

Spain: IBERDROLA and Tecnalia Corporación Tecnológica to develop wave energy project

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- The agreement was announced today in the context of the launch of Iberdrola's private equity firm Perseo
- The companies expect to invest €4.5 million on the Oceantec initiative which will boost renewable energy development and also industrial growth in the Basque Country
- Perseo has identified as its principal goal that of supporting projects with a high technological value in renewable energy and the environment

IBERDROLA and Tecnalia Corporación Tecnológica today in Bilbao announced an agreement to develop the Oceantec project, with the goal of putting into operation a wave energy device with high performance and at competitive cost.

This initiative, which will stimulate industrial development in the Basque Country, will involve a joint investment of around €4.5 million with expectations that the device will be built and pass testing throughout 2009.

IBERDROLA will participate in Oceantec through Perseo, an equity investment company recently created by the Company. With an annual budget of €6 million, its principal objective is to support high technology projects in renewable energy and the environment.

Perseo will analyze initiatives and companies that are planning new ways of exploiting renewable energy, and of maximizing performance and cost. It will focus among other things on marine energy, where IBERDROLA is already active in developing wave energy projects in Spain (Santoña) and Scotland (The Orkneys).

Perseo will seek also to identify investment opportunities for IBERDROLA in biotechnology that can provide solutions in the context of new fuel sources and CO2 capture.

The launch of Perseo seeks to intensify IBERDROLA's role in new technology, with the new Strategic Plan 2008-2010 assigning €225 million to research and innovation.

About Tecnalia Corporación Tecnológica

Tecnalia is a multidisciplinary technology company, privately owned and comprising Azti, ESI, Fatronik Inasmet, Labein, Neiker and Robotiker as shareholders. With more than 1,300 researchers and highly qualified technicians, its operating model is based on sectorial business units. In this respect, one of these areas, energy, responds to sector needs through new technology and a focus on renewable energy sources.