



Executive summary

COMPANY DATA

- Founded 2007 (Delaware)
- Principal business: Wave powered desalination systems

PRIZES

- Engineer of the Year – Usine Nouvelle (2012)
- Global “Hot 100” – WSIE(2012)
- Winner – MassChallenge (2011)
- Winner - Startup Open (2010)

FINANCING SOUGHT

- \$11.5M in two tranches:
 - \$2.5M Convertible Notes
 - \$9.0M Series B Preferred
- Use: Deploy a pilot-scale Wave₂O™ system in U.S. and begin commercial sales
- Projected IRR: 40% (4x investment) assuming 2018 exit @1.5x projected revenue

SENIOR MANAGEMENT TEAM

- Bill Staby, Founder/CEO
Successful serial entrepreneur
MBA, NYU
- Olivier Ceberio, COO
Aerospace engineering
MBA/MPA (MIT/Harvard)

SENIOR TECHNICAL TEAM

- Darragh Clabby, QUB
- Allan Chertok, A.D. Little, TIAX
- Dr. Art Williams, Harvard

ADVISORY BOARD

- Dr. Dick K.P. Yue – MIT

US FEDERAL FUNDING PARTNERS

- US Department of Energy (DOE)
- US Department of Interior (DOI)

TECHNICAL ADVISORS

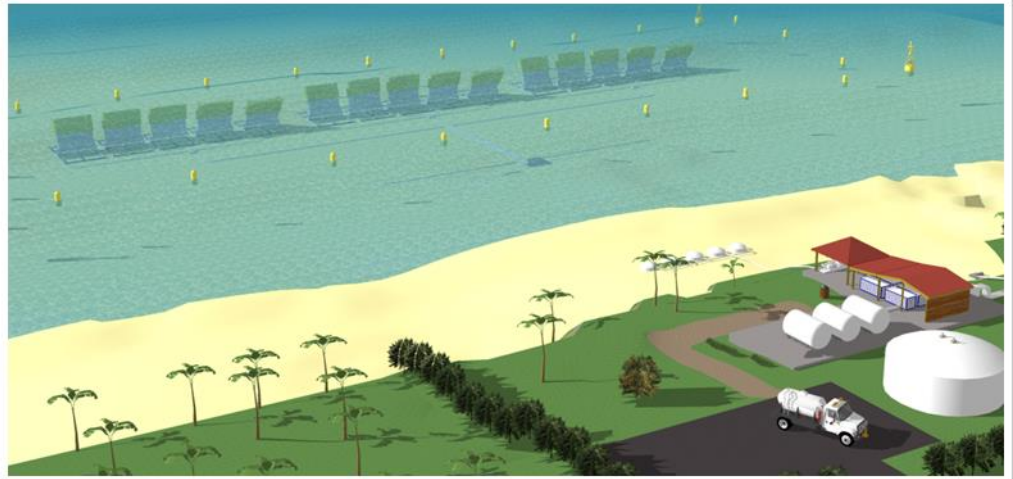
- Nikolay Voutchkov - Water
Globe Consulting
- Dr. Matt Folley – ARR Ltd.
- Steve Chomyszak –
Founder/CTO, Mechanology

LEGAL/ACCOUNTING TEAM

- Goodwin Procter (Corporate)
- Foley & Lardner (IP)
- KPMG (Audit, Tax)

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RME's Wave₂O™ system in operation

PROBLEM

Over 1 billion people suffer from the effects of water scarcity with the vast majority being poor residents of developing countries. Desalting seawater is an excellent potential solution but reverse osmosis (R/O) desalination systems require a robust connection to an electrical grid to drive the process. Because developing countries typically lack sufficient grid capacity and cannot afford the capital or time required to build and deploy traditional R/O systems, RME has devised a unique solution to this problem - the world's first wave-driven desalination system (Wave₂O™) that can be deployed quickly, operate completely “off-grid” and supply large quantities of fresh water at competitive cost.

SOLUTION - Wave₂O™

Wave₂O™ harnesses the abundant and inexhaustible energy of ocean waves to directly drive an R/O desalination system. The key technologies that enable Wave₂O™ have been rigorously tested at full scale in a series of ocean trials which have proven that Wave₂O™ is a reliable and cost effective water production system with utility in multiple places around the world. Wave₂O™ utilizes innovative technologies invented by RME for which patent applications have been filed in many countries around the world.

BENEFITS – DISTRIBUTED WATER PRODUCTION FOR RAPID RELIEF

Wave₂O™ benefits include: low capital investment; rapid deployment; simple operation & maintenance; readily scalable; minimal environmental impact; and low cost/m³ of water produced. For one of RME's pilot customers, Wave₂O™ can supply large quantities of fresh water at a cost 3x lower than comparable diesel-driven systems.

TARGET CUSTOMERS - MARKET PENETRATION & MARKET SIZE ESTIMATE

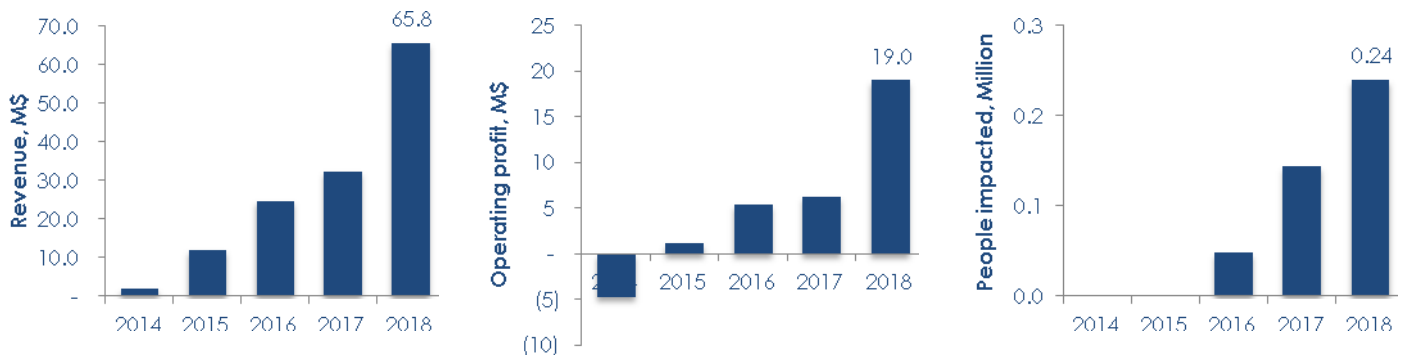
RME's customers are primarily national and regional water authorities that have a pressing need for a water production system that can quickly and cost effectively fill large supply/demand gaps. Presently, RME is developing projects for customers in two countries on the African continent, Cape Verde and South Africa. When other prospective customers in India, Indonesia and Chile are added to the mix, RME estimates the total addressable market for Wave₂O™ at over \$10B/year.

TRIPLE-BOTTOM-LINE BENEFITS FOR INVESTORS

RME's goal is to deliver outstanding financial returns while providing social benefits related to job creation and improvements in local health and welfare. By 2017 we expect to be supplying clean fresh water to 240,000 people/year, creating 90 new local jobs and eliminating 27,300 tons/year of CO₂ emissions (the equivalent output of over 5,200 cars). A detailed social and environmental impact report is available upon request.

CAPITAL REQUIREMENTS - USE OF FUNDS

We require \$11.5M of additional capital to accelerate our commercialization activities and to build and commission pilot-scale plants for two customers. These funds will supplement \$1.5 million of R&D grants RME has already received and will be leveraged by two grants totaling \$4.0 million RME and its research partners ABB and the University of Michigan were awarded in September 2013 by the U.S. Department of Energy.



ATTRACTIVE VALUE PROPOSITION FOR CUSTOMERS

Each commercial-scale (4,000 m³/day) Wave₂O™ system can produce approximately 1.46 million m³/year of fresh water (enough to supply 48,000 people), will fit in standard marine shipping containers, can be assembled and deployed in a matter of a few days; and can be operated and maintained using local labor. Water resource managers value Wave₂O™ because it allows them greater flexibility and control over supply and distribution planning and, furthermore, they recognize that deployments along the coastline enables water formerly sourced from interior locations to be re-directed to other areas with large supply/demand gaps.

CAPE VERDE CASE STUDY

RME has recently focused on Cape Verde as its nearest-term launch market because it suffers from severe water scarcity. This problem is exacerbated by high electricity costs due to its remote location and absence of indigenous energy resources which makes the average cost of water \$4.42/m³ - the highest cost in Africa and among the highest in the world. During a series of visits to Cape Verde starting in early 2013, we established links with key government and commercial stakeholders and secured a commitment to conduct pre-commercial tests on the island of Sao Vicente. A grant from the African Development Bank will be used to offset the costs associated with site characterization, civil engineering and permitting.

SOUTH AFRICA: SUBSIDIARY ESTABLISHED - STRONG PARTNER NETWORK - \$1.4B/YEAR REVENUE POTENTIAL

Since 2009 we have been working with several South African District Municipalities to deploy and test pilot plants and have entered into MOU's with two. We have partnered with the Council of Scientific and Industrial Research (CSIR) and WSP Group to assist with site characterization and civil engineering tasks and the South African Department of Water Affairs (DWA) is a strong advocate. We have set up a South African subsidiary and are working with several local financial and strategic investors including Aveng Water to finance pilot projects and the series of commercial projects that will soon follow. In a study we did in conjunction with DWA, we estimated that South Africa represents a \$1.4B/year market opportunity for RME.

PRODUCT AND BUSINESS DEVELOPMENT PROGRESS TO DATE

In 2010, we completed computer modeling and wave tank testing of our proprietary wave energy converter technology. First-round ocean trials were conducted in North Carolina in December 2011 and full-scale system trials took place in 2013 with the cooperation of the U.S. Army Corps of Engineers. Technical partnership activities with Parker Hannifin Corporation and ABB Inc. are underway wherein each is supplying design services and components for the Wave₂O™ system and preparations for deploying pilot-scale Wave₂O™ systems in Cape Verde and South Africa have started.

CAPITAL PLAN /EXIT STRATEGY

Our \$11M Series B round ("Round") is structured in two tranches: \$2M of Convertible Bridge Notes ("Notes"); and \$9M of Series B preferred stock. We have already placed \$1.75M of the Notes and Round proceeds will be used to deploy pilot-scale Wave₂O™ plants in the U.S and Africa. RME is establishing a Scottish subsidiary to: a) access domestic and EU grant opportunities; and b) take advantage of the U.K.'s low corporate tax rates and its Enterprise Investment Scheme which greatly benefits investors with U.K. tax exposure. We estimate that Round investors will achieve a 43% IRR over a 3-4 year holding period and that RME will quickly become an attractive acquisition target for a wide range of strategic and financial entities.

