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:: Wavegen secures £5m wave power funding

24/01/01

Scottish-based renewable energy pioneer Wavegen has secured a major funding boost for its wave power generation technology. In conjunction with Ernst & Young, the company secured the required £5m funding for the further development and commercialisation of their wave power technology. This round of finance was led by Merrill Lynch New Energy Technology plc and includes further backing from existing shareholders, including Unotec Holding AG, AGIP Oil & Gas Limited and 3i.

Wavegen's marine power generation technologies take advantage of the vast natural energy potential found in the waves of the world's oceans. Last December, a demonstration Limpet plant was commissioned on the island of Islay and currently generates power under a 15-year power purchase contract with Scottish & Southern Energy and Scottish Power. This latest fundraising will allow the company to accelerate the development of its products.

Allan Thomson, Wavegen's managing director, said: "We are pleased that government and capital markets now understand the important role this vast untapped resource will play in the future energy supply mix. Merrill Lynch has recognised that we have the technology and team to deliver that promise."

Wavegen has a 12 strong research and development team based in the Scottish Highlands. Utilising its in-house waketank testing facility, and working in conjunction with both industrial and academic partners, Wavegen has developed products which establish the company as a world leader in the development of this new clean energy technology. The Limpet demonstration plant is the first commercial scale plant in operation in the world. The knowledge gained from the operation of this initial plant allows Wavegen to move forward rapidly towards full commercialisation and general use of wave power technology.

Jonathan Johns, Ernst & Young's renewable energy partner, said: "Renewable energy is coming of age. With Wavegen's management team we've succeeded in creating a funding package which will uniquely strengthen the company's position in this rapidly growing market". The Ernst & Young renewable energy team is recognized as one of the leading advisers in this sector.

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