



For Immediate Release

CLIPPER WINDPOWER PLC AND BP ANNOUNCE A STRATEGIC TURBINE SUPPLY AND JOINT DEVELOPMENT AGREEMENT

CARPINTERIA, CALIFORNIA – July 14, 2006 – Clipper Windpower and BP Alternative Energy today announced that they have entered into a strategic alliance for a long-term turbine supply agreement and the joint development of five of Clipper's wind energy projects in the USA. The five wind projects, with an anticipated total generating capacity of 2,015 MW, are located in New York, Texas, and South Dakota. Under the long-term supply agreement, BP has secured a mix of firm and contingent orders of up to 2,250 MW of additional Clipper turbines in its global wind portfolio.

Joint Development Portfolio

The Clipper/BP Alternative Energy joint development portfolio will be developed over a five year period. Each project will deploy Clipper's advanced Liberty wind turbines. The projects will be jointly owned by the two companies with Clipper serving as the project operator in two projects and BP Alternative Energy serving as the project operator in the other three.

Turbine Supply Agreement

As part of the long-term turbine supply agreement, BP Alternative Energy has committed to the purchase of 100MW of Liberty turbines in 2007 and 200MW in 2008 which it will use on other projects in BP's global wind business. These orders represent the initial firm deliveries under the long-term supply agreement for up to 900 Liberty turbines over the next five years.

Equity Interest

In recognition of the long-term strategic relationship between Clipper Windpower and BP Alternative Energy, BP has acquired a five year share option for a 10% equity interest at £3.77 per share in Clipper Windpower (subject to final approval of the Clipper Shareholders).

Clipper Windpower CEO James Dehlsen said, "This strategic alliance provides both Clipper and BP an unparalleled opportunity to capture a major foothold in the US wind energy market. It enables Clipper to secure a pipeline of turbine deliveries in the next five years. The consideration for the proposals will assist in the execution of these deliveries. With active negotiations for other turbine and portfolio sales currently taking place, it is possible that further contracts will be announced before the Clipper EGM and at that stage an update will be given on our business plan."

Steve Westwell, CEO of BP Alternative Energy, explained, "We believe the Clipper turbine is a break-through in reducing the total cost of renewable energy and we are pleased to be the first large customer for this innovative technology. Our strategic relationship with Clipper represents an important step in expanding BP's low-carbon power business."

* * *

Financial Terms and Disclosures

BP has agreed to acquire a 50% interest in the project portfolio along with an option to acquire an interest in Clipper Windpower Plc representing 9,596,681 ordinary shares in the capital of the Company and a turbine supply option, for a total of \$30 million. In addition, BP has agreed to pay Clipper up to US\$30 million upon successful completion of the development projects. BP will also make a US\$30 million down payment for the 300MW Liberty turbines for delivery in 2007/2008.

more...

A notice convening an Extraordinary General Meeting has today been sent to Clipper Shareholders. The EGM will be held on 7 August 2006. Completion of the strategic alliance will take place subject to, inter alia, the passing of a special resolution enabling Clipper to grant the equity option to BP. Clipper has obtained irrevocable undertakings to vote in favour of the necessary special resolution from directors and connected parties and certain other shareholders in respect of 48,053,138 Clipper ordinary shares representing approximately 50 per cent. of the issued share capital. It is a further term of the five year Option arrangement that Clipper has undertaken to BP to permit BP the right to participate in future equity issues, subject to the necessary approvals by Clipper Shareholders at the relevant time and subject to an upper limit of 20 per cent. of the Clipper issued share capital (including shares arising on the exercise of the Options).

– ENDS –

Notes to Editors:

Clipper Windpower (“Clipper”):

About Clipper Windpower

Clipper Windpower is a rapidly growing wind energy technology, turbine manufacturing, and wind project development company. With offices in California, Colorado, Maryland, Mexico and the U.K., and ISO9001:2000 QMS Certified manufacturing and assembly facilities located in Cedar Rapids, Iowa, the company designs advanced wind turbines, manufactures its 2.5-MW Liberty wind turbine and actively develops wind power generating projects in the Americas and Europe. In September 2005, Clipper completed a successful IPO on the London Stock Exchange’s Alternative Investment Market (AIM). Clipper’s ticker symbol is CWP.

BP:

BP is one of the world’s largest energy companies, with interests in more than 100 countries and over 96,000 employees.

BP Alternative Energy, formed in 2005, brings together all of BP’s interests in zero and low-carbon power generation: BP Solar, the company’s photovoltaic business; wind power generation; hydrogen power - which combines fossil fuel power generation with carbon capture and storage to provide extremely low carbon power; and BP’s natural gas-fired power interests.

BP Alternative Energy has an active wind development portfolio in Europe, North America and Asia; our hydrogen business includes two announced projects (in Los Angeles and in Peterhead Scotland); BP Solar is a leading global solar company; and; BP also participates in more than 13,000 MW of gas-fired generation around the world.

– ENDS –

For further details:

Clipper Press Contacts:

Colin Moynihan
Chairman, Clipper Windpower Europe
Mobile: 07802 883 252
Work: 020 7820 1078
e-mail: cmoynihan@clipperwind.com

Patrick D’Ancona
M:Communications
Phone: 00 44 20 7153 1547
e-mail: dancona@mcomgroup.com
www.mcomgroup.com

BP press contact:

David Nicholas
BP PressOffice
Phone: 00 44 7831 095541
e-mail: nicholdh@bp.com