

**Press release**

9 February, 2017

## Minesto to expand the commercial roll-out of the Deep Green technology

Leading marine energy developer Minesto has today announced that the company intends to expand the commercial roll-out of its Deep Green technology in Holyhead Deep, North Wales by taking steps to increase the planned installed capacity of its tidal energy array to 80 MW.

"This substantial scale-up of the Holyhead Deep project's commercial strength makes it even more attractive to site investors and creates early opportunities for sales of Deep Green power plants", says Dr Martin Edlund, CEO of Minesto.

Minesto has today submitted a scoping report to UK consenting authorities Marine Management Organisation (MMO) and Natural Resources Wales (NRW), asking for their scoping opinion for development of an 80 MW site in Holyhead Deep. After extensive preparatory work, Minesto has concluded that such a scale for its first commercial project is appropriate from both a business and a technology development perspective.

This is underpinned by an in-depth study analysing the site's capacity by Xodus Group. The study concludes that the 9 km<sup>2</sup> area in Holyhead Deep, for which Minesto currently holds an Agreement for Lease for 10 MW from the Crown Estate, is suitable for future deployment of up to 80 MW installed capacity of Deep Green power plants. Minesto looks forward to continue working with the Crown Estate, MMO, NRW and other key stakeholders to enable the scaling up of this site over the coming years.

By scaling up the Holyhead Deep project to 80 MW, Minesto fully exploit its commercialisation of Deep Green in UK tidal streams, says Dr Martin Edlund, CEO of Minesto:

"This expansion enables economies of scale without us having to conduct parallel and costly site development. We will be able to take greater advantage of the asset base of our operational organisation, partner collaborations and the supply chain in Wales and the UK".

### **Cost of energy reduced by more than 50 percent**

Project economics were certainly attractive for a 10 MW installation at the Holyhead Deep site. However, increasing the scale of the project unlocks further cost reductions by delivering all-important benefits from volume manufacturing and installation synergies.

"Our projection of an 80 MW project in Holyhead Deep gives a levelized cost of energy (LCOE) which is 50 percent lower than for a 10 MW project. This substantial scale-up of the project's commercial strength will make it even more attractive to site investors. Taking this step also means that we are creating early opportunities for Minesto to sell Deep Green power plants to the newly incorporated site development company Holyhead Deep Ltd", says Dr Martin Edlund.

The cost reduction also applies on the Deep Green technology itself, which would move several generations in its evolution through the volumes of an 80 MW installation in Holyhead Deep.

#### **A stepwise expansion from demonstrator to industrial roll-out**

Following the planned installation of the first 0.5 MW commercial-scale demonstrator this year – backed with EU funds through the Welsh Government – Minesto intends to develop the Holyhead Deep site in three phases as part of a deploy-and-monitor approach. This gradual expansion will see Minesto taking the Deep Green technology from demonstrator to full industrial roll-out in North Wales.

The scoping request submitted to MMO and NRW today is the first step in the process of secure all necessary leases and consents for up to 80 MW. Throughout this process, Minesto will continue to engage all relevant stakeholders on a regular basis. The next stakeholder event is planned to be held in the springtime once the company has received an official response from the consenting authorities.

#### **Creating an export hub for international expansion**

“This is an exciting opportunity to develop the tidal energy sector in Wales. In Holyhead, we have already created 15 full-time jobs to date. We have also created significant and tangible opportunities for the Welsh and UK supply chain. The ultimate goal is to develop Holyhead into an assembly and export hub for Minesto’s international market expansion”, says Dr Martin Edlund.

Ken Skates AM, Cabinet Secretary for Economy and Infrastructure said: “I am delighted by Minesto’s progress and their commitment to make Anglesey their main technology deployment and trading hub and I welcome their ambitious plans to grow their business in Wales.”

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## About Minesto

Minesto is a marine energy technology company with the mission to minimise the global carbon footprint of the energy industry by enabling commercial power production from low-velocity tidal and ocean currents.

Minesto's award winning and patented product, Deep Green, is the only proven marine power plant that operates cost efficiently in areas with low-velocity currents.

In May 2015, Minesto secured a €13m investment from the European Regional Development Fund through the Welsh European Funding Office, for the commercial rollout of Deep Green.

Minesto was founded in 2007 and has offices in Gothenburg, Sweden, Holyhead, Wales and Portaferry, Northern Ireland. The major shareholders in Minesto are BGA Invest and Midroc New Technology. The Minesto share (MINEST) is traded on the Nasdaq First North Stockholm stock exchange, with G&W Fondkommission as Certified Adviser.

Read more about Minesto at [www.minesto.com](http://www.minesto.com)

Press images and other media material is available for download via [bit.ly/minestomedia](http://bit.ly/minestomedia).

*The information in this press release is such that Minesto AB (publ) shall announce publicly according to the EU Regulation No 596/2014 on market abuse (MAR). The information was submitted for publication, through the agency of the contact person set out above, at 07:30 CET on 9 February, 2017.*

