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NEWS RELEASE

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FIRST COMMERCIAL HYDROKINETIC POWER PROJECT IN U.S. HISTORY IS APPROVED BY FERC

*Hydro Green Energy's Patented Waterpower Technology
to be Deployed in the Mississippi River at Hastings, MN*

HOUSTON, TX - The Federal Energy Regulatory Commission has approved by a 5-0 vote the licensing and installation of the nation's first ever, commercially-operational hydrokinetic power station. The City of Hastings, MN will soon rely on broadly patented technology from [Hydro Green Energy, LLC](http://www.hgenergy.com) to generate clean, emissions-free hydrokinetic power from the Mississippi River.

"The Commission has made history with the Hastings Order. Hydro Green Energy fully applauds all of the Commissioners for their leadership, as well as their commitment to ensuring that the United States enjoys a cleaner and more secure energy future," said Wayne F. Krouse, Chairman and CEO of Hydro Green Energy. "Hydro Green Energy is a proud partner of the City of Hastings and is anxious to deploy its technology. What's more, it's only fitting that this project is located in the Mississippi River, America's most well known river."

Hydrokinetic power refers to the generation of electricity from moving water without impoundments or diversionary structures that are typically used at conventional hydropower facilities. Hydro Green Energy's technology operates in open rivers, tidal areas and oceans. Its broadly patented technology (U.S. Patent # 6,955,049), which is the first surface-suspended system in the industry, is also deployable downstream from existing hydropower facilities (known as Hydro+™), which allows for new, environmentally-friendly power generation within the existing project footprint.

The City of Hastings is installing a Hydro+™ project at its 4.4 megawatt run-of-river hydropower plant on the Army Corps of Engineers' Lock & Dam No. 2. The power generated by the two hydrokinetic units, which each hold a nameplate capacity of 100 kW, will be placed on the electric power grid through Hastings' existing electrical infrastructure. The Corps approved the project on November 18. "The U.S. Army Corps of Engineers has been an outstanding partner in this process and we thank the Corps for its attention and willingness to support the development of new technologies," stated Krouse.

One turbine will be installed in December and one in April 2009. The hydrokinetic power station, which will sit entirely within the Corps of Engineers' property and in a no-public access zone, was featured earlier this year on CNBC's *Powering the Planet* and on a November 18 segment on PBS's *Nightly Business Report*. The City filed its license application with FERC in April of this year.

Once the project is operational, extensive water quality, fish survival and avian studies will be performed by Hydro Green Energy. While all modeling and simulations point to no water quality and possibly no fish mortality impacts, Hydro Green Energy believes only rigorous, precise scientific studies will settle these issues once and for all and allow the industry to move forward in a more timely and orderly manner. To advance the understanding of hydrokinetic technologies for all stakeholders, the comprehensive study results will be made public as swiftly as possible, another first in the industry.

(more)

“We are committed to demonstrating how our patented technology interacts with the environment and are working to ensure that we possess the premier technology in the hydrokinetic power industry from a marine life and environmental standpoint,” said Krouse. “Modeling shows that our turbine is extraordinarily environmentally-friendly, but we want real world results to validate our simulations and look forward to sharing those results.”

The Hastings Project has resulted in 61 green jobs in seven states over the past two years. This will only be replicated on a larger scale as the company and its project portfolio grows. “Despite the great economic and employment uncertainty facing the United States workforce, Hydro Green Energy is providing work for Americans, creating local economic development and presenting exciting new opportunities to America’s skilled workforce,” said Krouse. “We greatly look forward to expanding these opportunities in the coming years.”

The Hastings Project sits in the Mississippi National River and Recreation Area, a unit of the national park system. The U.S. Department of the Interior and the U.S. Department of Energy in November signed a Memorandum of Understanding and publicly announced a new program that will help the National Park Service showcase sustainable energy practices.

In announcing the program, which is known as Energy SmartPARKS, Secretary of the Interior Dirk Kempthorne said, “this partnership will deploy energy efficient and renewable energy technologies throughout the national park system. We have the power to not only improve conditions in the parks, but also demonstrate for the public the impacts and benefits of green energy innovations.” Joining Secretary Kempthorne was Secretary of Energy Samuel Bodman, who stated, “our national parks are a showcase of this country’s natural beauty and historical significance. With this agreement, we’re ensuring that these parks are also models of energy efficiency and clean energy technologies.”

“The Hastings Project fits squarely into the program announced by the Departments of Energy and Interior. I hope the Departments celebrate our achievement and will work closely and cooperatively with the City and Hydro Green as we monitor the performance of our technology and work to deploy additional projects,” Krouse said. “We hope Secretaries Kempthorne and Bodman, as well as the incoming secretaries of the Obama Administration, will soon visit Hastings so they can see firsthand how hydrokinetic power technologies will play a key role in our nation’s future clean energy and economic strategies,” added Krouse.

Located approximately 20 miles south of Minneapolis-St. Paul, the City of Hastings was founded in 1857. It has long relied on its rivers for commerce and prosperity. The Hastings City Council unanimously approved the partnership with Hydro Green Energy on four occasions. The project also enjoyed the support of U.S. Representative John Kline, whose district is home to the project, as well as Governor Tim Pawlenty, who has enacted several strong renewable energy policies in the State of Minnesota.

“The City of Hastings, a town founded by pioneers, has tapped into its pioneer roots to take a clear leadership position in the renewable energy world,” stated Krouse. “We owe a deep debt of gratitude to Mayor Paul Hicks and Public Works Director Tom Montgomery for their leadership, vision and hard work, and to Governor Tim Pawlenty and Representative John Kline for their strong support.”

Hydro Green Energy closed its \$2.6 million Series-A funding round in April, which was led by the Quercus Trust, a prominent investor in alternative energy companies with intellectual property. Hydro Green Energy is presently negotiating its Series-B funding, which the company expects to soon close.

Series-B funding will be dedicated to growing the company, advancing Hydro Green’s many projects and an aggressive defense of the company’s intellectual property. Hydro Green Energy is presently developing hydrokinetic power projects in Alaska, Louisiana, Maine, Minnesota, Mississippi, New York and Texas.

For more information on the project, please visit <http://hgenergy.com/hastings.html>