



NEWS RELEASE

Instream Secures Access to the Morlais Demonstration Zone in Wales

Vancouver, 01 November 2016 – Instream Energy Systems Corp. has successfully secured access to a berth at the Morlais Demonstration Zone in Anglesey, Wales.

Instream, a Canadian hydrokinetic technology company, plans to demonstrate a 1 MW tidal power system made up of multiple turbines on an array of floating platforms. Instream's surface-based, high-efficiency, scalable vertical-axis hydrokinetic turbine, designed in partnership with BAE Systems, has a simplified surface-mounted design and maintenance approach to decrease capital and operating costs. Its versatile design is suitable for near shore environments resulting in a flexible, cost-effective solution that can be deployed in the United Kingdom and internationally.

The Morlais Demonstration Zone is one of several around the UK which have been leased out by The Crown Estate in a bid to encourage and accelerate technology development. The Anglesey Zone was primarily selected for its tidal resource and Menter Môn, the Third Party Manager, will manage the Zone. The size of the zone and grid space allocated to Instream will accommodate 30MW of project capacity.

"This is a paramount opportunity for Instream to demonstrate an array of devices in a marine environment; we are very excited to be working with our partners, local suppliers and the Menter Môn team," said Ken Miller, President of Instream.

Instream will work in collaboration with Black & Veatch and ITPE Limited (ITPE) to showcase Instream's new tidal energy technology. Black & Veatch is a global leader in consulting, engineering, construction and operation, and ITPE is a leading international energy consultancy based in the UK. Instream is also in discussions with project developers and other suppliers in Wales to support this tidal energy demonstration.

Instream's array demonstration at Morlais will follow on from two tidal tests in the United States planned for 2017. Instream has already demonstrated a single turbine in a canal system in the US and the world's first array of vertical-axis in-stream turbines in a discharge channel of a dam in BC, Canada. Construction of the Morlais project is intended to start in 2018 with turbine delivery expected in 2019.

About Instream Energy Systems Corp.

Instream Energy Systems is a renewable energy company and leading developer of hydrokinetic systems, offering a sustainable energy solution that is predictable, scalable, and reliable. Instream introduces a disruptive approach to hydrokinetic power generation for broad, international adoption and build-out in a vast and largely untapped marine and inland resource.

For additional information, please contact:

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