing and packaging its business plan for purposes of seeking senior investment and strategic partnerships. As a result, Syntaris is currently in varying stages of discussions with potential strategic/financial partners.

Our First Nations team continues to work closely with our First Nations partners and remains pro-active in cementing ongoing relationships and partnerships with First Nations groups. In addition to existing projects, the Company currently has a program to develop partnerships with First Nations Groups on a number of hydropower opportunities across the Province.

In looking ahead at 2011, we remain positive about the future of our projects and the green energy sector in general which has reached an interesting time in its evolution, touted by some forecasters as a worldwide 'tipping point'. This tipping point is supported by a number of positive developments in the green energy sector. The number of countries enacting measures to promote renewable energy rose to more than 100 in 2010, up from only 55 in early 2005. Furthermore, Governments have promoted renewable energy in their stimulus programs, earmarking about \$188-billion for the sector. By the end of 2009, only 9 per cent of the money had been spent, contributing to the optimism for new capacity installations in 2010 and in 2011. Overall, spending on green energy remained remarkably buoyant despite the global recession, with investors pouring \$162-billion (U.S.) into clean electricity sources. *Source: United Nations Environment Program and Renewable Energy Policy Network*

I wish to thank you, the shareholder, for your continuing support and look forward to providing you with another update, in the Spring with more developments on our Company's portfolio of projects.

Sincerely,



Robert Fraser, President and CEO  
Syntaris Power Corp.

**Forward Looking Information:** *The information contained in this letter to shareholders may contain forward looking statements. Forward looking statements address future events and conditions and therefore involve inherent risks and uncertainties. Actual results may differ materially from those currently anticipated in such statements.*