



Ocean Energy qualifies for Canadian ‘Flow-Through’ tax benefits

Natural Resources Minister Applauds Finavera Renewables’ leadership

Vancouver, Canada, May 18th, 2007 - Finavera Renewables Inc. (the ‘Company’ or ‘Finavera Renewables’) (TSX-V: FVR) would like to acknowledge the Government of Canada for extending flow-through tax credits to the ocean renewable energy sector. In its 2007 Budget introduced March 19th, the Canadian government made ocean energy eligible for the Canadian Renewable and Conservation Expense and the Accelerated Capital Cost Allowance.

The new tax credits will significantly incentivise capital to move into the ocean energy sector. The ‘flow-through’ tax credit (which is currently available for mineral exploration and qualifying renewable energy development and test projects) now encourages investment in ocean energy resource assessment as well as for certain capital expenditures on equipment that generates electricity from ocean energy, through the offering of tax incentives to investors.

Finavera Renewables CEO Jason Bak said, “This tax initiative is critical for the development of the ocean energy industry which has the potential to be a cornerstone in Canada’s new energy economy. We would like to congratulate the Canadian government for having the foresight to extend this tax treatment to the rapidly developing ocean energy sector. I believe this support presents a market driven solution that will contribute significantly to the commercialization of ocean energy technology. As a result, this will strengthen Canada’s environmental and economic performance and help develop a world leading ocean energy industry.”

In a letter to the Company, Natural Resources Minister Gary Lunn said, “On March 19, 2007, our government displayed its commitment to the environment and renewable energy by announcing the extension of the accelerated capital cost allowance and Canadian Renewable and Conservation Expense (CRCE) to ocean energy and other renewables. As active proponents of this amendment, Finavera Renewables helped to successfully illustrate to government the utility of these market driven tax incentives to support Canada technology and domestic industry.”

Lunn concluded, “Through the implementation of these important tax incentives, the Government of Canada is investing in technologies that contribute to reductions in greenhouse gas emissions, improved air quality, that promote the diversification of the energy supply and a competitive economy. We will support the ocean energy sector and its Canadian developers and technology leaders such as Finavera.”

Canadian Renewable and Conservation Expense (Flow-Through)

A flow-through share is available to mining, petroleum and certain types of renewable energy companies to facilitate financing their exploration and project development activities. Eligible companies issue these equity shares to new investors. Investors receive an equity interest in the company and income tax deductions associated with new expenditures incurred by the company on exploration and development. Flow-through shares are available to selected companies but are of greater benefit to non-taxpaying junior companies. These companies are often unable to use income tax deductions against their corporate income and are willing to forgo the deduction to new investors. For more information, visit the Canada Revenue Agency Flow-through Share (FTS) Program Web page. *Source: Finance Canada (www.fin.gc.ca).*



Accelerated Capital Cost Allowance

A tax deduction for business-related capital property that provides for the depreciation of these assets. Businesses can deduct up to a fixed percentage of the depreciated cost each year. There are approximately 40 CCA classes described in the regulations to the *Income Tax Act*. The CCA rate applicable to each class is usually intended to reflect the economic life of the assets of that class. Where the CCA rate is clearly in excess of that required to reflect the economic useful life, it can be considered to be an accelerated CCA. *Source: Finance Canada (www.fin.gc.ca).*

On behalf of the Board of Directors,

Jason Bak, CEO

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About Finavera Renewables Inc. (www.finavera.com)

Finavera Renewables Inc. is dedicated to the development of renewable energy resources and technologies. The Company's objective is to become a major renewable and green energy producer by developing and operating its assets in the wind and wave energy sectors. Finavera Renewables Inc. is developing the patented 'AquaBuOY' wave energy converter, a device that is based on proven and sustainable buoy technology. The Company is developing wave energy projects for AquaBuOY use in the United States, Portugal, South Africa and Canada. The Company is also developing other wind energy projects in Canada and Ireland. In Canada, a two stage 150 MW project is being developed in Alberta. Construction on this advance stage project is estimated to begin in 2008 and provides for near term revenue. In British Columbia, four projects totaling 366 MW have been entered into the provincial Environmental Assessment process, and several other sites are being developed. In Ireland, two pre-construction wind projects are under development with a potential capacity of 175MW. Data collection and environmental studies have been continuing at a number of sites in both countries.

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