



Press Release

Blue H USA

Massachusetts Deepwater Wind Energy Project

BLUE H USA ANNOUNCES MASSACHUSETTS CONGRESSIONAL SUPPORT FOR OFFSHORE WIND DEMONSTRATION PROJECT

On Thursday, July 3, 2008, Blue H USA, LLC (“Blue H”) announced that it has received a letter of support from the entire Massachusetts Congressional Delegation to the Minerals Management Service requesting consideration of its Massachusetts deepwater wind energy demonstration project in federal waters located 23 miles off the coast of Martha’s Vineyard and 45 miles off the coast of New Bedford. In the letter sent to the U.S. Department of Interior’s Minerals Management Service dated June 26, 2008, the Massachusetts Congressional Delegation stated, “We therefore encourage you to review and consider the application submitted by Blue H USA, which could prove beneficial for developing future renewable energy resources for Massachusetts and the nation.”

“We commend the Massachusetts Congressional Delegation for its leadership in recognizing and identifying the potential for deepwater offshore wind energy development in the Commonwealth of Massachusetts”, stated Ray Dackerman, the General Manager of Blue H USA LLC. Dackerman further stated, “Blue H looks forward to receiving federal approval for our demonstration project, proving the efficacy of our technology, and ultimately generating clean, green, renewable cost effective power for the benefit of the people of Massachusetts – while creating green technology domestic jobs for the state. The signing of the recent visionary energy bill by Governor Patrick is also an indication that Massachusetts can be a national leader in energy conservation and renewable energy projects and Blue H looks forward to being a significant contributor to this effort.”

“With the regulatory framework from the Minerals Management Service soon in place, we believe that the U.S. will rightfully become a significant player in the emerging deepwater wind energy industry”, said Neal Bastick, the CEO for Blue H Technologies BV. “Specifically, Massachusetts has outstanding offshore winds and the leadership now in place to benefit from its clean, renewable energy resources. Furthermore, many of the pioneers in the wind energy industry have emerged from Massachusetts which will be a valuable asset as we move forward with our U.S. development efforts in New England generally and in Massachusetts in particular.”



Martin Reilly, spokesman for Blue H USA LLC stated that, "The entire Massachusetts Congressional Delegation deserves great credit for recognizing the seriousness of our state and nations energy crisis and for firing the first shots in our nation's battle for energy independence - while providing the leadership in taking the important first steps forward for making the Blue H USA demonstration project a reality in the best interest of the people in Massachusetts, the New England Region, and our nation."

Blue H develops technology for deepwater offshore wind energy production, develops deepwater offshore wind farms, and controls the manufacturing and maintenance of its proprietary Gamma 2-bladed turbine technology. The corporate headquarters for Blue H USA LLC is located at 60 State Street in Boston, Massachusetts.

On March 12, 2008, Blue H USA LLC submitted a Nomination For Lease with the US Minerals Management Service (MMS) to install what it anticipates to be the first floating deepwater wind energy unit in North America. The technology testing facility, named 'Belinda' consists of a floating structure supporting a non-operational 3.5 MW wind turbine consistent with MMS guidelines. The purpose of Project Belinda is threefold:

- Launch the deepwater wind energy industry in the United States by fully using US facilities for the construction, commissioning, and decommissioning of Blue H's patented wind energy structure.
- Test the floating platform technology in actual oceanographic conditions in the Atlantic Ocean.
- Collect site-specific resource data and information.

Following demonstration of the efficacy of its technology, Blue H intends to proceed with seeking permits for a full scale commercial deep water wind energy project in a 40 square mile area which will:

- consist of 120 turbines
- generate 420 MW
- be located 23 miles from Martha's Vineyard
- be located 45 miles from New Bedford
- be in a water depth of 51 meters (167 ft).

In December of 2007, Blue H Technologies BV launched the first ever large scale prototype **Submerged Deepwater Platform (SDP)** off the coast in Southern Italy. This event marked a **world premiere** in the offshore wind energy sector. The prototype is scheduled for full installation in the summer of 2008.

Blue H Skysaver Srl is now constructing Blue H's first commercial unit for an offshore wind farm off the coast of Puglia in Southern Italy. In January 2007 Blue H Skysaver obtained the final authorizations to install its large scale prototype in the water and has now has applied for the required authorizations to build a 90MW wind farm in the same area, 20 kilometers from the coast in waters 100 – 120 meters in depth. The project has a strong support of the Regional Government of Puglia and the local population.

The offshore wind energy market is projected to represent 40% of the installed capacity of the



total worldwide wind energy market by 2030. As a matter of fact, offshore wind farms benefit from stronger and less turbulent winds and can avoid logistic constraints due to problems of transportation of the turbines and their blades, as well as address to a large degree the concerns of visual impact of onshore wind farms.

However, with the commercially available technology today, which requires wind turbine foundations to be installed into the seabed on mono-piles or jackets or tripods, the costs of installation grows dramatically as the depth of water increases, often limiting potential offshore sites to areas less than 50 meters in depth, something which restricts greatly the potentially available areas to construct wind farms.

In contrast **Blue H has developed a new solution** by adapting the concept of submerged tension-legged platforms developed by the oil industry for some of its offshore rigs, and designed a platform large and stable enough to support a tower and a wind turbine.

As explained by Martin Jakubowski, the inventor of SDP technology and author of other Blue H patent applications, this innovative technology:

- **reduces significantly the overall weight** of the structure, a huge element in cost component of offshore wind units
- **can be assembled onshore** and then towed out far offshore, at distances of 10 nautical miles or more and positioned in deep waters (50 meters or more in depth); Blue H does not use the heavy equipment needed to build structures into the sea bed: such heavy equipment is both expensive and in short supply – particularly crane ships and jack-up barges.
- **allows a localization far enough from the coast** to benefit from stronger and more regular winds (thus reducing the cost per kWh), to overcome frequent environmentalist objections to on-shore farms and to address a fundamental problem of the wind energy industry today, that of being able to deploy larger and larger turbines (also reducing the cost per kWh); it can also often be placed in locations near heavy demand centers.
- **Is more environmentally friendly** because easier to dismantle with no leftover.

For all these reasons, Blue H provides a cost effective solution for the installation of offshore wind energy converters in deep waters. *“Blue H intends to demonstrate that deepwater offshore wind farms can be built economically and certainly at a cost which is extremely competitive to the shallow water wind farms of today”* said Neal Bastick, CEO of Blue H.

Congress of the United States

Washington, DC 20515

June 26, 2008

Mr. Randall Luthi
Director
Minerals Management Service
U.S. Department of the Interior
1849 C Street, NW
Washington, DC 20240

Dear Director Luthi:


We are writing to encourage you to evaluate the application submitted by Blue H USA, LLC. for a limited-term lease authorizing data collection and technology testing in support of alternative energy production on the Outer Continental Shelf (OCS).


Section 388 of the Energy Policy Act of 2005 gave the Secretary of the Interior authority over the production of alternative energy on the OCS. As you know, the Secretary subsequently delegated that authority to the Director of the Minerals Management Service (MMS) on March 20, 2006.


On November 6, 2007, the MMS published an interim policy in the Federal Register for the development of alternative energy on the OCS. The interim policy requested the nomination of areas in the OCS for data collection and technology testing for renewable energy. Blue H USA has submitted an application nominating an area in federal waters located 23 miles off the coast of Martha's Vineyard and 45 miles off the coast of New Bedford for data collection and technology testing. Blue H USA is seeking to gather site-specific data on the renewable resource in the nominated area and test its floating platform technology as permitted under the interim policy. Blue H USA also details its plan for construction, operation and removal of the facility as requested in the Federal Register Notice.

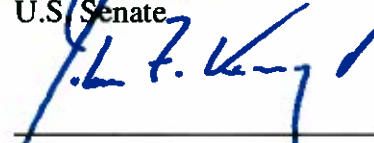
In seeking to expand the production of renewable energy in our country, the MMS should evaluate applications nominating areas of the OCS for the development of renewable energy under the interim policy. We therefore encourage you to review and consider the application submitted by Blue H USA, which could prove beneficial for developing future renewable energy resources for Massachusetts and the nation. We thank you for your attention to this matter, and we request that we be informed of any action taken by the Minerals Management Service on the application.

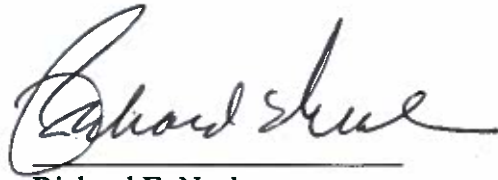
Sincerely,


Edward J. Markey
U.S. House of Representatives


Barney Frank
U.S. House of Representatives


Edward M. Kennedy
U.S. Senate

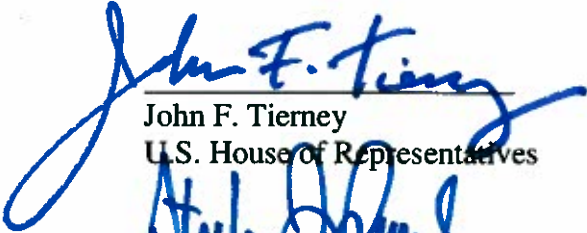

John F. Kerry
U.S. Senate



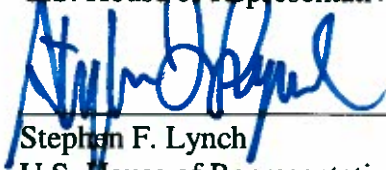
Richard E. Neal
U.S. House of Representatives



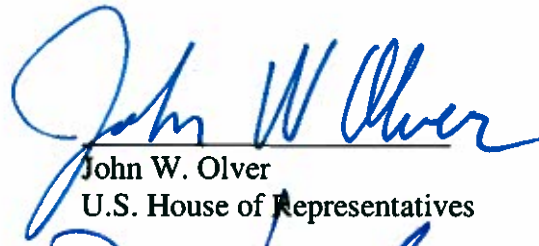
William D. Delahunt
U.S. House of Representatives



John F. Tierney
U.S. House of Representatives



Stephen F. Lynch
U.S. House of Representatives



John W. Olver
U.S. House of Representatives



James P. McGovern
U.S. House of Representatives



Michael E. Capuano
U.S. House of Representatives



Niki Tsongas
U.S. House of Representatives



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