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Inch Cape Offshore Wind Farm – Development Update

The Crown Estate and SeaEnergy PLC are pleased to confirm developments concerning SeaEnergy Renewables Limited's (SERL) interest in the Inch Cape Offshore Wind Farm (Inch Cape).

In February 2009, The Crown Estate awarded the Inch Cape site to a consortium comprised of SERL, SeaEnergy's 80% owned subsidiary, and RWE npower renewables as a part of the Scottish Territorial Waters leasing round conducted by The Crown Estate in association with the Scottish Government. In connection with the site award, the consortium entered into an Exclusivity Agreement with The Crown Estate providing the exclusive right for the consortium to negotiate an agreement for lease (AFL) for a term of 50 years. The Exclusivity Agreement also provided the right to undertake further studies into the feasibility of the 905MW offshore wind farm, 15.5 kilometres east of the Angus coastline. Entry into the AFL is scheduled to follow the completion of a Strategic Environmental Assessment by the Scottish Government which is expected later this year.

RWE npower renewables has notified SERL and The Crown Estate of its desire to exit the Inch Cape project. This is due to the considerable size of its other onshore and offshore renewable generation commitments.

The Crown Estate views the Inch Cape project as being important to the delivery of the Scottish Territorial Waters leasing round and to the UK in maintaining the delivery of the Offshore Wind Energy Programme.

To demonstrate their joint commitment to the project The Crown Estate and SERL have entered into discussions with the aim of ensuring that the site's development schedule and activities can progress as expeditiously as possible. These discussions are intended to lead to the establishment of a Memorandum of Understanding between The Crown Estate and SERL that will provide terms for the delivery of Inch Cape and may increase SERL's interest in the project.

SERL CEO Joel Staadecker said: "Inch Cape is an important site for Scotland, which expects to benefit from the construction and operation of offshore wind farms off the coast of central Scotland. We are delighted that The Crown Estate shares our commitment to the project and look forward to successful discussions to agree terms for its delivery. We are also very pleased at the prospect of potentially increasing our equity stake in what is a great project."

It is envisaged that a further announcement will be made when the negotiations have concluded.

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NOTES TO EDITORS

SeaEnergy PLC

SeaEnergy PLC is the only listed pure play offshore wind energy company in the UK. SeaEnergy Renewables Limited (SERL) is a subsidiary of the Company and is made up of the team which conceived, developed and delivered the world's first deep water wind farm development - the Beatrice Demonstrator offshore wind farm (10MW) (the "Beatrice Demonstrator Project") which is owned and operated by Talisman Energy. The Beatrice Demonstrator Project involved the installation of the two largest wind turbines (5MW each) ever deployed offshore, at water depths of 45 metres. This, combined with the SERL team's expertise in delivering deep water offshore developments in the oil and gas industry, puts SeaEnergy in an unrivalled position at the vanguard of the emerging offshore renewables industry.

Prior to the UK Round 3 award SeaEnergy had secured a 25% interest in two Scottish offshore farms, Beatrice and Inch Cape. The recent award of UK Round 3 of Zone 1 with partners EDPR takes SeaEnergy's net capacity in the UK to over 780MW, SeaEnergy has also signed a Heads of Terms Agreement to develop offshore wind farms in Taiwan with Taiwan Generations Corporation.

The Crown Estate

On behalf of the nation, The Crown Estate manages a highly diverse £6 billion property portfolio across the UK. Our objectives, which are laid down by Parliament under The Crown Estate Act 1961, include enhancing the value of the estate and the revenue it produces. Every year we pay all of our surplus revenue to the UK Treasury for the benefit of all UK taxpayers: in 2008/09 this was £226.5 million. £15.5 million of this came from Scotland. Our core values of commercialism, integrity and stewardship, guide and inform all our business activities.

The Crown Estate is committed to working in partnership with the Scottish Government and members of the Scottish Parliament, local authorities and a wide range of other stakeholders to safeguard the long term interests of the environment and the communities with which we work.

In Scotland, The Crown Estate includes:

- The marine estate consists of over half the foreshore and the seabed out to the 12 nautical mile territorial limit. The Crown Estate has the right to explore and utilise the resources of the UK continental shelf (excluding oil, gas and coal), including the right to license renewable energy in the form of offshore wind, wave and tidal power. We are working with our partners to ensure that Scotland is well placed to take advantage of the benefits that renewables will bring through employment and by reducing carbon emissions.

– The rural estate in Scotland comprises 43,000 hectares and includes the Glenlivet, Fochabers, Applegirth, Stirling and Whitehill estates. It includes 185 agricultural tenancies and 102 residential properties.

- The urban estate includes retail property in Edinburgh.

In 1999 The Crown Estate established its programme of Marine Stewardship to provide funding to support practical projects, relevant research, and other initiatives that improve the status and management of the marine estate.

The Crown Estate in Scotland is managed from its Edinburgh Office at 6 Bells Brae, Edinburgh, EH4 3BJ.

www.thecrownestate.co.uk/scotland