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OpenHydro Becomes First Tidal Energy Company to Generate Electricity onto the UK National Grid

Irish company OpenHydro has become the first tidal energy company to complete the connection of a tidal turbine to the UK national grid and commence electricity generation. This is a first for both the UK and Ireland and in doing so OpenHydro has now become one of the first companies in the world to reach this stage of technical maturity.

OpenHydro's 250kW Open-Centre Turbine, which is installed at the European Marine Energy Centre (EMEC) off Orkney, Scotland, commenced generation onto the grid on 26th May, 2008 and this was independently witnessed by representatives of EMEC. EMEC is the only independent and publicly financed facility in the world for testing tidal and wave technologies.

The company has been testing the power generation of its Open-Centre Turbine over the past 18 months at EMEC. The most recent tests were performed with the turbine connected to the UK's electricity grid onto which power was generated for the first time. These initial tests were successfully completed and the turbine operated as expected. The results from this phase of testing will now be analysed in detail, and over the coming weeks and months OpenHydro will move into extended operation consistent with its test programme.

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

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.

Brendan Gilmore, Chairman, OpenHydro, said, "This is a hugely significant development not only for OpenHydro, but for the future of the Tidal Energy industry and security of energy supply. It is also a further major step in our program to deploy an array of 1MW turbines in Alderney, the Channel Islands, in 2009."

James Ives, Chief Executive, OpenHydro, said, "We are delighted to have achieved this major milestone, which is the product of a tremendous effort put in by OpenHydro's dedicated and talented team. We look forward to installing further turbines at EMEC and other significant tidal sites globally."

Operation of the tidal turbine onto the UK's electricity grid is a significant milestone in OpenHydro's development plan. OpenHydro has already won tenders to supply and install turbines to tidal sites in the Bay of Fundy, Nova Scotia, Canada, and Alderney, Channel Islands.

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

OpenHydro has raised over €50m in funding since 2005 for the commercial development of its turbines. The company employs 26 people.

For further information, please visit www.openhydro.com.

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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 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.