

Press release

Regulatory information

12 November 2018

Minesto signs agreement with electric utility SEV for Faroe Islands' installations

Swedish marine energy developer Minesto has signed a collaboration agreement with the main power generator and distributor on the Faroe Islands, SEV, for two installations of Minesto's DG100 model. The agreement also includes a power purchase agreement through which SEV commits to purchase the electricity generated by Minesto's tidal energy converters.

"We are delighted to have signed this agreement with SEV, an advanced customer with a pioneering energy transition agenda and a world-class tidal energy resource. With Minesto's technology, they can add a predictable and affordable source of clean energy with the potential to play a significant role in Faroes Islands' transition to 100 percent renewable energy by 2030", said Dr Martin Edlund, CEO of Minesto.

The collaboration agreement between Minesto and SEV covers the installation, commissioning and operation of two grid-connected units of Minesto's DG100 model, part of the company's unique subsea kite technology called Deep Green. Through a power purchase agreement SEV commits to buy the electricity generated by the tidal energy converters.

SEV will also provide required infrastructure such as grid connection and resources for consenting processes. Site development is in progress and a site has been identified in Vestmannasund, a strait in the North West part of Faroe Islands.

The collaboration is the first phase of a long-term ambition to add further tidal energy capacity by Minesto's Deep Green technology to the Faroe Island's energy mix, which is estimated to approximately 30–70MW installed capacity. The Faroe Islands have set a goal of producing their entire electricity need from renewable energy sources by 2030, including transport and heating.

"As a remote island society, we don't have the option of buying electricity from neighbouring countries. We need to create the opportunities for a sustainable future ourselves. Therefore, we are in continuous process of revising our road map to 100 percent clean energy. For the last year, we have carried out tidal stream measurements, as tidal energy at the right cost level can be one important piece of the puzzle, and we are looking forward to exploring that opportunity further together with Minesto and their innovative technology for converting tidal stream energy to clean electricity", said Hákun Djurhuus, CEO of SEV.

Installation of the first DG100 unit is planned for late 2019 or early 2020, with the following unit to be installed in 2020. The project will be financed through a mix of equity and resources from Minesto and SEV together with public funding grants.

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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 the ocean.

Minesto's award winning and patented product, Deep Green, is the only verified marine power plant that operates cost efficiently in areas with low-flow tidal streams and ocean 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 operations in Sweden, Wales, Northern Ireland and Taiwan. 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

Press images and other media material is available for download via bit.ly/minestomedia.

About SEV

The power company SEV is an inter-municipal community, which is owned by all the municipalities in the Faroe Islands, and therefore by all the Faroese people.

SEV is based on joint and several liability, a democratic organisation. Most of the profit, from sales of electricity, is spent on future developments of supply productions and the power supply system. In this way everybody enjoys the profit, and developments can be carried out parallel to progress in society, which requires more demand for electricity.

SEV is obliged to supply to all citizens, companies, and organisations with power supply 24-hours a day. SEV has sole responsibility for power quality and the power supply system in the Faroe Islands.

Read more at <http://www.sev.fo>

