

15 May 2018

Dr Tom Denniss
Wave Swell Energy Ltd
Level 13, 41 Exhibition Street
MELBOURNE VIC 3000

Dear Dr Denniss

Wave Swell Energy Ltd - Letter for ARENA Grant Application

This letter confirms Hydro Tasmania's enthusiasm for the wave-to-energy project that Wave Swell Energy is proposing for King Island.

As a world leader in the integration of renewable energy into small island grids, Hydro Tasmania welcomes the opportunity to include wave energy among its sources of generation. The reliable and predictable nature of wave energy, coupled with the fact it is essentially uncorrelated with wind and solar energy, will enhance the ability of the King Island Renewable Energy Integration Project (KIREIP) to provide a greater proportion of the island's energy from renewables and, consequently, a reduction in the use of diesel fuel.

The inclusion of the Wave Swell Energy project into the KIREIP microgrid will afford Hydro Tasmania the distinction of being the first utility in the world to incorporate wind, wave, and solar into its renewable mix. The experience and knowledge gained will ensure Hydro Tasmania remains at the forefront as a world leader in the integration of renewable energy into both small and large electrical grids. This accords well with the organisation's focus on hybrid energy solutions for remote islands throughout Australia and the Pacific, and the commercial opportunities it provides.

Hydro Tasmania's support for the Wave Swell Energy project includes providing the land based grid connection infrastructure as part of our PPA with Wave Swell Energy, which is currently being finalised, and mirrors the similar enthusiasm received from both the King Island Council and the island community in general.

We are excited to be a partner in the development of this world leading and highly innovative technology.

Yours sincerely



Steve Davy
CEO