



TEXAS GENERAL LAND OFFICE

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PRESS RELEASE

FOR IMMEDIATE RELEASE
July 16, 2009

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Patterson turns Texas wind into money for schools

Land Office awards lease for world's first green data center, two more offshore wind farms

AUSTIN — Jerry Patterson, Commissioner of the Texas General Land Office, today announced an agreement with a Houston-based corporation to build the world's first wind-powered data center on Permanent School Fund lands in the Texas Panhandle.

Baryonyx Corporation plans to lease Permanent School Fund land in Dallam County and build a highly secure data center, or server farm, that will be powered by on-site wind turbines.

Also on Tuesday, Baryonyx successfully won the bidding for offshore tracts of state submerged land off the coasts of Mustang Island and South Padre Island to develop what could be the biggest offshore wind farms in the nation.

“With these leases, we’re turning green power into green cash for the state’s Permanent School Fund,” Patterson said.

A data center is a facility where governments and businesses house computer systems off-site in a secure area. Baryonyx plans to build a Tier 4 data center, which is the most secure type of data center designed to host mission critical computer systems with fully redundant subsystems and compartmentalized security zones controlled by biometric access.

Data centers can include everything from backup generators to security devices and require a great deal of energy to operate, maintain proper temperatures and keep data secure. That’s why the telecommunications industry is moving toward environmentally sustainable data centers.

The two offshore wind leases are the sixth and seventh leases for offshore wind farms signed by Patterson since 2005.

Like the previous offshore wind leases, the Land Office lease will allow Baryonyx to conduct research and to build wind turbines that will create electricity. The engineering and design for the tracts is expected to begin before the end of the year.

Baryonyx plans to produce a minimum of 750 megawatts of power on each of the two coastal areas using turbines that produce up to five megawatts each.

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Ian Hatton, Chief Executive Officer of Baryonyx Corporation said the importance of developing alternative forms of energy is vital and that the need to power servers for the Internet has increased energy demand and now accounts for 1.5 percent of the global energy demand.

“The grant of these leases from the State of Texas are not only an important milestone for Baryonyx, but also for demonstrating a way forward to reduced reliance on imported energy and simultaneously increasing the environmental sustainability of technology that has become core to the modern economy,” Hatton said.

Under the lease, Baryonyx will pay the state’s Permanent School Fund a nominal fee to lease the two offshore areas for wind development. But once the wind farms are built and producing energy, they will pay royalties to the Permanent School Fund. For the first eight years, according to the lease, Baryonyx will pay a minimum royalty of 3.5 percent of the wind farms’ total production. That royalty will increase to 4.5 percent in the ninth year of the lease, and then to 6.5 percent in the 17th year of the lease.

The General Land Office may then resell that electricity to schools, prisons, cities or other public partners to earn additional money for the state’s Permanent School Fund through the Land Office’s State Power Program.

Once built, the two offshore wind farms will earn the school children of Texas a minimum of \$338 million over the 30 year lease.

“Developing wind energy for Texas is just plain smart,” Patterson said. “It’s not just sustainable energy to power our businesses, it’s sustainable funding for public education.”

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