

17 October 2007

OpenHydro Raises €40m in Latest Funding Round

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 raised €40m in private equity in its latest funding round. This brings total funding raised by OpenHydro since 2005 to over €50m.

The funding will be used to support the commercial development of the company's Open-Centre Turbines.

OpenHydro has recently won contracts to supply its turbine technology to projects in Nova Scotia, Canada and the Channel Islands.

The company's turbines are being developed and assembled at its new facility in Greenore, Co Louth. OpenHydro intends making further material investment at this facility over the next three years as it builds a world class design, engineering and assembly team to support its development of tidal farms. The company also plans to create further significant employment opportunities.



Brendan Gilmore (on right), Chairman, and James Ives, Group Managing Director, of OpenHydro with the Group's first tidal turbine built in Ireland

OpenHydro is the only company to have installed a tidal turbine at the European Marine Energy Centre (EMEC) test facility, off the island of Eday, Orkney. OpenHydro continues to test progressive generations of the Open-Centre Turbine at this internationally recognised centre of excellence for marine renewables.

Over the past twelve months OpenHydro has successfully tested its first 6m Open-Centre Turbine at EMEC. During this period OpenHydro has continued to enhance the design of the turbine and has recently completed the assembly of its latest model; the first to be produced at the Greenore facility. During the next month this turbine will be transported to Orkney for ongoing testing at EMEC. OpenHydro's deployments at EMEC are supported by Sustainable Energy Ireland and the Scottish Executive.

The company also plans to deploy further turbines at EMEC, which like all future commercial turbine deployments will be secured on the seabed, silently and invisibly producing predictable renewable energy.

"Raising €40m demonstrates the confidence that our investors have in the company and its technology. The funding will enable OpenHydro to consolidate and grow its position as a global market leader in tidal turbine technology," said Brendan Gilmore, Chairman, OpenHydro.

Davy acted as corporate finance advisors to OpenHydro during its latest funding round.

“The completion of the first turbine to be assembled at OpenHydro’s facility in Ireland is a major milestone in the Company’s history and the start of multi unit production of turbines at Greenore. This turbine will now begin its journey to Orkney where it will undergo continued extensive testing at EMEC.” said James Ives, Group Managing Director, OpenHydro.

For further information please visit www.openhydro.com.

--- ENDS ---

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.

In January 2007, OpenHydro was selected by leading Canadian utility Nova Scotia Power to provide it with Open-Centre Turbine technology for a tidal energy demonstration project in the Bay of Fundy. Following successful completion of this installation, Nova Scotia Power plans to develop large scale tidal farms in the region.

In March 2007, Alderney Renewable Energy chose OpenHydro to install an array of Open-Centre Turbines on the sea bed around Alderney, which has some of the strongest tidal flows in the world. The investment in the deployment of the turbines will be several million Euros.

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.
- 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.
- Peter Corcoran (Chief Financial Officer) – Qualified Chartered Accountant. Previously worked as CFO in the energy supply and software development industries. Early career was spent with Andersen working with a range of clients on audit, finance and consulting assignments.