

13 March 2007

OpenHydro signs major agreement with Alderney Renewable Energy for the development of tidal farms in the Channel Islands

OpenHydro Group Ltd., an Irish energy technology company whose business is the design and manufacture of marine turbines for generating renewable energy from tidal currents, has announced the signing of a major agreement with Alderney Renewable Energy Ltd for the supply of tidal turbines.

This agreement follows the recent installation of OpenHydro's Open-Centre Turbine at the European Marine Energy Centre (EMEC), in Orkney, Scotland, and OpenHydro winning a global public tender from Nova Scotia Power, a Canadian Utility, for the deployment of Open-Centre Turbines in the Bay of Fundy.

OpenHydro also announced recently that it has been awarded EUR1.8m (STG 1.2m) in grant support under the Scottish Executive's Wave and Tidal Energy Scheme for the deployment of a second turbine at EMEC.

Based in the Channel Islands, Alderney Renewable Energy holds exclusive rights to a major portion of the region's substantial tidal resources. As part of the contract, OpenHydro will install an array of its Open-Centre Turbines mounted on the sea bed in Alderney, silently and invisibly generating electricity. The investment in the deployment of the turbines will be several million Euros and the turbines are expected to be deployed in 2008/2009.

The tidal flows around Alderney are some of the strongest in the world and represent an enormous energy resource. It has been estimated that once fully developed, the area could generate 3 GigaWatts (GWs) of energy into Europe's electricity grid – powering over one million homes.

This project establishes a very strong partnership for the future development of energy projects between OpenHydro and Alderney Renewable Energy in the region.



The Open-Centre Turbine under test at European Marine Energy Centre in Orkney, Scotland.

Commenting on the agreement, James Ives, Chief Executive of OpenHydro, said: “OpenHydro and Alderney Renewable Energy share the common goal of generating large volumes of clean renewable energy from the oceans around us. We look forward to working with Alderney Renewable Energy on this and future tidal farm deployments”.

Paul Clark, Chairman and Chief Executive of Alderney Renewable Energy commented: “This agreement with OpenHydro is a major step forward for the Alderney Tidal Power project. Turbines are to be deployed that will enable clean energy to be generated from our tidal resource for the first time. The available resource is substantial and this is the first step towards utilising it for the benefit of Alderney and the wider community. ”

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For further information please contact:

Brian Bell/Andrew McLindon, WHPR, tel: +353 1 669 0030

Note to Editors

OpenHydro was formed in 2004 following the acquisition of the world technology rights to the Open-Centre Turbine.

OpenHydro’s technology is based on the unique Open-Centre Turbine that converts the movement of water directly into electricity. Advantages of generating electricity using this technology include:

- The electricity produced is completely renewable since it relies on tidal currents that are created by the gravitational effect of the sun and moon on the world’s oceans.
- Whereas other forms of renewable energy are dependent on the weather conditions that day (e.g., the amount of wind or a clear sky), tidal energy is completely predictable giving the electricity produced a premium value.
- Since the turbines are located beneath the surface, they are protected from storm damage and cannot be seen or heard. The design is considered to have no impact on marine mammals since it has no oils which can leak, no exposed blade tips and a significant opening at its centre.
- Due to the density of water, a relatively small turbine can produce the same power as a much larger wind turbine.

Key Personnel

- **Brendan Gilmore FCA AITA (Chairman)** – Proven track record of acquiring and developing successful businesses. Has held positions including Chairman and Chief Executive of a UK PLC. Amongst other significant interests has managed his own financial consultancy for over 20 years and held major investments in the hotel and property sector and was formerly a partner for some 12 years in a major chartered accountancy practice.

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- **James Ives (Chief Executive)** – A professional engineer and experienced senior executive with key energy sector knowledge. Previously CEO of an energy utility and senior manager within Accenture. Early career was spent in automotive engineering specialising in fluid mechanics advising clients including Mercedes Benz and Ferrari. Holds a commercial DoT/MCA ocean skippers licence.

Alderney Renewable Energy Ltd (ARE) is an Alderney registered company formed in 2004 by a consortium of business people with strong connections to the island who felt that in order for Alderney to benefit from its enormous tidal power resource in the long term, it should actively engage with the industry during its early stages of development.

ARE signed a legal agreement with the States of Alderney in December 2005. This gave it 5-year exclusivity and, subject to targets being met, certain rights for the long-term exploitation of tidal and wave energy in Alderney's territorial waters.