

10th September 2008**OpenHydro successfully installs subsea tidal turbine**

- **OpenHydro invests €5m in the design and construction of the world's first specialist barge to install seabed mounted tidal turbines.**
- **Successful installation trials validate the competitive economic cost of tidal energy.**

Irish renewable engineering company OpenHydro has become the first company to deploy a tidal turbine directly onto the sea-bed at the European Marine Energy Centre (EMEC) in Orkney, Scotland.

The subsea base and turbine were lowered onto the seabed at EMEC by the company-designed and custom-built heavy lift barge, the "OpenHydro Installer". OpenHydro has invested €5m in this project which includes the design and development of this specialist equipment. This is the world's first vessel to be built specifically for deploying full scale tidal turbines and the project has been supported by the Scottish Government through the WATES scheme.

OpenHydro's vision for ocean energy is the development of farms of tidal turbines mounted on the seabed where no part of the structure is visible from the surface and which is deep enough not to interfere with shipping. This method of installation realises the company's vision of silent, invisible, predictable, renewable energy.

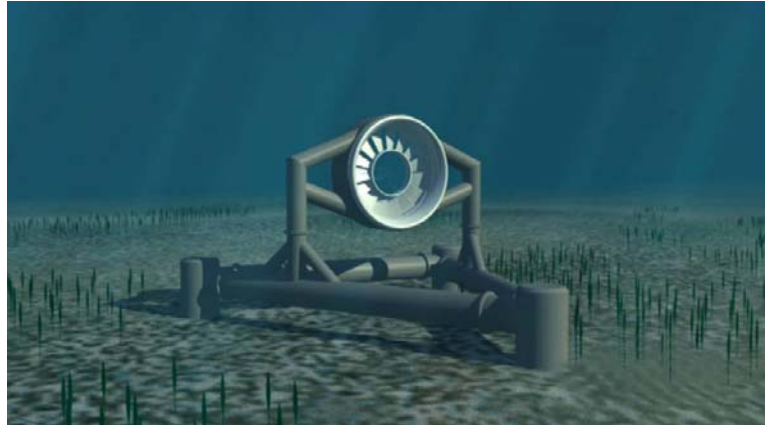


OpenHydro Installer Heading To Site For First Successful Deployment



Open-Centre Turbine Being Prepared For Deployment In Orkney

Brendan Gilmore, Chairman, OpenHydro, said, "Being able to deploy tidal turbines in this manner turns a difficult and lengthy project of many months into a quick and cost-efficient single day operation. It is another major step forward in our technology development programme towards commercial tidal farms that produce energy at a highly economic cost."



OpenHydro's Seabed Mounted Open-Centre Turbine

James Ives, Chief Executive, OpenHydro, said, "Our experience has shown us that the appropriate equipment for installing tidal turbines does not exist in the marine market and so in 2007 we took the decision to commission our own specialist tidal turbine deployment barge. This deployment approach lays the foundation for the cost effective installation of commercial tidal arrays"



The OpenHydro Installer During Construction

OpenHydro has two parallel technology programmes which when combined provide the basis for all future commercial installations:

- 1. Turbine Testing:** Since 2006 OpenHydro has been testing its tidal turbine technology using a research structure installed at the EMEC facility in Orkney. In May 2008 OpenHydro became the first company in the UK and Ireland to complete the connection of a tidal turbine and commence electricity generation onto the UK national grid. This testing and grid generation is ongoing.
- 2. Installation Testing:** OpenHydro's vision is for turbines to be seabed mounted. The successful installation of the subsea tidal turbine using the OpenHydro Installer validates this deployment approach. For this initial trial the seabed mounted turbine is not operational or connected to the grid.

EMEC is the only independent and publicly financed facility in the world for testing tidal and wave technologies.

OpenHydro is an Irish renewable energy technology company whose business is the design and manufacture of marine turbines and deployment equipment for generating renewable energy from tidal streams. The trials at EMEC have been supported by both Sustainable Energy Ireland and the Scottish Government.

The Open-Centre Turbine's simple, unique design works by converting the movement of water directly into electricity. OpenHydro's commercial deployments 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.

OpenHydro has already won tenders to supply and install turbines to tidal sites in Nova Scotia, Canada and Alderney, Channel Islands.



Completed Installation; Seabed Mounted Tidal Turbine

OpenHydro has recently commenced the manufacture of its next generation 1MW Open-Centre Turbine, which will be deployed in Nova Scotia and Alderney. The turbines are being constructed at the company's Technical Centre in Greenore, Co Louth, Ireland.

OpenHydro have secured over €50m in funding since 2005 for the commercial development of its turbines. The company employs 30 staff and is currently looking to recruit a further 10 technical and operational staff.

Photographic, video and animation material can be view at <http://www.openhydro.com/images.html>.

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Note to Editors

OpenHydro's technology converts the movement of water in tidal streams directly into electricity.

Advantages of generating electricity using the Open-Centre Turbine 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 OpenHydro 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 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.