Ariel:
'Full fathom five thy father lies; / Of his bones are coral made; / Those are pearls that were his eyes.'

There is a huge storm at sea. Everyone is shouting, half the crew are drunk. King Alonso of Naples is on board with his son Prince Ferdinand. The king’s brother Sebastian and his advisor Gonzalo, Duke Antonio, a butler Stephano and a jester Trinculo all expect to drown.

From a nearby island Miranda watches the huge tempest. She is fifteen and has never known anything other than this isolated life. She lives with her father Prospero. He has studied magic and can conjure up various forces. Prospero is helped by his spirit Ariel and a slave Caliban, who is the son of an old witch Sycorax. Prospero taught Caliban how to speak when he first met him and was like a father to him. Caliban in turn showed Prospero every inch of the island and shared all its secrets with him.

Miranda cries as she watches the shipwreck. She begs her father to calm the storm. She suspects that he might have conjured it. He reassures her that it will calm down now. No one will be harmed. Ariel has helped Prospero to make the storm and he asks for his freedom in return. Prospero refuses and reminds Ariel how he rescued him from the trunk of a pine tree where the witch Sycorax had left him encased. Prospero will free him in just two days.

Prospero tells Miranda of their past. He was the Duke of Milan just twelve years ago. But he was so involved with his books and secret studies that he did not realise that his brother Antonio was stealing power from him. The King Alonso and Antonio plotted together against Prospero. Hired soldiers dragged Miranda and Prospero from their home. Miranda was just three years old. They were put out to sea in a small rotten boat and left to die. They were given food and water by Gonzalo who pitied them. He also packed linens and books for them.

Prospero and Miranda finally arrived at the island. Since then it has been a place of contemplation and magic for Prospero who never tires of studying his magic books. Prospero made Caliban into a slave because he caught him when he tried to sleep with Miranda. Enraged, Prospero has made Caliban chop wood ever since and he uses his magic to inflict pain upon the creature. Caliban is deeply unhappy in his captive life, he swears at Prospero:
'You taught me language; and my profit on't / Is, I know how to curse. The red plague rid you / For learning me of your language!'
The shipwrecked crew wander round the island amazed, searching for each other. Their clothes are not wet and they are cleaner than before the storm. King Alonso mourns for his son Ferdinand who he fears is dead. Sebastian plots to kill Alonso and become king himself. Stephano drinks a lot and wanders round the island with Trinculo. They encounter Caliban and think he is a monster. But then realise he is not. He persuades them that they should murder Prospero and take over the island. They march around but are terrified by all the music from nowhere, the spirits. Caliban reassures them: 'Be not afeard; the isle is full of noises, / Sounds and sweet airs, that give delight and hurt not.'

Ferdinand meets Miranda and they fall instantly in love. Prospero wants them to be together but tests their love first. He makes Ferdinand chop and carry endless logs. Miranda is tormented by her father's treatment of him and pities the Prince. She asks him to marry her and he agrees. Prospero sees that Ferdinand is a good man and so he conjures up an engagement masque* for the young couple. They see a vision of Juno, Iris and Ceres who are goddesses connected to fertility. It is a blessing for the young couple's engagement.

Trinculo, Stephano and Caliban prepare to attack Prospero but he and Ariel are prepared and send sprites and spirit dogs to hound and chase them away.

The king's party meet Prospero who explains a little of what has been happening. He shows them Ferdinand and Miranda playing chess. Prospero explains to everyone that he needed a reckoning with his brother Antonio and talks of the dark events of the past. He thanks Gonzalo for helping them and announces the love between Miranda and Ferdinand. King Alonso is repentant. Prospero forgives him. The young lovers will be married and Prospero will be reinstated in Milan.

Miranda is amazed and enchanted by seeing so many people:
'How beauteous mankind is! O brave new world / That has such people in it!'

Prospero abandons his magic powers and throws his book into the water:
' Now my charms are all o'erthrown / And what strength I have's mine own.'

Ariel has been aching for his freedom and Prospero lets him go now. He gives up his magic powers and prepares to leave the island and travel to Milan.

* masques were popular entertainment in the 16th and 17th centuries and they consisted of dancing and acting performed by players who wore masks.