



Attachment to Consultee Cover Letter – Clarification of Request to Modify Current Lease Area and Location

DP Marine Energy (DPME) has been undertaking environmental works and resource assessments for a potential multi-hundred MW commercial scale tidal energy development off the west coast of the island of Islay in Argyll and Bute. As part of this assessment DPME has proposed a first stage 30MW project to be consented and constructed in advance of this possible future larger development. The current consent application relates solely to this 30MW proposal.

In October 2011 The Crown Estate (TCE) awarded DPME an Agreement for Lease (AfL) for an area of sea bed of nominally 2km² as part of its Second Saltire Prize Leasing Round. The Saltire Prize Leasing Round limits projects to a maximum of 30MW installed capacity. The location of this AfL is illustrated in the attached figure.

In parallel with the past 2-3 years of environmental surveys over the wider area, further resource measurements and detailed flow modelling of the tidal currents has indicated that significantly better resource was available in the waters to the south-east of the current AfL. As a consequence of this evaluation, undertaken in conjunction with one of the possible turbine suppliers, a revised AfL has been proposed which would substantially improve the energy recovery from the site and consequently project economics. This will be one of the first arrays of tidal turbines to be installed and, because the costs of new turbine technology and development of installation methods are still very high, it is necessary to optimise the siting to maximise energy yield and income. There are no environmental reasons for the proposed area change. The Environmental Impact Assessment and associated Environmental Statement has been prepared and the consent application lodged on the basis of this revised AfL area (also illustrated in the attached figure).

The revised AfL area incorporates a 20% overlap of the existing AfL and is of the same size as the existing AfL (i.e. 2km²). This approach is consistent with a number

of other tidal energy projects which have also undertaken AfL revisions in consultation with TCE.

In relation to the West Islay AfL revision DPME has been in discussion with TCE in order to clarify the rationale for the revised area change and these discussions are on-going. DP Energy are hopeful of a resolution and that TCE approval of the revision will be given prior to any final determination of the consent application.

**Blair Marine
West Islay Project Manager**

**DP Marine Energy Ltd
02th Sept 2013**

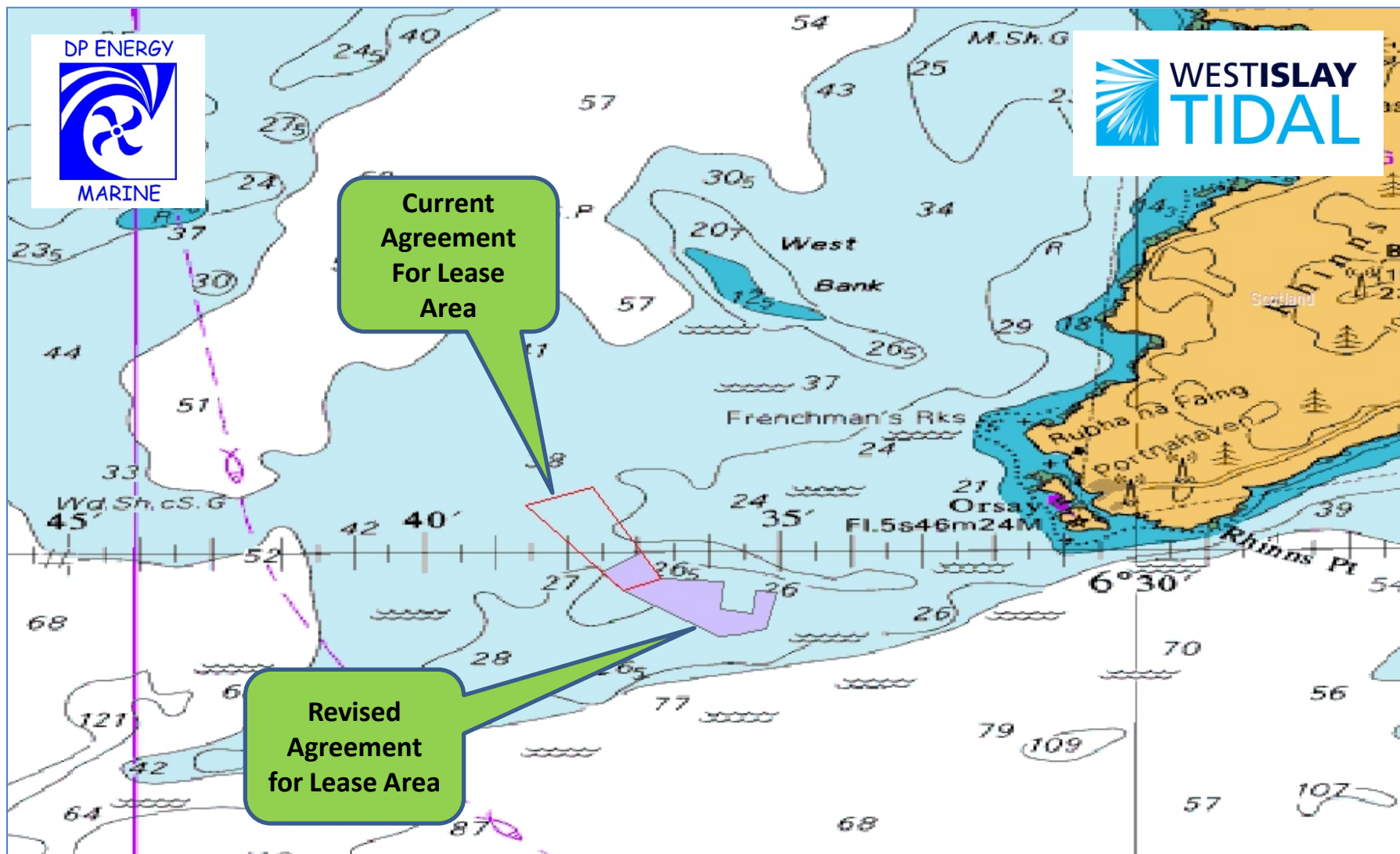


Figure 1: Current and Revised Agreement for Lease Areas