Marine Current Turbines

Running with the tide of renewable energy

Press Release

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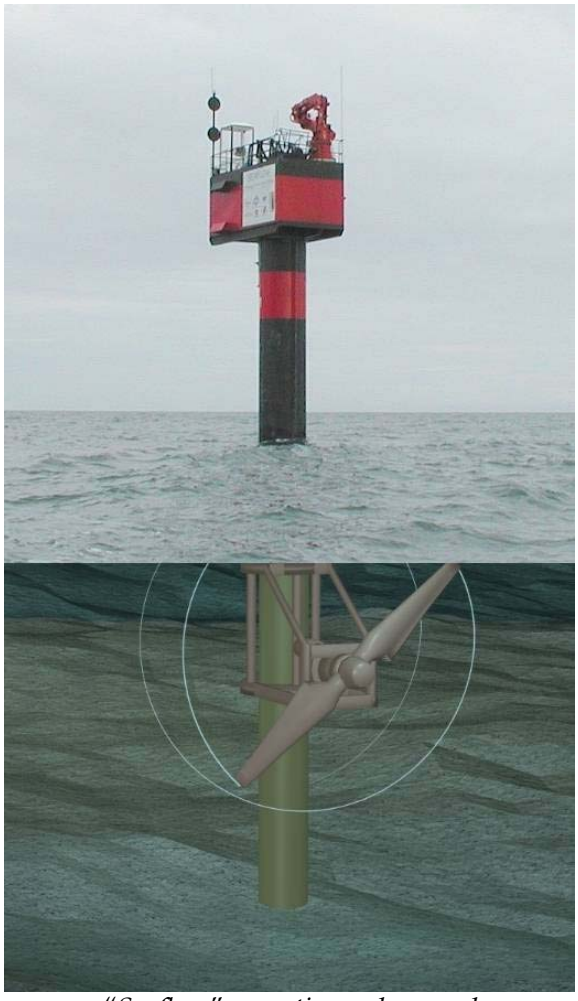
THE TIDE TURNS FOR RENEWABLE ENERGY: Major new development for tidal power

Marine Current Turbines Limited has announced today, the successful closure of a £3.0m equity funding round, and the launch of a programme to develop a successor to the 'Seaflow' Project, the World's first 300KW offshore tidal turbine.



"Seaflow" operating submerged

and raised for maintenance

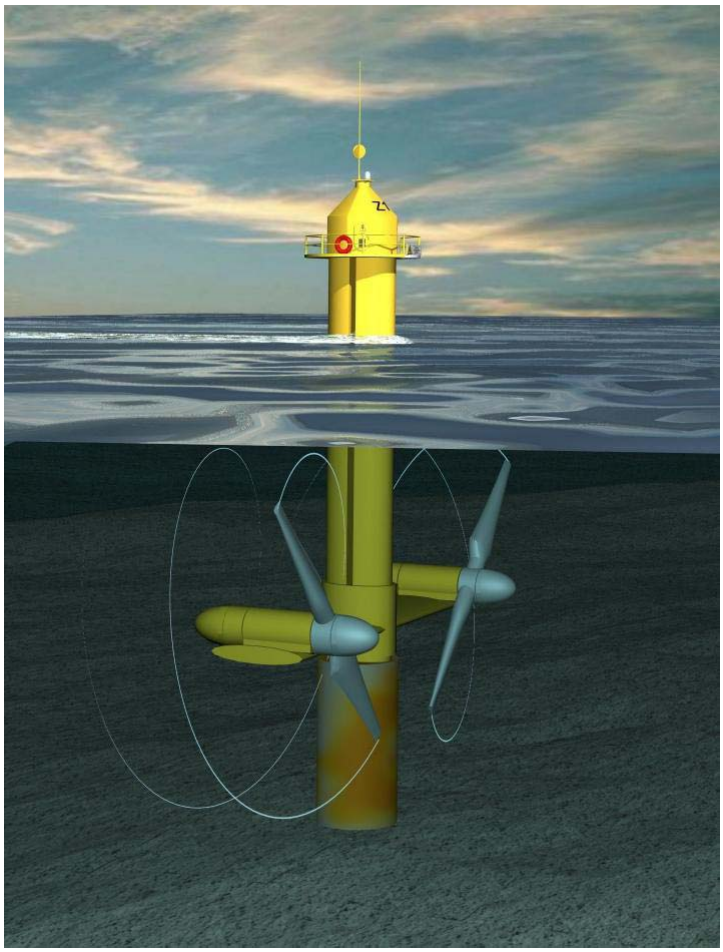
The new project known as the 'SeaGen' Project will be a grid connected twin rotor machine, which follows on as the next stage of the development of a commercial tidal stream turbine. The company also revealed that the 'Seaflow' Project has performed better than expected. The machine has reached its rated power of 300kW, has a rotor efficiency consistently in excess of 40% and the energy capture has been up to 25% better than expected. Overall the

The Manor House, Chineham Court, Lutyens Close, Chineham, Basingstoke, Hampshire, RG24 8AG

Tel: +44 (0) 1256 470149 Fax: +44 (0) 1256 403129
Email: Info@marineturbines.com Website: www.marineturbines.com
Registered address: c/o Bond Pearce, Oceana House, 39-49 Commercial Road, Southampton, SO15 1GA

Company Registration No: 02395158 England

project has proved invaluable in proving the fundamentals of the technology, and significantly advancing the knowledge of all aspects of design and operations.



Artist's impression of SeaGen twin rotor megawatt prototype system due for installation in 2005

The investment round has seen existing major investors such as EDF Energy increase their equity stake, and new investors join. BankInvest, a major Danish Venture Capitalist firm with a specialist energy focus, led the funding round and they were joined by Guernsey Electricity, who have access to one of the most energetic tidal sites in western Europe.

Martin Wright, the company's Managing Director announced, "We believe we have made a major breakthrough in terms of extracting clean energy from the sea. Our 300kW *Seaflow* prototype turbine has successfully completed the first phase of its test programme; it has exceeded our performance expectations. We are also delighted to have attracted new, experienced, specialist investors to the company, and that speaks for itself. It gives the company a very sound footing upon which to move forward, and considerably hastens the day when tidal stream power becomes a commercial reality." He went on to say "we are also delighted to welcome Jens Christian Mathiesen of BankInvest to our Board who brings considerable commercial and finance expertise".

Jens Christian Mathiesen commented: "We are delighted to be involved with MCT, and see that the technology will make a considerable contribution to the development of renewable energy power systems. We are particularly attracted not only by the fundamentals of the

technology and the predictable nature of the power production, but also by the management and the strong strategic partner base that they have already brought together."

Angus Norman, Managing Director, Generation EDF Energy commented: "MCT has performed much as we had hoped, and we are delighted to be able to continue our support. The first prototype has produced very promising results, and this bodes very well for the future."

Steve Morris, Engineering Director of Guernsey Electricity commented: "Living where we do, we are only too well aware of the potential for the MCT technology, and we have been watching the developments for sometime. We are very pleased to have become an investor in the company and look forward to working closely with them towards the development of commercial tidal energy farms."

~ ENDS ~

NOTES FOR EDITORS:

This new technology works on the same principles as a windmill, where large underwater rotors, shaped like propellers, are driven by the huge mass of flowing water to be found at certain places in the sea, (see artist's impression). These rotors can drive electrical generators through large gearboxes. The fundamental advantages of this technique are:

- **tidal currents are predictable far into the future** (unlike wind, wave or solar energy) making it possible to offer firm power which is inherently more valuable than randomly available power

- **the high energy intensity** of this resource means that a 1MW tidal turbine can access five to ten times as much energy per square meter of rotor than a 1MW wind turbine, resulting in a smaller and potentially lower cost machine – yet wind turbines already have spawned a successful and fast growing industry

- **minimal environmental impact:** tidal turbines are almost out of sight, produce no pollution or noise and their slow moving rotors are considered harmless to marine life

- **conditions under the sea in a storm are relatively benign** (as is well known to submariners) so the technology is relatively immune from storms and waves unlike offshore wind and wave systems – and this in turn results in reduced costs

The 300kW experimental turbine off Lynmouth is part of a project called Seaflow; the industrial partners with co-financing from the European Commission, the DTI and the German government financed this £3.4million project. The partners in the project are Marine Current Turbines Ltd., Seacore Ltd., I T Power Ltd., Bendalls Engineering (part of Carrs Milling plc), Corus UK, ISET eV, and Jahnel-Kestermann GmbH. Other companies making valuable inputs to the programme included Aviation Enterprises Ltd and Atkins plc.

The megawatt machine will be developed under a £6 million project to be called 'SeaGen'. It will be the prototype for commercial technology to follow. Most of the 'Seaflow' partners are likely to remain involved.

Marine Current Turbines Ltd is a specialised Renewable Energy Technology Development Company that owns this pioneering tidal current turbine technology; the company is dedicated to delivering commercially competitive generators.

Key corporate shareholders in this enterprise include Seacore Ltd. (a major offshore construction contractor), EDF Energy, BankInvest, Bendalls Engineering (through their parent company Carrs Milling plc) and Guernsey Electricity.

www.marineturbines.com

BankInvest-Group is a leading Danish Investment House based in Copenhagen. In addition to listed fund management activities, they have a venture capital arm, which specializes in investing in alternative energy technologies.

www.bankinvest.com

EDF Energy (previously LE Group) is an integrated energy provider, involved in all parts of the electricity supply chain – generation, distribution and supply.

EDF Energy distributes electricity to almost 7.8 million homes and businesses, accounts for around 25% of the UK's electricity distribution, supplies 5 million residential gas and electricity customers and major business customers through its brands - London Energy (previously London Electricity), Seeboard Energy and SWEB Energy (previously SWEB) and Virgin HomeEnergy.

EDF Energy has some 5GW generation capacity. It owns Cottam Power station and West Burton Power station in Nottinghamshire. It also owns Sutton Bridge Power station in Lincolnshire; it has a stake in Barking Power in Essex; and manages and develops Combined Heat and Power operations at Heathrow Airport, Imperial College in London, and the Barkantine Estate on the Isle of Dogs. It owns and runs two onshore windfarms and is also involved in two offshore windfarm development projects, one off Cromer in Norfolk and the other between the mouth of River Tees and Redcar.

EDF Energy is a key element of the EDF Group, a company that operates in 5 key European countries. With the backing of EDF Group EDF Energy is well placed to play a significant role in the development of the UK energy market.

www.edfenergy.com

Guernsey Electricity is a limited company wholly owned by the States of Guernsey. It is the only power company on the island and is responsible for the provision of power throughout the bailiwick.

www.electricity.gg

Legal Representation:

Company:	Jane Oakland Partner Bond Pearce Bristol Bridge House Redcliffe Street Bristol BS1 6BJ
BankInvest-Group:	Robert Haldane Partner Stephenson Harwood 1 St Paul's Church Yard London EC4M 8SH

PLEASE NOTE: images of Seaflow and Seagen of reproduction quality available on request from Marine Current Turbines

For further information contact:

Martin Wright
Managing Director
Marine Current Turbines Limited
Tel: 01256 470149
Mob: 07785 340671

Jens Christian Matheisen
Director
BankInvest-Group
Tel: +45 7730 9183
Mob: +45 4045 9183

Jonathan Levy
Senior Press Officer
EDF Energy
Tel: 0207 752 2265