

Aquamarine Power announce Ground-breaking marine energy Finance deal

✘ Aquamarine Power, the pioneering wave energy company, has agreed a £3.4 million loan with Barclays Corporate in a deal that marks an important milestone for investment in the marine energy sector.

The groundbreaking transaction is the first time a UK marine energy project has succeeded in securing bank debt finance.

Aquamarine Power's Oyster wave power technology captures energy in nearshore waves and converts it into clean sustainable electricity. The newly announced five year loan will provide funds Aquamarine Power needs to complete a 2.4MW Oyster array, located at the European Marine Energy Centre (EMEC), Orkney.

The array will comprise three of the company's next-generation Oyster wave power devices. The company successfully installed its first 800kW Oyster 800 device at Billia Croo near Stromness in Orkney last month (pictured). Two further devices will be installed in 2012 and 2013.

The company previously installed a single full-scale 315kW Oyster 1 device at Billia Croo in 2009.

The loan will be repaid over five years from revenue generated by the 2.4MW array.

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John Robertson from Bifab,
First Minister Alex Salmond
and Martin McAdam CEO of
Aquamarine Power at the

recent launch of the Oyster

800

“This deal is a major step forward for the marine energy sector,” said Aquamarine Power CEO, Martin McAdam. “It shows that Barclays has the confidence and flexibility to fund the right marine energy project – with a return based on future energy production.

“For us this opens the door to securing debt finance for our first pre-commercial 10MW project which will commence in 2014. The key for the industry will be finding the means to secure debt for these early-stage projects without the need to rely on parent company support. Barclays is definitely showing the way.”

Jan Love, Director of Project Finance for Barclays Corporate Scotland, celebrated the deal as “transformational” for the company, and added:- “This is a significant moment for Aquamarine Power; it demonstrates our confidence in the business model and provides a blueprint of how visionary companies can achieve their commercial aims with the right support. Barclays has played a major role in backing high quality renewable developers over the last decade and we have the experience to work successfully with strong management teams such as Aquamarine Power’s. We look forward to supporting the company through the key milestones as additional Oyster devices become operational in 2012 and 2013.”

The deal is the second completed this year by Barclays Corporate Renewable Energy Team. In April Barclays delivered a multimillion pound funding deal for the 28.6MW Drone Hill Wind Farm in the Scottish Borders. Drone Hill, owned by AES Corporation’s subsidiary AES Wind Generation, secured a combination of project financing through a long term loan of £22.8m from Barclays Corporate and AES Equity of £15.8m, at a total project cost of £38.6m.

The Oyster project has been supported through grant funding awarded by Scottish Enterprise and the Carbon Trust Marine Renewables Proving Fund.