

20th November 2008

OpenHydro secures substantial shareholding in Alderney Renewable Energy Ltd

Investment includes technology supply and services agreement.

Irish tidal renewable company OpenHydro has announced that it has secured a substantial equity interest in Alderney Renewable Energy Ltd.

The island of Alderney is located in the Channel Islands and its territorial waters contain one of the world's largest resources of tidal energy. This resource is estimated to be in the region of 3,000MW's which could produce enough electricity to power over one million homes, the equivalent of six large power stations.

Based in the Channel Islands, Alderney Renewable Energy Ltd. recently received an exclusive 65 year licence from the States of Alderney for the generation of renewable tidal and wave energy from Alderney's territorial waters. OpenHydro and Alderney Renewable Energy Ltd have worked together over the past three years in surveying Alderney's waters, preparing environmental studies and planning the development of commercial tidal farms in the waters around Alderney. This cooperation has culminated in OpenHydro acquiring a 20% shareholding in Alderney Renewable Energy Ltd.

In addition, this agreement places OpenHydro's Open-Centre Turbines as the preferred technology for the development. When fully developed the resource could contain up to 3,000 of its turbines which would represent a capital investment in excess of €3 billion in OpenHydro technology.

The first phase of this development will be a 285MW tidal array and Alderney Renewable Energy Ltd have already secured initial rights for a European grid connection of this capacity. The installation of this tidal array will give the island of Alderney a link to the French grid thereby providing security of supply and financial benefits for the island and its residents.

Commenting on the announcement, Brendan Gilmore, Chairman, OpenHydro said: "Alderney's waters contain one of the world's largest resources of marine energy. We are delighted to invest in Alderney Renewable Energy Ltd and to provide our technology to harness this unique resource.

This resource will deliver security of energy supply and further economic benefits for the residents of Alderney, and will provide Europe with long term carbon free renewable tidal energy.”

OpenHydro is an Irish tidal energy technology company whose business is the design and manufacture of tidal turbines and turbine deployment equipment for generating renewable energy from tidal streams. The company currently has over 30 permanent employees and continues to recruit and expand its operations.

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

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Please also see: www.openhydro.com & www.are.gb.com

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.