

Finavera in Canadian wind energy project

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Finavera Renewables, an Irish wind energy company listed in Toronto, has paid C\$3.4 million to acquire the Three Hills Wind Power project in Alberta, Canada.

The project was acquired from Penn West Energy Trust, an oil and gas producing income trust based in Calgary. It is expected to provide power to 45,000 homes in Canada within the next two years.

The project consists of two 75 megawatt power plants. Construction on the first of these will begin in about a year's time and revenue from the project should

start to come on stream in late 2008.

The first 75 megawatt project will cost about C\$150 million to develop, according to Finavera. The company plans to raise about C\$50 million in fresh equity, either from an existing large shareholder or through a rights issue.

Finavera is also in discussions with a number of UK banks about securing debt finance for the project. In February, the company raised C\$10 million from a private placement of shares.

Analysts have estimated that Finavera could earn about C\$15 million a year in wind revenues from the Alberta project. The

company could also earn about C\$10 million annually from selling green credits generated from the wind project to other companies who require them to counterbalance their output of carbon emissions.

Jason Bak, Finavera's chief executive, said the acquisition was an important milestone for the company. "This is a significant addition to our portfolio," Mr Bak said. "This helps us to get to the stage where we are generating revenues."

Mr Bak, who owns about 15 per cent of Finavera, splits his time between Canada and Ireland, where the company has two wind farm projects in the pipeline. The

company is seeking planning permission for a 100 megawatt wind project at Clooshi Valley in Co Galway and a 75 megawatt scheme at Maghera in Co Clare. Applications have been made for these to be connected to the national grid, operated by Eir-Grid.

The company also has about 12 other wind projects in Canada and is involved in wave energy in North America, Portugal and South Africa.

Finavera Renewables was founded in 2005. The firm was listed on the Toronto Venture Exchange in January of this year, with its shares listing at 25 cent each. They now trade at 43 cent.



Jason Bak: Important milestone for company