

July 26, 2010

Finavera Renewables signs funding pact with GE Energy

- * Gets C\$7.5 mln funding for British Columbia wind projects

- * Repayment at the close of each project

- * Shares up 20 pct

Finavera Renewables Inc (FVR.V: Quote) said Monday GE Energy, a unit of GE (GE.N: Quote), was investing about C\$7.5 million (\$7.25 million) in its wind projects in British Columbia, sending shares up as much as 20 percent in morning trade.

The Canadian wind energy developer said GE would also be the preferred wind turbine supplier for those projects, following a suitability analysis.

The fledgling green energy company was the biggest winner of British Columbia's clean electricity award process in March, bagging four power purchase agreements, endorsing it as a potential producer of wind energy over the longer term.

The deal comes at a time when investors were wary of how the C\$20 million (\$18.9 million) the company, whose stocks have shed over 40 percent in the past four months, would meet the C\$800 million project development cost.

"The market is waiting for us to have the financing partner in place before it gives us credit for the asset," Chief Executive Jason Bak had told Reuters in an interview on June 30. [ID: nN29166188]

Finavera said the funding will be repaid at the close of each project, and will not affect its equity position in the projects.

Shares of the Vancouver-based company were up as much as 21 percent, before paring some gains to trade up 7 percent at 8 Canadian cents Monday morning on the Toronto Venture Exchange.