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Application has been made for the Ordinary Shares to be issued pursuant to the Placing to be admitted to trading on the Alternative Investment Market of the London Stock Exchange. AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority. The rules of AIM are less demanding than those of the Official List. It is emphasised that no application is being made for admission of the Ordinary Shares to the Official List. A prospective investor should be aware of the potential risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Further, the London Stock Exchange has not itself examined or approved the contents of this document. It is expected that Admission will take place, and dealings in the new Ordinary Shares will commence on AIM, on 7 November 2005.

Your attention is drawn in particular to the section entitled "Risk Factors" on page 7 of this document.

Renewable Energy Generation Limited

(Incorporated and registered in Guernsey under the Companies (Guernsey) Law 1994 (as amended) with registered number 43099)

Placing of 30,000,000 ordinary shares of

10p each at 100p per share

Admission to trading on

the Alternative Investment Market

Financial Adviser, Nominated Adviser and Broker

Numis Securities Limited

Consent under The Control of Borrowing (Bailiwick of Guernsey) Ordinances, 1959 to 1989, has been obtained for the raising of up to £100 million by the issue of the Company's ordinary shares, in addition to the consent to raise up to £50 million obtained for the initial offering of shares in May 2005. Neither the Guernsey Financial Services Commission nor the States of Guernsey Policy Council takes any responsibility for the financial soundness of the Company or for the correctness of any of the statements made or the opinions expressed with regard to it.

Numis Securities, which is authorised and regulated by the Financial Services Authority, is acting exclusively for the Company and no one else in connection with the Placing and the proposed Admission. Numis Securities will not regard any other person as its customer or be responsible to any other person for providing the protections afforded to customers of Numis Securities nor for providing advice in relation to the transactions and arrangements detailed in this document. Numis Securities is not making any representation or warranty, express or implied, as to the contents of this document.

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As such, this document is directed at: (i) investment professionals who fall within the said Article 19 and/or (ii) high net worth companies, unincorporated associations or other persons who fall within the said Article 49 and/or (iii) persons having professional experience in matters relating to investments to whom it may be otherwise lawful to distribute this document. Any investment or investment activity to which this document relates is available only to such persons or will be engaged with only with such persons. Any persons who do not have professional experience in matters relating to investments or who do not fall within the said Article 49 should not act or rely upon this document. Accordingly, it should not be copied, distributed, published or reproduced in whole or in part or disclosed to any such person.

This document does not constitute an offer to buy or to subscribe for, or the solicitation of an offer to buy or subscribe for, Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful. In particular the Ordinary Shares offered by this document have not been, and will not be, registered under the United States Securities Act of 1933 as amended (the "Securities Act") or qualified for sale under the laws of any state of the United States or under the applicable laws of any of Canada, Australia, Republic of Ireland or Japan and, subject to certain exceptions, may not be offered or sold in the United States or to, or for the account or benefit of, US persons (as such term is defined in Regulation S under the Securities Act) or to any national, resident or citizen of Canada, Australia, Republic of Ireland or Japan. Neither this document nor any copy of it may be distributed directly or indirectly to any persons with addresses in the United States of America (or any of its territories or possessions), Canada, Australia, Republic of Ireland or Japan, or to any corporation, partnership or other entity created or organised under the laws thereof, or in any other country outside the United Kingdom where such distribution may lead to a breach of any legal or regulatory requirement.

CONTENTS

Placing Statistics	3
Expected Placing and Admission Timetable	3
Definitions	4
Directors and Advisers	6
Risk factors	7
Introduction	11
The Company	11
Management	11
Management Arrangements and Fees	11
Placing, Admission and related matters	13
The Placing	13
CREST	13
Administration and custody	13
Taxation	14
Further information	14
Additional Information	15
The Company	15
Share capital	15
Overseas investors	15
Material contracts	16
Miscellaneous	17
Documents available for inspection	18

Placing Statistics

Placing Price	100p
Number of Ordinary Shares being issued pursuant to the Placing	30,000,000
Estimated expenses of the Placing payable by the Company	1,375,000
Estimated net proceeds of the Placing receivable by the Company	28,625,000
Market capitalisation at the Placing Price	£55,000,000

Expected Placing and Admission Timetable 2005

Trading of Placing Shares to commence on AIM	7 November
CREST stock accounts credited (as applicable)	7 November
Definitive share certificates despatched (as applicable)	14 November

Definitions

"Act"	the Companies Act 1985 (as amended)
"Admission"	the admission of the Placing Shares to trading on AIM becoming effective in accordance with the AIM Rules
"Admission Document"	the admission document of the Company dated 5 May 2005 pursuant to which the Company's Ordinary Shares were first admitted to AIM
"AIM"	a market operated by the London Stock Exchange
"AIM Rules"	the Rules of AIM
"Articles"	the articles of association of the Company
"Board" or "Directors"	the board of directors of the Company, including a duly constituted committee thereof
"the Company" or "REG"	Renewable Energy Generation Limited
"CPIF"	Clean Power Income Fund
"CREST"	the relevant system (as defined in the CREST Regulations) in respect of which CRESTCo Limited is the Operator (as defined in the CREST Regulations) in accordance with which securities may be held and transferred in uncertificated form
"CRESTCo"	CRESTCo Limited
"CREST Regulations"	The Uncertificated Securities Regulations 2001 (SI 2001/3755)
"FSA"	Financial Services Authority
"London Stock Exchange"	London Stock Exchange plc
"MW"	Megawatts
"Numis" or "Numis Securities"	Numis Securities Limited, the Company's nominated adviser and broker
"Official List"	the Official List of the UK Listing Authority
"Ordinary Shares"	ordinary shares of 10p each in the capital of the Company
"Placing"	the placing by Numis Securities as agent for the Company of the Placing Shares at the Placing Price pursuant to the Placing Agreement and as described in this document
"Placing Agreement"	the conditional agreement dated 1 November 2005 between the Company, REG Power and Numis Securities relating to the Placing, as described on page 16 of this document
"Placing Price"	100p per Placing Share

"Placing Shares"	the new Ordinary Shares to be issued pursuant to the Placing
"PPA"	power purchase agreement, a long term energy supply contract
"Premier"	Premier Fund Managers Limited
"Premier Asset Management"	Premier Asset Management plc
"Probyn & Company"	Probyn & Company Inc., a member of the Probyn Group
"the Probyn Group"	Probyn Eastman Ltd. and its subsidiaries
"Pure Energy Professionals" or "PEP"	Pure Energy Professionals Limited
"REG Power" or "Manager"	REG Power Management Limited, formerly called Eastgate Power Management Limited
"Shareholders"	holders of Ordinary Shares
"UK" or "United Kingdom"	United Kingdom of Great Britain and Northern Ireland
"UK Listing Authority"	the Financial Services Authority acting in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000
"US" or "United States"	United States of America, its territories and possessions, any state of the United States and the District of Columbia
"Warrants"	the unlisted warrants to subscribe for 5 per cent. of the highest amount of the issued share capital of the Company from time to time on a diluted basis (as more particularly set out in the Warrant Instrument)
"Warrant Instrument"	the instrument constituting the Warrants dated 5 May 2005

Directors and Advisers

Directors

Mike Liston
George Cardona
Tod Kersten
Nigel Le Quesne
John Donelan
Andrew Whalley

all of:

Trafalgar Court
Les Banques
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GY1 3QL

Company Secretary and Registered Office

Northern Trust International Fund Administration Services (Guernsey) Limited
Trafalgar Court
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Manager

REG Power Management Limited
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Specialist Advisers

Premier Fund Managers Limited
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Auditors and Reporting Accountants

Ernst & Young LLP
14 New Street
St. Peter Port
Guernsey GY1 4AF

Custodian and Registrar

Northern Trust (Guernsey) Limited
Trafalgar Court
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Financial Adviser, Nominated Adviser and Broker

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Financial Adviser

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Legal Adviser

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Guernsey GY1 4BZ

Administrator

Northern Trust International Fund
Administration Services (Guernsey) Limited

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Sub-Registrars

Capita IRG (CI) Limited
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Guernsey GY1 4AE

Risk factors

In addition to the other relevant information set out in this document, the following specific factors should be considered carefully in evaluating whether to make an investment in the Company. If you are in any doubt about the action you should take, you should consult a professional adviser authorised under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities.

The Company believes the following risks to be the most significant for potential investors. The risks listed, however, do not necessarily comprise all those associated with an investment in the Company and are not intended to be presented in any assumed order of priority. In particular, the Company's performance may be affected by changes in legal, regulatory and tax requirements in any of the jurisdictions in which it or its subsidiary companies operate or intend to operate as well as overall global financial conditions.

AIM

The issued Ordinary Shares are, and the Placing Shares will be, admitted to AIM. An investment in shares quoted on AIM may be less liquid and may carry a higher risk than an investment in shares quoted on the Official List.

Volatility of the value of the shares

Investors should be aware that the value of the Ordinary Shares may be volatile and may go down as well as up and investors may therefore not recover their original investment, especially as the market in Ordinary Shares on AIM may have limited liquidity.

In addition, the price at which investors may dispose of their shares in the Company may be influenced by a number of factors, some of which may pertain to the Company, and others of which are extraneous. Investors may realise less than the original amount invested.

No guarantee as to future performance

There can be no assurance that the Company will be able to complete all or any of the developments or achieve the returns referred to in this document.

Potential currency exchange rates risk

The Company anticipates that its business may be conducted in jurisdictions which could generate revenue, expenses and liabilities in currencies other than Pounds Sterling. As a result, the Company will be subject to the effects of exchange rate fluctuations with respect to any of these currencies.

Possible adverse economic conditions and emerging market risks

The financial operations of the Company may be adversely affected by general economic conditions, by conditions within various countries' markets or by the particular financial condition of the developers and other parties doing business with the Company.

The performance of the Ordinary Shares can be expected to be adversely affected by any failure or delay in new EU accession countries joining the EU. The EU accession countries have many characteristics of emerging markets and should be regarded as carrying associated risks of political, legal and economic instability.

Impact of law in governmental regulation

The Company and developers with whom the Company deals need to comply with laws and regulations relating to environmental, health and safety, land use and development standards. The institution and enforcement of such laws and regulations could have the effect of increasing the expenditure relating to, in lowering the income or rate of return from, as well as adversely affecting the value of, the Company's assets. Changes in laws or regulations relating to ownership of land could have an adverse effect on the value of the Ordinary Shares. New laws or regulations may be introduced, which may be retrospective and affect existing environmental planning, land use and development laws and regulations.

Guernsey law

The Company is a limited company incorporated under the Companies (Guernsey) Law, 1994 (as amended). Guernsey law does not make a distinction between private and public companies and some of the protections and safeguards that investors may expect to find in relation to a public company under the Act are not provided for under Guernsey law.

Tax related risks

Certain countries may have tax regimes which impose withholding tax on the profits or other returns derived from the projects in which the Company has an investment. This tax may be non-recoverable. It is anticipated that the rates of withholding tax will vary across jurisdictions and will change from time to time which could have a material and adverse affect on the Company's performance.

The tax regimes applying in the UK and Guernsey may change, thereby affecting the Company's tax treatment in these jurisdictions.

Wind risk

In the wind power sector, average wind speeds in any period may be lower than projected or lower than wind speeds in prior years, thereby causing the financial performance of an investment to fall below its expected level.

Resource availability and constancy

Wind energy facilities may be affected by fluctuations in wind speeds between years and also by abnormal weather conditions and changing wind patterns. Biomass facilities may be affected by the availability, or lack of availability, of fuel. Landfill gas facilities may be affected by the composition of waste at a landfill site, including waste added over time, and the size, depth, age, moisture content, exposure to air and compaction of that waste and whether a landfill is "open" or "closed" and the condition of the collection system used to capture the gas. Revenues in respect of hydro-electric facilities may be significantly affected by hydrological events that impact the hydrological conditions of hydro-electric facilities such as low and high water flows within the watercourses on which the facilities are located. In the event of severe flooding, hydro-electric facilities may be damaged.

Counterparty risk

Customers that purchase power generated by renewable energy facilities are typically large utilities which purchase power under PPAs or standard offer contracts. Although the Company will attempt to ensure that these customers have acceptable credit ratings, if for any reason such customers are unable or unwilling to fulfil their contractual obligations under the relevant PPAs or standard offer contracts, the returns to the Company could decline.

Regulatory regime and permits

The profitability of renewable energy facilities will be in part dependent upon the continuation of a favourable regulatory climate with respect to the continuing operations and the future growth and development of the independent power industry and environmentally preferred energy sources. States are continuing to negotiate and extend the international climate change regime established under the UN Framework Convention and the Kyoto Protocol. Any changes to the regime (dealing for instance with the legal status of emissions credits or their 'bankability' over different commitment periods) will need to be reflected as appropriate in both EU and domestic legislation. Projects which seek to take advantage of the 'flexible mechanisms' created under the Kyoto Protocol (including the Clean Development Mechanism ("CDM"), Joint Implementation and Emissions Trading) will need to comply with relevant international and domestic legal requirements, including the EU Emissions Trading Scheme and/or 'CDM-project-cycle' where relevant. Operations conducted under this ongoing international legislative process could give rise to political/sovereign risks where the ongoing approval of a 'Host Country' is needed for a project, in the same way as for any type of foreign direct investment.

In addition, PPAs or standard offer contracts in certain jurisdictions are subject to approval by local, state, provincial or national utilities commissions or other regulatory authorities. Should the regulatory regime in an applicable jurisdiction be modified in a manner which adversely affects renewable energy facilities or projects, including increases in taxes and permit fees, the returns to the Company may be adversely affected. The EU Renewables Directive explicitly requires member states to review existing legislative and regulatory frameworks in order to reduce regulatory and non-regulatory barriers to the increase in electricity production from renewable energy sources (including streamlining administrative procedures and ensuring that rules are non-discriminatory between energy sources). However, the failure to obtain all necessary approvals, licences or permits, including renewals thereof or modifications thereto, may adversely affect distributions, as could delays caused in obtaining such consents due to objections from third parties regarding such issues as impact on amenity or nature conservation.

Operating risks

Renewable energy facilities encompass operations which are subject to environmental and safety standards and regulations imposed by relevant national regulatory bodies. Failure to operate facilities in strict compliance with applicable regulations and standards may expose owners or operators of facilities to claims and clean-up costs and possible enforcement actions. Any new law or regulation could require significant additional expenditure to achieve or maintain compliance.

The EU Renewables Directive has established Europe as the leading region for renewable energy investment. The UK has made regulations to promote the generation of electricity from renewable sources (the "Renewable Obligation") by requiring licensed electricity suppliers to source specified percentages of supplied electricity from renewable sources. Should the current governmental regulations or incentive programs be modified, wind power facilities and other renewable energy facilities may be adversely affected, which may have a material adverse effect on the returns to the Company. In particular, if currently available production tax credits were to become unavailable to the owners of wind power facilities, or the Renewables Obligation or country equivalent schemes were withdrawn as a result of a change in applicable legislation, the ability of the owners of wind power facilities and/or the borrowers under wind power loans to pay interest and principal on wind power loans may be adversely affected, which could adversely affect the returns to the Company. In the US, the operation of wind power facilities is also highly regulated. Government regulations and incentives such as Production Tax Credits in the United States and Emission Production Credits in some states of the United States currently have a favourable impact on wind power and landfill gas facilities. The owners of the wind power facilities currently receive production tax credits in the United States.

Failure to maintain or comply with necessary licences, consents or exemptions could result in a breach of regulatory requirements that may lead to the owner being precluded from operating the licensed renewable energy facility or at least constrained in undertaking such operations and could adversely affect the returns to the Company.

The operation of hydro-electric facilities is highly regulated. Water rights are generally owned by governments which reserve the right to control water levels. Biomass facilities are subject to government regulations, including environmental laws relating to emission levels, biomass supply agreements, and wood ash disposal agreements. Landfill gas facilities are also subject to government regulations, including environmental laws relating to types of waste, emission levels, by-product disposal and landfill gas condensate. Any new law or regulation could require significant additional expenditure to achieve or maintain compliance.

Equipment failure

With respect to each renewable energy facility, there is a risk of equipment failure due to wear and tear, design error or operator error, among other things, which could adversely affect the returns to the Company.

Commodity prices

Although large amounts of electricity generated by renewable energy facilities are expected to be sold pursuant to PPAs or standard offer contracts, excess power capacity of certain facilities may be sold in the open market. As a result, returns will, in part, depend upon prices paid for energy sold in the open market. Such commodity pricing will vary over time. Over the long term, fluctuations in market prices may impact adversely the returns to the Company.

Carbon trading credit risk

It is not anticipated that REG will derive a significant proportion of its revenue from the sale or trade of carbon credits, although it is expected that the sale of such credits will be a profitable source of income for REG. Whilst there is no present reason to believe that the market price of credits will fall, their price is governed by market forces, which may lead to fluctuations in the price.

Litigation risk

Due to the relatively undeveloped legal systems in some of the jurisdictions in which REG may invest, REG may find it difficult, impossible or very costly to enforce the rights it may have under agreements it may enter into.

Introduction

The Company

REG was established in order to provide investors with the opportunity to participate in the growth of global renewable energy markets through investment in wind energy and other renewable power projects.

Since the Company's Ordinary Shares were first admitted to trading on AIM on 16 May 2005, REG has successfully completed three renewables transactions. These are:

- The acquisition of the 5.6MW Goonhilly Wind Farm in Cornwall for £4.5m;
- The acquisition of a majority interest in the 50MW Tymien Wind Project in Poland for £7.875m. This also provides rights of first refusal on the development of Tymien stages two and three and the development of Cisowo totalling 118MW; and
- The acquisition of 24 renewables projects in the UK (formerly known as WindWorks) from npower renewables Limited, a subsidiary of The RWE Group for up to £4 million (plus any VAT or other tax). These projects total up to 75 MW.

In addition to the acquisitions referred to above, on 30 July 2005 REG also entered into an in principle heads of terms agreement with Baltic Natural Energy which is intended to provide exclusivity on a development pipeline in Lithuania with a total of 51.5 MW.

Management

REG is managed by REG Power Management Limited, a wholly owned subsidiary of Premier Asset Management, a fund management company quoted on the AIM market. The principal persons involved are:

Andrew Whalley: Andrew is chief executive of REG Power and has over 12 years experience of investing in power companies. He previously worked for Johnson Fry plc where he was a main board director.

Stephen Probyn: Stephen is one of Canada's leading experts in the power, project finance and renewable energy sectors. He has been responsible for arranging approximately CAD3 billion in long-term debt and equity investments for new power projects, including natural gas, landfill gas, wind energy and biomass. He has served on a number of government and regulatory bodies and, in 1999, he was appointed as an adviser to the G8 Nations Task Force on renewable energy.

Bruce Woodman: Bruce is the co-founder of Pure Energy Professionals, a renewable energy consultancy company launched in 1989. He was instrumental in the creation and management of M&N Wind Power, a successful joint venture between a Japanese trading house and a Danish wind turbine manufacturer, now part of Vestas. He has significant experience of investing in wind energy projects in Europe and North America.

Management Arrangements and Fees

REG and CPIF have entered into a co-investment agreement under which CPIF has agreed to offer co-investment rights on a 50/50 basis to REG (excluding the US and Canada) in any renewable energy project identified by CPIF. In return REG offers an equal right of co-investment to CPIF in

respect of all of its investment opportunities. The agreement has a term of 1 year (due to expire on 26 April 2006) and is renewed automatically unless either of the parties serves notice of termination. To date, CPIF has not co-invested in any of the projects referred to in this document.

Under a management agreement between CPIF and an affiliate of Probyn & Company, Probyn & Company, investment adviser to REG, may not enter into contracts regarding renewable energy without CPIF having the right of first review in respect of such projects. If, in the reasonable opinion of the Directors of REG, Probyn & Company is unable to discharge its duties as investment adviser because of its prior obligations to CPIF, then REG shall have the right to terminate its Power Advisory Agreement, details of which are set on page 48 of the Admission Document.

The Manager receives an annual management fee of 1.25 per cent. of the cash assets invested in renewable energy projects. Once 90 per cent. of the Company's assets have been invested in renewable energy projects, the annual management fee shall instead be equal to 1.25 per cent. of the net asset value of the Company together with long term borrowings. There shall be a reduced management fee payable to Premier under the Regulatory Management Agreement (details of which are set out on page 48 of the Admission Document) charged on the bond and cash assets held by REG pending investment, which shall equate to 0.5 per cent. of the value of such investments.

5 per cent. of the fully diluted share capital (as defined in the Power Management Agreement and the Warrant Instrument details of which are contained on pages 48 and 49 respectively of the Admission Document) of REG is under option to the Manager at an exercise price of 100p, which aligns the interests of the Manager with Shareholders and allows the Manager, where appropriate, to incentivise individuals working on projects for the Company. The Manager shall therefore be entitled to 5 per cent. of the issued share capital of REG as enlarged by the Placing.

The Manager also receives a transaction fee equating to 1.5 per cent. of the cash invested in renewable energy projects that complete in accordance with their terms.

The Manager pays Probyn & Company and PEP's fees out of its management fee.

Placing, Admission and related matters

The Placing

Numis has agreed, as agent for the Company, to use its reasonable endeavours to procure subscribers for the Placing Shares at the Placing Price.

The Placing is conditional upon (i) the Placing Agreement becoming unconditional in accordance with its terms and not being terminated prior to Admission and, (ii) Admission becoming effective by 7 November 2005, or such later time as Numis Securities and the Company may agree, but in any event not later than 30 November 2005.

The Placing will raise £30 million before expenses. The expenses of Admission and the Placing payable by the Company are estimated at approximately £1,375,000. The net proceeds of the Placing will be used primarily for the development of renewable energy assets on existing sites of the Company.

The Placing Shares will be issued fully paid and will, on issue, rank *pari passu* in all respects with the existing issued Ordinary Shares, including the right to receive all dividends declared, made or paid thereon following Admission.

Subscription monies in respect of the Placing Shares should be received by Numis Securities on or before 7 November 2005. It is expected that Admission will become effective and that dealings will commence in the Placing Shares on 7 November 2005. CREST accounts will be credited on the date of Admission and it is anticipated that certificates in respect of the Ordinary Shares will be despatched within 10 business days of such date. Pending receipt by Shareholders of definitive share certificates, the Company's registrars will certify any instruments of transfer against the register.

CREST

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument in accordance with the CREST Regulations. The Articles of the Company permit the holding of Ordinary Shares under the CREST system. The Placing Shares will be in registered form and no temporary documents of title will be issued.

The Company has applied for the Placing Shares to be admitted to CREST and it is expected that the Ordinary Shares will be so admitted and accordingly enabled for settlement in CREST on the date of Admission.

CREST is a voluntary system and holders of Ordinary Shares who wish to receive and retain share certificates will be able to do so.

Administration and custody

Information regarding the administration and custody arrangements of the Company are set out in the Material Contracts section on page 50 of the Admission Document.

Taxation

Information regarding United Kingdom and Guernsey taxation with regard to potential Shareholders is set out on pages 34 and 35 of the Admission Document. If you are in any doubt as to your tax position, you should consult your professional adviser immediately.

Further information

Copies of the Admission Document are available on request from Numis. The Admission Document contains information about the Company as at 5 May 2005 including (a) the Company's investment strategy and process; (b) information on renewable technologies; (c) details of the Directors of the Company; (d) taxation issues; (e) a summary of the Articles; and (f) a summary of the material contracts entered into by the Company as at 5 May 2005.

The Company has decided not to reproduce much of the information contained in the Admission Document in this document. You should be aware, however, that the information in the Admission Document is only to be considered accurate as at its date and matters may have changed since then.

Your attention is also drawn to the additional information set out in from page 15 of this document.

Additional Information

1. The Company

- 1.1 The Company was incorporated with limited liability in Guernsey under the Companies (Guernsey) Law, 1994 (as amended) with registered number 43099 on 25 April 2005.
- 1.2 The Company's registered office and its principal place of business are in Guernsey and are located at Trafalgar Court, Les Banques, St Peter Port, Guernsey, GY1 3QL.

2. Share capital

- 2.1 At incorporation the authorised share capital of the Company was £30,000,000 divided into 300,000,000 Ordinary Shares of 10p each of which two were issued as subscriber shares to the two subscribers to the Memorandum and Articles. The Companies (Guernsey) Law, 1994 (as amended) and the Articles do not impose pre-emption rights on the issue of new shares. Accordingly, at incorporation, the Directors were generally and unconditionally authorised to allot securities in the Company up to the authorised but unissued share capital of the Company and such power was not limited in duration.
- 2.2 The authorised share capital and the issued share capital of the Company (all of which will be fully paid-up) immediately following the Placing will be as follows:

	<i>Authorised No. of Shares</i>	<i>£ Nominal £Nominal</i>	<i>Issued No. of Shares</i>
Ordinary Shares	300,000,000	30,000,000	55,000,000

- 2.3 The Ordinary Shares carry the right to vote at general meetings, the right to receive dividends, and the right to receive surplus assets of the Company on a winding-up.
- 2.4 Consent under The Control of Borrowing (Bailiwick of Guernsey) Ordinances, 1959 to 1989, has been obtained for the raising of up to £100 million by the issue of the Company's Ordinary Shares. This in addition to the consent obtained to raise up to £50 million for the initial offering of Ordinary Shares in May 2005. Neither the Guernsey Financial Services Commission or the States of Guernsey Policy Council takes any responsibility for the financial soundness of the Company or for the correctness of any of the statements made or the opinions expressed with regard to it.

3. Overseas investors

No action has been taken to permit the distribution of this document in any jurisdiction outside the UK where such action is required to be taken. This document may not therefore be used for the purpose of, and does not constitute, an offer or solicitation by anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. Accordingly, no person receiving a copy of this document in any territory other than the United Kingdom, may treat the same as constituting an offer or invitation to him to acquire, subscribe for or purchase Ordinary Shares nor should he in any event acquire, subscribe for or purchase Ordinary Shares unless such an invitation, acquisition, subscription or purchase complies with any registration or other legal requirements in the relevant territory. Any person outside the United Kingdom wishing to acquire, subscribe for or purchase Ordinary Shares should satisfy

himself that, in doing so, he complies with the laws of any relevant territory, and that he obtains any requisite governmental or other consents and observes any other applicable formalities.

The Company is not registered with the US Securities Exchange Commission under the US Investment Companies Act of 1940, as amended (the "1940 Act"). In addition, the Ordinary Shares are not registered under the US Securities Act of 1933, as amended (the "1933 Act"). Therefore, the Ordinary Shares may not be publicly offered or sold in the US or directly or indirectly to or for the benefit of a "US Person" as defined herein. A "US Person" as used herein means a "US Person" as defined under Regulation S of the 1933 Act, as well as the following (1) a citizen or resident of the US; (2) a partnership or corporation organised or incorporated under the laws of any state, territory or possession of the US; (3) any estate or trust, other than an estate or trust which is not subject to US income tax on its income derived from sources outside the US and not effectively connected with the conduct of a trade or business within the US; or (4) any estate or trust which has a US person as its executor, administrator, or trustee. Ordinary Shares will be offered or sold within the United States only to Qualified Purchasers, as defined under the 1940 Act.

4. Material contracts

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company since the date of the Admission Document and are, or may be, material:

- 4.1 A Placing Agreement dated 1 November 2005 between the Company, REG Power and Numis under which Numis has agreed to use its reasonable endeavours as agent for the Company to procure places at the Placing Price for 30 million Placing Shares. In consideration for its services Numis will be paid by the Company a corporate finance fee of 1 per cent. of the aggregate value, at the Placing Price, of the Placing Shares up to a maximum of £300,000 payable upon Admission and a commission of 3 per cent. calculated on the aggregate value, at the Placing Price, of the Placing Shares issued pursuant to the Placing, also payable upon Admission.

The Placing Agreement contains certain warranties given by the Company and REG Power and certain indemnities given by the Company in favour of Numis. The Placing Agreement may be terminated in certain circumstances prior to Admission, including by reason of force majeure.

- 4.2 A sale and purchase agreement dated 6 October 2005 between Npower Renewables Limited ("NPL") and a wholly owned subsidiary of the Company, The Cornwall Light & Power Co. Limited ("CLP"), pursuant to which CLP acquired various equipment, contracts, land owner agreements, consents, project information and certain rights against third parties in connection with 24 wind farm development projects at different sites throughout the United Kingdom. The total consideration for the acquisition is £4 million (plus VAT and any other taxes), save that until certain consents are forthcoming, £400,000 of the consideration has been paid into an escrow account. If the relevant consents are not forthcoming within eight months of completion (or such time as may be agreed), the monies held in escrow shall revert to CLP which in turn shall be obliged to return to NPL any assets relating to the project at High Sharpley. Four of the projects acquired pursuant to the agreement (including High Sharpley) have received planning permission.
- 4.3 A limited liability company agreement of Invenenergy Wind Europe LLC dated 24 August 2005 pursuant to which the Company and Invenenergy Wind LLC became members of the limited liability company and agreed the basis on which the limited

liability company would be regulated. Pursuant to the agreement the Company contributed working capital which was then applied by the limited liability company's wholly owned subsidiary to purchase a controlling stake in EEZ Sp.z o.o. (a Polish wind farm company). Pursuant to the agreement, the members are entitled to distributions pursuant to an agreed schedule. Under the schedule, the Company will be entitled to share in the returns received from the investment until a 15 per cent. target internal rate of return has been achieved, following which the Company will receive an ongoing residual cash return. This agreement provides for much of the day-to-day operation of the limited liability company to be undertaken by Invenergy, but the Company retains some basic rights of veto in certain circumstances.

Under the agreement, Invenergy agrees to give the Company first refusal rights in respect of a participation in any expansion of EEZ's wind farm project and in an 18MW wind farm project known as "Cisowo".

- 4.4 A loan financing agreement dated 30 July 2005 between the Company and UAB "BNE" Baltic Natural Energy ("BNE") whereby the Company agreed, subject to certain conditions, to make available a loan of €150,000 in respect of a 15MW wind energy development to be located near Klapedia, Lithuania. Under the agreement, BNE will provide the Company with the exclusive right to provide finance for any wind energy project undertaken by BNE or its affiliates or associated companies for a period of two years commencing on the date when the loan is actually advanced. The agreement is conditional, amongst other things, on the Company undertaking satisfactory legal and other due diligence, as well as agreeing documentation in final form.
- 4.5 A share purchase agreement dated 23 June 2005 between the Company and, amongst others, Theresa Lyle and Robert Lyle pursuant to which the Company acquired the entire issued share capital of CLP Holdings Limited, the holding company of The Cornwall Light & Power Co. Limited. The consideration for the acquisition of the shares was apportioned for cash and cash equivalent as well as the underlying wind farm projects with the amount attributable to the wind farm projects being approximately £4.5 million. There will be an obligation to pay an additional £0.5 million subject to the project meeting certain output criteria.

5. Miscellaneous

- 5.1 The Company will be applying to CRESTCo for the Ordinary Shares to be issued pursuant to the Placing to be admitted to CREST as a participating security. It is expected that the admission of the Ordinary Shares to CREST as a participating security will be effective from or soon after Admission. Shareholders who are direct or sponsored members of CRESTCo will be able to dematerialise the Ordinary Shares in accordance with the rules and practices instituted by CRESTCo.
- 5.2 The Company has not been and is not currently engaged in any legal or arbitration proceedings nor, so far as the Company is aware, are there any such legal or arbitration proceedings pending or threatened by or against the Company which may have, or have had since the Company's incorporation, a significant effect on the Company's financial position.
- 5.3 The accounting reference date of the Company is 30 June.
- 5.4 Numis Securities has given and not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which it appears.

5.5 REG Power has given and not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which it appears.

6. Documents available for inspection

Copies of the following documents will be available for inspection at the registered office of the Company and at the offices of Stephenson Harwood, One St. Paul's Churchyard, London, EC4M 8SH during business hours on any weekday from the date of this document (Saturdays and public holidays excepted) until the date of Admission:

- 6.1 the Memorandum and Articles of the Company;
- 6.2 the material contracts referred to on pages 16 and 17 of this document;
- 6.3 the Companies (Guernsey) Law 1994, (as amended);
- 6.4 the consent letters referred to on page 17 of this document;
- 6.5 the Admission Document; and
- 6.6 this document.

Dated: 1 November 2005