

ORPC Investment Opportunity Summary

June 2019



*Improving people's lives, and their environment,
through sustainable energy solutions*

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Executive Summary

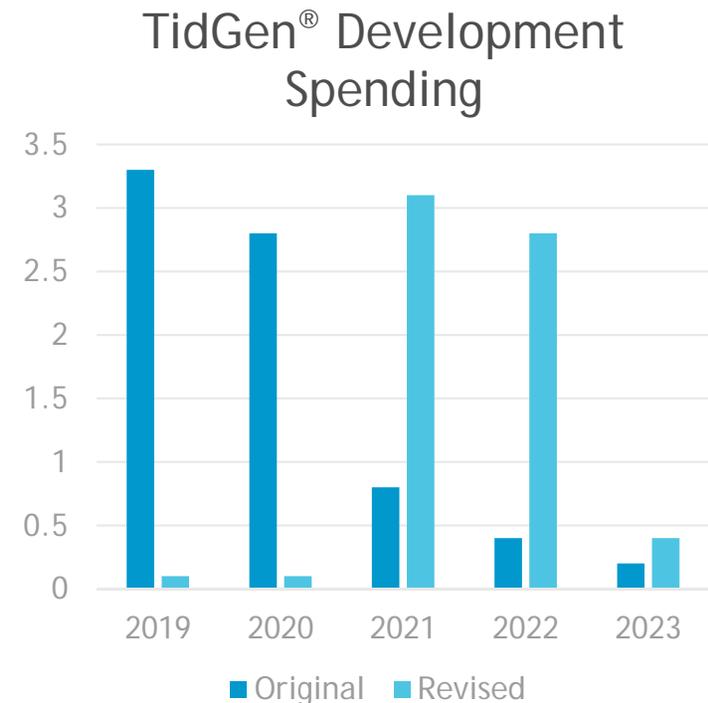
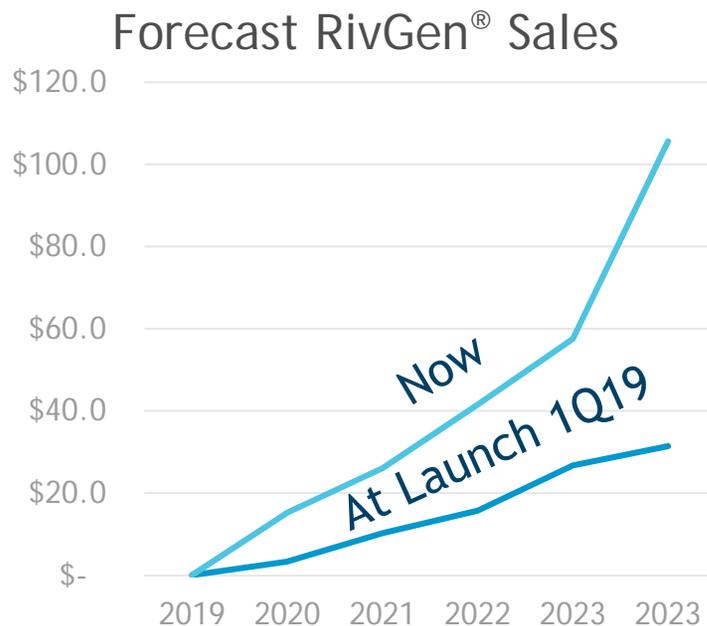
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Business Plan Update Since Launch

Due to increased market interest in RivGen[®] Power Systems and cost savings from delaying TidGen[®] rollout until 2022, ORPC's near term revenue has gone up and development costs have gone down.



As a result, ORPC's funding need has decreased from \$25MM to \$7.5MM

Investment Opportunity Overview

Global Market Opportunity

- Strong worldwide demand for renewable energy coupled with major shift to renewable energy powered microgrids
- Distinct advantages (opportunities) vs. solar and wind
- Early market opportunity with limited competition

High Value Solution

- Proven, patented marine renewable energy (MRE) technology provides predictable, affordable, zero carbon microgrid solution
- Leasing option makes it easy to acquire
- Minimal environmental, viewshed, navigation or land use impact

Investment Considerations

- Scalable business with steep revenue growth potential
- Motivated, seasoned management with achievable profitability plan
- Identified sales prospects leading to profitability within 2 years

ORPC Power Systems

- Built around ORPC's proprietary and proven core technology, the turbine generator unit or "TGU"
- Highly adaptable, modular TGU adapted for river and tidal applications.



Shown in relative scale

Immediate Market: Remote Communities

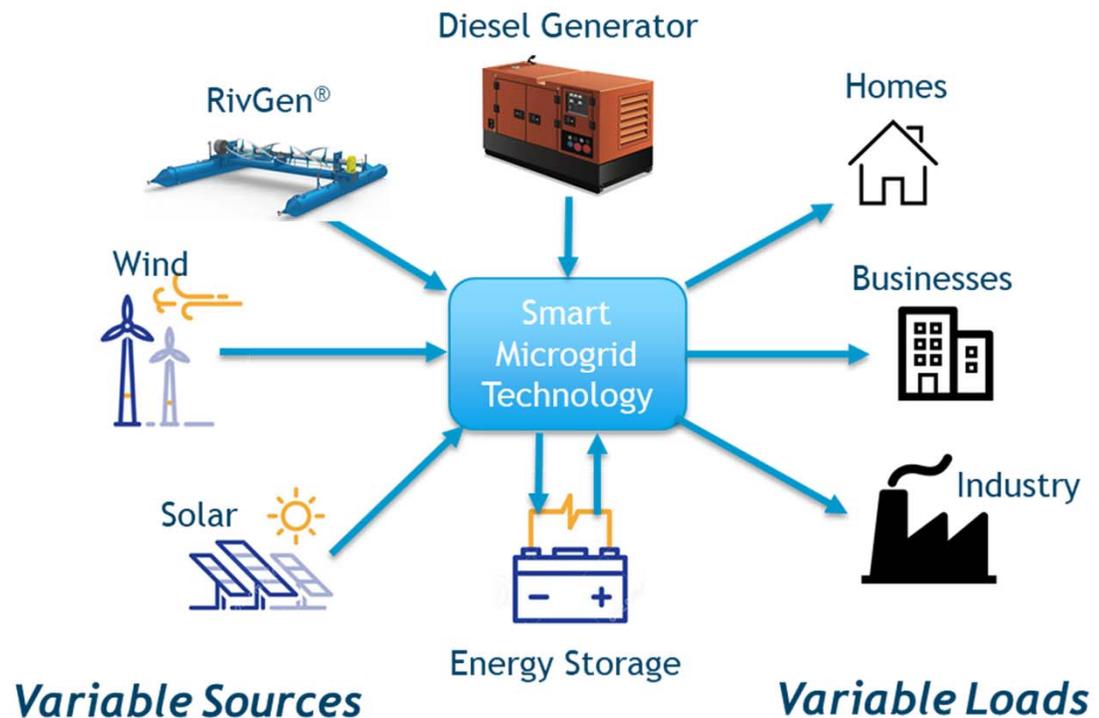
- Globally, 2 billion mostly indigenous people live in remote communities with no access to traditional energy infrastructure
 - 700 million have electricity but rely solely on very costly diesel power generation
- No regional power grids or fuel pipelines
- Many communities in a sustainability crisis, very high energy costs stifle economic development
- Diesel generation too expensive and too risky to their environment
- No major infrastructure exists, power systems must be easy to install
- Remote community microgrids are outdated, need updating
- Most remote communities are located on or near viable tidal or river current resources suitable for ORPC power systems.
- Remote mining, eco resort and other facilities face similar challenges.



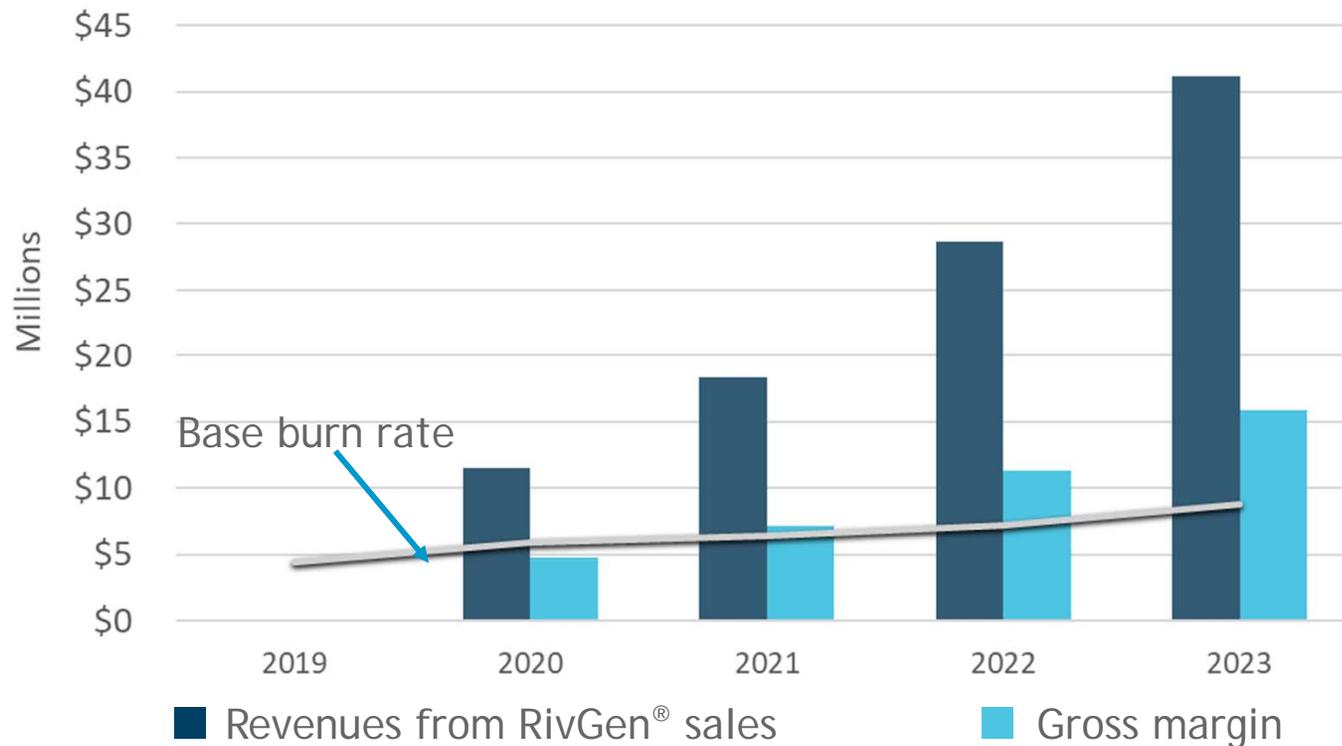
Solution to Remote Communities' Energy Issue

Highest value solution for remote communities is a smart microgrid powered by a RivGen[®] Power System

- A RivGen[®] powered smart microgrid can eliminate the need for diesel generators.
- RivGen[®] provides baseload (firm) power.
- Energy storage and smart controls allow incorporation of intermittent sources like wind and solar.



Projected RivGen[®] Sales (Customers Identified)



Summary of Projections:

- *Profitable in 2021 from RivGen[®] sales to identified customers*
- *\$99MM RivGen[®] sales, \$39MM gross margin thru 2023*



Market Opportunity

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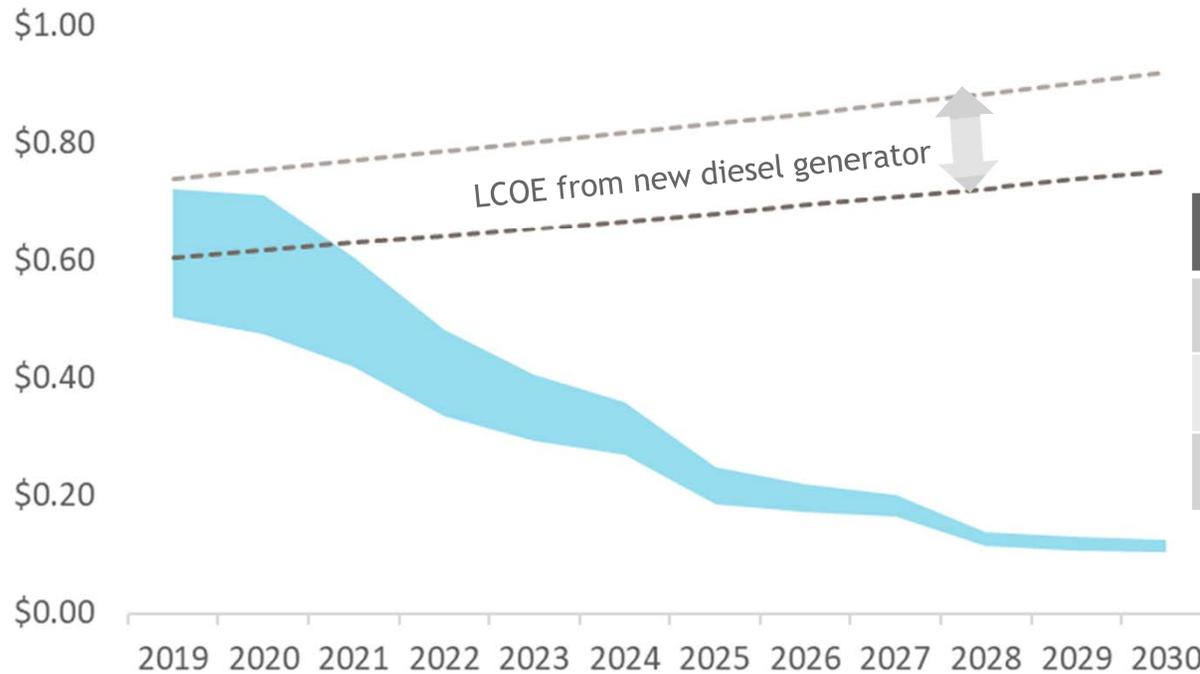
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Lower Cost of Energy than Diesel

New Diesel Generators vs. ORPC MRE Power systems

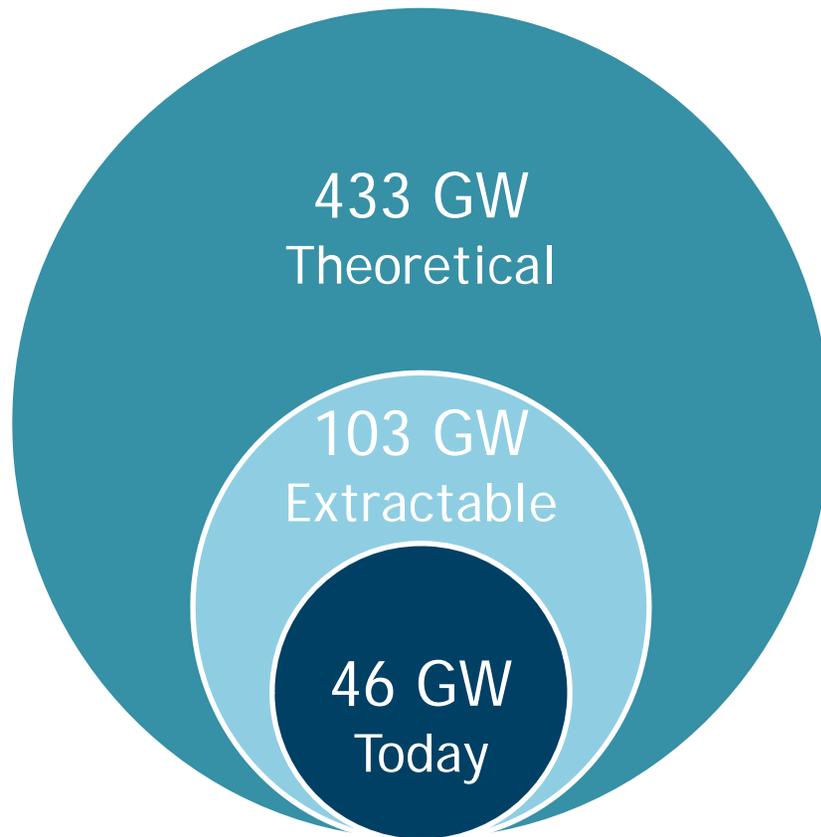
While the cost of diesel generation will increase over time, RivGen® LCOE costs are forecast to decline as experienced in the wind and solar industries.



Renewable Source	Ten-Year Cost Reduction (%)
Solar	85%
Wind	60%
MRE (projected)	70%

Projected Levelized Cost of Energy (LCOE) from ORPC Power Systems

Estimated Total Global Addressable Market



Note: One RivGen[®] generates between 35 and 80 Kw

Addressable Market Today represents \$478 billion ORPC revenue potential

Theoretical 433 GW

- River 183 GW
- Tidal 238 GW
- Ocean Current 12 GW

Extractable 103 GW

(assumes 5% to 50% of theoretical can be extracted)

- River 41 GW
- Tidal 55 GW
- Ocean Current 6 GW

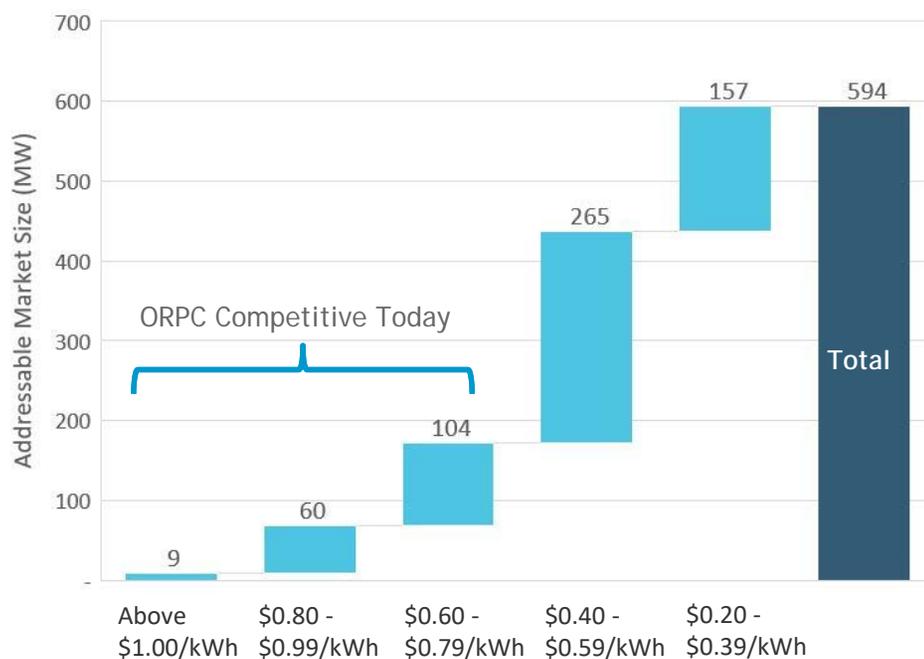
Addressable Today 46 GW

(considers existing demand)

- River 2 GW (40,000 RivGen[®])
- Tidal 37 GW (120,000 TidGen[®])
- Ocean Current 6 GW

Remote Community Market in North America

Segmented by price of electricity



Note: One RivGen® generates between 35 and 80 kW.

- 482 remote communities across North America rely on diesel for power needs.
- 60 million gallons of diesel per year consumed for electricity generation in these communities.
- Fuel transportation and storage logistics cause very high delivered cost of diesel (up to \$7.00/gal.)
- Analysis excludes expected annual load growth of 2.4%

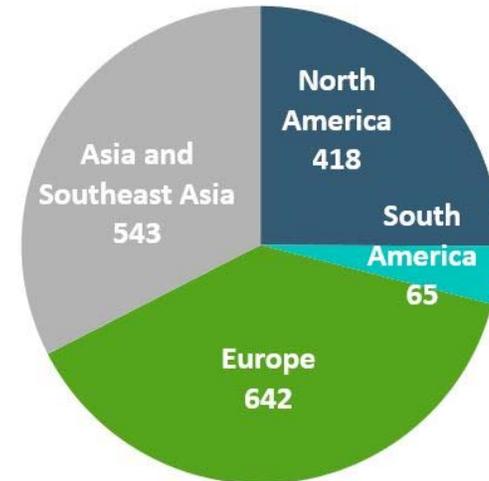
ORPC offers a competitive zero carbon microgrid solution today to communities with energy costs above \$0.60/kWh, which represents \$3.9 billion in revenue potential from sales of ORPC power systems.

Major Contributor to a Carbon-free future

Assuming 100% capture of today's addressable market (46GW), ORPC power systems could reduce global carbon emissions by a cumulative total of 1.6 billion metric tons of carbon dioxide equivalents by 2050, equivalent to:

Carbon Dioxide Equivalent Emissions Avoided by Region

Millions metric tons CO₂e



Taking
354 million
passenger
vehicles off
the road

or



Conserving
3.8 billion
barrels of oil

or



Retiring
428
coal-fired
power plants



Sales and Revenue Projections

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ORPC Revenue Model

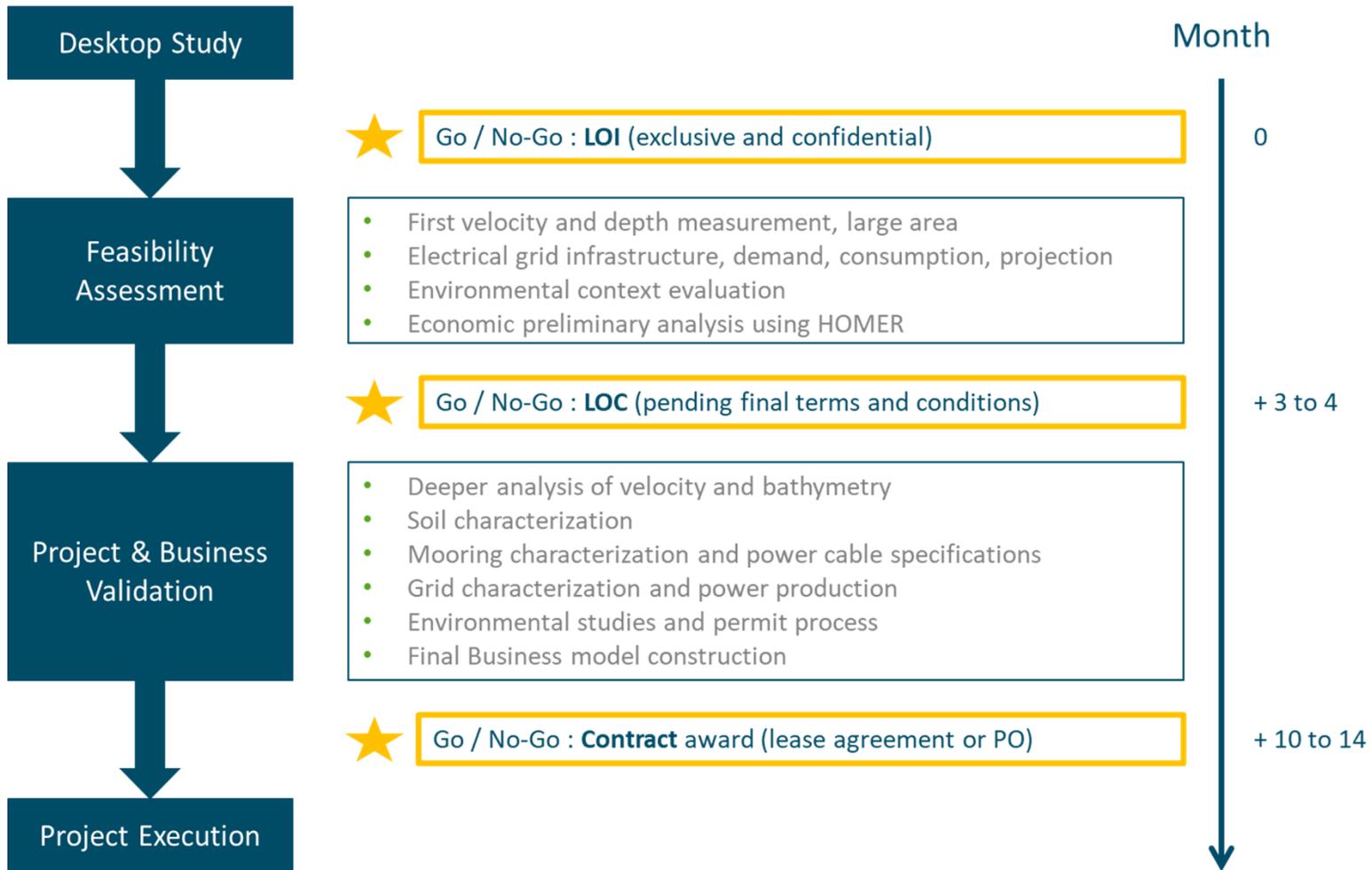
ORPC plans to derive revenues from 3 primary sources:

- Sales of ORPC power systems
 - Systems to be sold at a substantial margin over production cost
 - ORPC anticipates that margin (percentage) will increase over time
- Sales of project development and ongoing technical services
 - Project development can include site assessment and design, permitting, project management, training, etc.
 - Technical services can include operations monitoring, predictive maintenance, maintenance management, etc.
- Technology licensing
 - Licensing of technology to third parties
 - Technology licensing within joint ventures

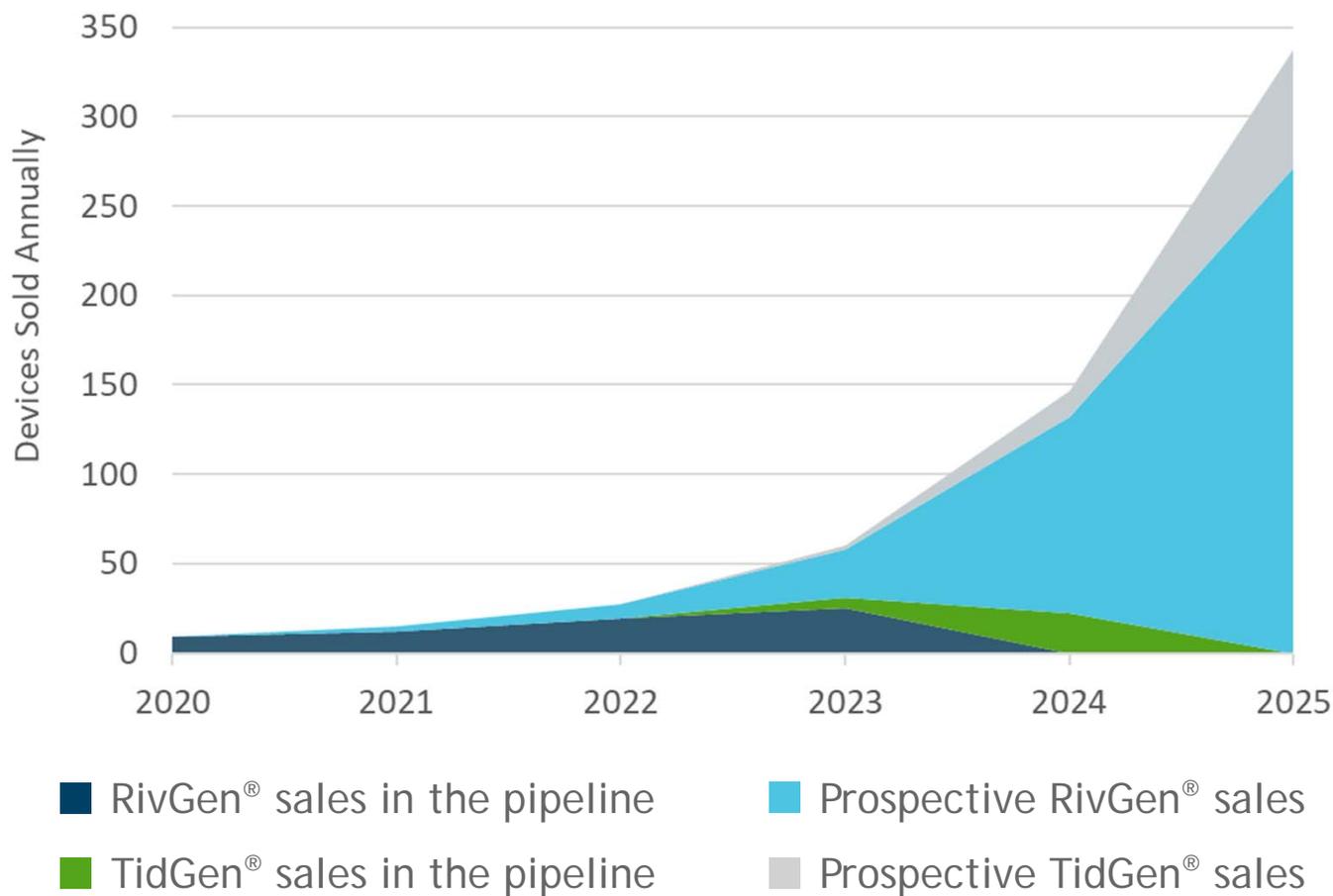
Investments made in projects and revenues received through project ownership are not included in projections.



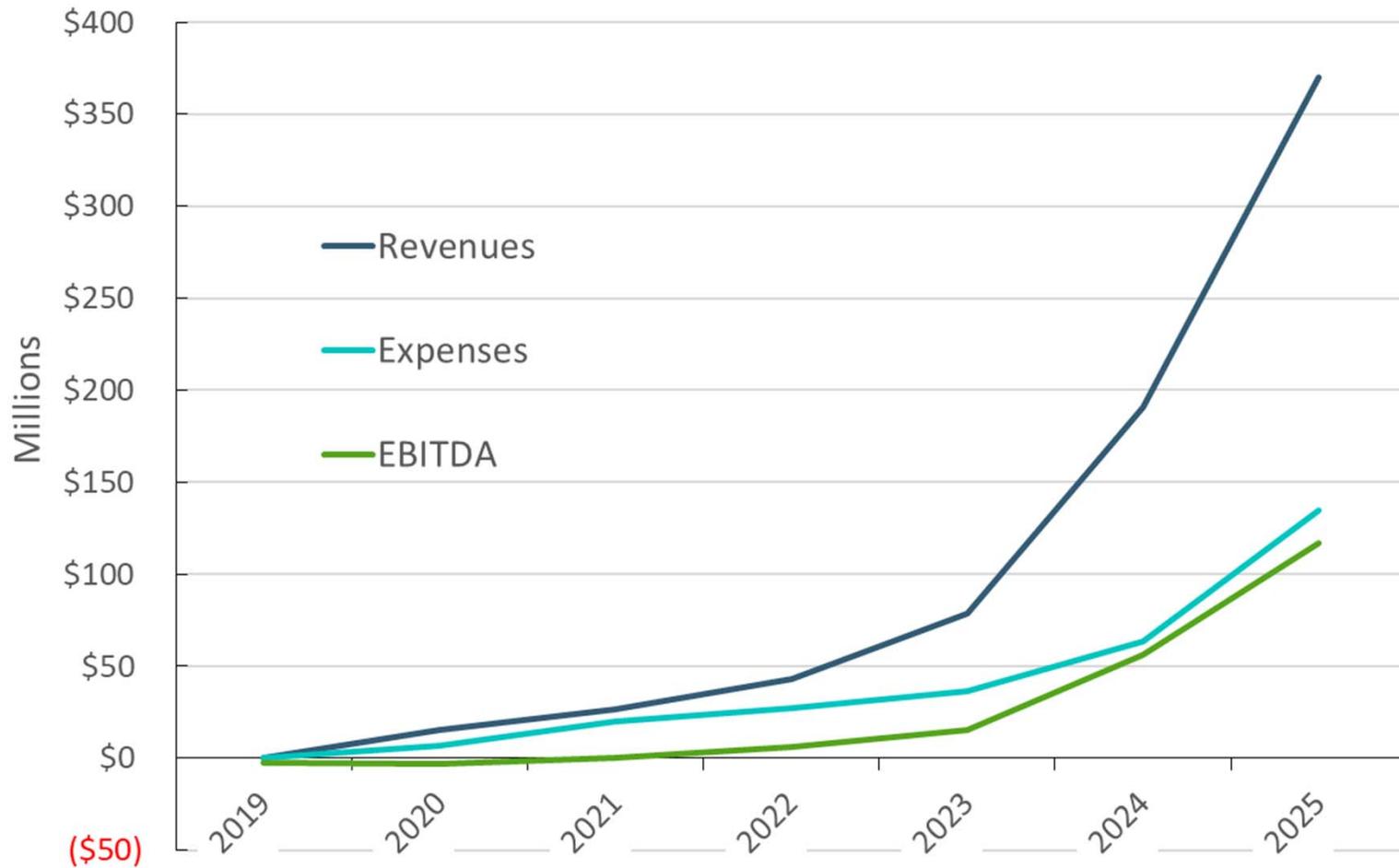
ORPC Near Term RivGen[®] Sales Process



ORPC Device Sales Projections thru 2025



Financial Projections thru 2025



2-Year Budget Projections

- Based on delay in TidGen[®] procurement until late 2021, updated RivGen[®] sales projections, adding needed staff, and providing for working capital, and contingency
- Total 2-year budget (1/1/19 to 1/1/21) is \$19.7MM

<u>Source</u>	<u>Amount</u>
Carryover from 2018	\$1.5MM
Committed Investment	\$1.0MM
Drawdown from Grants	\$3.3MM
RivGen [®] Sales & Services	\$6.4MM
New Investment Needed	<u>\$7.5MM</u>
Total	\$19.7MM

Total Need
of \$7.5
Million

- Cash flow breakeven projected to occur by end of 2020

Can a Small Maine Town's
Innovation Turn the
Tides on Sustainable Energy?



SBIR Program 2013 Tibbetts Award

FAST COMPANY

MOST INNOVATIVE COMPANIES 2013

**THE WORLD'S TOP 10 MOST INNOVATIVE COMPANIES IN
ENERGY**

The New York Times

The Search for Energy
Takes a Turn Underwater

*Thank you
Merci
Gracias*

