

Name of Co:

Resolute Marine Energy, Inc. ("RME")

Technology on which company is based:

Wave Energy Converters

Funding Stage:

Angel

Business and Business Model

1. **Inception:** When was your company created?

2007

2. **Value Proposition:** What is the company's key value proposition (e.g. low cost producer, highest reliability)?

- Cost-effective offshore remote power solutions tailored to the needs of specific industrial applications e.g. fish farming, seawater desalination and observation systems (military and scientific)

- Uses reliable, carbon-free energy resource that is available worldwide (ocean waves)

3. **Current Structure:** What is the current structure and ownership?

- C-Corporation, private ownership, no external investors

4. **General Description:** The description of your business. Describe how your business makes money and how will it assure great & long term profits for the future.

RME develops and produces Wave Energy Converters (WECs) and integrates them into ready-to-use systems for aquaculture and desalination. RME also provides certain after-sale services.

RME is currently developing two technologies:

- The AirWEC™ that produces compressed air for aquaculture applications
- The SurgeWEC™ that pressurizes seawater for desalination systems

RME has developed a disciplined product development, business development and marketing strategy:

- develop products in partnership with lead-user customers in targeted industries
- use federal research & development grants/contracts to mitigate technology risk
- use lead-user customers to generate sales with other customers in the same industry

Product

1. **Product(s):**

AirWEC™ and SurgeWEC™

2. **Function and Benefit:** Define and quantify key benefits to customers

(cost/technical/etc)

The AirWEC™ technology will provide a clean source of compressed air and energy for off-shore aquaculture cages thus reducing operating and maintenance cost by an estimated 20%. This solution will displace stationary diesel-generators that: incur fuel costs; harm the environment; are vulnerable to damage from rough sea conditions; and require regular maintenance.

The SurgeWEC™ will provide power to seawater desalination systems for off-grid communities located in coastal areas in developing countries. It is estimated that in our first market (South Africa), this system will provide fresh water at a competitive cost and enable local municipalities to save 33% of the cost of water. South Africa alone represents a \$5.4B addressable market for the SurgeWEC™.

3. Development Stage: Where is the product in its evolution (e.g. fully tested prototype; in initial production and markets; etc.).

- AirWEC™: first prototype built and tested pursuant to a NOAA-sponsored R&D grant
- SurgeWEC™: design completed and awaiting either: (a) U.S. Department of Energy grant; or (b) angel financing to launch the production of the first test model.

Competitive Position

1. Competitors: Who is your competition?

Several foreign companies are producing WEC, however they are addressing the two completely different markets of the utility-scale power generation and utility-scale desalination. We have not identified any competition in our markets (aquaculture and small scale desalination) at this stage.

2. Edge over competition: What makes you better than other firms out there?

No competition identified in our target markets

3. Sustainability: Is this competitive position sustainable?

Yes, we are addressing a new market and thus developing products tailored to it. We expect to maintain our competitive hedge through IP protection, continuous development and improvement of our products and others barriers to entry (privileged network and distribution channels).

4. IP Protection: How will you protect your proprietary information?

One provisional patent application has already been filed. Several more are anticipated over the next year.

Markets

1. **Target Market:** What markets and market segments are you going after? How big is this market and how can you sustainably capture it?

- AirWECs: Offshore, cage-based aquaculture. This market represents approximately 10% of the total aquaculture market and grows at a approximate rate of 10%. For us, this represents an addressable market of approximately \$400M per year worldwide. Our strategy to capture a significant percentage of this market is to partner with Ocean Farm Technologies, Inc., a US-based cage manufacturer that has operations in Korea, Mexico, US and Canada.
- SurgeWECs: Seawater desalination for coastal, off-grid communities located in developing countries. This market represents approximately \$5.4B per year just in South Africa (first entry market). To capture this market we are conducting a very aggressive marketing strategy in South Africa, by establishing key relationships with municipalities and government agencies such as the Department of Water Affairs and Forestry (DWAF). We recently agreed to conduct a pilot project with the municipality of Ugu in the region of Kwazulu-Natal.

2. **Barriers to Entry:** What are the key market barriers that will lend to your success?

- Technology: Through the AirWEC™ and the SurgeWEC™ we are developing a unique, IP-protected technology that enables our WEC to survive the harsh marine environment.
- Networks: We are developing very strong networks of partners both in the US and in South Africa, that include world renowned organizations such as MIT, NOAA, DOE, NREL and Duke University in the US and DWAF, CSIR and Stellenbosch University in South Africa.

Customers

Customers are the key to strong profits. Who are the specific customers that you are pursuing or will pursue?

- AirWEC™: Ocean Farm Technologies (OFT) will be our main customer, purchasing AirWEC™ as the power supply for their cage system. We are considering selling AirWEC™ to other cage manufacturers or for other applications in offshore industry (e.g. oil platforms). We are collaborating with OFT for the development of the AirWEC™ for OFT's cage system as part of a NOAA financed grant.
- SurgeWEC™: Municipalities in developing countries will constitute the core of our customer base. We are already partnering with the municipality of Ugu in South Africa, and have established initial relationship with Durban, Bitou, Port Elizabeth and Port Nolloth in South Africa. The US Navy has also showed interest in our project for military deployment and disaster relief.

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