



ACRO ENERGY TECHNOLOGIES CORP.
ANNUAL INFORMATION FORM

For the Year Ended December 31, 2009

April 30, 2010

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PRELIMINARY NOTES

All information contained herein is as at April 30, 2010, unless otherwise noted.

This AIF should be read in conjunction with the Company's consolidated financial statements and management's discussion and analysis. The financial statements and management's discussion and analysis are available under the Company's profile on the SEDAR website at www.sedar.com. All financial statements are prepared in accordance with Canadian generally accepted accounting principles.

In this Annual Information Form, unless otherwise indicated, all dollar amounts are expressed in U.S. dollars and the statistical and financial data are presented as of December 31, 2009. Canadian dollars are referred to as "CDN\$".

As used in this Annual Information Form, unless the context indicates or requires otherwise, the terms "Issuer", "The Company", "The Corporation", "Acro Energy", "We" "Us" and "Our" refer to Acro Energy Technologies Corp. and our wholly owned subsidiaries, Energy Efficiency Solar, Inc., Acro Energy Technologies, Inc. and Acro Energy Technologies, LLC.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Annual Information Form includes or is based upon estimates, projections or other "forward-looking statements". Such forward-looking statements include any projections or estimates made by us and our management in connection with our business operations. Such forward-looking statements are based on the beliefs of our company. When used in this Annual Information Form, the words "anticipate", "believe", "estimate", "expect", "intend" and similar expressions, as they relate to us, are intended to identify forward-looking statements. While these forward-looking statements and any assumptions upon which they are based are made in good faith and reflect our current information and judgment regarding the direction of our business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions or other future performance suggested herein.

Such estimates, projections or other "forward-looking statements" involve various risks and uncertainties as outlined in this AIF under "Risk Factors". We caution the reader that important factors in some cases have affected and in the future could materially affect actual results and cause actual results to differ materially from the results expressed in any such estimates, projections or other "forward-looking statements". Factors which could cause actual results or events to differ materially from current expectations include, among other things: the ability of the Company to successfully implement its strategic plan and whether such strategic plan will yield the expected benefits; the ability of the Company to develop, promote and protect the businesses in which the Company participates; general economic conditions and normal business uncertainty; the Company's ability to complete its expansion plans; performance of the Company's management team and the Company's ability to attract and retain skilled employees; operating the Company's business profitably; fluctuations in revenue; changes in laws, rules and regulations applicable to the Company or the markets in which the Company operates; the ability to develop and maintain strategic relationships; and the factors identified under the heading "Risk Factors".

The forward looking statements included in this AIF are made as of the date of this AIF and, except as required by law, the Company undertakes no obligation to publicly update such forward looking statements to reflect new information, subsequent events or otherwise.

The forward looking statements contained herein are expressly qualified in their entirety by this cautionary statement.

CORPORATE STRUCTURE

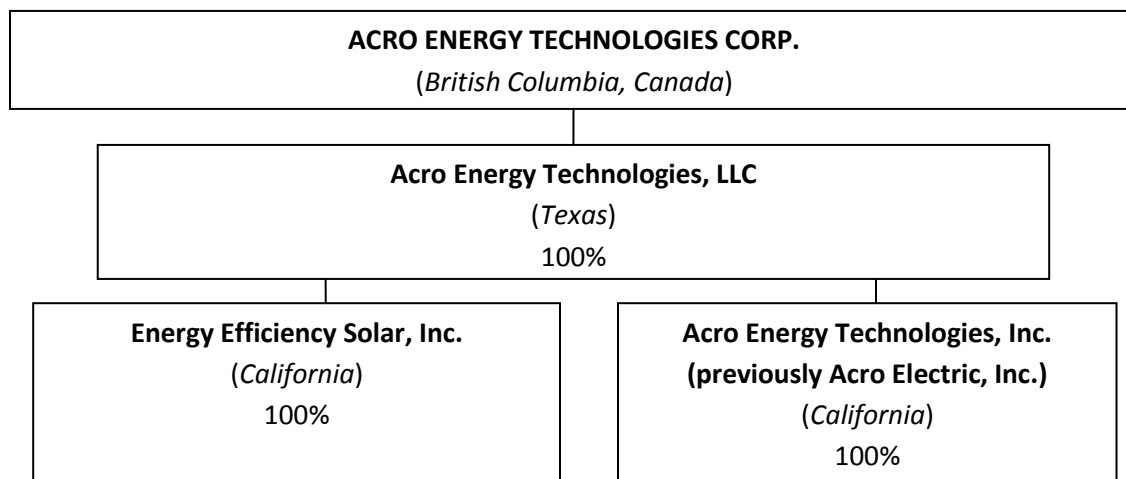
Name, Address and Incorporation

Acro Energy Technologies Corp. (the “Company”) was incorporated as Lonestar Capital Corp. on October 25, 2007 by Certificate of Incorporation issued pursuant to the provisions of the *Business Corporations Act* (British Columbia) (the “BCA”). On May 11, 2009, at the Company’s Annual and Special Meeting, the shareholders approved a resolution authorizing the change of name of the Company from Lonestar Capital Corp. to “Acro Energy Technologies Corp.” Our registered and records office is located at Suite 1210, 777 Hornby Street, Vancouver, B.C., V6Z 1S4 and our head office is located at 10700 Richmond, Suite 275, Houston, Texas 77042.

Intercorporate Relationships

The Company is the sole member of Acro Energy Technologies, LLC (“Acro Energy -Texas”), a limited liability company formed under the laws of the State of Texas on June 24, 2008. Acro Energy - Texas is the sole shareholder of Acro Energy Technologies, Inc. (“Acro Energy-California”), a California corporation, formerly named Acro Electric, Inc. On March 9, 2009, Acro Electric, Inc. changed its corporate name to Acro Energy Technologies, Inc. Acro Energy - Texas is the sole shareholder of Energy Efficiency Solar, Inc. (“EE Solar”), a California corporation.

The following chart illustrates the Company’s corporate structure as at December 31, 2009.



GENERAL DEVELOPMENT OF THE BUSINESS

Three-Year History

The following describes the development of our business over the last three completed fiscal years.

2007 Developments

The Company was incorporated on October 25, 2007 by Certificate of Incorporation issued pursuant to the provisions of the *Business Corporations Act* (British Columbia) under the name “Lonestar Capital Corp.” Following its incorporation, the Company was capitalized with CDN\$1,310,000 in October 2007 by issuing 2,000,000 Shares at a price of CDN\$0.05 per Share and 12,100,000 Shares at a price of CDN\$0.10 per Share.

2008 Developments

The Company completed its Initial Public Offering on March 20, 2008 by way of a final prospectus dated February 28, 2008. The Company sold 2,000,000 Shares at a price of CDN\$0.10 per share pursuant to such prospectus, raising gross proceeds of CDN\$200,000. The Company’s Shares were listed on the TSX Venture Exchange (“TSXV”) and began trading on March 24, 2008. From the Company’s incorporation to the date it completed its acquisition of Acro Energy Technologies, Inc. (“Acro Energy-California”), a California corporation, formerly named Acro Electric, Inc. (the “Qualifying Transaction”), the principal business of the Company was to identify and evaluate assets or a business and once identified or evaluated, to negotiate an acquisition or participation in such business.

On July 8, 2008, July 16, 2008 and November 21, 2008, the Company issued press releases announcing the proposed Qualifying Transaction with Acro Energy-California. On June 30, 2008, the TSXV halted trading in the Company’s Shares pending news of the acquisition.

2009 Developments

On February 23, 2009, the Company completed a private placement offering which resulted in the issuance of a total of 652,433 Units in the capital of the Company at a price of CDN \$0.68 per Unit, raising gross proceeds of CDN \$443,655. Each Unit was composed of one Share and one Warrant. Each Warrant entitled the holder to purchase one Warrant Share of the Company at a price of CDN\$0.90 per share between February 24, 2009 and August 23, 2009 and CDN\$1.30 per Share between August 24, 2009 and February 23, 2010. An officer and director of the Company, purchased a total of 205,050 Units as part of this Private Placement. None of these warrants were exercised before expiration.

Concurrent with the Private Placement, the Company, through its direct wholly owned subsidiary Acro Energy Technologies, LLC, also completed its Qualifying Transaction pursuant to Policy 2.4 of the TSXV Corporate Finance Manual with the acquisition from the Steven J. Vella Family 2008 Trust of all of the issued and outstanding common shares of Acro Energy-California, a California corporation headquartered in Oakdale, CA for an aggregate purchase price of \$5,658,261. The Purchase Price for the acquisition of Acro Electric, Inc. was satisfied as follows:

- (a) \$1,304,662 consisting of \$900,000 in cash and forgiveness by the Company of \$404,662 in pre-acquisition obligations owed by the seller to Acro Electric, Inc.;
- (b) \$1,414,565 in the form of Shares based on a Discounted Market Price of CDN \$0.68 per Share (the “Share Consideration”); and
- (c) \$2,939,034 in the form of a convertible demand promissory note dated as of the Closing Date issued from Acro Energy Technologies, LLC to the seller.

As the Share Consideration, the Company issued 2,600,303 common shares from its treasury. The TSXV issued a Final Exchange Bulletin on February 24, 2009 and thus, as of that date, the Company completed

its Qualifying Transaction and was no longer a Capital Pool Company. The Company filed a business acquisition report on Form 51-102F4 with respect to this acquisition.

Acro Energy-California is a full service electrical contractor specializing in the installation of solar electric, photovoltaic, systems for residential and commercial use. Residential installations account for approximately 95% of Acro Energy-California's revenues, with commercial installations accounting for the remainder. Located in Oakdale California, in the Central Valley region, Acro Energy-California installs solar power systems state wide with an emphasis in the Central Valley.

On April 29, 2009, the Company completed a private placement offering which resulted in the issuance of 2,217,803 units (each, a "Unit") at a price of CDN\$0.225 per Unit, raising gross proceeds of CDN\$499,005. Each Unit is comprised of one common share in the capital of the Company and one share purchase warrant. Each share purchase warrant will entitle to the holder to acquire one additional common share in the capital of the Company at an exercise price of CDN\$0.45 until April 29, 2010. A Director of the Company, purchased a total of 56,080 Units as part of this Private Placement. None of these warrants were exercised before expiration.

On May 5, 2009, the Company, through its wholly owned subsidiary, Acro Energy-California, completed the acquisition under an Asset Purchase Agreement (the "Purchase Agreement") with Solar Self Help, Inc. d/b/a Light Energy Systems, a California corporation headquartered in Concord, California ("Light Energy") and Duane and Karen Peterson Campbell, the sole shareholders of Light Energy. Under the Purchase Agreement, the Company acquired substantially all of the assets and assumed a number of existing contracts for the installation of photovoltaic solar energy, solar water heating, and solar pool heating systems. The purchase price paid consisted of \$192,250 cash and 507,833 common shares issued from the treasury of the Company at a deemed price of CDN\$0.33 per share. The Company also agreed to assume a maximum of \$100,000 in existing liabilities of Solar Self Help, Inc.

On May 8, 2009, the Company completed a private placement offering which resulted in the issuance of 1,210,063 units (each, a "Unit") at a price of CDN\$0.255 per Unit, raising gross proceeds of CDN\$308,566. Each Unit is comprised of one common share in the capital of the Company and one share purchase warrant. Each share purchase warrant will entitle to the holder to acquire one additional common share in the capital of the Company at an exercise price of CDN\$0.45 until May 8, 2010 and an exercise price of CDN\$0.55 until May 8, 2011. Officers and Directors of the Company purchased a total of 128,655 Units as part of this Private Placement.

On May 11, 2009, the Company held its Annual and Special Meeting of shareholders. At the meeting, among other matters, the shareholders approved a resolution authorizing the change of name of the Company from Lonestar Capital Corp. to "Acro Energy Technologies Corp." On May 27, 2009, the TSXV approved the change of name of the Company to "Acro Energy Technologies Corp." Effective Friday, May 29, 2009, the common shares of the Company began trading on the TSXV under the new symbol "ART".

On October 20, 2009, the Company announced that it had entered a new strategic alliance with SunRun, Inc. ("SunRun"), under which the Company will offer solar electricity service agreements to residential customers and the Company would sell solar electricity facilities to SunRun as a preferred solar systems integrator.

On November 3, 2009, the Company completed a private placement offering which resulted in the issuance of 2,361,038 units (each, a "Unit") at a price of CDN\$0.185 per Unit, raising gross proceeds of CDN\$436,792. Each Unit is comprised of one common share in the capital of the Company and one share purchase warrant. Each share purchase warrant will entitle to the holder to acquire one additional common share in the capital of the Company at an exercise price of CDN\$0.35 until November 3, 2011.

On November 5, 2009 the Company closed the October 28, 2009 Stock Purchase Agreement (the “EES Agreement”) with Energy Efficiency Solar, Inc., a California corporation headquartered in Pomona, Calif. (“EE Solar”) and William Korthof, the sole shareholder of EE Solar. Under the EES Agreement, the Company acquired all of the issued and outstanding shares of EE Solar for consideration consisting of \$250,000 cash, a promissory note in the amount of \$740,700, and 2,216,250 common shares issued from the treasury of the Company at a deemed value of CDN\$0.24 per share.

On November 16, 2009, the Company announced that it had changed its financial fiscal year end from November 30 to December 31 commencing December 31, 2009.

On December 9, 2009, the Company completed a private placement offering which resulted in the issuance of 1,180,123 units (each, a “Unit”) at a price of CDN\$0.185 per Unit, raising gross proceeds of CDN\$218,322.90. Each Unit is comprised of one common share in the capital of the Company and one share purchase warrant. Each share purchase warrant will entitle to the holder to acquire one additional common share in the capital of the Company at an exercise price of CDN\$0.35 until December 9, 2011. Officers and Directors of the Company purchased a total of 1,140,216 Units as part of this Private Placement.

Events Subsequent to Year-End 2009

On January 15, 2010, the Company completed a private placement offering which resulted in the issuance of 1,550,250 units (each, a “Unit”) at a price of CDN\$0.20 per Unit, raising gross proceeds of CDN\$310,050. Each Unit is comprised of one common share in the capital of the Company and one share purchase warrant. Each share purchase warrant will entitle to the holder to acquire one additional common share in the capital of the Company at an exercise price of CDN\$0.35 until January 15, 2012. An Officer and Director of the Company, purchased a total of 1,291,875 Units at part of this Private Placement.

On March 19, 2010, the Company completed a private placement offering which resulted in the issuance of 1,086,044 units (each, a “Unit”) at a price of CDN\$0.29 per Unit, raising gross proceeds of CDN\$314,953.00. Each Unit is comprised of one common share in the capital of the Company and one half share purchase warrant. Each whole share purchase warrant will entitle to the holder to acquire one additional common share in the capital of the Company at an exercise price of CDN\$0.55 until September 17, 2010.

On March 29, 2010, the Company announced the planned expansion of our business to the state of Arizona.

DESCRIPTION OF THE BUSINESS

Introduction

The Company is a leading residential and small commercial solar energy integrator. The Company offers turnkey services to our solar energy system customers, including design, procurement, permitting, build-out, grid connection, financing referrals and warranty and customer satisfaction activities. The Company provides practical solutions to individuals, businesses, non-profit organizations, and governmental entities that can benefit from the value of solar power. The Company’s energy systems use high-quality solar PV modules from manufacturers such as SunPower, Suntech, and Sharp. The Company uses proven technologies and techniques to help customers achieve meaningful savings by reducing their utility costs. Additionally, the Company helps customers lower their emissions output and reliance upon fossil fuel energy sources. The Company has served customers throughout the state of California.

As of April 30, 2010, the Company had 71 full-time employees, including installation personnel. As of April 30, 2010, the Company also had 24 Independent Contractors working with the Company.

History and Development of the Company

The Company was incorporated as Lonestar Capital Corp. on October 25, 2007 by Certificate of Incorporation issued pursuant to the provisions of the *Business Corporations Act* (British Columbia) and until completion of its Qualifying Transaction was classified as a Capital Pool Company as defined in TSXV Policy 2.4. The Company completed its Initial Public Offering on March 20, 2008. The Company's Shares began trading on the TSXV on March 24, 2008.

On February 23, 2009, the Company closed the acquisition of Acro Electric, Inc., a California corporation headquartered in Oakdale, California, as the Company's Qualifying Transaction. Effective March 9, 2009, the corporate name of Acro Electric, Inc. was changed to Acro Energy Technologies, Inc. On May 5, 2009, the Company's wholly owned subsidiary, Acro Energy Technologies, Inc, closed an acquisition under an Asset Purchase Agreement with Solar Self Help, Inc. d/b/a Light Energy Systems, a California corporation headquartered in Concord, California. On November 5, 2009, the Company acquired Energy Efficiency Solar, Inc., a California corporation headquartered in Pomona, California.

On May 11, 2009, the Company held its Annual and Special Meeting of shareholders. At the meeting, among other matters, the shareholders approved a resolution authorizing the change of name of the Company from Lonestar Capital Corp. to "Acro Energy Technologies Corp." On May 27, 2009, the TSXV approved the change of name of the Company to "Acro Energy Technologies Corp." Effective Friday, May 29, 2009, the common shares of the Company began trading on the TSXV under the new symbol "ART".

Business Overview

1. Operations and Principal Activities

The Company is focused on the consolidation and growth of renewable energy companies, primarily in the United States residential solar energy installation market. The Company's California subsidiaries, Acro Energy Technologies, Inc. and Energy Efficiency Solar, Inc., are California contractors specializing in the installation of solar energy systems for residential and commercial use. Residential solar energy system installations account for approximately 95% of the Company's revenues, with commercial installations accounting for the remainder. With installation and sales offices in Oakdale, Concord, and Pomona, California, the Company installs solar energy systems throughout the state of California. Our executive office is located at 10700 Richmond, Suite 275, Houston, Texas 77042. Our telephone number is (713) 715-1000. Additional information about Acro Energy is available on our website at www.acroenergy.com. The information on our web site is not incorporated herein by reference.

The Company offers turnkey services to our solar energy customers, including design, procurement, build-out, grid connection, financing referrals and warranty and customer satisfaction activities. The Company installs residential and small commercial solar energy systems that are generally between 3kW and 150 kW output with the average residential installation being approximately 6 kW output.

The Company designs and builds out solar energy systems to meet each customer's individual needs and circumstances. The Company assesses a customer's annual power requirements and average daily consumption rates in different seasons of the year to size the solar energy system and engineer its wiring. The Company assesses the customer's roof size, configuration, and composition to determine the

optimum location for the solar PV modules. The Company factors in information about the customer's electrical service territory and its rate structures, and the Company identifies the customer's budget and preferred financing method, as well as the customer's aesthetic preferences. The Company also identifies the relevant federal, state and local regulations, including building codes, which are important to the cost, operation and return on investment of the customer's solar energy system, as well as relevant tax rates and various other factors. The Company assesses this data using solar monitoring tools and analytical calculations, which enable the Company to design a solar energy system to a size and configuration that maximizes energy efficiency for each customer's circumstances.

The Company prepares final construction plans to obtain a building permit which is necessary for rebate processing. The Company also provides customers with a return on investment analysis and determines the rebates and performance-based incentives that are available to each customer. As soon as the building permit is approved, the Company's installation professionals begin the installation by placing metal racking on the customer's roof (or by building a ground mount if indicated), followed by installation of the solar PV modules, inverter(s) and the balance of system components and safety equipment. The Company does not custom manufacture solar PV modules or inverters. Rather, the Company purchases these manufactured components for incorporation into our constructed solar energy systems.

After the solar PV modules and inverter(s) are installed on the customer's home or business, the Company obtains a final inspection of the installation by the local building department, prepare and submit all rebate applications to the appropriate rebating jurisdiction and at the same time apply for the local utility company to interconnect the customer's solar energy system to the utility grid. The entire process from signing of the contract through final inspection by the local building department typically takes between 30 to 60 days, with the actual installation work usually requiring two to three days.

2. Principal Markets

The Company has installed solar energy systems throughout the State of California. However, the Company's Principal Markets are the San Francisco Bay Area, Central Valley, and Los Angeles metropolitan areas in the State of California. Although the Company has announced the planned expansion of our business to the state of Arizona, as of the date of this AIF, the Company has not yet started operations in Arizona.

3. Seasonality

The Company has historically experienced seasonality in its business, with the first quarter representing its slowest quarter of the year. Additionally, the fourth quarter can be impacted by unfavorable weather conditions. Historically, installations are highest during the second and third quarters as a result of good weather and robust bookings in the second quarter.

4. Suppliers

The Company does not manufacture solar PV modules, inverters or other components used in our solar energy systems, but purchases those components directly from manufacturers or, in some cases, from third-party distributors. The Company purchases solar PV modules manufactured by Sharp, SunPower, Suntech and others. Silicon is one of the primary materials used in the manufacture of solar PV modules. The worldwide market for silicon from time to time experiences a shortage of supply, primarily because of demand for silicon by the semiconductor industry. Shortages of silicon could adversely affect the availability and cost of the solar PV modules the Company uses in its solar energy systems. The Company purchases inverters manufactured by SMA, Enphase and others. The Company currently purchases the components it uses in its solar energy systems on a purchase order basis from a select group

of manufacturers or suppliers. If the Company is unable to purchase from any of these sources in the future, the Company does not believe it would have difficulty in securing alternative supply sources, because all of the components used in our solar energy systems are readily available from a number of different sources.

5. Sales and Marketing Channels

The Company's sales and marketing program includes presentation booths at trade and consumer shows, postcard mailings to targeted consumer markets, internet search engine optimization, pay-per-click ad words, affiliate marketing programs, community involvement initiatives, customer referral programs, and a mix of print and radio advertisements. In addition, the Company relies heavily on the skill of its sales team. The Company's residential sales representatives are trained to design a system that best meets a customer's needs, taking into account the unique installation and economic requirements for each location. The Company's sales process typically includes, a determination that a potential customer's site has the required exposure for solar power, a site visit and a survey that analyzes current utility rate options, current electric rates, system performance, tax rate scenarios, equipment costs, installation costs, incentives and other factors applicable to a specific customer's circumstances.

The Company regularly evaluates the effectiveness of its sales team and marketing efforts using sales management software and makes tactical marketing and sales changes as indicated to achieve and maintain cost effectiveness.

6. Customers

The Company's residential customers have historically shared a number of characteristics. They tend to be college-educated homeowners, 30 to 65 years in age, high-income earners who are generally motivated both by economic and environmental reasons to install a solar energy system. The Company's residential solar energy systems are generally 10kW or smaller in size, and the Company's commercial solar energy systems are generally no larger than 150 kW in size. Our typical residential customer is connected to the utility grid. The Company's commercial customers have included wineries, schools, apartment buildings, churches and retail facilities.

7. Intellectual Property

The Company's trade name Acro Energy and various other names are subject to trademark or pending trademark applications. The Company believes these trademarks are significant assets to its business. These trademark registrations are each valid for ten years and the Company endeavors to maintain such registrations as valid and current by filing all required renewal forms when due.

8. Competitive Position

The solar energy system design and integration industry is in its early stages of development and is highly fragmented, consisting of many small, privately-held companies with limited resources and operating histories but some of which benefit from operating efficiencies or low overhead requirements. A number of competitors exist in the California market, including companies such as Akeena Solar, Real Goods Solar, REC Solar, groSolar and Solar City. Several of the Company's competitors have expanded their market share in the California market by opening multiple offices or making acquisitions within the state.

The Company believes the principal competitive factors in the residential solar energy system installation industry include:

- customer acquisition costs;
- efficiency in converting leads into customers;
- speed of installation;
- quality of service;
- responsiveness to customer needs;
- company reputation; and
- price.

The Company believes that its competitive advantages as an integrator of residential solar energy systems include:

- extensive experience in the design and installation of solar energy systems in California;
- its focused customer acquisition approach and continuing search for efficiencies in converting leads into customers;
- its drive for operational and installation efficiencies;
- its reputation with past customers and their willingness to refer customers; and
- its experienced management team.

9. Government Regulations and Incentives

Solar integrator services are subject to oversight and regulation by national and local ordinances, including building, zoning and fire codes, environmental regulations, utility interconnection requirements for metering and other rules and regulations. The Company's design and engineering teams design and install solar energy systems to comply with these varying standards as well as to minimize the installation and operating cost of each system. The Company's operations are also subject to generally applicable laws and regulations relating to discharge of materials into the environment and protection of the environment; however, because its operations do not typically involve any such discharge, there are no material effects on the Company's business relating to its compliance with such environmental laws and regulations.

Government Initiatives

A number of initiatives have been enacted by the federal government and various states, municipalities and utilities that encourage or require the installation of grid-tied solar energy systems. In addition to U.S. federal tax incentives, state governments offer substantial incentives to consumers of solar energy systems, including direct rebates, state tax credits, system performance payments, and renewable energy credits. As well, various states have enacted stricter emissions control laws or mandated that utilities comply with renewable portfolio standards (RPSs), which require the generation of a certain amount of power from renewable sources. Approximately 30 states, including California, Arizona, Colorado, Connecticut, Hawaii, Massachusetts, Nevada, New Jersey and New York, have adopted legislation and incentives favorable to solar energy and other states are considering adopting such legislation and

incentives. A listing of currently available state incentives is provided by Database of State Incentives for Renewable Energy (DSIRE).

Financial Incentives

The following are examples of financial incentives that have been implemented by various states making the purchase of solar energy systems more affordable and opening additional solar markets in the United States.

Rebates – Rebates offered to customers or integrators reduce the initial cost of solar energy systems. Several states, including California, require certain utilities to offer rebates that can substantially reduce the cost of installing solar energy systems. These rebates typically reduce the customer’s out-of-pocket cost for purchasing a solar energy system by 15% to 20%.

Tax Credits – Previously there was a 30% federal investment tax credit with a \$2,000 cap for residential solar energy systems and a 30% federal investment tax credit with no cap for commercial solar energy systems. In October of 2008, the credit for residential systems was renewed for eight (8) years and starting January 1, 2009, the \$2,000 cap has been removed leaving a full 30% investment tax credit available for all solar energy systems owned by individuals and corporations.

Other Incentives – Other incentives, such as net metering, time-of-use credits and performance-based subsidies, are provided to consumers based on the amount of electricity their solar energy systems generate. Currently, 38 states have required certain utility providers to accept net metering, and four additional states have partial net metering administered by individual utilities within such states. Net metering allows residential and small-scale commercial solar energy producers to sell excess power generated by their systems to their utility companies, through existing electric meters, at standard retail prices. Time-of-use metering allows customers to sell solar power to their utility for very high rates during peak times when traditional loads are at their highest demand. These customers can then buy back electricity from the utilities during other times at a much lower rate, providing them an additional financial benefit. Performance-based incentives, or PBIs, reward customers based on the output of their solar energy system over time, as opposed to through an initial rebate.

Renewable Energy Credits – In many states, the installation of a solar energy system generates a renewable energy credit (REC), which is marketable in certain states.

Property Tax Exemptions – In certain jurisdictions, such as California, the tax assessor is prohibited from increasing a solar energy system owner’s property tax assessment as a result of the added value of qualified solar energy systems.

Solar Access Rights – In certain jurisdictions, such as California, owners of solar energy systems receive a ‘solar lien’ giving them the right to access the sun.

RISK FACTORS

This Annual Information Form contains statements that plan for or anticipate the future. The Company believes that some of these statements are “forward-looking” statements. Forward-looking statements include statements about the future of the Company’s industry, statements about future business plans and strategies, and most other statements that are not historical in nature. In this Annual Information Form, forward-looking statements use words like “anticipate,” “plan,” “believe,” “expect,” and “estimate.”

However, because forward-looking statements involve future risks and uncertainties, there are factors, including those discussed below, that could cause actual results to differ materially from those expressed or implied. The Company has attempted to identify the major factors that could cause differences between actual and planned or expected results, but we may not have identified all of those factors. You therefore should not place undue reliance on forward-looking statements. Also, the Company has no obligation to publicly update forward-looking statements it makes in this Annual Information Form.

The Company wishes to caution you that there are risks and uncertainties that could cause its actual results to be materially different from those indicated by forward looking statements that the Company makes from time to time in regulatory filings, news releases, reports, proxy statements, registration statements and other written communications as well as oral forward looking statements made from time to time by the Company's representatives. These risks and uncertainties include, but are not limited to, those risks described below that the Company is presently aware of. Additional risks and uncertainties that the Company currently deems immaterial may also impair our business operations, and historical results are not necessarily an indication of the future results. The cautionary statements below discuss important factors that could cause the Company's business, operating results and cash flows to be materially adversely affected.

Risks Relating to Our Company and Industry

Adverse general economic conditions could have a material impact on the Company's business.

Adverse overall economic conditions that impact consumer spending could impact the Company's results of operations. Future economic conditions affecting disposable income such as employment levels, consumer confidence, credit availability, business conditions, and interest and tax rates could reduce consumer spending or cause consumers to shift their spending away from the Company's products and services. If the current economic conditions continue to be adverse or worsen, the Company may experience material adverse impacts on our business, operating results and financial condition.

The Company's business prospects could be harmed if solar energy is not widely adopted or sufficient demand for solar energy systems does not develop or takes longer than the Company anticipates.

The solar energy market is at a relatively early stage of development, and the extent to which solar energy will be widely adopted and the extent to which demand for solar energy systems will increase is uncertain. If solar energy does not achieve widespread adoption or demand for solar energy systems fails to develop sufficiently, the Company may be unable to grow its business at the rate the Company desires. In addition, demand for solar energy systems in the Company's targeted markets may not develop or may develop to a lesser extent or more slowly than the Company anticipates. Many factors may affect the demand for solar energy systems, including the following:

- changes in economic and market conditions that affect the viability of conventional and non-solar renewable energy sources, such as sustained, long-term decreases in the price of natural gas, crude oil, and coal, which in turn decrease the price for electricity currently paid by potential customers in the markets where the Company currently or may in the future operate;
- availability of government subsidies and incentives to support the development of the solar energy industry. Specifically, including but not limited to, the United States Federal Solar Investment Tax Credit and California Solar Initiative;
- performance, reliability and cost-effectiveness of solar energy systems compared with conventional and other non-solar renewable energy sources and products;

- fluctuations in expenditures by potential purchasers of solar energy systems, which tend to decrease in slower economic environments and periods of tighter consumer and business credit;
- changing regulations to inhibit the adoption of solar energy generation and/or limit the value of solar energy generation; and
- success of other renewable energy generation technologies, such as hydroelectric, nuclear, wind, geothermal, solar thermal, concentrated solar and biomass such that government support for distributed solar energy adversely changes and/or consumer and business demand for energy savings from distributed solar subsidies.

A drop in the retail price of conventional energy or non-solar renewable energy may negatively impact the Company's business.

The demand for the Company's solar energy systems depends in part on the price of conventional energy, which affects return on investment resulting from the purchase of solar energy systems. Fluctuations in economic and market conditions that impact the prices of conventional and non-solar renewable energy sources could cause the demand for solar energy systems to decline, which would have a negative impact on our business. Inexpensive prices for natural gas, oil and other fossil fuels and utility rates could also have a negative effect on the Company's business.

Existing regulations and changes to such regulations, may present technical, regulatory and economic barriers to the installation of solar energy systems, which may significantly reduce demand for the Company's solar energy systems.

The installation of solar energy systems is subject to oversight and regulation under local ordinances; building, zoning and fire codes; environmental protection regulations; utility interconnection requirements for metering, and other rules and regulations. The Company attempts to keep up-to-date about these requirements on a national, state and local level and must design and install the Company's solar energy systems to comply with varying standards. Certain cities may have ordinances that prevent or increase the cost of installation of the Company's solar energy systems. In addition, new government regulations or utility policies pertaining to the installation of solar energy systems are unpredictable and may result in significant additional expenses or delays, which could cause a significant reduction in demand for solar energy systems and/or decrease the profitability of selling solar energy systems.

Existing regulations and policies pertaining to electricity pricing and technical interconnection of customer-owned electricity generation and changes to those regulations and policies may deter the purchase and use of solar energy systems and negatively impact development of the solar energy industry.

The market for solar energy systems is significantly influenced by federal, state and local government regulations and policies concerning the electric utility industry, as well as policies adopted by electric utilities. These regulations and policies often relate to electricity pricing and technical interconnection of customer-owned electricity generation. For example, metering caps currently exist in certain jurisdictions, which limit the aggregate amount of power that may be sold by solar power generators into the electric grid. These regulations and policies have been modified in the past and may be modified in the future in ways that could deter purchases of solar energy systems and investment in the research and development of solar energy technology. For example, without a mandated regulatory exception for solar energy systems, utility customers are often charged interconnection or standby fees for putting distributed power generation on the electric grid. Such fees could increase the cost to the Company's customers of using solar energy systems and make them less desirable, thereby harming the Company's business, operating results and financial condition. Changes in net metering policies could also deter the purchase

and use of solar energy systems. In addition, electricity generated by solar energy systems competes primarily with expensive peak hour electricity rates rather than with the less expensive average price of electricity. Modifications to the peak hour pricing policies of utilities, such as to a flat rate, would require solar energy systems to achieve lower prices in order to compete with the price of electricity.

Because the solar energy system installation market is highly competitive and has low barriers to entry, the Company may face the loss of market share or reduced margins.

The solar energy system installation market is highly competitive and fragmented, is subject to rapid change and has low barriers to entry. The Company currently competes with a large number of relatively small installers and integrators, some of which do not have extensive industry experience and may lack adequate systems and capital, but some of which benefit from operating efficiencies or from having lower overhead, which enables them to offer lower prices. As the solar energy industry expands and industry consolidation occurs, the Company is more likely to encounter competition from larger companies, some of which may have significantly greater financial, technical and marketing resources and greater name recognition than the Company has.

The Company believes that its ability to compete depends in part on a number of factors outside of the Company's control, including the following:

- the pricing of the Company's competitors' comparable product offerings,
- the development and ownership by competitors of proprietary tools to customize solar energy systems to the needs of particular customers,
- the responsiveness of the Company's competitors to customer needs, and
- integrator technologies.

Competition in the solar energy system installation industry may increase in the future, partly due to low barriers to entry, as well as from other alternative energy resources now in existence or developed in the future. Increased competition could result in price reductions, reduced margins or loss of market share and greater competition for qualified technical personnel. The Company's business and operating results would be adversely affected if the Company is unable to compete effectively. There can be no assurance that the Company will be able to compete successfully against current and future competitors. If the Company is unable to compete effectively, or if competition results in a deterioration of market conditions, the Company's business and results of operations would be adversely affected.

The reduction, elimination or expiration of government subsidies and economic incentives for solar energy systems could reduce the demand for the Company's products.

Government subsidies are an important factor in the economic determination to purchase a solar energy system. Certain states, including California, localities and utilities offer incentives to offset a portion of the cost of qualified solar energy systems. These incentives can take many forms, including direct rebates, feed-in tariffs, net metering programs, renewable portfolio standards, low interest loans, state tax credits, system performance payments and renewable energy credits, or RECs. The reduction or elimination of such incentives or delays or interruptions in the implementation of favorable federal or state laws could substantially increase the cost of the Company's solar energy systems to its customers, resulting in a significant reduction in demand for the Company's solar energy systems, which would negatively impact its business. The Company's customers base their decision to install a solar energy system in part upon the available subsidies and incentives. There can be no assurance that currently existing subsidies and incentives will be renewed or remain at the current financial levels.

An increase in interest rates or tight credit markets could make it difficult for customers to finance the cost of solar energy systems and could reduce demand for the Company's services and products.

Some of the Company's prospective customers may depend on debt financing, such as home equity loans, to fund the initial capital expenditure required to purchase a solar energy system. Third-party financing sources specifically for solar energy systems are currently limited. The lack of financing sources, limitations on available credit or an increase in interest rates could make it difficult or more costly for the Company's potential customers to secure the financing necessary to purchase a solar energy system on favorable terms, or at all, thus lowering demand for the Company's services and products and negatively impacting its business.

The Company's inability to respond to changing technologies and issues presented by new technologies could harm our business.

The solar energy industry is subject to technological change. If the Company relies on products and technologies that are not attractive to customers, or if the Company is unable to respond appropriately to changing technologies and changes in product function and quality, the Company may not be successful in capturing or retaining a significant market share. In addition, any new technologies utilized in the Company's solar energy systems may not perform as expected or as desired, in which event the Company's adoption of such products or technologies may harm its business.

The Company may require significant additional funds, the amount of which will depend on the Company's working capital and general corporate needs and the size, timing and structure of future acquisitions.

The Company's operations may not generate sufficient cash to enable the Company to operate or expand its business. The Company may need to raise additional funds in order to respond to competitive pressures, acquire complementary businesses or take advantage of unanticipated opportunities. Any borrowings made to finance future acquisitions or for operations could make the Company more vulnerable to a downturn in its operating results, a downturn in economic conditions or increases in interest rates on future borrowings. If the Company's cash flow from operations is insufficient to meet its debt service requirements, the Company could be required to sell additional equity securities, refinance its obligations or dispose of assets in order to meet the Company's debt service requirements. Adequate financing may not be available if and when the Company needs it or may not be available on terms acceptable to the Company. In addition, the Company's operations may not generate sufficient cash for its acquisition plans. The extent to which the Company would be able or willing to use its equity to consummate future acquisitions will depend on the market price of the Company's equity from time to time and the willingness of potential sellers to accept the Company's equity as full or partial payment. Using the Company's equity for this purpose also may result in significant dilution to the Company's shareholders. To the extent that the Company is unable to use its equity to make future acquisitions, the Company's ability to grow through acquisitions may be limited by the extent to which the Company is able to raise capital for this purpose through debt or equity financings. The failure to obtain sufficient financing on favorable terms and conditions could have a material adverse effect on the Company's business, financial condition, operating results and growth prospects.

The loss of or failure to hire additional personnel could materially and adversely affect the Company's business, operating results and the Company's ability to expand.

The Company's success depends in large part on its ability to continue to attract, train, motivate and retain highly skilled and experienced employees, including management and technical personnel. The expansion of the Company's business could place a significant strain on its managerial, financial and personnel resources. Qualified technical employees periodically are in great demand and may be

unavailable in the time frame required to satisfy the Company's customers' requirements. The Company relies heavily on the services of several senior management personnel. Loss of the services of any of such individuals could adversely impact the Company's operations. To reach its goals, the Company must successfully recruit, train, motivate and retain additional employees, including management and technical personnel, integrate new employees into the Company's overall operations and enhance its financial and accounting systems, controls and reporting systems. While the Company believes it has personnel sufficient for the current requirements of the Company's business, expansion of its business could require the Company to employ additional highly skilled management and technical personnel. The Company expects competition for such personnel to increase as the market for solar energy systems expands. There can be no assurance that the Company will be able to attract, train and retain sufficient numbers of highly qualified technical employees in the future. The loss of personnel or the Company's failure to hire additional personnel could adversely affect its business, operating results and the Company's ability to expand.

The Company's success may depend in part on its ability to continue to make successful acquisitions.

As part of the Company's business strategy, the Company plans to expand its operations through strategic acquisitions in its current markets and in new geographic markets. These activities require the Company to identify acquisition or development candidates or investment opportunities that meet its criteria and are compatible with its growth strategy. The Company acquired two businesses and completed an asset acquisition from a third business during 2009. The Company cannot accurately predict the timing, size and success of its acquisition efforts. The Company's acquisition strategy involves significant risks, including the following:

- limitations on its cash available for acquisitions,
- market prices of its common stock, to the extent we elect to use equity as all or part of the consideration for acquisitions,
- the Company's ability to identify suitable acquisition candidates at acceptable prices,
- the Company's ability to complete successfully the acquisitions of candidates that we identify,
- the Company's ability to compete effectively for available acquisition opportunities,
- increases in asking prices by acquisition candidates to levels beyond the Company's financial capability,
- diversion of management's attention to expansion efforts,
- unanticipated costs and contingent liabilities associated with acquisitions,
- failure of an acquired business to achieve expected results,
- the Company's failure to retain key customers or personnel of acquired businesses, and
- difficulty in entering markets in which the Company has no or limited experience.

Failure to identify or complete acquisitions or developments will slow the Company's growth. The Company could also face significant competition for acquisitions and development opportunities. Some of the Company's competitors have greater financial resources than the Company and, accordingly, have a greater ability to borrow funds to acquire businesses. These competitors may also be willing and/or able to accept more risk than the Company can prudently manage, including risks with respect to the

geographic concentration of investments and the payment of higher prices. This competition for investments may reduce the number of suitable investment opportunities available to the Company, may increase acquisition costs and may reduce demand for solar installation services in certain areas where the Company's business is located and, as a result, may adversely affect the Company's operating results.

The Company's failure to integrate the operations of acquired businesses successfully into its operations or to manage its anticipated growth effectively could materially and adversely affect the Company's business and operating results.

In order to pursue a successful acquisition strategy, the Company must integrate the operations of acquired businesses into its operations, including centralizing certain functions to achieve cost savings and pursuing programs and processes that leverage its revenue and growth opportunities. The integration of management, operations, and facilities of acquired businesses with the Company's could involve difficulties, which could adversely affect the Company's growth rate and operating results. The Company may be unable to complete effectively the integration of the management, operations, facilities and accounting and information systems of acquired businesses with the Company's; to manage efficiently the combined operations of the acquired businesses with the Company's operations; to achieve its operating, growth and performance goals for acquired businesses; to achieve revenue as a result of the Company's expanded operations; or to achieve operating efficiencies or otherwise realize cost savings as a result of anticipated synergies. The Company's rate of growth and operating performance may suffer if the Company fails to manage acquired businesses profitably without substantial additional costs or operational problems or to implement effectively combined growth and operating strategies.

The Company currently derives all of the revenue from its solar energy integration services from sales in one state.

The Company currently derives all of the revenue from its solar energy system installation services from projects in California. Although the Company has announced the planned expansion of its business into the state of Arizona, the Company has not yet started operations in Arizona. This geographic concentration exposes the Company to growth rates, economic conditions, and other factors that may be specific to that state to which the Company would be less subject if it were more geographically diversified. The growth of the Company's business will require it to expand the Company's operations in California and to commence operations in other states. Any geographic expansion efforts that the Company may make may not be successful, which would limit its growth opportunities.

Geographic business expansion efforts the Company makes could result in difficulties in successfully managing its business and consequently harm its financial condition.

The Company plans to continue expanding its business in the United States, including into areas where customers are unfamiliar with its brand. The Company will need to build brand awareness in those markets through greater investments in advertising and promotional activity than in existing markets, and those activities may not promote the Company's brand as effectively as intended, if at all. Many of the United States markets into which management intends to expand will have competitive conditions, consumer tastes and discretionary spending patterns that differ from existing markets. Client dissatisfaction or performance problems at a single location could negatively affect the Company's reputation. The inability to integrate and manage a new location could result in dilution, unfavorable accounting charges and difficulties in successfully managing the Company's business.

The Company depends upon a limited number of suppliers for the components used in its solar energy systems.

The Company relies on third-party suppliers for components used in our solar energy systems. The components used in the Company's solar energy systems are primarily purchased from a limited number of manufacturers. Sharp, SunPower and Suntech currently account for over 90% of the Company's purchases of solar PV modules. The Company does not manufacture any of the components used in its solar installations. The failure of the Company's suppliers to supply it with components in a timely manner or on commercially reasonable terms could result in lost orders, delay the Company's project schedules and harm its operating results and business expansion efforts. The Company's orders with certain of its suppliers may represent a very small portion of their total business. As a result, these suppliers may not give priority to the Company's business, leading to potential delays in or cancellation of the Company's orders. If any of the Company's suppliers were to fail to supply the Company's needs on a timely basis or to cease providing the Company key components, the Company would be required to secure alternative sources of supply. The Company may have difficulty securing alternative sources of supply in a timely manner and on commercially reasonable terms. If this were to occur, the Company's business would be harmed.

The Company is subject to market prices for the components that the Company purchases for its installations, which are subject to fluctuation. The Company cannot ensure that the prices charged by its suppliers will not increase because of changes in market conditions or other factors beyond the Company's control. An increase in the price of the components used in the Company's systems could result in an increase in costs to the Company's customers and could have a material adverse effect on the Company's revenues and demand for its systems.

Shortages in the supply of silicon could adversely affect the availability and cost of the solar PV modules used in the Company's solar energy systems.

Shortage of silicon could adversely affect the availability and cost of the solar PV modules the Company uses in its solar energy systems. Manufacturers of solar PV modules depend upon the availability and pricing of silicon, one of the primary materials used in the manufacture of solar PV modules. The worldwide market for silicon from time to time experiences a shortage of supply, primarily because of demand for silicon by the semiconductor industry. Shortages of silicon cause the prices for solar PV modules to increase and supplies to become difficult to obtain. While the Company has been able to obtain sufficient supplies of solar PV modules to satisfy its needs to date, this may not be the case in the future. Future increases in the price of silicon could result in an increase in costs to the Company, price increases to its customers or reduced margins.

The Company's failure to meet customer expectations in the performance of its services, and the risks and liabilities associated with placing the Company's employees and technicians in its customers' homes could give rise to claims against the Company.

The Company's failure or inability to meet customer expectations in the performance of its services could damage the Company's reputation or result in claims against the Company. In addition, the Company is subject to various risks and liabilities associated with its employees and technicians providing installation services in the homes and businesses of the Company's customers, including possible claims of errors and omissions, harassment, theft of customer property, criminal activity and other claims.

Product Liability claims against the Company could result in adverse publicity and potentially significant monetary damages.

As a seller of consumer products, the Company faces an inherent risk of exposure to product liability claims in the event that the use of its solar energy systems results in injuries. Since solar energy systems are electricity producing devices, it is possible that the Company's products could result in injury, whether by product malfunctions, defects, improper installation or other causes. If such injuries or claims of injuries were to occur, the Company could incur monetary damages and its business could be adversely affected by any resulting negative publicity. The successful assertion of product liability claims against the Company also could result in potentially significant monetary damages and, if the Company's insurance protection is inadequate to cover those claims, could require the Company to make significant payments from its own resources.

The Company may be subject to unexpected warranty expenses or service claims that could reduce its operating results.

As a result of the length of the warranty periods the Company provides, it bears the risk of warranty claims long after it has completed the installation of a solar energy system. The Company's current standard warranty for its installation services includes a 10-year warranty period for defects in material and workmanship in California. In addition, most manufacturers of solar PV modules offer a 25-year warranty period for declines in power performance. Although the Company has not had material warranty claims in the past, claims in excess of the Company's historical experience could adversely affect its operating results.

The Company may become involved in litigation which could result in adverse publicity and adversely affect its business.

The Company may become subject to disputes with customers, commercial parties with whom the Company maintains relationships or other parties with whom the Company does business. Any such dispute could result in litigation between the Company and the other parties. Whether or not any dispute actually proceeds to litigation, the Company may be required to devote significant resources, including management time and attention, to its successful resolution (through litigation, settlement or otherwise), which would detract from management's ability to focus on the Company's business. Any such resolution could involve the payment of damages or expenses by the Company, which may be significant. In addition, any such resolution could involve the Company's agreement to certain settlement terms that restrict the operation of its business.

The Company is subject to public company reporting requirements, which impose additional burdens on it.

Because the Company's common stock is publicly traded, the Company is subject to certain rules and regulations of governmental and financial market exchange entities charged with the protection of investors and the oversight of companies whose securities are publicly traded. The Company will need to devote important management time and incur significant legal, accounting and other expenses to ensure compliance with public company requirements. The additional resources spent meeting public company requirements could result in a decline in operational performance.

The market price of the Company's common stock may be volatile, which could result in substantial losses for investors.

In recent years, the securities markets in North America have experienced a high level of price and volume volatility, and the market price of securities of many companies have experienced wide fluctuations in price. The market price of the Company's common stock may be volatile and could

fluctuate widely in response to various factors, many of which are beyond the Company's control, including the following:

- actual or anticipated changes in the Company's operating results;
- regulatory, legislative or other developments affecting the Company or the solar energy industry generally;
- the level and quality of any research analyst coverage of the Company's common stock;
- changes in earnings estimates or investment recommendations by analysts;
- introduction of new technological innovations, new products or services or new pricing policies by the Company or its competitors;
- changes in expectations relating to the Company's services and products, plans and strategic position or those of the Company's competitors or customers;
- market conditions and trends within the solar energy industry;
- acquisitions or strategic alliances by the Company or by its competitors;
- litigation involving the Company, its industry or both;
- the gain or loss of significant customers;
- recruitment or departure of key personnel;
- the Company's ability to execute its business plan;
- volume and timing of customer orders;
- price and volume fluctuations in the overall stock market from time to time;
- changes in investor perception;
- the financial guidance the Company may provide to the public, any changes in such guidance or the Company's failure to meet such guidance;
- trading volume of the Company's common stock or the sale of such stock by the Company's management team or directors; and
- economic and other external factors that impact purchasing decisions of the Company's potential customers.

DIVIDENDS

There are no restrictions in the Company's Articles that prevent it from declaring dividends. The Business Corporations Act (British Columbia) provides that a corporation may declare or pay a dividend unless there are reasonable grounds that the corporation is insolvent or the payment of the dividend would render the corporation insolvent.

The Company has not declared or paid any cash dividends on our common stock, and we do not anticipate doing so in the foreseeable future. The Company currently intends to retain future earnings, if any, to operate its business and support its future growth strategies. Any future determination to pay dividends on the Company's common stock will be at the discretion of the Company's board of directors and will depend on the Company's financial condition, results of operations, contractual restrictions, restrictions imposed by applicable law, capital requirements and other factors that the Company's board of directors deems relevant.

DESCRIPTION OF CAPITAL STRUCTURE

Common Shares

The authorized share structure of the Company consists of an unlimited number of common shares without par value. As of December 31, 2009, there were 29,685,406 issued and outstanding Common Shares. As of April 30, 2010, there were 32,545,280 issued and outstanding Common Shares.

The holders of the common shares are entitled to receive notice of and to attend and vote at all meetings of the shareholders of the Company and each common share confers the right to one vote in person or by proxy at all meetings of the shareholders of the Company. The holders of the common shares, subject to the prior rights, if any, of the holders of any other class of shares of the Company, are entitled to receive such dividends in any financial year as the board of directors of the Company may by resolution determine. In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, the holders of the common shares are entitled to receive, subject to the prior rights, if any, of the holders of any other class of shares of the Company, the remaining property and assets of the Company.

Share Purchase Warrants

As of the date of this AIF, the following warrants to purchase our securities are outstanding:

Warrants issued in connection with a May 8, 2009 private placement and expiring May 8, 2011 to purchase 1,210,063 shares of our common stock at a price of \$0.45CDN during the first year and \$0.55CDN during the second year;

Warrants issued in connection with a November 3, 2009 private placement and expiring November 3, 2011 to purchase 2,361,038 shares of our common stock at a price of \$0.35CDN; and

Warrants issued in connection with a December 9, 2009 private placement and expiring December 9, 2011 to purchase 1,180,123 shares of our common stock at a price of \$0.35CDN.

Warrants issued in connection with a January 15, 2010 private placement and expiring January 15, 2012 to purchase 1,550,250 shares of our common stock at a price of \$0.35CDN.

Warrants issued in connection with a March 17, 2010 private placement and expiring September 20, 2010 to purchase 543,023 shares of our common stock at a price of \$0.55CDN.

Stock Options

Under the Company's 2009 Stock Option Plan, options may be granted in favor of directors, officers, employees, and consultants of the Company and its related entities. The purpose of the

Company's 2009 Stock Option Plan is to attract and motivate eligible persons by affording such persons with the opportunity to acquire an equity interest in the Company through rights granted to purchase common shares of the Company.

As of the date of this AIF, the 2009 Stock Option Plan would provide for the issuance of 3,254,528 Common Shares, being 10% of the issued and outstanding Common Shares of the Company. As of the Date of this AIF, there are 32,545,280 Common Shares issued and outstanding and options to purchase an aggregate of 1,922,500 Common Shares outstanding. As of December 31, 2009, there were options to purchase an aggregate of 2,102,500 Common shares outstanding.

The 2009 Stock Option Plan is in the form of a "rolling" stock option plan reserving for issuance upon the exercise of options granted pursuant to the plan a maximum of 10% of the issued and outstanding shares of the Company at any time. The 2009 Stock Option Plan is administered by the Board of Directors of the Company. Subject to the provisions of the 2009 Stock Option Plan, the directors in their sole discretion will determine all options to be granted pursuant to the 2009 Stock Option Plan, the exercise price therefore and any special terms or vesting provisions applicable thereto. The directors will comply with all Exchange and other regulatory requirements in granting options and otherwise administering the 2009 Stock Option Plan. A summary of some of the details of the 2009 Stock Option Plan are set forth below:

- the 2009 Stock Option Plan reserves, for issue pursuant to stock options, a maximum number of common shares equal to 10% of the outstanding common shares of the Company from time to time, with no mandatory vesting provisions;
- the number of common shares reserved for issue to any one person in any 12 month period under the 2009 Stock Option Plan may not exceed 5% of the outstanding common shares at the time of grant without Disinterested Shareholder Approval (as defined in Policy 4.4 of the Exchange);
- the number of common shares reserved for issue to any Consultant (as defined by the Exchange) in any 12 month period under the 2009 Stock Option Plan may not exceed 2% of the outstanding common shares at the time of grant;
- the aggregate number of common shares reserved for issue to any Employee (as defined by the Exchange) conducting Investor Relations Activities (as defined by the Exchange) in any 12 month period under the 2009 Stock Option Plan may not exceed 2% of the outstanding common shares at the time of grant;
- the number of common shares issued to any one person within a 12 month period on the exercise of stock options may not exceed 5% of the outstanding common shares at the time of exercise without Disinterested Shareholder Approval;
- the exercise price per common share for a stock option may not be less than the Discounted Market Price (as calculated pursuant to the policies of the Exchange);
- stock options may have a term not exceeding ten years;
- stock options are non-assignable and non-transferable; and
- the 2009 Stock Option Plan contains provisions for adjustment in the number of common shares or other property issuable on exercise of stock options in the event of a share consolidation, split, reclassification or other relevant change in the common shares, or an

amalgamation, merger or other relevant change in the Company's corporate structure, or any other relevant change in the Company's capitalization.

MARKET FOR SECURITIES

Market

The Company's Common Shares are listed and posted for trading on the TSXV, under the symbol "ART". The Company's shares have been quoted on the TSXV since March 24, 2008. Between March 24, 2008 and May 28, 2009, the Company's common shares were quoted under the trading symbol "LON". Between the announcement and completion of the Company's Qualifying Transaction, trading in the Company's shares was halted from June 30, 2008 until February 25, 2009. On May 29, 2009, the Company's common shares began trading under the symbol "ART".

Trading Prices and Volumes

The following table sets forth the reported high and low prices and the trading volume for the Common Shares on the TSXV for the periods indicated:

Month	High (CDN\$)	Low (CDN\$)	Close (CDN\$)	Volume
2009				
December	0.33	0.215	0.30	587,041
November	0.34	0.22	0.24	733,322
October	0.25	0.17	0.24	1,400,339
September	0.30	0.185	0.22	475,419
August	0.35	0.24	0.28	691,600
July	0.43	0.28	0.29	312,593
June	0.39	0.29	0.30	363,530
May	0.40	0.27	0.285	344,293
April	0.465	0.31	0.35	595,883
March	0.46	0.165	0.31	671,689
February	0.50	0.20	0.435	267,293
January	n/a	n/a	n/a	n/a

PRIOR SALES

In connection with the Company's March 2008 IPO, the Company granted an option to the placement agent to purchase 200,000 common shares at a price of \$0.10CDN per share for a period of 24 months. During the year ended December 31, 2009, the Placement Agent had exercised the option to purchase 26,420 shares of the Company's common shares. As of December 31, 2009, 173,580 options remained outstanding.

During the Company's most recently completed fiscal year, a total of 2,007,500 stock options were granted under the Company's Stock Option Plan. During the year ended December 31, 2009, a total of 355,000 options granted under the Company's Stock Option Plan were forfeited. During the year ended December 31, 2009, 100,000 options granted under the Company's Stock Option Plan were exercised.

Details of the options outstanding under the Company's Stock Option Plan as of December 31, 2009 are as follows:

Number of Options	Exercise Price	Expiry Date
2,102,500	\$0.19 - \$0.78CDN	Jan 1, 2011 – Dec 17, 2014

ESCROWED SECURITIES

Designation of Class	Number of Securities Held in Escrow	Percentage of Class
Common shares	9,531,898	29.28%

The 9,531,898 escrowed shares are subject to escrow agreements dated October 31, 2007, November 1, 2007, March 13, 2008, January 8, 2009, January 16, 2009, February 23, 2009 and November 6, 2009 (collectively the "Escrow Agreements") with Computershare Investor Services Inc. as escrow agent. Under the terms of the Escrow Agreements, release of the escrow shares is subject to the policies of the TSXV as formulated from time to time.

To the Company's knowledge, none of its securities are subject to contractual restrictions on transfer.

DIRECTORS AND OFFICERS

The board of directors is comprised of the following five individuals: Harry J. Fleming, Robert "Nat" Kreamer, Kenneth J. Klein, Thomas O. Foster, III, and Douglas A. Samuelson. The Board of Directors has set the number of directors of the Company at five. All directors of the Company hold office until the next annual meeting of the security holders or until their successors have been elected and qualified. The officers of the Company are appointed by the Company's board of directors and hold office until their death, resignation or removal from office.

The following table sets forth information with respect to all current directors and "executive officers" of the Company (as that term is defined in National Instrument 51-102) as of the date of this AIF. The Company's directors and executive officers, their ages, positions held, and duration as such, are as follows:

Name, Position and Residence	Principal Occupation During the Past 5 Years	Director Since
Harry J. Fleming, Houston, Texas Chief Executive Officer/Director	Chief Executive Officer of the Company since October 25, 2007, Self-Employed Attorney from February 2005 to February 23, 2009.	October 25, 2007

Name, Position and Residence	Principal Occupation During the Past 5 Years	Director Since
Robert “Nat” Kreamer, Los Angeles, CA President/Director	President of the Company since June 2009, President and Chief Operating Officer of SunRun, Inc. January 2007 to March 2009, U.S. Navy January 2006 to December 2006, Senior Associate at PriceWaterhouseCoopers July 2004 to December 2005.	March 30, 2009
Martin C. Spake, The Woodlands, TX Chief Financial Officer	Chief Financial Officer of the Company since September 2009, Vice President, Mergers & Acquisitions at Chicago Bridge & Iron 2001 to 2008.	Not Applicable
Thomas O. Foster, III, Houston, TX Director ⁽¹⁾	Self Employed Attorney	May 11, 2009
Kenneth J. Klein, Katy, Texas Director ⁽¹⁾	Senior Vice President and Chief Financial Officer of the Menninger Clinic, from March 2010. Chief Financial Officer of Northstar Healthcare Inc. January 2007 to March 2010. Assistant Vice President of Finance for the Menninger Clinic, 2005 to 2007.	May 14, 2008
Douglas A. Samuelson, Houston, Texas Executive VP/General Counsel/Corporate Secretary/Director ⁽¹⁾	Executive VP/General Counsel/Corporate Secretary of the Company since February 2009. Principal of the law firm Cokinios, Bosien & Young April 2002 to September 2008.	October 25, 2007

⁽¹⁾ Member of Audit Committee.

Business Experience

The following is a brief account of the education and business experience during at least the past five years of each director, executive officer and key employee of our company, indicating the person’s principal occupation during that period, and the name and principal business of the organization in which such occupation and employment were carried out.

Harry J. Fleming

As a lawyer Mr. Fleming has focused on emerging growth companies, mergers and acquisitions, strategic business planning and alliances and investor relations calling on his legal experience in corporate finance and securities law. Mr. Fleming’s background includes venture capital representation, business strategy consulting, public company representation, mergers and acquisitions with high tech firms in Houston and Boston. With over twenty years of experience at law firms in Houston and Boston Mr. Fleming maintains the highest rating (A-V) of U.S. attorneys by Martindale-Hubbell. Mr. Fleming has also acted as General Counsel and CFO for several companies with an emphasis on start-up and growth strategies. Mr.

Fleming received his Juris Doctorate from the University of Houston Law Center in 1983. He was awarded a M.B.A. in finance from The Carroll Graduate School of Management at Boston College in 1999. He is admitted to practice law in the State of Texas and the Commonwealth of Massachusetts, and is admitted to practice before the U.S. Supreme Court.

Robert “Nat” Kreamer

Nat Kreamer was the founder, President, and Chief Operating Officer of SunRun, the nation’s leading provider of home solar financing. Before founding SunRun, Kreamer worked in power industry consulting at PriceWaterhouseCoopers and clean energy investing as well as energy trading at Enron Corporation. He has an MBA from Rice University and a BS from Northwestern University. An officer in the US Navy (Reserves), Kreamer is an Afghanistan war veteran and recipient of the Bronze Star Medal. He is also an Advisor at the Madison Policy Forum, which promotes non-partisan dialog about timely national security issues.

Martin C. Spake

Prior to joining the Company, Mr. Spake was the vice president responsible for mergers and acquisitions, investor relations, and strategic planning at Chicago Bridge & Iron (NYSE:CBI). While at CB&I, Spake managed all aspects of the negotiation, due diligence, execution, and integration processes for acquisitions. Before CB&I, he was the director of structured finance, business development, and strategic investments for Compaq Computer Corporation. Prior to Compaq, he worked in financial planning and analysis for Sun Microsystems. Mr. Spake earned a Master of Business Administration degree from the Stanford Graduate School of Business and a Bachelor of Science degree from the United States Military Academy, West Point.

Kenneth J. Klein

Mr. Klein serves as the Senior Vice President and Chief Financial Officer of the Menninger Clinic. Mr. Klein formerly served as the Chief Financial Officer and Corporate Secretary of Northstar Healthcare Inc. Mr. Klein has more than 19 years of finance and healthcare experience and has held positions with several other healthcare organizations in Houston, Texas, including Memorial Hermann Southeast Hospital, Texas Children's Hospital, Castle Dental Centers and Fisher Healthcare. Mr. Klein earned his Bachelor of Science degree in Accounting from Sacred Heart University in Fairfield, Connecticut and is a Certified Public Accountant (Texas). In addition, Mr. Klein is an active member of Healthcare Financial Management Association.

Thomas O. Foster III

As an attorney, Mr. Foster has focused his practice on multi-state and local taxation, federal and international taxation, and tax planning for individuals and entities. Prior to entering private practice, Mr. Foster worked for Exxon Corporation for thirty years with an emphasis on federal and cross border taxation issues. He obtained his Juris Doctor degree from Baylor University School of Law in 1964 and a B.B.A degree from Baylor University in 1961. In 1965, Mr. Foster received an L.L.M. degree in taxation from New York University. Mr. Foster was admitted to the State Bar of Texas in 1964 and is admitted to practice before the U.S. Supreme Court. Mr. Foster was licensed as a Certified Public Accountant by the State of Texas in 1968.

Douglas A. Samuelson

Mr. Samuelson brings over 25 years of legal experience to the Company. Prior to joining the Company, Mr. Samuelson was a principal with a mid-sized law firm in Houston, Texas focusing on business and construction related matters. He is Board Certified in Civil Trial Law by the Texas Board of Legal

Specialization and maintains the highest rating (A-V) of U.S. attorneys by Martindale-Hubbell. Samuelson holds a Juris Doctor degree from the University of Houston and a Bachelor of Science degree from the University of Wisconsin-River Falls.

Control of Securities

As of the date of this AIF, the directors and executive officers of the Company as a group beneficially owned, or controlled or directed, directly or indirectly, an aggregate of 14,145,116 common shares of the Company, representing approximately 34.23% of the shares of the Company on a fully diluted basis.

Corporate Cease Trade Orders or Bankruptcies

No director, officer or promoter of the Company, or shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company is, or has been within the past ten years, a director, officer, Insider or promoter of any other issuer that, while such person was acting in that capacity, was the subject of a cease trade order or similar order, or an order that denied the other issuer access to any exemptions under applicable securities legislation for a period of more than thirty consecutive days, or became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Penalties or Sanctions

No director, officer or promoter of the Company, or shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by any securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or has been subject to any other penalties or sanctions imposed by a court or regulatory body or self-regulatory authority that would be likely to be considered important to a reasonable investor making an investment decision.

Personal Bankruptcies

No director, officer or promoter of the Company, or shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, or personal holding company of any such persons, has within the past ten years, as applicable, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets.

Conflicts of Interest

There are potential conflicts of interest to which some of the directors and officers of the Company may be subject in connection with the operations of the Company. Certain of the Company's directors and officers serve or may agree to serve as directors or officers of other private companies or have significant shareholdings in other reporting and private companies and, to the extent that such other companies may participate in ventures in which the Company may participate, or contract with the Company such directors and officers of the Company may have a conflict of interest in negotiating and concluding terms of such contracts or ventures.

Under the laws of the Province of British Columbia, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company and to disclose any conflict of interest.

Conflicts, if any, will be subject to the procedures and remedies as provided under the applicable corporate law.

PROMOTER

Harry J. Fleming is considered to be the Promoter of the Company in that he took the initiative in founding and organizing the Company. As of the date of this AIF, Mr Fleming beneficially owned, or controlled or directed, directly or indirectly, an aggregate of 11,220,528 common shares of the Company, representing approximately 27.16% of the shares of the Company on a fully diluted basis. Other than compensation received for serving as the Chief Executive Officer of the Company and payments for legal services performed prior to completion of the Company's Qualifying Transaction, Mr. Fleming has not received and will not in the future receive anything of value, including money, property, contracts, options or rights of any kind from the Company or a subsidiary of the Company.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Legal Proceedings

In the normal course of its operations, the Company and its subsidiaries are subject to certain claims and lawsuits, including contract disputes with customers and other third parties. The Company intends to vigorously defend its position in such proceedings.

While the Company cannot predict the final outcome of legal proceedings pending as of the date of this AIF, based on information currently available, it believes that the resolution of these legal proceedings will not have a material adverse effect on its financial position.

Regulatory Actions

There are no: (a) penalties or sanctions imposed against the Company by a court relating to securities legislation or by a securities regulatory authority during the Company's most recently completed financial year and up to the date of this AIF; (b) other penalties or sanctions imposed by a court or regulatory body against the Company that would likely be considered important to a reasonable investor in making an investment decision; or (c) settlement agreements the Company entered into with a court relating to securities legislation or with a securities regulatory authority during the Company's most recently completed financial year and up to the date of this AIF.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as described below, to the best knowledge of the Company, no director or executive officer or a person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the outstanding common shares, or any associate or affiliate of any of the foregoing, has had any material interest directly or indirectly in any transaction within the three most recently completed financial years or in the current financial year which has materially affected or will materially affect the Company.

Pursuant to the terms of a Credit Facility Agreement dated as of December 30, 2009, the Company's Chief Executive Officer has agreed to lend to the Company an amount up to \$700,000.00. Pursuant to the terms of the Credit Facility Agreement, as of December 31, 2009, the Company's Chief Executive Officer has advanced approximately \$394,249 to the Company.

During the period ended December 31, 2009, the Company paid to our Chief Executive Officer \$30,062 for legal services rendered prior to completion of the Company's qualifying transaction on February 23, 2009. Prior to the qualifying transaction, the Company paid no salaries and officers were reimbursed for services rendered. The fees were billed at an hourly rate and paid in full.

During the period ended December 31, 2009, the Company paid to our former Chief Financial Officer \$24,550 in finance and administration fees for accounting services rendered prior to completion of the Company's qualifying transaction on February 23, 2009. Prior to the qualifying transaction, the Company paid no salaries and officers were reimbursed for services rendered. The fees were billed at a monthly rate and paid in full.

During the period ended December 31, 2009, the Company paid to our General Counsel \$28,525 for legal services rendered prior to completion of the Company's qualifying transaction on February 23, 2009. Prior to the qualifying transaction, the Company paid no salaries and officers were reimbursed for services rendered. The fees were billed at an hourly rate and paid in full.

During the period ended December 31, 2009, the Company paid to our President and Director \$96,287 in consulting fees to perform a strategic industry analysis and overview prior to his employment with the Company.

TRANSFER AGENT AND REGISTRAR

Our transfer agent and registrar for the Common Shares is Computershare Investor Services Inc., 510 Burrard St., 3rd Floor, Vancouver, British Columbia V6C 3B9.

MATERIAL CONTRACTS

The following are the only material contracts, other than contracts entered into in the ordinary course of business, entered into by the Issuer or its Subsidiaries in 2009, or prior to 2009 but which were still in effect on December 31, 2009:

- (a) Stock Purchase Agreement between Acro Electric, Inc., Steven J. Vella and Acro Energy Technologies LLC dated June 29, 2008.
- (b) Addendum dated August 9, 2008 to the Stock Purchase Agreement between Acro Electric, Inc., Steven J. Vella and Acro Energy Technologies LLC dated June 29, 2008.
- (c) Amendment dated November 20, 2008 to the Stock Purchase Agreement between Acro Electric, Inc., Steven J. Vella and Acro Energy Technologies LLC dated June 29, 2008.
- (d) Second Amendment dated December 30, 2008 to the Stock Purchase Agreement between Acro Electric, Inc., Steven J. Vella and Acro Energy Technologies LLC dated June 29, 2008.
- (e) Asset Purchase Agreement between Solar Self Help, Inc., Duane Campbell, Karen Petersen Campbell and Acro Energy Technologies, Inc. dated May 5, 2009.
- (f) Stock Purchase Agreement between Energy Efficiency Solar, Inc., William Korthof and Acro Energy Technologies Corp. dated October 28, 2009.

- (g) Credit Facility Agreement between Acro Energy Technologies Corp. and Harry Fleming dated December 30, 2009.

Copies of the foregoing may be inspected at the head office of the Issuer during normal business hours.

INTERESTS OF EXPERTS

The financial statements of the Issuer for the period ended December 31, 2009 have been audited by Calvetti, Ferguson & Wagner, P.C., an independent registered public accounting firm. To the best of the Company's knowledge, Calvetti, Ferguson & Wagner, P.C. has no registered or beneficial interests, direct or indirect, in any securities or property of the Company and is independent with respect to the Company.

AUDIT COMMITTEE INFORMATION

An audit committee charter, the text of which is attached as Appendix "A" to this Annual Information Form, governs the Corporation's audit committee.

The Company's audit committee is currently comprised of three (3) directors, Kenneth J. Klein, Douglas Samuelson, and Thomas O. Foster, III. As defined in NI 52-110, Kenneth J. Klein and Thomas O. Foster, III are "independent". All of the members are financially literate as defined in NI 52-110.

Since the commencement of the Company's most recently completed financial year, the Company's Board of Directors have not failed to adopt a recommendation of the audit committee to nominate or compensation an external auditor.

The relevant education and/or experience of each member of the Audit Committee are as follows:

(1) Kenneth J. Klein

Mr. Klein is Senior Vice President and Chief Financial Officer of the Menninger Clinic, a specialty hospital in Houston, Texas and formerly served as the Chief Financial Officer and Corporate Secretary of Northstar Healthcare Inc. (TSX:NHC). Mr. Klein has more than 19 years of finance and healthcare experience. Mr. Klein earned his Bachelor of Science degree in Accounting from Sacred Heart University in Fairfield, Connecticut and is a Certified Public Accountant (Texas).

(2) Douglas Samuelson

Mr. Samuelson is an attorney licensed in the state of Texas and brings over 25 years of legal experience to the Corporation. Prior to joining Acro Energy Mr. Samuelson was a principal with a mid-sized law firm in Houston, Texas serving business, commercial and construction clients. He is Board Certified in Civil Trial Law by the Texas Board of Legal Specialization. Samuelson holds a Juris Doctor degree from the University of Houston and a Bachelor of Science degree from the University of Wisconsin-River Falls.

(3) Thomas O. Foster, III

As an attorney, Mr. Foster has focused his practice on multi-state and local taxation, federal and international taxation, and tax planning for individuals and entities. Prior to entering private practice, Mr. Foster worked for Exxon Corporation for thirty years with an emphasis on federal and cross border taxation issues. He obtained his Juris Doctor

degree from Baylor University School of Law in 1964 and a B.B.A degree from Baylor University in 1961. In 1965, Mr. Foster received an L.L.M. degree in taxation from New York University. Mr. Foster was admitted to the State Bar of Texas in 1964 and is admitted to practice before the U.S. Supreme Court. Mr. Foster was licensed as a Certified Public Accountant by the State of Texas in 1968.

Since the effective date of NI 52-110, the Corporation has not relied on the exemption contained in sections 2.4 or 8 of NI 52-110. Section 2.4 provides an exemption from the requirement that the audit committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided. Section 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

The audit committee has not adopted specific policies and procedures for the engagement of non-audit services. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Corporation’s Board of Directors, and where applicable the audit committee, on a case by case basis.

In the following table, “audit fees” are fees billed by the Corporation’s external auditor for services provided in auditing the Corporation’s annual financial statements for the subject year. “Audit-related fees” are not included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit or review of the Corporation’s financial statements. “Tax fees” are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. “All other fees” are fees billed by the auditor for products and services not included in the foregoing categories.

The fees incurred by the Corporation for its auditors for each of the last two fiscal years, by category, are as follows:

Financial Year Ending	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
December 31, 2009	\$65,000	\$21,952	\$19,519	\$21,517
November 30, 2008	\$15,840CDN	\$10,560CDN	Nil	\$243,434CDN

The Corporation is relying on the exemption provided by section 6.1 of NI 52-110 that provides that the Corporation, as a venture issuer, is not required to comply with Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

ADDITIONAL INFORMATION

Additional information relating to the Issuer may be found on the System for Electronic Document Analysis and Retrieval which can be accessed at www.sedar.com. Additional information, directors’ and officers’ remuneration and indebtedness, principal holders of Common Shares and securities authorized for issuance under equity compensation plans, if applicable, will be contained in the Issuer’s information circular for its 2009 annual meeting of shareholders. Additional financial information is also provided in

the Issuer's audited consolidated financial statements and management's discussion and analysis for the financial period ended December 31, 2009.

GLOSSARY OF TERMS

The following terms used in this Annual Information Form are intended to have the meanings set forth below:

“**AIF**” means this annual information form.

“**Audit Committee**” means the audit committee of the Board of Directors of the Issuer, the members of which currently are Kenneth J. Klein (Chair), Thomas O. Foster, III and Douglas Samuelson.

“**Board of Directors**” means the board of directors of the Issuer.

“**Business Day**” means any day other than a Saturday, Sunday or a statutory holiday in the Province of British Columbia.

“**Business Corporations Act**” means the *Business Corporations Act* (British Columbia).

“**Common Shares**” means the issued and outstanding common shares of the Issuer as constituted on the date of this Annual Information Form.

“**Company**” means Acro Energy Technologies Corp., a corporation incorporated under the *Business Corporations Act* (British Columbia), having its head office at 10700 Richmond Ave., Suite 275, Houston, Texas 77042.

“**Management**” means the management of the Issuer.

“**person**” means any individual, partnership, association, body corporate, trustee, executor, administrator, legal representative, government, regulatory authority or other entity.

“**Shareholders**” mean the shareholders of the Issuer.

“**Transfer Agent**” means Computershare Investor Services Inc., the Issuer's registrar and transfer agent.

“**TSXV**” means the TSX Venture Exchange.

Unless the context otherwise indicates, all references to “common shares” in this AIF are references to the common shares without par value in the capital of the Company.

APPENDIX “A” – AUDIT COMMITTEE CHARTER

ACRO ENERGY TECHNOLOGIES CORP.

Audit Committee Charter

The primary function of the audit committee (the “**Committee**”) is to assist the Board of Directors of Acro Energy Technologies Corp. (the “**Company**”) in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company’s systems of internal controls regarding finance and accounting and the Company’s auditing, accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Company’s policies, procedures and practices at all levels. The Committee’s primary duties and responsibilities are to:

- Serve as an independent and objective party to monitor the Company’s financial reporting and internal control system and review the Company’s financial statements.
- Review and appraise the performance of the Company’s external auditors.
- Provide an open avenue of communication among the Company’s auditors, financial and senior management and the Board of Directors.

Composition

The Committee shall be comprised of three directors as determined by the Board of Directors, the majority of whom shall be free from any relationship that, in the opinion of the Board of Directors, would interfere with the exercise of his or her independent judgment as a member of the Committee.

At least one member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Company’s Charter, the definition of “financially literate” is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company’s financial statements.

The members of the Committee shall be elected by the Board of Directors at its first meeting following the annual shareholder’s meeting. Unless a Chair is elected by the full Board of Directors, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

Meetings

The Committee shall meet at least four times annually, or more frequently as circumstances dictate. As part of its job to foster open communications, the Committee will meet at least annually with the Chief Financial Officer and the external auditors in separate sessions.

Responsibilities and Duties

To fulfill its responsibilities and duties, the Committee shall:

Documents/Reports Review

- (a) Review and update this Charter annually.
- (b) Review the Company’s financial statements, MD&A and any annual and interim earnings, press releases before the Company publically discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body,

or to the public, including any certification, report, opinion, or review rendered by the external auditors.

External Auditors

- (a) Review annually, the performance of the external auditors who shall be ultimately accountable to the Board of Directors and the Committee as representatives of the shareholders of the Company.
- (b) Obtain confirmation from the independent auditor that it ultimately is accountable, and will report directly, to the committee.
- (c) Obtain annually, a formal written statement of external auditors setting forth all relationships between the external auditors and the Company, consistent with Independence Standards Board Standard 1.
- (d) Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.
- (e) Take, or recommend that the full Board of Directors take, appropriate action to oversee the independence of the external auditors.
- (f) Recommend to the Board of Directors the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.
- (g) At each meeting, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.
- (h) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.
- (i) Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.
- (j) Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:
 - a. The aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of revenues paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided;
 - b. Such services were not recognized by the Company at the time of the engagement to be non-audit services; and
 - c. Such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board of Directors to whom authority to grant such approvals has been delegated by the Committee.

Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval such authority may be delegated by the Committee to one or more independent members of the Committee.

The committee is not responsible for:

1. Planning or conducting audits.
2. Certifying or determining the completeness or accuracy of the company's financial statements or that those financial statements are in accordance with generally accepted accounting principles.
3. Guaranteeing the report of the company's independent auditor.

The fundamental responsibility for the company's financial statements and disclosure rests with management. It is not the duty of the committee to conduct investigations, to itself resolve disagreements (if any) between management and the independent auditor or to ensure compliance with applicable legal and regulatory requirements.

Financial Reporting Processes

- (a) In consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external.
- (b) Consider the external auditor's judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.
- (c) Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management.
- (d) Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.
- (e) Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
- (f) Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.
- (g) Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.
- (h) Review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters.
- (i) Review certification process.
- (j) Establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Other

Review any related-party transactions.