

20 February 2007

**OpenHydro awarded EUR1.8m in grant support from Scottish Executive for tidal turbine testing in Orkney**

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 been awarded EUR1.8m (STG1.2m) in grant support under the Scottish Executive's Wave and Tidal Energy Scheme.

Scotland's Deputy First Minister, Nicol Stephen, announced today that OpenHydro had been awarded the grant support towards the deployment of a second Open-Centre Turbine at the European Marine Energy Centre (EMEC) in Orkney, Scotland.

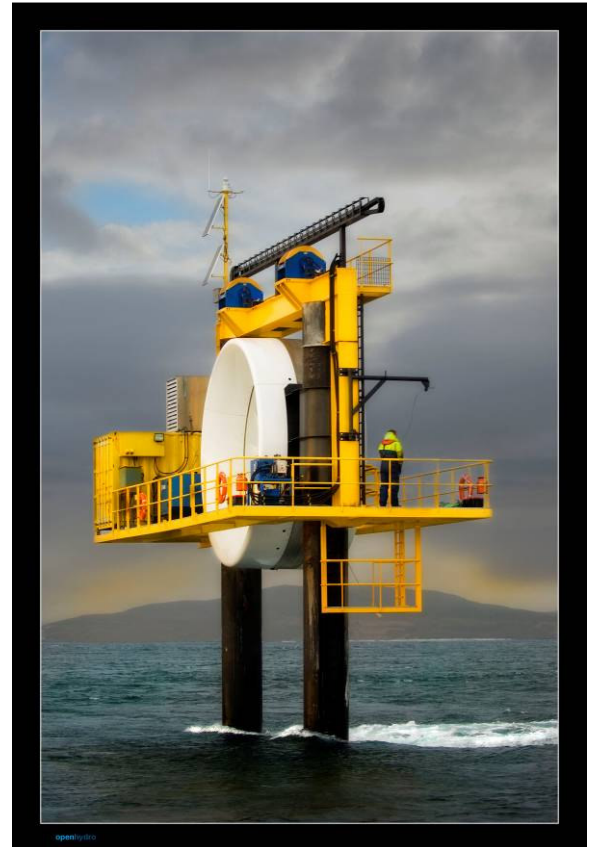
This deployment will be mounted on the seabed where no part of the structure will be visible from the surface and will be deep enough not to interfere with shipping traffic. This is the approach OpenHydro will adopt for all future deployments.

To date, OpenHydro is the only company to have installed a tidal turbine at EMEC's test facility, off the island of Eday, Orkney. This will be the UK and Ireland's first grid connected tidal turbine.

The aim of the Scottish Executive's STG13m Wave and Tidal Energy Scheme is to provide grants to businesses to support the installation and commissioning/deployment of wave and tidal electricity generating devices at EMEC. Financed through UK Government and public sector funding, EMEC provides the only facilities in the world for testing tidal and wave technologies.

Commenting on the announcement of the funding, Deputy First Minister, Nicol Stephen, said, "Scotland has the potential to generate a quarter of Europe's marine energy and kick-starting the sector is vital if we are to create a significant industry based in Scotland and meet our long-term renewable targets."

OpenHydro Chief Executive, James Ives, commented; "Scotland is continuing to play a leading role in the development of the tidal industry and we are delighted to receive this support. Tidal energy is the fastest growing emerging technology in the renewable sector and is set to make a major contribution to carbon free energy generation."



**OpenHydro's turbine test rig at European Marine Energy Centre in Orkney, Scotland.**

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OpenHydro also recently won a global public tender from Nova Scotia Power Inc., a Canadian Utility, for the deployment of Open-Centre Turbines in the Bay of Fundy.

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**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.
- **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.