ATLANTIC
Wind & Solar Inc

Annual Report

2012

Trading Symbol: OTC: AWSL

CUSIP: 049127103

Authorized Number of Shares: 500,000,000

Issued Number of Shares: 44,707,601

Atlantic Wind & Solar Inc.

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Chairman's Address to Shareholders

... 2012 was a banner year for Atlantic Wind and Solar.

Atlantic set Company records in project development, in revenue recognition, in the securing of Power Purchase Agreements (PPAs), and in the submission of applications for future projects, all while decreasing expenses and improving productivity.

Atlantic, in 2012, recorded $1,886,415 in revenue attributed to the initial work on its approximately 3 MWp of Feed-In-Tariff contracts (FIT) in Ontario, Canada. Approximately $10.6 million in additional revenues are expected to be recorded in 2013 for the balance of work on these projects.

Despite the significance of these first revenues for the company this was overshadowed by the company securing more than 50 MW's of future Power Purchase Agreements, a 20 fold increase . These extremely significant milestones have clearly established this as a pivotal and banner year for the company and its stakeholders.

A Bird in the Hand: Ontario FIT 1.0 Solar Projects

While the Company has received some, and awaits other, final grid connection approval dates (the Notice to Proceed or NTP) on these projects shareholders may be pleased to know that the Company has entered into agreements to build projects as turn key operations. These agreements are reflected in the Accounts Receivable of the attached financial statements. The bulk of the revenues will be recorded in 2013 in conjunction with the construction time lines.

A Window of Opportunity: FIT 2.0 Solar Projects

The Ontario Power Authority (OPA) timestamps on Atlantic's original applications start in December 2010 and all fall inside of 2011 which potentially qualifies them for expedited approval as part of revised FIT 2.0 program - the resubmission window for which was opened briefly from Dec 14, 2012 to Jan 18, 2013 . The Company remains optimistic that these past efforts, plus future ones, will yield further rewards in the Ontario solar market. Ontario remains a market in which Atlantic will keep active. Atlantic submitted 28 applications for this round of projects during the brief time the window was open.

A Brand New Place in the Sun

In late 2011, the Company quietly launched operations in South America. The new division focused on the development of large scale, greenfield, ground mount solar projects and made exceptional progress resulting in the issuance of two twenty-five megawatt PPAs at the December 27th, 2012 Board Meeting of Consejo Nacional de Electricidad ("CONELEC") in Quito, Ecuador.

The signing of the initial 20 MW AC Enabling title represents Phase One of the company's 58.43 MW DC of power plant projects in the province of Esmeraldas, Ecuador. The recording of revenues on these projects is expected to begin in late 2013.

A New News Strategy

In the past the Company released timely press releases via Newswire, the results of which in part have been disrupted by bureaucratic delays in the PPA process and other situational contingencies. However arguably the biggest disruption in Company operations have the been actions, probably best described as tortious interference, of anonymous short sellers of the Company's stock. The Company is making efforts to unearth the identity of these people or companies who generally hide for legal reasons.

Since the change of Management in early 2011, we broke from prior policy opting to not announce forward looking news and electing to remain quiet before reporting certain strategies and milestones, believing this new approach would reduce expectations regarding elements outside the company's control, such as timing. The Company intends to continue this strategy of not reporting news until major milestones have been completed.

Exiting a Troubling Time

2009 seemed to herald the swift rise of Atlantic and almost any other company entering the Ontario market at the time. Stock prices for renewable energy companies chasing FIT 1.0 soared to levels of "irrational exuberance" - price levels companies have yet, so far, to see again in most cases. Such price spikes attract attention. At the height of this Ontario renewable energy bubble Atlantic seemed to come under attack from many directions. A number of articles appeared accusing and/or condemning the Company and/or its management of some practice or another. Many of the articles were originally published, and remain in circulation, without a publication date, often an indiction of spurious reporting and suggesting interference by the anonymous short sellers cited above.

There is little doubt that this negative attention cost the Company opportunities. Deals were lost, acquisitions thwarted, fundings pulled, and other such set backs likely occurred to the benefit of detractors and the chagrin of Atlantic management and supporters.

The good news is that the Company emerged stronger, leaner, and led, once again, by the original core management group driven by the original core vision.

While the company had hoped to complete a public offering in the 2010 to 2012 period the company has since chosen to postpone it indefinitely. One reason behind the decision is management's belief that the market would not be receptive to a new offering at this time. A second reason is the Board's determination that at the current share price any offering would be more dilutive to shareholders than any raised funds would be worth in added shareholder value.

Thirdly, having finalized its path in Ontario and secured future projects in Ecuador, Atlantic is now in a position to grow without the need for additional capital. Atlantic will continue on its path toward up-listing to a more regulated market such as the NASDAQ, TSX or NYSE but now likely can do so without, to the benefit of existing shareholders, the issuance of new shares.

A Banner Year

Management expresses its deep appreciation to its suppliers, affiliates, consultants, and co-workers, with a special thanks to its new Ecuadorian additions, plus all stakeholders as it looks forward to continuing to complete existing projects while striking swiftly at new opportunities in the Renewable Energy sector when and where they arise.

Sincerely,

Gilles A. Trahan

Gilles A. Trahan
Chairman

June 21st, 2013

In 2012 Atlantic set Company records in project development, in revenue recognition, in the securing of Power Purchase Agreements (PPAs), and in the submission of applications for future projects.

Synopses

A Synopsis of the Report

In 2012 Atlantic successfully:

- Entered into agreements to build its Ontario FIT 1.0 Projects.
- Submitted 28 applications for Ontario FIT 2.0.
- Began assembling Ontario FIT 3.0 applications for an anticipated future program.
- Secured PPAs for 58.43 MWp (50 MW AC) in Ecuador.
- Received glowing media coverage.
- Formalized its Plan for 2013.

A Synopsis of the Management Discussion and Analysis

- Revenue is up with 2012 recording sales of $1.8 million versus sales of $0 in 2011 and 2010.
- Costs are down significantly having dropped to under $1 million versus $1.1 million in 2011 and $2.7 million in 2010.
- Losses have been nearly eliminated - down to less than $350 thousand in 2012 from nearly $1.2 million in 2011 and just over $2.7 million in 2010.
- The Company is lean, quick, and ready to duplicate its Ecuadorian success in other emerging markets.

Atlantic Wind & Solar

OTC: AWSL
2012 ANNUAL REPORT

Ontario

FIT 1.0

When Ontario, Canada passed its Green Energy Act in 2009 introducing the most lucrative FIT Program in North America Atlantic seized the opportunity immediately. It moved its Head Office to the heart of Toronto's financial district and launched an aggressive marketing program to focus on the installation of rooftop solar energy systems . The program was to become known as FIT 1.0.

Atlantic received 20 of the FIT 1.0 contracts for a Power Purchase Agreement (PPA) totaling 2.712 Megawatts (MW) AC. This translates to approximately 3.1 MWp to be constructed as projects are usually scaled up to provide additional power during non-peak periods. Atlantic entered into agreements in 2012 for the construction of this batch of contracts. It is from these agreements that the Company is reporting its first significant revenues as seen in the financial statement included below.

The Company cultivated affiliations and strategic relationships with members of the Real Estate Development and Property Management industries which greatly assisted Atlantic in the Ontario rooftop solar industry then as it does now.

FIT 2.1

After a long hold period on FIT applications the Ontario Power Authority (OPA) announced a new program they called FIT 2.0.

Contracts previously submitted under the old program were given timestamps which potentially qualified them for expedited approval as part of the revised FIT 2.0 program. Atlantic's applications outstanding, i.e. applications which were not processed under FIT 1.0, had timestamps as early as December 2010 with all timestamps falling inside of 2011.

The application process had evolved into FIT 2.1 by the time the application window opened during which Atlantic submitted 28 applications in a combination of re-submissions and new projects developed in 2012.

FIT 3.0

The Company remains confident that there will be an Ontario FIT 3.0 in the future and remains optimistic that its past efforts, plus future ones, will yield further rewards in the Ontario solar market.

A Future Presence

Ontario remains a market in which Atlantic will keep active.

Ecuador

A New FIT

When the electricity authority of Ecuador, Consejo Nacional de Electricidad ("Conelec"), adopted a system of feed-in tariffs for the development of renewable energy in 2011 Atlantic leaped at the opportunity to set up operations in South America. The Company also immediately began talking, evaluating, calculating, and thinking in dollars per megawatt hour (mWh) versus cents per kilowatt hour (kWh). This was a quantum leap in project scope welcomed by Management.

The Feed-in-Tariff covers both continental Ecuador and the Galápagos Islands. It is intended to encourage the development of renewable energy projects across the country, boost investment, increase jobs and, eliminate the reliance on the hydro and thermal electricity generation. It includes a 20 year "take-if-delivered" off-take agreement, with a fixed price of $400.30/mWh for the first 15 years, backed by the full faith and credit of the Ecuador Federal government. The combination of a centrally administered permitting authority and an investment grade 20-year off-take at economically favorable rates creates an opportunity for the development of large utility grade solar PV power plants.

A New Division

The new division focused on the development of large scale, greenfield, ground mount solar projects and made an exceptionally large amount of progress in exceptionally short amount of time.

A New PPA - 50 MegaWatts

The speedy result was the approval of fifty megawatts of PPAs at the December 27th, 2012 Board Meeting, in Quito, Ecuador, of Consejo Nacional de Electricidad or National Electricity Council known to all in the Ecuadorian renewable energy industry as "CONELEC". An Enabling Title as it is known, for 20 MW AC of nominal power, represents Phase One of the company's 58.43 MW DC of power plant projects in the province of Esmeraldas, Ecuador. The projects' total cost will be approximately USD 150 million with Phase 1, in the town of Lagarto about 70 kilometres from the city of Esmeraldas, constituting roughly half of this. The combined Phases will be larger than any currently operational PV power plant in South America. Construction financing is expected from the module manufacturers and off-take partners of the project.

The plants will generate in excess of 67,000 mWh per year of clean electricity equalling enough energy to power 60,000 households while offsetting annual CO2 emissions of nearly 40,000 metric tons. This is the equivalent of taking approximately 8,000 cars off the road.

The construction phase of the project will employ an estimated 500 workers. Under a corporate social responsibility plan Atlantic will improve the area's utility infrastructure, contributing 50% of associated costs in partnership with the local distribution company, plus build two playgrounds for the local children.

The recording of revenues on these projects is expected to start in late 2013.

Management Discussion and Analysis of its Business

Atlantic's Business Model

Atlantic Wind and Solar, Inc. ("AWS" or "Company") is a solar project developer with a near term focus on solar energy projects in Canada and Ecuador. The Company's business model is to swiftly enter countries that introduce new Feed In Tariffs. Atlantic has successfully implemented this model in Ontario, Canada and in Ecuador, the result being the receipt of over 60 megawatts of power purchase agreements since 2010. The Company sees such opportunities as, literally, emerging markets.

What is a Solar Project Developer?

The term "developer" is used broadly in the industry but generally speaking a developer is a company (or group or individual for that matter) that takes a potential project from any one stage of development to another stage closer to the Commercial Operation Date (C.O.D.) - the point at which a project begins to sell electricity.

The degree of profitability in developing a project depends, simplistically, on two factors. The first is the overall potential profitability of the project itself. There are three key components: the cost to construct the project, the amount of power that the project will produce, and the price the project will receive for the electricity it sells. Power production times price determines the return of the investment in construction and thus the overall attractiveness of the completed project. The second factor is the amount of value added by the developer from the time the developer took control of the project to the time control was ceded.

Atlantic focuses mostly on in-house "greenfield" development. This is when a project is essentially started from scratch. Turning an idea into the framework of a deal and carrying this through the documentation phase to the point where a project is potentially viable can be very challenging. From there working toward a Power Purchase Agreement can be an arduous and time consuming task. Time, funding, and frustration are barriers to entry in this phase of development and therefore it is in this phase that a Company that is willing to tackle an idea repeatedly, tirelessly, from all angles, and for an indeterminate period of time, can add significant value when successful.

Atlantic will also evaluate a project where external development work has been done to a point where potential synergies exist with existing in-house projects. In such cases the Company may take control of an external project and complete the work required to reach C.O.D.

How Does Atlantic Make Money

Developer Fee

Atlantic earns a fee for developing a project. The more development value that is added to a project the higher the fee earned, subject, of course, to the project's overall potential value. Some development companies sell projects at the application stage to avoid the time to PPA and the risk of rejection. Others buy projects at PPA and take them toward C.O.D.. Atlantic's core business is to develop projects from the very beginning to the very end. Once the Company takes control of a project it prefers to see it through to C.O.D. to maximize value added. In a case where Atlantic gets involved in a later stage project it does so either for a smaller than usual fee when there is less value to add or for a larger than usual fee when an excessive amount of work is required (i.e. a project needs to be saved).

EPC Margin

Atlantic's model is to remain involved in all projects it develops through the Engineering, Procurement, and Construction (EPC) process. This helps to ensure that projects stay on track toward completion. There is also a margin to be earned as EPC. For some of the current projects entering construction Atlantic will be involved in the project management providing oversight of subcontracted EPC firms providing the boots-on-the-ground. For future projects Atlantic anticipates increasing its participation in this part of the process.

Ownership Retention

When developing projects to and through C.O.D. there sometimes exists the option to exchange some or all of the developer fee for long term ownership in the project. Atlantic's ultimate goal is to assemble a portfolio of long term power and revenue producing assets. This proved challenging for Ontario FIT 1.0 rooftop projects given the number of parties often in involved in a transaction. In Ecuador, with the projects being ground mounted solar plants built on vacant land, the projects themselves will buy and own the land for the duration of the PPA. This makes shared ownership much easier. Atlantic is currently working on the ownership structure for these projects.

The Plan of Operations / Key Points of Focus for 2013

More Solar

Atlantic's focus for the past few years has, obviously, been on solar. The Company had an early interest in wind energy and continues to keep an eye out for wind projects, especially in South America where the Company is rapidly gaining exposure and profile. Atlantic has also recently turned its interest to small and medium sized hydroelectric projects.

The key points of focus for Atlantic for 2013 will be:

- Completion of the Ontario FIT 1.0 projects already in progress.
- Commencement of Construction on the 23.89 MWp plant in Ecuador (Phase 1)
- Finalization of 30 MW AC of PPAs in Ecuador (Phase 2) for Construction in 2014.
- Further Development of Other Projects in Ecuador for 2013/2014.
- Further Development of 100 MW PPA application submitted in Ecuador in 2012 and Eligible for Ecuador's Follow-up FIT Program when Announced.
- Development of FIT Contracts in Ontario under FIT 2.1 if and when Issued.
- Further Development of Early Stage Projects for Ontario's Future FIT 3.0.

Ecuador and South America

Atlantic's early worked focused on Ontario. It had the best FIT program around during Atlantic's early years and the territory was familiar to management. But by 2011 Ecuador had the new best FIT program and was becoming very familiar ground also. The PPA process in Ecuador, and other parts of Latin America, seemed to be less encumbered by politics in comparison to parts of North America. Here the programs seemed drawn to create sustainable energy first and boost the economy later. Job creation is good and reducing carbon emissions is great but above both is the need for electricity. In many areas the existing price structure plus existing grid issues make solar not just a more reliable solution but also a cheaper one.

South American countries such as Ecuador appear to be some of the best positioned markets in the world to leverage the benefits of large scale photovoltaic solar farms. This is based not just on geography and the proximity of the equator, but also on the region's increased economic status and rapidly evolving energy demands.

Atlantic in Ecuador

The announcement of the new FIT program in Ecuador in April 2011 drew the immediate attention of the solar PV community. With an Ecuadorian team put together, and a solid, in-house, how-to, manual built from the work in Ontario (i.e. learned the hard way), Atlantic made progress at lightening speed in the new market. And with a closing date of the December 31st, 2012 the PV world had 20 months to compete for 300 MWs of lucrative FIT contracts paying $400.30 per megawatt hour. By all accounts 50 MW were spoken for from the outset, set aside, in all fairness, to a large Spanish firm that had been instrumental in raising awareness in the country and helping set up the program. That left 250 MW of PPAs up for bids. Side-by-side with industry giants, smaller companies pitted speed against size to secure projects under a FIT rate that rivaled the best in the world.

An interesting, insightful, and revealing question Atlantic has been asked is: “Why you?” How did Atlantic, a small company by the standards of the international competition for Ecuadorian PPAs, end up with 20% of the awarded FIT contract capacity? The answer is that Atlantic’s management team drew upon its extensive global contact base which includes Ecuador. The Company was busily working on Ontario FIT contracts when Ecuador announced its own program. Atlantic had people on the flight to Quito immediately and began networking contacts, friends, family, etc. to determine the best (and fastest given the time limit) way to secure land and PPAs. Having deep roots and a broad network proved invaluable in getting information and answers quickly plus high level local insight into the goals behind the program.

Once PPAs were awarded many other PPA-holding companies began working to secure connectivity. Some companies found a brick wall at the utility where Atlantic had pre-arranged a joint venture with the Esmeraldas LDC. Atlantic and the LDC are to be co-designers, co-builders, and co-financiers of a sub-station required whether a PV system is built or not. Thus the LDC saves 50% of the cost of necessary (and overdue) construction while Atlantic ensures connectivity to the point of building the sub-station on a corner of the future PV site.

The PPA also requires a “socialization” process. The process can be contentious if any local groups oppose a project or oppose the use of land for such land-intensive projects. Atlantic, having worked with the community from the beginning (to the point of having the community rally the government in favor of the PV project), had the socialization documents secured prior to receiving the PPA.

In short Atlantic’s speed and experience, combined with relationships strong enough to make us local before the program launched, is the answer to the question: “Why us?”.

Atlantic’s Social Impact and the Triple Bottom Line

As a final point on Ecuador, and other markets Atlantic is exploring, solar power plants in markets in true need of electricity provide the Company with the opportunity to make social and environmental improvements in areas where there is an immediate impact on the quality of life for the local people.

Atlantic is committed to the concept of the triple bottom line (“TBL” or “3BL”). A company has to be profitable but should also strive to improve its ecological and social bottom lines in tandem with its economic one.

__Legal Review of 2012 - Key Point: Hybridyne Case Dismissed__

Following Atlantic's success in obtaining a court order from a West Virginia judge to cancel the shares in the failed HPSC acquisition suits filed by Hybridyne Power Systems Canada and its two shareholders were dismissed by the Ontario courts in September 2012. Suits filed by the two individuals claiming to have brokered the cancelled transaction were also dismissed by the Ontario courts in 2012.

In early 2009 AWSL reached an agreement to acquire a 47.5% interest in Hybridyne Power Systems Canada Inc. (HPSC) as a way to utilize Hybridyne's professed license of Aim Energy's revolutionary Conversion/Inversion Technology. Atlantic saw AIM's key advantage as its head-start. It had a technological advantage, a timing advantage, and a geographical advantage - being already in Ontario when the FIT program was announced.

Conflicts with HPSC, and then with AIM regarding HPSC, eroded the time advantage while the opportunity slipped away from all parties involved. HPSC pointed fingers to the end, cancelled the acquisition, and filed suit against Atlantic. Atlantic has gone on to secure numerous contracts in multiple countries without HPSC or AIM while they, presumably, continue to work on working out their differences. The dismissal was a welcomed end to the distraction.

Management Discussion and Analysis of Operations and Financial Condition

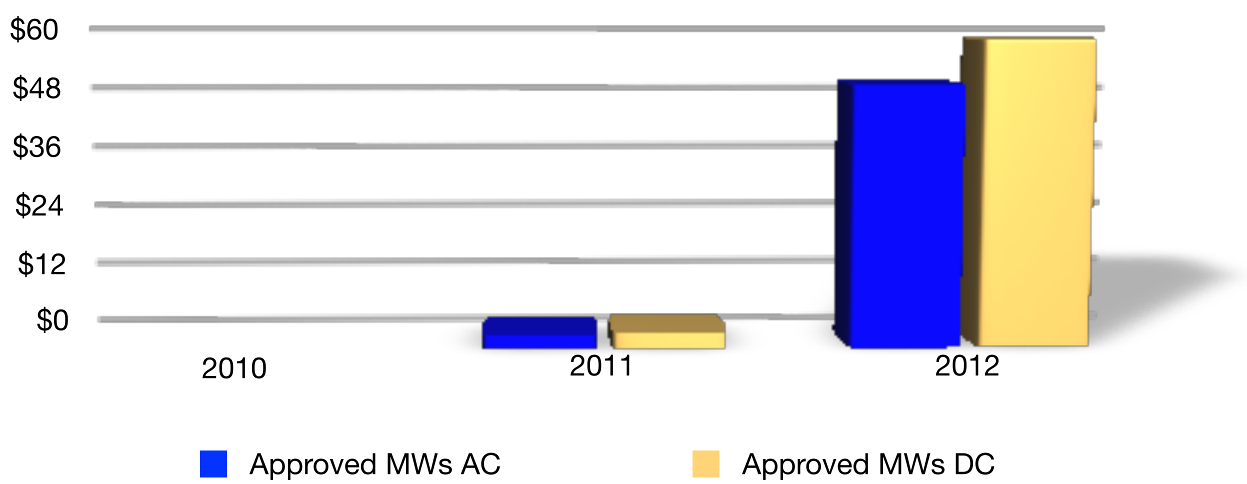
Discussion and Analysis of the Results of Operations

Management at Atlantic is very pleased with the three years covered by the attached financial statements. The key metric of a renewable energy company's actual work in progress, versus pipeline of projects, is the Power Purchase Agreement or PPA. The years 2009 and 2010 were built developing projects to the PPA stage and, just as importantly, learning how to do so quickly.

2011 was the year Atlantic received its first PPAs under Ontario's Feed In Tariff (FIT) program. These are the 2.7+MWs AC (estimated at 3.1+ MWs DC) that Atlantic is currently building in the greater Toronto area.

In 2012 Atlantic received approval for 50 MWs of PPAs from the electricity authority of Ecuador, Consejo Nacional de Electricidad ("Conelec").

Chart - Megawatts of Contracts 2010, 2011, 2012

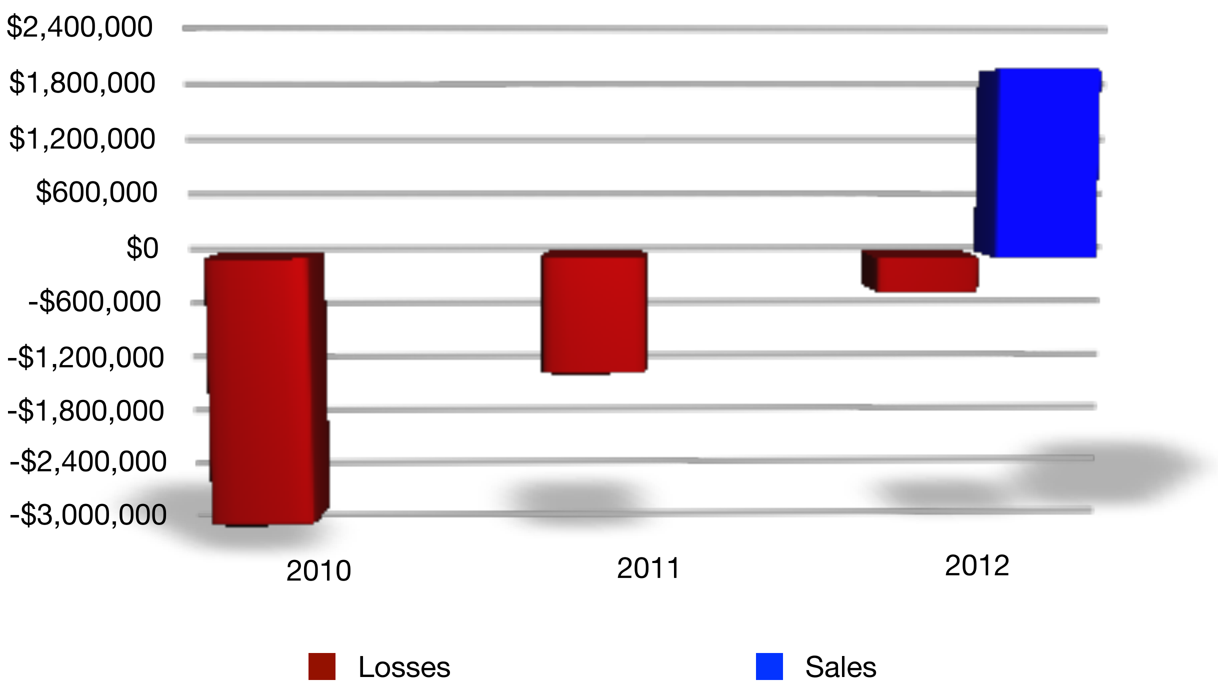


PPAs lead to sales. It is Atlantic's goal to remain involved projects it develops for as long as possible (or practical). Thus in general Atlantic's sales are of completed turn-key projects.

Finally, sales revenue less expenses of course determines profit and loss.

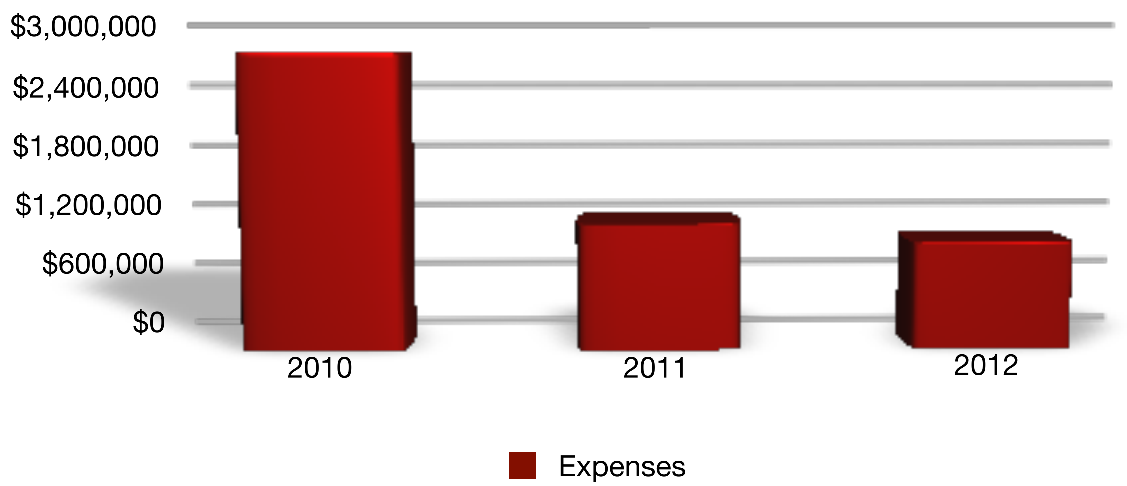
The chart of sales for the period simply shows 2012 as the first year of sales with revenue of approximately 1.8 million dollars with losses down dramatically to $347,027 in 2012 from $1,171,859 in 2011 and $2,718,053 in 2010.

Chart - Sales - Losses and Sales 2010, 2011, 2012



More interesting, at least from current management's perspective, is the expenses on which these sales were based. In 2011 Atlantic returned to its original model of keeping as many costs as possible variable. Sales expenses are now again incurred only when efforts being rewarded can be match against the revenue they have produced. Thus expenses were cut by reducing all non essential headcount, outsourcing where possible, and closing the expensive Bay Street offices in favor of more economical and flexible office space just north of the financial district. Much of the explanation of the company's improvement in financial condition over the past few years is contained in the chart below.

Chart - Expenses 2010, 2011, 2012



Atlantic is proud of efforts both in generating income and decreasing expenses.

Discussion and Analysis of Financial Condition

Management at Atlantic is pleased with the financial condition given the many hurdles the company has cleared during the past three years.

After the initial enthusiasm by and about Atlantic and others in the Ontario FIT-rush of 2009 Atlantic survived the years of drought that followed. Atlantic ended 2009 with just over $1 million cash in the bank. Between then and now the company has seen the world's view of Ontario rise and fall and begin to rise again, has had a CEO come with grand plans implemented and seen him go with the plans then reversed, has seen potential Ontario competitors and partners rush into the fold only to race off again when things got tough, has endured being the target of misplaced frustration when potential partners realized the true cost and speed of business in renewable energy, has also endured criticism of the path it has taken, in some cases had to take, in walking the tightrope of being a small yet also public company, and finally has seen expenses skyrocket to a height that, frankly, has bankrupted many companies in the past and then has regained control bringing those expenses back to earth and sustainability.

Through it all Atlantic has not just survived but still managed to push the Ontario projects into construction while submitting more applications there, and then dwarfed the Ontario business with PPAs in Ecuador that would be enviable for any company. A Bloomberg article on Atlantic (Jan 28, 2013) read: “This is a plum deal” quoting Jenny Chase, a London-based analyst for Bloomberg New Energy Finance, who continued “They should be awfully pleased.”

As importantly, Atlantic has succeeded in all of the above with a percentage of shareholder dilution that is so small as to be immaterial. As of the end of 2012 there were 44,707,610 common shares outstanding versus 44,489,419 in 2011 and 44,439,419 in 2010. The small increase is the result of the payment of two directors in restricted stock versus cash or accrued cash. From 2010 to 2011 the increase is just above one tenth of a percentage point while the 2011 to 2012 increase is less than half of a percentage point. All shares issued were issued with trading restrictions under Rule 144 of the S.E.C. Act.

From a financial perspective Atlantic is very proud of what it has done during these tough times and, in terms of dilution, what it has not done.

Fulfilling Working Capital requirements

Management has funded the Company’s working capital requirements with the non-dilutive purchases of Atlantic Preferred shares. While the management is willing and prepared to continue to do so the Company has now reached a point where its profitability should fund its operations and planned growth strategies.

Conclusion of Discussion and Analysis

Since inception management has planned for detailed reviews of the company’s business model and operational focus annually, plus after each major market change, and ultimately at five year intervals. 2013 marks the end of Atlantic’s first 5-year period as a renewable energy company and management is looking forward to formally reporting its 5 years of progress in the near future.

Closing Comments

AWSL's Speed of Growth in the Market

Having gone from 0 to 58 megawatts in 18.0 months, Atlantic Wind & Solar Inc, operates one of the fastest growing renewable power platforms in the market, making it, as a publicly-traded corporation, a rare pure-play investment in renewable energy.

Its portfolio is primarily solar PV and totals approximately 350 megawatts of name plate capacity in various stages of development. It is diversified across 22 municipalities in Ontario, Canada and 5 regions in Central and South America including, Ecuador and Peru. Once fully contracted this portfolio of high-quality assets, plus strong growth prospects, positions the Company to generate stable, long-term, cash flows supporting regular and growing cash distributions to stakeholders.

Atlantic believes a company can be economically successful while making ecological and social improvements in the process. Atlantic believes a company can help its balance sheet while helping the world. Atlantic believes it should be this kind of company.

Certification of Financial Statements and Notes

Certification of Financial Statements and Notes by CEO

I, Gilles A. Trahan, certify that:

1. I have reviewed the year end financial statement of Atlantic Wind and Solar, Inc., a West Virginia corporation;

2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Date: 21st June 2103

By:/s/ Gilles A. Trahan
CEO, Director

Certification of Financial Statements and Notes by CFO

I, Martin Baldwin, certify that:

1. I have reviewed the year end financial statement of Atlantic Wind and Solar, Inc., a West Virginia corporation;

2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Date: 21st June 2103

By:/s/ Martin Baldwin
CFO, Director

ATLANTIC WIND AND SOLAR, INC.

Consolidated Financial Statements
December 31, 2012, 2011 and 2010

ATLANTIC WIND AND SOLAR, INC.

Consolidated Financial Statements
December 31, 2012, 2011 and 2010

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ATLANTIC WIND AND SOLAR, INC.
Unaudited Consolidated Balance Sheets

	December 31, 2012	December 31, 2011	December 31, 2010
ASSETS			
Current assets			
Cash	$ 94,755	$ 143	$ 33,903
Accounts receivable, net of allowance of $0	1,128,054	-	-
Prepaid expenses	-	-	1,332
Other current assets	144,470	64,219	22,444
Total current assets	1,367,279	64,362	57,679
Equipment, net of accumulated depreciation of $3,423; $3,346 and $2,201	-	-	1,211
Security deposit	-	14,710	15,002
Notes receivable, net of allowance	173,434	-	133,233
Total assets	$ 1,540,713	$ 79,072	$ 207,125
LIABILITIES AND STOCKHOLDERS' DEFICIT			
Current liabilities			
Accounts payable and accrued liabilities	$ 1,268,645	$ 34,312	$ 71,196
Taxes payable	111,402	65,888	38,517
Wages payable	16,000	32,000	-
Related party payables, current	12,339	12,059	22,137
Total current liabilities	1,408,386	144,259	131,850
Related party payables, non-current	232,715	232,717	1,663,140
Notes payable, non-current	208,300	120,000	120,000
Total liabilities	1,849,401	496,976	1,914,990
Stockholders' deficit			
Common stock subscribed	-	-	50,000
Preferred stock, $1.00 par value; 20,000,000 shares authorized; 4,781,974; 3,862,617 and 1,421,650 issued and outstanding at December 31, 2012; 2011 and 2010	4,781,974	3,862,617	1,421,650
Common stock, $0.001 par value; 500,000,000 shares authorized; 44,707,601; 44,489,419 and 44,439,419 issued and outstanding at December 31, 2012; 2011 and 2010	44,708	44,489	44,439
Additional paid in capital	5,635,374	5,544,294	5,300,802
Other comprehensive loss	(70,965)	(70,038)	(74,119)
Accumulated deficit	(10,699,779)	(9,799,266)	(8,450,637)
Total stockholders' deficit	(308,688)	(417,904)	(1,707,865)
Total liabilities and stockholders' deficit	$ 1,540,713	$ 79,072	$ 207,125

See accompanying notes to unaudited consolidated financial statements.

ATLANTIC WIND AND SOLAR, INC.
Unaudited Consolidated Statements of Operations

	Year ended December 31, 2012	2011	2010
Revenue	$ 1,886,415	$ -	$ -
Cost of revenue	1,232,593	-	-
Gross margin	653,822	-	-
Operating expenses			
Salaries and wages	795,298	942,327	1,332,970
Research and development	-	-	819,480
Engineering	28,858	-	-
Professional fees	45,303	827	129,706
Travel	77,758	13,256	40,921
Rent	1,171	42,806	45,143
Advertising and public relations	4,619	6,655	226,930
General and administrative	46,345	173,102	157,160
Total operating expenses	999,352	1,178,973	2,752,310
Other income (expense)			
Interest income	1,415	7,585	7,280
Foreign currency transaction gain (loss)	(1,859)	(335)	27,045
Interest expense	(1,053)	(136)	(68)
Total other income (expense)	(1,497)	7,114	34,257
Net loss available to common stockholders	$ (347,027)	$ (1,171,859)	$ (2,718,053)
Other comprehensive income (loss)			
Foreign currency translation adjustment	(927)	4,081	(29,945)
Total comprehensive loss	$ (347,954)	$ (1,167,778)	$ (2,747,998)
Basic and diluted loss per common share	$ (0.01)	$ (0.03)	$ (0.07)
Basic and diluted weighted average shares outstanding	44,634,278	44,486,679	41,308,018

See accompanying notes to unaudited consolidated financial statements.

ATLANTIC WIND AND SOLAR, INC.
Statement of Changes in Stockholders' Equity (Deficit)

	Preferred Stock		Common Stock							
	Shares	Amount	Shares	Amount	Additional Paid-in Capital	Subscription Receivable	Common Stock Subscribed	Other Comprehensive Loss	Accumulated Deficit	Total
Balance, December 31, 2009	1,050,000	$ 1,050,000	29,995,249	$ 29,995	$ 7,080,105	$ (2,000,000)	$ -	$ (44,174)	$ (5,576,163)	$ 539,763
Common stock rescinded	-	-	(565,000)	(565)	(149,435)	-	-	-	-	(150,000)
Common stock issued for dividend	-	-	17,641,670	17,642	-	-	-	-	(17,642)	-
Common stock issued for cash	-	-	250,000	250	249,750	-	-	-	-	250,000
Common stock issued for services	-	-	117,500	117	117,382	-	-	-	-	117,499
Cancellation of subscription receivable	-	-	(3,000,000)	(3,000)	(1,997,000)	2,000,000	-	-	-	-
Common stock subscribed	-	-	-	-	-	-	50,000	-	-	50,000
Preferred shares issued for cash	262,871	262,871	-	-	-	-	-	-	-	262,871
Preferred stock issued for dividend	108,779	108,779	-	-	-	-	-	-	(108,779)	-
Cash paid for preferred stock dividend	-	-	-	-	-	-	-	-	(30,000)	(30,000)
Foreign currency translation adjustment	-	-	-	-	-	-	-	(29,945)	-	(29,945)
Net loss, year ended December 31, 2010	-	-	-	-	-	-	-	-	(2,718,053)	(2,718,053)
Balance, December 31, 2010	1,421,650	1,421,650	44,439,419	44,439	5,300,802	-	50,000	(74,119)	(8,450,637)	(1,707,865)
Preferred stock issued for cash	76,600	76,600	-	-	-	-	-	-	-	76,600
Preferred stock issued for dividend	176,769	176,769	-	-	-	-	-	-	(176,769)	-
Preferred stock issued for conversion of related party payable	2,187,598	2,187,598	-	-	-	-	-	-	-	2,187,598
Preferred dividend declared	-	-	-	-	-	-	-	-	(1)	(1)
Issue common stock subscribed	-	-	50,000	50	49,950		(50,000)			-
Stock options issued	-	-	-	-	193,542	-	-	-	-	193,542
Foreign currency translation adjustment	-	-	-	-	-	-	-	4,081	-	4,081
Net loss, year ended December 31, 2011	-	-	-	-	-	-	-	-	(1,171,859)	(1,171,859)
Balance, December 31, 2011	3,862,617	3,862,617	44,489,419	44,489	5,544,294	-	-	(70,038)	(9,799,266)	(417,904)
Common stock issued for wages payable	-	-	218,182	219	47,782	-	-	-	-	48,001
Preferred stock issued for cash	15,800	15,800	-	-	-	-	-	-	-	15,800
Preferred stock issued for dividend	553,484	553,484	-	-	-	-	-	-	(553,484)	-
Preferred stock issued for conversion of related party payable	350,073	350,073	-	-	-	-	-	-	-	350,073
Preferred dividend declared	-	-	-	-	-	-	-	-	(2)	(2)
Stock options issued	-	-	-	-	43,298	-	-	-	-	43,298
Foreign currency translation adjustment	-	-	-	-	-	-	-	(927)	-	(927)
Net loss, year ended December 31, 2012	-	-	-	-	-	-	-	-	(347,027)	(347,027)
Balance, December 31, 2012	4,781,974	$ 4,781,974	44,707,601	$ 44,708	$ 5,635,374	$ -	$ -	$ (70,965)	$ (10,699,779)	$ (308,688)

See accompanying notes to unaudited consolidated financial statements.

ATLANTIC WIND AND SOLAR, INC.
Consolidated Statements of Cash Flows

	Year ended December 31, 2012	2011	2010
Cash flows from operating activities			
Net loss	$ (347,027)	$ (1,171,859)	$ (2,718,053)
Adjustments to reconcile net loss to net cash used in operating activities:			
Stock based compensation	91,299	193,542	117,499
Depreciation	-	1,224	1,706
Allowance for notes receivable	-	142,313	
Changes in operating assets and liabilities:			
Accounts receivable	(1,136,952)	-	-
Prepaid expenses	-	1,347	178,588
Other current assets	(79,589)	(50,863)	(16,942)
Security deposit	15,170	-	-
Accounts payable and accrued liabilities	1,243,250	(36,610)	44,209
Taxes payable	44,334	28,998	38,513
Wages payable	(16,000)	32,000	(600,419)
Net cash used in operating activities	(185,515)	(859,908)	(2,954,899)
Cash flows from investing activities			
Notes receivable	(174,651)	-	-
Net cash used in investing activities	(174,651)	-	-
Cash flows from financing activities			
Proceeds from notes payable	88,997	-	120,000
Proceeds from (repayments of) related party payables	350,071	746,121	1,365,309
Proceeds from common stock	-	-	250,000
Proceeds from common stock subscriptions	-	-	50,000
Proceeds from preferred stock	15,800	76,600	262,871
Payment of preferred dividends	-	-	(30,000)
Net cash provided by financing activities	454,868	822,721	2,018,180
Effect of exchange rate on cash	(90)	3,427	(42,833)
Net change in cash	94,612	(33,760)	(979,552)
Cash at beginning of period	143	33,903	1,013,455
Cash at end of period	$ 94,755	$ 143	$ 33,903
Supplemental cash flow information			
Cash paid for interest	$ -	$ -	$ -
Cash paid for income taxes	$ -	$ -	$ -
Supplemental disclosure of non-cash financing activities			
Common stock cancelled for subscription receivable	$ -	$ -	$ (2,000,000)
Common stock issued for dividend	$ -	$ -	$ 17,642
Common stock rescinded from prepaid expenses	$ -	$ -	$ (150,000)
Preferred stock issued for dividend	$ 553,484	$ 176,769	$ 108,779
Conversion of related party payable to preferred shares	$ 350,073	$ 2,187,598	$ -

See accompanying notes to unaudited consolidated financial statements.

Note 1 - Nature of Business

Atlantic Wind and Solar, Inc. (the "Company" or "Atlantic"), located in Toronto, Ontario, was originally organized on January 13, 1977 under the laws of the state of West Virginia as Aetna Operating Company Inc. The Company changed its name to Dragon Environmental (UK) Ld. on November 4, 1997, then to Aquatek Ltd. On October 26, 1998, then to Environmental Technologies International, Inc. on February 8, 2002 and Atlantic Wind and Solar, Inc. on October 19, 2008.

Atlantic Wind and Solar, Inc. is a renewable energy asset developer, with emphasis on photovoltaic solar and wind energy. The Company pursues, develops, finances, owns and operates solar energy projects from various stages of development life cycles through commercial operation. Atlantic has approximately 60 megawatts ("MW") DC of approved solar projects of which approximately 25 MW's have power purchase agreement contracts already executed. The company's greenfield pipeline includes more than 350 MW of utility scale solar projects at various stages of development in Canada, Europe, South and Central America

Note 2 - Significant Accounting Policies

Principals of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and its subsidiaries. All intercompany transactions and balances have been eliminated.

Basis of Presentation

The financial statements present the balance sheet, statements of operations, stockholders' equity and cash flows of the Company. These financial statements are presented in United States dollars and have been prepared in accordance with accounting principles generally accepted in the United States. The Company has elected a December 31 year end.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash

Cash and cash equivalents include short-term, highly liquid investments with maturities of less than three months when acquired.

Note 2 - Significant Accounting Policies (continued)

Income taxes

The Company accounts for income taxes under ASC 740 *"Income Taxes"* which codified SFAS 109, *"Accounting for Income Taxes"* and FIN 48 *"Accounting for Uncertainty in Income Taxes – an Interpretation of FASB Statement No. 109."* Under the asset and liability method of ASC 740, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Under ASC 740, the effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period the enactment occurs. A valuation allowance is provided for certain deferred tax assets if it is more likely than not that the Company will not realize tax assets through future operations.

Foreign Currency Translation

The Company's functional currency is the Canadian dollar (CAD), while the Company's reporting currency is the U.S. dollar (USD). All transactions initiated in Canadian dollars are translated into U.S. dollars in accordance with ASC 830, *"Foreign Currency Translation"* as follows:

i) Monetary assets and liabilities at the rate of exchange in effect at the balance sheet date.
ii) Equity at historical rates.
iii) Revenue and expense items at the average rate of exchange prevailing during the period.

Adjustments arising from such translations are deferred until realization and are included as a separate component of stockholders' equity as a component of comprehensive income or loss. Therefore, translation adjustments are not included in determining net income (loss) but reported as other comprehensive income.
For foreign currency transactions, the Company translates these amounts to the Company's functional currency at the exchange rate effective on the invoice date. If the exchange rate changes between the time of purchase and the time actual payment is made, a foreign exchange transaction gain or loss results which is included in determining net income for the period. The exchange rates used are as follows:

	12/31/2012	**12/21/2011**	**12/31/2010**
Period end: CAD to USD	1.0034	0.9806	1.0001
Average for period: CAD to USD	1.0000	1.0113	0.9705

Fair Value of Financial Instruments

The Company's financial instruments as defined by FASB ASC 825-10-50 include cash, trade accounts receivable, and accounts payable and accrued expenses. All instruments are accounted for on a historical cost basis, which, due to the short maturity of these financial instruments, approximates fair value at July 31, 2012.

FASB ASC 820 defines fair value, establishes a framework for measuring fair value in accordance with generally accepted accounting principles, and expands disclosures about fair value measurements. ASC 820 establishes a three-tier fair value hierarchy which prioritizes the inputs used in measuring fair value as follows:

Note 2 - Significant Accounting Policies (continued)

Fair Value of Financial Instruments (continued)

Level 1. Observable inputs such as quoted prices in active markets;

Level 2. Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and

Level 3. Unobservable inputs in which there is little or no market data, which requires the reporting entity to develop its own assumptions.

The Company does not have any assets or liabilities measured at fair value on a recurring basis at December 31, 2012, 2011 or 2010. The Company did not have any fair value adjustments for assets and liabilities measured at fair value on a nonrecurring basis during the period ended December 31, 2012, 2011 or 2010.

Property and Equipment

Property and equipment are carried at cost net of accumulated depreciation. Expenditures for maintenance and repairs are charged against operations. Renewals and betterments that materially extend the life of the assets are capitalized. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in income for the period.

Depreciation is computed for financial statement purposes on a straight-line basis over estimated useful lives of the related assets. The estimated useful lives of depreciable assets are:

	Estimated Useful Lives
Furniture and Fixtures	5 - 10 years
Computer Equipment	3 - 5 years
Vehicles	5 - 10 years

For federal income tax purposes, depreciation is computed under the modified accelerated cost recovery system. For audit purposes, depreciation is computed under the straight-line method. Property and equipment consisted of the following as of December 31, 2012, 2011 and 2010:

	December 31, 2012	December 31, 2011	December 31, 2010
Computers	$ 3,423	$ 3,346	$ 3,412
Accumulated depreciation	(3,423)	(3,346)	(2,201)
Net book value	$ -	$ -	$ 1,211

Note 2 - Significant Accounting Policies (continued)

Earnings Per Share Information

FASB ASC 260, "*Earnings Per Share"* provides for calculation of "basic" and "diluted" earnings per share. Basic earnings per share includes no dilution and is computed by dividing net income (loss) available to common shareholders by the weighted average common shares outstanding for the period. Diluted earnings per share reflect the potential dilution of securities that could share in the earnings of an entity similar to fully diluted earnings per share. Basic and diluted loss per share were the same, at the reporting dates, as there were no common stock equivalents outstanding.

Share Based Expenses

ASC 718 *"Compensation - Stock Compensation"* codified SFAS No. 123 prescribes accounting and reporting standards for all stock-based payments award to employees, including employee stock options, restricted stock, employee stock purchase plans and stock appreciation rights. , may be classified as either equity or liabilities. The Company should determine if a present obligation to settle the share-based payment transaction in cash or other assets exists. A present obligation to settle in cash or other assets exists if: (*a*) the option to settle by issuing equity instruments lacks commercial substance or (*b*) the present obligation is implied because of an entity's past practices or stated policies. If a present obligation exists, the transaction should be recognized as a liability; otherwise, the transaction should be recognized as equity

The Company accounts for stock-based compensation issued to non-employees and consultants in accordance with the provisions of ASC 505-50 *"Equity - Based Payments to Non-Employees"* which codified SFAS 123 and the Emerging Issues Task Force consensus in Issue No. 96-18 ("EITF 96-18"), *"Accounting for Equity Instruments that are Issued to Other Than Employees for Acquiring or in Conjunction with Selling, Goods or Services".* Measurement of share-based payment transactions with non-employees shall be based on the fair value of whichever is more reliably measurable: (*a*) the goods or services received; or (*b*) the equity instruments issued. The fair value of the share-based payment transaction should be determined at the earlier of performance commitment date or performance completion date.

Revenue Recognition

The Company's financial statements are prepared under the accrual method of accounting. Revenues will be recognized in the period the services are performed and costs are recorded in the period incurred. Revenue is recognized when (1) the evidence of the agreement exists, (2) services have been rendered, (3) the price is fixed or determinable, and (4) collectability is reasonably assured. We have generated $1,886,415 in revenues since inception.

Advertising Costs

Advertising and promotion costs are expensed as incurred. The Company incurred $4,619; $6,655 and $226,930 of such costs during the years ended December 31, 2012, 2011 and 2010.

Note 2 - Significant Accounting Policies (continued)

Research and Development

Research and development costs are expensed as incurred. The Company incurred $0; $0 and $819,480 of such costs during the years ended December 31, 2012, 2011 and 2010.

Going concern

The Company's financial statements are prepared in accordance with generally accepted accounting principles applicable to a going concern. This contemplates the realization of assets and the liquidation of liabilities in the normal course of business. Currently, the Company does not have significant operations or a source of revenue sufficient to cover its operation costs and allow it to continue as a going concern. Additionally, the Company has incurred a net loss of $9,813,102 since inception. The Company will be dependent upon the raising of additional capital through placement of common stock in order to implement its business plan, or merge with an operating company. There can be no assurance that the Company will be successful in either situation in order to continue as a going concern. The officers and directors have committed to advancing certain operating costs of the Company.

Recent Accounting Pronouncements

The company has evaluated all the recent accounting pronouncements and determined there are none having a material effect on the Company's financial statements.

Note 3 - Stockholders' Equity

Common stock

The Company is authorized to issue up to 500,000,000 shares of $.001 par value common stock and 20,000,000 shares of $1.00 par value preferred stock.

There were 44,707,601; 44,489,419 and 44,439,419 common shares and 4,781,974; 3,862,617 and 1,421,650 preferred shares issued and outstanding at December 31, 2012, 2011 and 2010.

Net loss per common share

Net loss per share is calculated in accordance with FASB ASC Topic 260 (formally SFAS No. 128, "*Earnings Per Share.*"). The weighted-average number of common shares outstanding during each period is used to compute basic loss per share. Diluted loss per share is computed using the weighted average number of shares and dilutive potential common shares outstanding. Basic net loss per common share is based on the weighted average number of shares of common stock outstanding during the years ended December 31 2012, 2011 and 2010.