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## OCEAN POWER PILOT PROGRAM ACCELERATED THROUGH MOU WITH HYDRO TASMANIA

**Sydney, Australia, 6 May 2008: Australia's ocean power company,** BioPower Systems Pty Limited, has signed a Memorandum of Understanding (MOU) with Hydro Tasmania to test and demonstrate its bioWAVE™ and bioSTREAM™ ocean power conversion systems in Tasmania.

BioPower Systems will conduct the pilot programs, which include deployments of the bioWAVE™ ocean wave power system at King Island and the bioSTREAM™ tidal-current power system at Flinders Island. Each installation will have a capacity of 250kW and will feed power into each island's distribution grid, which are owned by Hydro Tasmania. The power generated should be sufficient to supply about 500 homes.

Hydro Tasmania will work with BioPower Systems to establish the electric power infrastructure to make the grid connections and to manage the supply of power from the offshore generators. Hydro Tasmania is also involved in gaining approvals and permits for the projects.

At present both King and Flinders Islands rely on imported diesel fuel and wind turbines for power generation. In order to meet rising demand, Hydro Tasmania is seeking to develop new renewable energy supplies on the islands. The local councils, and residents of the islands, are also supportive of the development of renewable energy sources to offset the burning of fossil fuels.

Dr Tim Finnigan, the CEO of BioPower Systems, said, "The coasts at King and Flinders Islands are literally awash with clean power, but it is contained in the waves and tidal currents.

"The bioWAVE™ and bioSTREAM™ systems can tap these sources for the benefit of the communities. These pilot programs in Tasmania provide a great opportunity to demonstrate this at a cost that is directly competitive with their existing power supplies. Hydro Tasmania is keenly interested in these outcomes," he said.

The cost of the pilot programs are being 50 per cent funded by a \$5 million Renewable Energy Development Initiative (REDI) grant, awarded last November to BioPower Systems by the Australian Government. The balance of the cost will be funded by the Company. BioPower Systems recently raised \$6million through equity investments from Lend Lease Ventures, CVC REEF, and CVC Sustainable Investments.

"The signing of the MOU with Hydro Tasmania formally marks the start of the pilot program," Dr Finnigan said.

"The funding is in place and with Hydro Tasmania's participation the project can now be ramped up towards implementation and connection next year," he added.

Following a period of performance testing, BioPower Systems intends to launch its first commercial products in 2010.

*For more information, please contact:*

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**Hydro Tasmania** is a Government Business Enterprise, owned by the State of Tasmania. The business trades electricity and energy products as a participant in the National Electricity Market. Hydro Tasmania's total generating capacity is 2615 MW and the business has assets worth about \$3.4 billion.

**Lend Lease Corporation Limited** (ASX: LLC) is a global company, headquartered in Australia, with three core businesses - project management and construction, property investment management and property development.

**CVC REEF** and **CVC Sustainable Investments** are Australian investment funds that specialise in investing in renewable energy and clean technologies.