



Sea Breeze Power Corp.

NEWS RELEASE

JUNE 4, 2012

TSX VENTURE: SBX

CAPE SCOTT WIND FARM

\$ 7,000,000 Payment Received - Start of Construction

Sea Breeze Power Corp. is pleased to announce the receipt by Sea Breeze Energy Inc. ("Sea Breeze" - a wholly owned subsidiary of the Company) of a payment in the amount of CAD \$7 million under the terms of an agreement executed with International Power Canada, Inc. ("IPC") related to the purchase by IPC of "Phase 1" of the 99 MW Cape Scott Wind Farm ("the Project" - formerly named the 'Knob Hill Wind Farm').

The \$7 million payment was triggered by commencement of construction of the Project.

In addition to payments related to the original asset purchase transaction and to subsequent milestone achievements of the Project, Sea Breeze expects to receive an ongoing royalty based on a percentage of gross revenue earned by the Project through a 20-year Electricity Purchase Agreement with British Columbia Hydro and Power Authority ("BC Hydro"). Sea Breeze also holds an option to acquire a 10% equity interest in the Project.

The Cape Scott Wind Farm is situated 35 km west of Port Hardy on northern Vancouver Island, within the traditional territories of the Quatsino, Tlatlasikwala, and Kwakiutl First Nations.

Phase 1 of the Project is projected to generate sufficient renewable power to provide for the annual electricity needs of approximately 100,000 British Columbians. Commercial operation of the Cape Scott Wind Farm is scheduled to begin in 2013.

"Sea Breeze is very proud to have initiated British Columbia's first coastal wind farm." said Paul B. Manson, president of Sea Breeze. "We are extremely pleased that IPC, an affiliate of GDF SUEZ the world's largest producer of electricity, has decided to invest in this region, and in this project. The local addition of 99 megawatts of clean and renewable energy is a substantial step towards creating a high level of energy security for the residents of Vancouver Island".

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On November 8, 2011, the British Columbia Environmental Assessment Office completed the requested amendment to the Environmental Assessment Certificate for the Project, splitting the original certificate into two (Phase I for 99 MW by Cape Scott Wind, Phase II for future Sea Breeze projects) and accepting the updated Project design to include the addition of the 40 kilometer 138 KV Georgie Lake Transmission Line, interconnecting the Project with BC Hydro's substation in Port Hardy. On March 15, 2012 Fisheries and Oceans Canada delivered its positive decision on the screening of the Project under the *Canadian Environmental Assessment Act*.

About Sea Breeze Power Corp.

Sea Breeze Power Corp., based in Vancouver, Canada, is a diversified renewable energy company focused on unlocking British Columbia's enormous 'stranded' renewable energy potential, through the development of utility-scale wind farms, 'run-of-river' hydroelectric projects, and under a joint venture, the development of several state-of-the-art electricity transmission projects.

Upon completion of construction, the Cape Scott Wind Farm will be the first operating power generation facility initiated by Sea Breeze, whose development team is presently investigating an additional 140,000 hectares of land throughout British Columbia for wind power potential.

ON BEHALF OF THE BOARD OF DIRECTORS

"Paul B. Manson"

PAUL B. MANSON, President & CEO

Email: info@SeaBreezePower.com

Phone: (604) 689-2991

Fax: (604) 689-2990

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