



FOR IMMEDIATE RELEASE

## CLEANFIELD COMPLETES FIRST TRANCHE OF PROSPECTUS OFFERING

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IN THE UNITED STATES

**ANCASTER, ONTARIO--(Marketwire –July 31, 2008)** - Cleanfield Alternative Energy Inc. ("**Cleanfield**") (TSX VENTURE: AIR) announced today that it completed the first tranche of the previously announced prospectus offering (the "**Offering**") pursuant to a final short form prospectus dated July 8, 2008 filed with the securities commissions in Ontario, British Columbia and Alberta. The Offering is for a minimum of \$1,000,000 and a maximum of \$1,500,000 principal amount of 12% senior secured convertible redeemable debentures, Series B (the "**Series B Debentures**") and a maximum of \$500,000 of common shares. Wolverton Securities Ltd. (the "**Agent**") acted as the agent in the Offering.

In the first tranche closing completed today, an aggregate of \$1,225,100 principal amount of the Series B Debentures were issued pursuant to a trust indenture dated the date hereof between Cleanfield, Cleanfield Energy Corp. ("**CEC**"), the wholly-owned operating subsidiary of Cleanfield, and Olympia Trust Company (the "**Trustee**"). All Series B Debentures rank *pari passu*. The Series B Debentures have a two-year term, bear interest of 12% per annum payable quarterly, and are redeemable at Cleanfield's option without penalty or bonus upon 30 day prior written notice. The Series B Debentures are secured by a general security from Cleanfield in favour of the Trustee, a guarantee from CEC and a general security from CEC in favour of the Trustee.

The principal amounts of the Series B Debentures issued today are convertible at the holders' option into units of Cleanfield (the "**Series B Units**") at \$1.00 per Series B Unit until July 31, 2010, or the fifth business day before the redemption of the Series B Debentures, whichever is earlier. Each Series B Unit will be comprised of one common share of Cleanfield and one common share purchase warrant (a "**Series B Unit Warrant**"). Each Series B Warrant will be exercisable into one common share of Cleanfield at \$1.00 until July 31, 2010.

In connection with the Offering, the Agent and its selling group members received (i) a cash commission of 8% of the gross proceeds from the Series B Debentures sold today, and (ii) compensation options to purchase an aggregate of 110,259 units of Cleanfield at \$1.00 per unit until July 31, 2010, with each unit consisting of one common share of Cleanfield and one common share purchase warrant, with each warrant exercisable into one common share of Cleanfield at \$1.00 until July 31, 2010. The Agent also received a corporate finance fee of \$31,500 (including GST), of which \$21,500 was paid in cash and \$10,000 was satisfied by Cleanfield issuing to the Agent 10,000 common shares and 10,000 common share purchase warrants, with each warrant exercisable into one common share of Cleanfield at \$1.00 until July 31, 2010.

The net proceeds from the Offering will be used to build inventory of Cleanfield's V3.5 modular vertical axis wind turbines and for working capital and general corporate purposes.

Depending on market conditions, Cleanfield anticipates further closing(s) under this Offering.

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## FORWARD LOOKING STATEMENTS

Certain statements contained in this press release constitute forward-looking statements. The use of any of the words "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe" and "confident" and similar expressions are intended to identify forward-looking statements. The Corporation believes that the expectations reflected in these forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in, or incorporated by reference into, this press release should not be unduly relied upon. These statements speak only as of the date of this press release. The Corporation undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

About Cleanfield Alternative Energy Inc.

Cleanfield Alternative Energy Inc. is the parent company of Cleanfield Energy Corp. and is committed to the development of renewable energy products for both consumer and commercial applications. Cleanfield's tailor-made VAWT can be mounted on a tower or suitable rooftop, offering electricity independence and security.

FOR FURTHER INFORMATION PLEASE CONTACT:

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