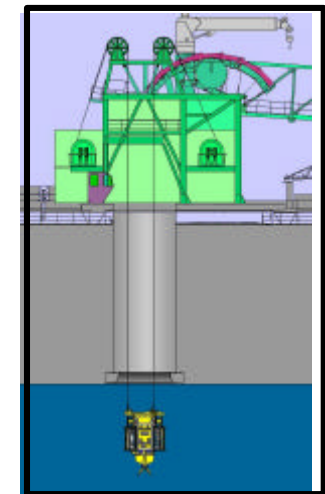
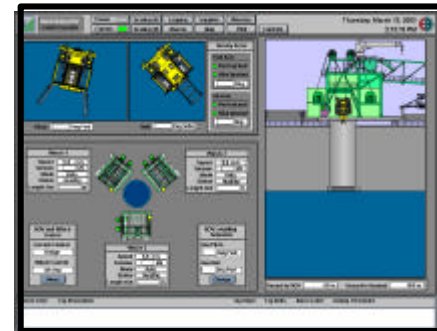


# EUROPEAN ENERGY VENTURE FAIR 2003

## The Engineering Business & Tidal Energy Business

### The European Energy Venture Fair 2003

October 28 2003  
Zurich, Switzerland



# Capturing profit from ocean energy

Large potential investment in tidal and wave energy power stations

Tidal power	0.05 TW	£50 billion (£1 per Watt installed)
Wave power	0.2 TW	£200 billion

- EB has a unique range of products and market position:
- Cable Guardian – cable installation & protection



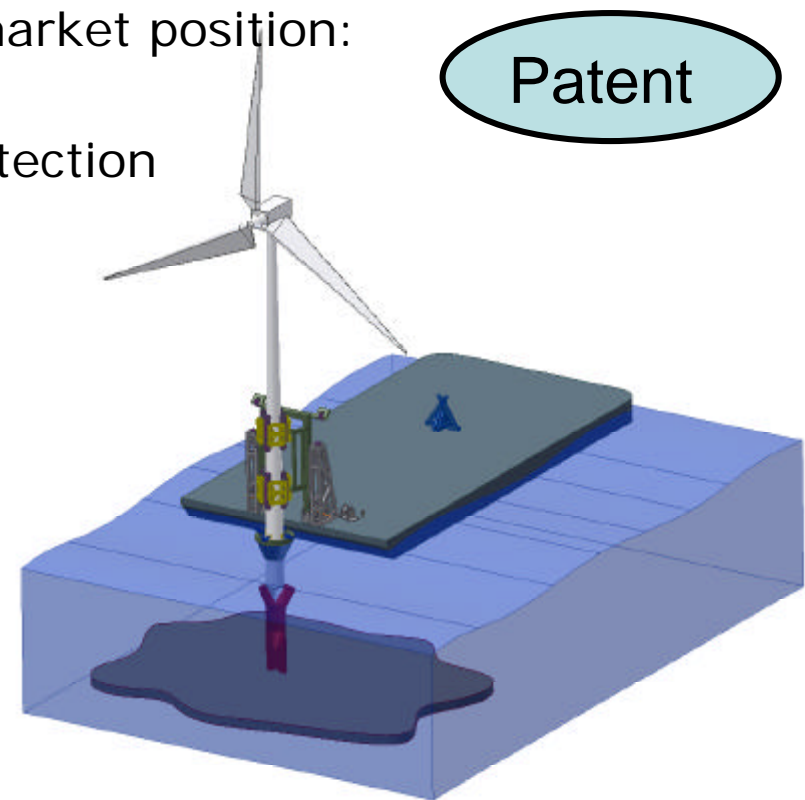
North Hoyle wind farm  
August 2003

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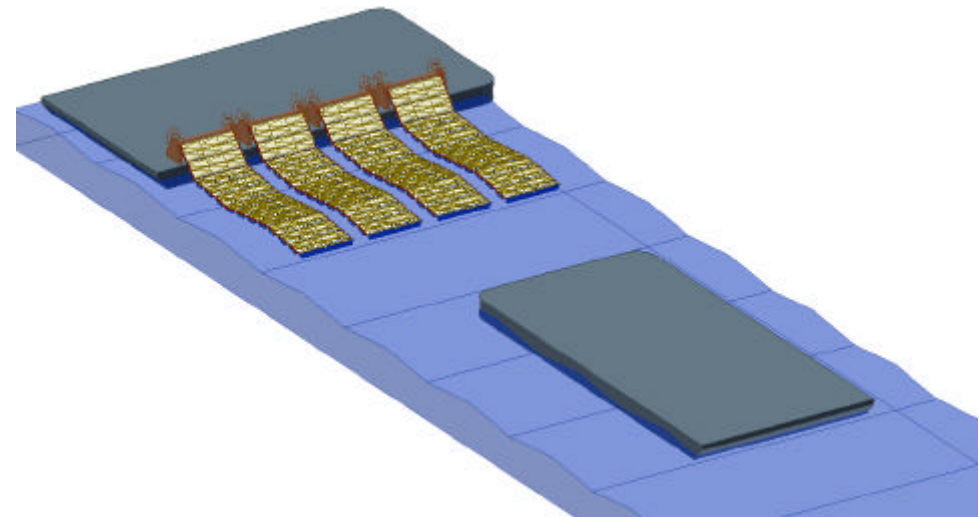
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Patent



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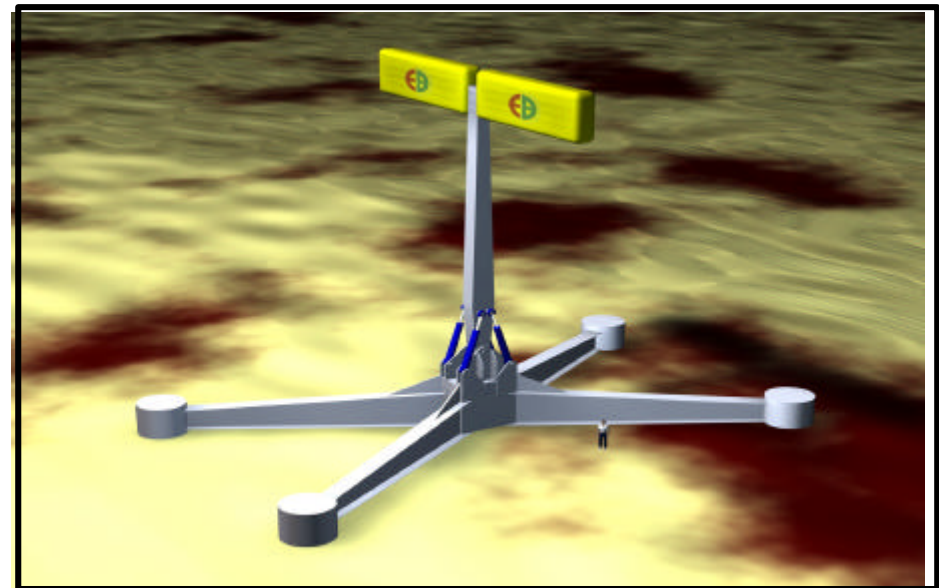
Patent (2)

- Cable Guardian – cable installation & protection

- Merlin – Wind turbine installation

- Wavematt – localised becalming

- EB Frond – wave energy collector



# Capturing profit from ocean energy

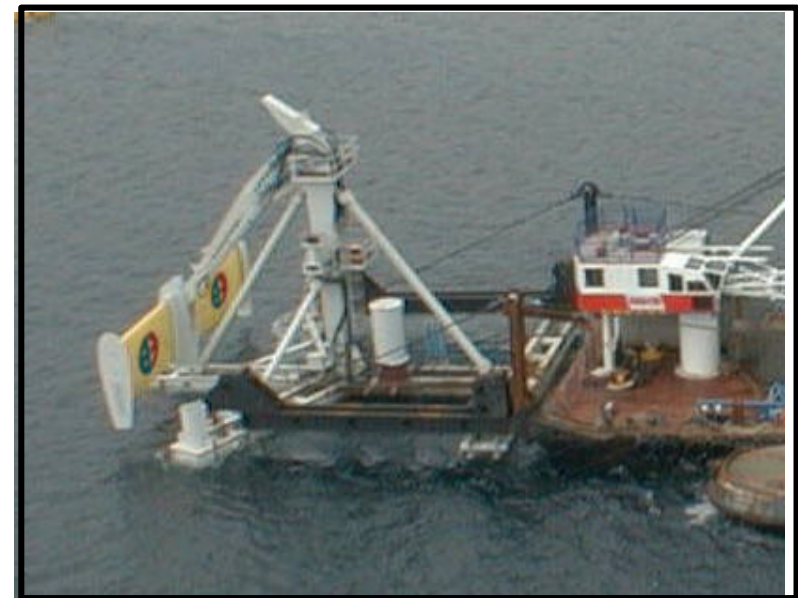
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- EB Frond – wave energy collector
- Stingray – tidal stream generator



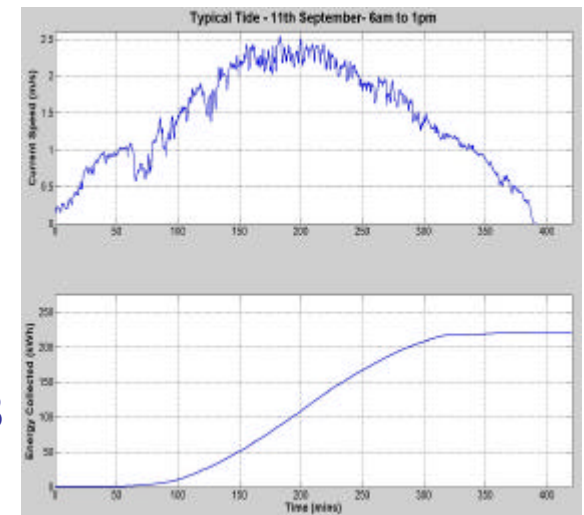
# Stingray tidal stream generator

- Tidal stream - a predictable, available resource
- Low environmental impact, fully submerged
- Exclusive, patent protected, technology - oscillating devices
- 1998 start, 150kW demonstrator 2002 & 2003
- Significant power produced - technically viable
  
- Phased programme of Stingray development
- Progressive risk reduction for investors
- Tidal Energy Business established September 2003
- Joint ownership between EB and NaREC
- Total Stingray investment so far about £6m (EB, DTI, NaREC)

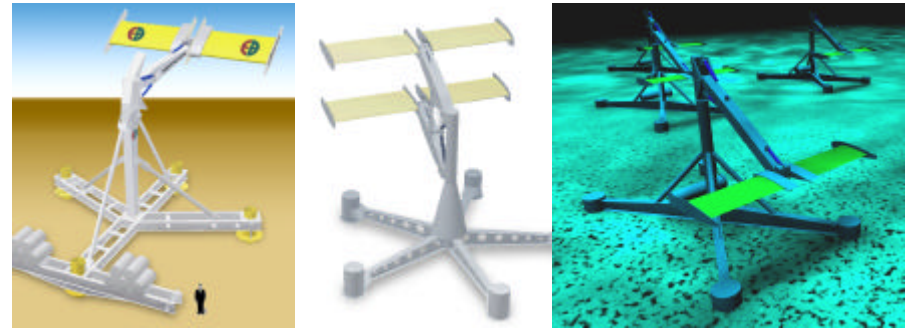
## UK energy White Paper 2003

### Energy from the Oceans - The Stingray Project

Funded under the DTI's Renewable Energy Programme, a Northumberland-based company The Engineering Business has successfully developed its ideas for a tidal stream generator system '*Stingray*' from concept through to demonstration stage. In September 2002, following early design work carried out under Phase 1 of its project, a 150kW full-scale prototype weighing 180 tonnes was built, installed and successfully operated on the seabed in Yell Sound, Shetland.



# The Stingray Business



- Five year programme to develop first commercial Stingray farm
- Proven track record for innovative, cost-effective engineering
- 5MW demonstration farm - appropriate financial/industry partners
- Requirement for £15m - £20m from equity investment or partnership plus grant support
- Income from electricity sales covers operational costs and generates cash
- Value realised through sale/flotation to fund first commercial farm (2007)
- Potential earlier return through trade sale to meet ROC need
- Options - licence IP, develop technology, make equipment, sell energy

# The Stingray Team

- Engineering Business - 4 executive directors, 40 staff (mainly professional engineers)
- Tidal Energy Business -2 additional directors, access to NaREC resources
- EB directors worked together for up to 25 years, instrumental in developing two successful businesses
- EB turnover £6m (10% profit) - diverse subsea engineering markets
- Typical contract £0.5m to £4m for world-wide customer base
- Increased technical and commercial strength with NaREC



# Developing the Stingray programme

- Rapid progress through unparalleled abilities and experience
- Seeking significant funding for ambitious but realistic programme
- £15m to £20m needs to be raised, but UK DTI support anticipated
- Financial advice from Arbuthnot Latham (Rosamund Blomfield-Smith)
- Clear opportunity for return in 3-4 years through trade sale or flotation

