

BIOPOWER SYSTEMS AWARDED \$5 MILLION RENEWABLE ENERGY DEVELOPMENT GRANT

Sydney, Australia, 4 February 2008: Australia's ocean energy company, BioPower Systems Pty Limited, has been awarded a \$5 million grant under the Australian Government's AusIndustry Renewable Energy Development Initiative (REDI).

The grant will be matched by BioPower to fund a \$10.3 million, two-year project involving the deployment and ocean-testing of the company's proprietary wave and tidal-current energy converters. The funds will also be used in the development of new designs and production methods in preparation for the manufacture of commercial products at the end of the pilot project in 2009.

BioPower System's ocean power conversion technologies are based on the concept of biomimicry, using biological species as inspiration in engineering design. The *bioWAVE* wave power system and *bioSTREAM* tidal power system are visibly reminiscent of sea plants and swimming species.

The inventor of these ocean power technologies, BioPower's Chief Executive Officer, Dr. Tim Finnigan, said: "Some of the traits that we observe in large sea plants and fish provide us with clues on how to design machines that will function well in the ocean environment, convert energy efficiently, and survive in the worst storms."

Under the REDI-funded project, the company will build and install full-scale prototypes of both its wave and tidal-stream systems. Each 20-metre prototype will generate enough power to supply up to 500 homes. BioPower has identified two preferred sites in Tasmania.

"In order to streamline the project, we looked first for a place where strong tides and consistent waves are found in the same geographic region," Dr Finnigan said. "Tasmania is such a place - it has rapid tidal currents in the Furneaux group of islands and also has a world-class wave energy resource on the north-west coast, including King Island, due to exposure to the Southern Ocean," he said.

BioPower has conducted preliminary site investigations at King Island as a location for testing of the *bioWAVE*, and at Flinders Island as a location for testing the *bioSTREAM*. At both locations, the company proposes 250kW installations supplying power into Hydro Tasmania's distribution system on the islands. Both islands rely on diesel-fired generators and wind for power supply, so the project could further reduce greenhouse gas emissions through the addition of carbon-free renewable energy.

The Chairman of BioPower Systems, Mr. Malcom Castle, said he was delighted with the Australian Government's endorsement of BioPower's technology and management team.

"This grant will facilitate a faster path to commercial development," Mr Castle said.

BioPower Systems has also received cornerstone funding from CVC REEF Limited, the Federal Government's Renewable Energy Equity Fund.

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