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NEWS RELEASE

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HYDRO GREEN ENERGY AND THE W.E.S.T. GROUP SIGN AGREEMENT TO EXPLORE HYBRID OFFSHORE WIND-HYDROKINETIC POWER PROJECTS

Partnership Could Deliver World's First Offshore Wind-Hydrokinetic Power Projects

HOUSTON, TX – [Hydro Green Energy, LLC](#) and the Wind Energy Systems Technology Group (W.E.S.T.) have agreed to explore the potential to develop the world's first hybrid offshore wind-hydrokinetic ocean current power projects. If fully developed as envisioned, Hydro Green Energy and W.E.S.T. will utilize the Gulf of Mexico's wind and water currents to generate nearly 5,000 megawatts of clean, renewable electricity.

"We are very excited to explore the Gulf of Mexico with W.E.S.T. and deeply appreciate their interest and enthusiasm in our patented hydrokinetic technology to help firm up offshore wind power," said Wayne F. Krouse, Chairman and CEO of Hydro Green Energy. "While an enormous amount of work remains ahead of us and there is still much to learn about the Gulf's water currents, if the data we gather confirms that the Gulf has the currents needed for utility-scale ocean power, we plan to aggressively move forward to develop the world's first offshore wind-hydrokinetic power projects."

Hydro Green Energy, LLC is a renewable energy company based in Houston, TX that designs, builds, operates and sells hydrokinetic power systems that generate electricity exclusively from moving water without having to first construct dams, impoundments or conduits. Hydro Green Energy's technology operates in open rivers, tidal areas and oceans.

Hydro Green's broadly patented technology (U.S. Patent # 6,955,049) is also deployable downstream from existing hydropower facilities (known as Hydro+™), which allows for new, environmentally-friendly power generation within the existing project footprint. Hydro Green is presently building turbines for its first Hydro+™ project in Hastings, Minnesota, which is expected to begin operations this fall and was recently profiled on CNBC. That project will be the nation's first commercially-operational, federally-licensed hydrokinetic power project.

W.E.S.T. in October 2005 signed a historic lease agreement with the General Land Office of Texas for its offshore wind projects, which are all located in State owned submerged lands and waters. To better secure its exploration agreement with W.E.S.T., Hydro Green Energy filed ten preliminary permit applications last week with the Federal Energy Regulatory Commission, the federal agency with licensing authority over non-federal waterpower projects in the United States. If granted, the preliminary permits

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HYDRO GREEN ENERGY, LLC



would allow Hydro Green Energy a three-year exclusive right to develop the hydrokinetic portion of the projects, which are all also in Texas waters.

Hydrokinetic power holds significant promise as a new, carbon-free electricity source. A 2007 study by the Electric Power Research Institute found that the U.S. could develop at a minimum 13,000 megawatts of river and ocean-based hydrokinetic energy by 2025, enough annual power for roughly 12 million homes.¹ Earlier estimates by the U.S. Department of Energy showed even greater potential, and suggested that the U.S. might be able to double its waterpower output (presently 77,000 MW) with the robust development of new technologies.

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 developing river, tidal and ocean hydrokinetic power projects in Alaska, Louisiana, Maine, Minnesota, Mississippi, New York and Texas.

Hydro Green Energy is now negotiating its Series-B funding, which the company expects to close by the end of the year. The company plans to commission a manufacturing facility in 2009 to support the development of its many projects. That facility is expected to create approximately 100 "green collar" manufacturing jobs.

W.E.S.T. was conceived by Herman J. Schellstede and Harold Schoeffler. Schellstede, a noted Gulf Coast Marine Engineer, and Schoeffler, a well-respected Gulf Coast environmentalist, are successfully bridging the gap between traditional offshore oil and gas technology and nascent offshore renewable energy sources. They intend to develop 1,500 to 2,000 MW of offshore wind power in the Gulf.

The agreement signed by the two companies allows Hydro Green Energy access to W.E.S.T.'s platforms and lease areas for data gathering and possible testing.

For more information on Hydro Green Energy, please visit www.hgenenergy.com

For more information on W.E.S.T., please visit <http://www.windenergypartners.biz/home.html>

¹ Using a 65% capacity factor and annual home electricity consumption rate of 11,000 kWh (2006, Energy Information Administration).