

Wavegen Under New Ownership

Wavegen acquired by Voith Siemens Hydro

Voith Siemens Hydro Power Generation has announced the acquisition of Inverness based wave energy company, Wavegen.

Voith Siemens Hydro Power Generation, a division of Voith, is one of the world's leading suppliers of hydropower with 2,260 employees and sales of €683 million.

Voith is setting standards in paper technology, power transmission, energy technology and industrial services. It was founded on 1 January 1867. It now has approximately 24,000 employees, a turnover of €3.3 billion and over 200 locations world-wide. Voith is one of Europe's largest family owned companies.

Voith Siemens Hydro now hopes to extend its leading position in the hydropower sector into the development of innovative energy generation technologies from water.

Wavegen, founded in 1991, is a world leader in the development of wave energy systems and in wave

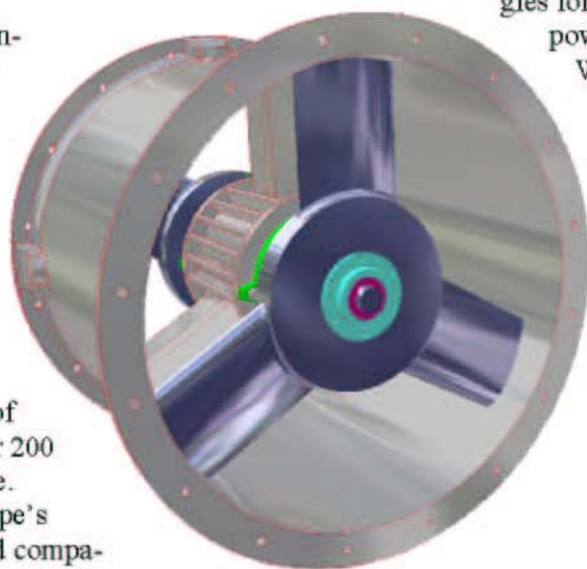
technology. The company built and operates the world's first commercial-scale grid-connected wave power station, the LIMPET power plant on Islay, Scotland.

The two companies will now work in partnership to commercialise

Wavegen's existing technologies for shoreline power stations. Wavegen

conjunction with Wavegen will also develop new technologies for energy generation from ocean currents.

Under Voith Siemens Hydro, Wavegen's in-house research and development will be enhanced by strategic partnerships with manufacturers, operators, assembly companies and research institutions, as well as local partners.



has already identified locations for a number of projects around the world, ranging from turnkey projects to maintenance services and consultation.

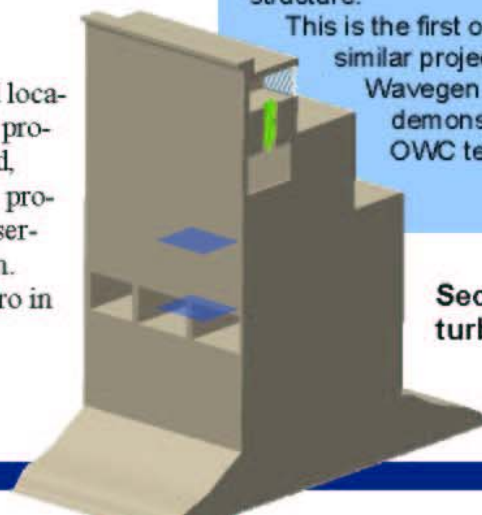
Voith Siemens Hydro in

Breakwater Tests

MUTRIKU is a small town with a port on the coast of the Basque Country in Northern Spain, not far from Bilbao. A new breakwater is to be built to protect the existing harbour.

Wavegen is performing wave tank testing for EVE, the Basque Energy Board, to enable definition of a breakwater incorporating 16 off 30kW 'breakwater turbines' into the new structure.

This is the first of a number of similar projects through which Wavegen will secure early demonstration of its OWC technology.



Section showing turbine in green.

Tunnelled Collectors

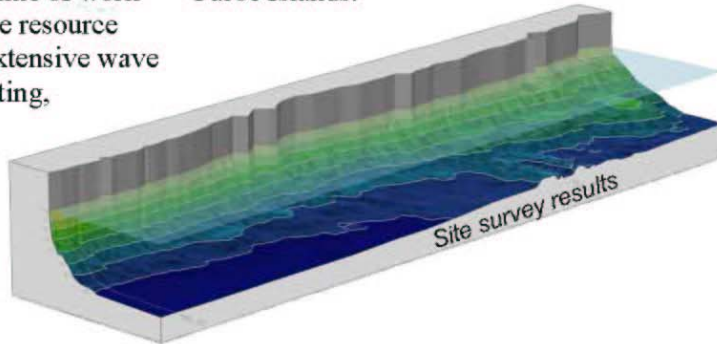
Following the completion of the Front End Engineering Design (FEED) phase - SeWave the joint venture between Wavegen and the Faroese national utility SEV is a step closer to building a wave power plant in the Faroe Islands.

The FEED programme supported in part by BP and ENI demonstrated the potential for a tunnelled OWC (oscillating water column) system as a viable wave energy collector.

The programme of work included wave resource assessment, extensive wave tank model testing, and power

take off specification.

The site selection process resulted in the detailed bathymetric and geological surveys of two Faroese sites identified as suitable for a demonstration scheme (rated at 600kW) and with potential for future expansion (up to 5MW). Favourable environmental conditions and local tunnelling experience, combined with an established partnership between the Technology Company and National Utility, makes the Faroes particularly attractive for technology demonstration. This application of shoreline OWC technology can be applied to a wide range of coastal geometries. It also has a number of important benefits including low visual impact and zero requirement for expensive marine operations. SeWave is developing plans to move forward on the construction of a first demonstration plant in the Faroe Islands.



Turbine Development

OVER the last twelve months Wavegen has been testing the newly designed Wells turbine for installing in marine structures, such as breakwaters and harbour walls. These types of project are ideal because they are generally close to grid connections. In addition incorporating wave



energy generators into a new or existing structure can provide a positive environmental benefit for projects.

The full-scale field test results have been very successful, generating excellent conversion efficiencies for the Wells Turbine power take-off system.

Howden Industrial, based in Glasgow, built the turbine to Wavegen's specification. The design has evolved to incorporate improvements identified during the Islay test programme. A further turbine has been built and will be tested on the plant during summer 2005.

Testing times:

The first generation of Breakwater Turbine being installed on the Limpet plant in summer of 2004.

Limpet holds on...

THE first rule of wave energy technology is survival! If your not there then you can't generate. Well the Limpet plant has been on station since November 2000. In that time it has experienced some severe weather - the worst in living memory.

The Limpet plant has proven to be an invaluable tool for Wavegen. The plant has enabled us to verify our wave tank test results and numerical models against real sea data. This enables us to better predict performance for our future devices.



In addition the Limpet site is also a marvellous place to test new turbines for example the new 'Breakwater turbine.'

For more information

Wavegen, 13a Harbour Road, Inverness IV1 1SY

T: +44 1463 238094 F: +44 1463 238096 E: enquiries@wavegen.com

www.wavegen.com

