

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt about what action you should take, it is recommended that you immediately consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the UK Financial Services and Markets Act 2000 or in the case of recipients outside the United Kingdom your stockbroker, bank manager, solicitor, accountant or other financial adviser.

If you have sold or transferred all your Ordinary Shares, please forward this document and the accompanying Form of Proxy at once, together with all of the accompanying documents, to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee.

The Directors of the Company, whose names appear on page 3 of this document and the Company whose registered office appears on page 3, accept individual and collective responsibility for all the information contained in this document including individual and collective responsibility for compliance with the AIM Rules. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and when read in conjunction with the information Publicly Disclosed, does not omit anything likely to affect the import of such information.

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. A prospective investor should be aware of the 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. Each AIM company is required pursuant to the AIM Rules to have a nominated adviser. The nominated adviser is required to make a declaration to London Stock Exchange Plc on admission in the form set out in Schedule 2 to the AIM Rules for Nominated Advisers. Further, London Stock Exchange Plc has not itself examined or approved the contents of this document. This document does not constitute a prospectus for the purpose of the Prospectus Rules.

RENEWABLE ENERGY GENERATION LIMITED

*(Incorporated and registered in Guernsey under the Companies (Guernsey) Law, 2008 (as amended)
with registered number 43099)*

Recommended proposals for the sale of the entire issued capital of AIM PowerGen Corporation, the cessation of the Company's 'fund' designation and the migration of the Company to Jersey

and

Notice of Extraordinary General Meeting

Notice of an Extraordinary General Meeting of the Company, to be held at 10:00 a.m. on 16 October 2009 at Carey House, Les Banques, St Peter Port, Guernsey, Channel Islands GY1 4BZ (the "Meeting") is set out at the end of this document. Shareholders will find enclosed a Form of Proxy for use at the Meeting. To be valid the Form of Proxy must be completed and returned, in accordance with the instructions printed thereon, to Capita Registrars, Proxy Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, not later than 48 hours before the time of the Meeting.

Your attention is drawn to the letter from the Chairman in Part 1 of this document which recommends that you vote in favour of the resolutions to be proposed at the Meeting. Your attention is drawn to the section headed "Risk Factors" in Part 2 of this document, which sets out certain risk factors associated with the Proposals. However, this document should be read in its entirety.

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DIRECTORS, SECRETARY AND ADVISORS

Directors	Michael Liston OBE (<i>Non-executive Chairman</i>) Andrew Whalley (<i>Chief Executive Officer</i>) David Crockford (<i>Group Financial Director</i>) Dr Malcolm Kennedy CBE (<i>Non-executive Director</i>) Nigel Le Quesne (<i>Non-executive Director</i>) Nigel Syvret (<i>Non-executive Director</i>)
Registered Office	La Plaiderie House St Peter Port Guernsey GY1 1WF, Channel Islands Direct Tel: 01481 748100
Proposed Registered Office	Elizabeth House 9 Castle Street St Helier Jersey JE2 3RT, Channel Islands Direct Tel: 01534 700 000
Company Secretary	JG Secretaries Limited La Plaiderie House St Peter Port Guernsey GY1 1WF, Channel Islands Direct Tel: 01481 748100
Proposed Company Secretary and Administrator (post Admission)	JTC Management Limited Elizabeth House 9 Castle Street St Helier Jersey JE2 3RT, Channel Islands JE4 2QP Direct Tel: 01534 700 000
Nominated Adviser and Broker	Numis Securities Limited The London Stock Exchange Building 10 Paternoster Square London EC4M 7LT
Solicitors to the Company (England)	Hammonds LLP 7 Devonshire Square London EC2M 4YH
Solicitors to the Company (Guernsey)	Carey Olsen Carey House Les Banques St Peter Port Guernsey, Channel Islands GY1 4BZ
Solicitors to the Company (Jersey)	Carey Olsen 47 Esplanade St Helier Jersey, Channel Islands JE1 0BD

Auditors

Ernst & Young LLP
14 New Street
St Peter Port
Guernsey, Channel Islands
GY1 4AF

Registrars

Capita Registrars (Guernsey) Limited
Longue Hogue House
St Sampson
Guernsey, Channel Islands
GY1 3US

Proposed Registrars (post Admission)

Capita Registrars (Jersey) Limited
12 Castle Street
St Helier
Jersey, Channel Islands
JE2 3RT

EXPECTED TIMETABLE

Date of posting of Circular to Shareholders	30 September 2009
Date of posting of Creditor Notice to Creditors	30 September 2009
Application to the Administrator of Income Tax in Guernsey for confirmation that he has no objection to the Migration Proposal	30 September 2009
Latest time and date for receipt of Form of Proxy for the Extraordinary General Meeting of the Company	10:00 a.m. on 14 October 2009
Extraordinary General Meeting of the Company	10:00 a.m. on 16 October 2009
Application to HM Procureur in Guernsey for confirmation that he has no objection to the Migration Proposal	16 October 2009
Completion of Sale Agreement	20 October 2009
Application to the GFSC in relation to, <i>inter alia</i> , the Migration Proposal	30 October 2009
Application to the JFSC in relation to, <i>inter alia</i> , the Migration Proposal	30 October 2009
Consent of the GFSC in relation to, <i>inter alia</i> , the Migration Proposal	20 November 2009
Application to Registrar of Companies in Guernsey	20 November 2009
Release of 20 day announcement (pursuant to rule 2 of the AIM Rules)	27 November 2009
Removal of Company from Register of Companies in Guernsey	21 December 2009
Issue of certificate of continuance to Company by the Registrar of Companies in Jersey and issuance of requisite consent under Article 2 of the Control of Borrowing (Jersey) Order 1958	21 December 2009
Readmission of Company's Shares to AIM	4 January 2010

All times referred to in this document are to times in Guernsey. All the above dates and times are indicative and depend, amongst other things, on the relevant consents and confirmations being granted by the Administrator of Income Tax, H.M. Procureur, and the GFSC and the timely performance of Registrar of Companies' obligations in Guernsey and the JFSC in Jersey. There can be no guarantee that any consents or confirmations will be obtained. The Company will notify Shareholders should there be any material change to any of the above dates and times.

DEFINITIONS

The following definitions apply throughout this document, unless the context otherwise requires:

“Administrator of Income Tax”	Administrator of Income Tax in Guernsey;
“Admission”	the simultaneous cancellation and the readmission of the Company to AIM following completion of the Cessation of ‘Fund’ Designation Proposal and the Migration Proposal;
“AIM”	a market operated by the London Stock Exchange;
“AIM PowerGen”	AIM PowerGen Corporation, a corporation incorporated under the laws of the Province of Ontario, Canada, being a wholly owned subsidiary of the Seller;
“AIM Rules”	the rules of AIM as set out in the publication entitled “AIM Rules for Companies” published by the London Stock Exchange from time to time;
“Articles”	the memorandum and articles of incorporation of the Company dated 25 April 2005;
“Bank”	Bank of Scotland plc;
“Capita Registrars”	a trading name of Capita Registrars Limited;
“Carey Olsen”	the Company’s solicitors in Guernsey and Jersey;
“Cessation of ‘Fund’ Designation Proposal”	the proposal described in Part 1 of this Circular for the passing of a special resolution to confirm that the Company should cease to be designated as a closed-ended investment fund in Guernsey and continue as an operating company;
“Chairman”	the chairman of the Board;
“Circular”	this document prepared for distribution to the Shareholders in relation to the approval of the Proposals;
“Code”	the City Code on Takeovers and Mergers, issued from time to time by or on behalf of the UK Panel on Takeovers and Mergers;
“Company”	Renewable Energy Generation Limited;
“Companies Law”	the Companies (Guernsey) Law 2008, as amended, and regulations thereunder, as amended from time to time;
“Company Secretary”	JG Secretaries Limited of La Plaiderie House, St. Peter Port, Guernsey GY1 1WF;
“Completion”	the point in time of completion of the Sale in accordance with the terms of the Sale Agreement;
“Continuing Group”	the Group following completion of the Sale;
“CoSec Agreement”	the “Agreement for the Provision of Company Secretary and Administrative Services” further details of which are set out in Part 7 of this Circular;
“Creditor Notice”	the notice to be given to creditors of the Company pursuant to section 92 of the Guernsey Companies Law;
“C\$”	Canadian dollars being the lawful currency of Canada;

“Directors” or “Board”	the board of directors of the Company or a duly constituted committee thereof;
“Disclosure and Transparency Rules”	the rules and regulations made by the UK Financial Services Authority pursuant to section 73A(3) of the UK Financial Services and Markets Act 2000 and contained in the UK Financial Services Authority’s publication of the same name;
“Extraordinary General Meeting”, “EGM” or “Meeting”	the extraordinary general meeting of the Company to be held on 16 October 2009 at 10:00 a.m. (or any adjournment thereof), notice of which is set out in Part 8 of this Circular;
“ESOP”	the Employee Share Option Plan as Publicly Disclosed by way of an announcement on 8 June 2007 and in the Company’s Report and Accounts for the year ended 30 June 2008;
“Facility Agreement”	the £20,000,000 facility originally dated 16 October 2007 as amended, restated and novated from time to time, made between, <i>inter alios</i> , the Bank, The Cornwall Light and Power Co. Limited and the Company;
“FIT Program”	the feed in tariff (FIT) program introduced by the Ontario Power Authority pursuant to the (Ontario) Green Energy Act 2009;
“Form of Proxy”	the form of proxy enclosed with this document for use at the Extraordinary General Meeting;
“GFSC”	The Guernsey Financial Services Commission;
“Group”	the Company and its subsidiaries from time to time;
“Guernsey Companies Law”	the Companies (Guernsey) Law 2008 (as amended) and regulations thereunder as amended from time to time;
“Guernsey Consent”	any current consent granted to the Company by the GFSC pursuant to the Control of Borrowing (Bailiwick of Guernsey) Ordinance, 1959 (as amended), the Protection of Investors (Bailiwick of Guernsey) Law 1987 as amended, or otherwise;
“H.M. Procureur”	Her Majesty’s Attorney General in Guernsey;
“Harrow”	the Ontario wind farm projects of AIM Harrow Wind Farm LP, known as Harrow I to IV (projected capacity of 40 MW);
“International Power” or the “Buyer”	International Power Canada, Inc., a corporation incorporated under the laws of the Province of Ontario (company registration number 1806958) whose registered office is at 66 Wellington Street West, Suite 3600, Toronto, Ontario, whose ultimate parent company is International Power plc, a public limited company incorporated under the laws of England and Wales, whose registered office is at Senator House, 85 Queen Victoria Street, London, EC4V 4DP, United Kingdom;
“Jersey Companies Law”	the Companies (Jersey) Law 1991, as amended;
“JFSC”	the Jersey Financial Services Commission;
“Listing Rules”	the rules and regulations made by the UK Financial Services Authority in its capacity as the UK Listing Authority and contained in the UK Listing Authority’s publication of the same name;

“London Stock Exchange”	London Stock Exchange plc;
“Migration Proposal”	the proposal described in Part 1 of this Circular for the passing of a special resolution to authorise (i) the Company’s removal from the Register of Companies in Guernsey for the purpose of continuing as a company incorporated under the Jersey Companies Law; and (ii) the adoption of the New Articles;
“MW”	mega watt;
“New Articles”	the memorandum and articles of association of the Company to be adopted on continuance in Jersey;
“New Material Contracts”	the CoSec Agreement and the Offshore Registrar Agreement;
“Notice of EGM”	the notice of EGM set out in Part 8 of this Circular;
“Offshore Registrar Agreement”	the “Offshore Registrar Agreement” further details of which are set out in Part 7 of this Circular;
“Ordinary Shares”	ordinary shares of 10p each issued by the Company;
“Panel”	the UK Panel on Takeovers & Mergers;
“Plan”	the share option plan adopted by the Company on 16 October 2007;
“Proposals”	the Sale Proposal, the Cessation of ‘Fund’ Designation Proposal and the Migration Proposal;
“Prospectus Rules”	the Prospectus Rules published by the UK Financial Services Authority;
“Publicly Disclosed”	disclosed in the Company’s admission document dated 5 May 2005, the Company’s Report and Accounts for the financial years ended 31 December 2006, 2007 and 2008, this Circular or by way of an announcement over a Regulatory Information Service;
“Record Date”	31 December 2009 being the business day before Admission;
“Register of Companies”	the register of companies maintained in Guernsey;
“Registrar”	Capita Registrars (Guernsey) Limited;
“Regulatory Information Service”	any of the services set out in Schedule 12 of the Listing Rules;
“RESOP”	the Renewable Energy Standard Offer Programme (Ontario, Canada);
“RESOP Contracts”	the RESOP contracts between Ontario Power Authority and AIM Harrow Wind Farm LP, in relation to Harrow;
“Resolutions”	the ordinary resolution and special resolutions set out in the Notice of EGM and numbered 1 – 3;
“Sale”	the proposed disposal by the Seller of the entire issued share capital of AIM PowerGen;
“Sale Agreement”	the conditional agreement between the Company, the Seller and International Power dated 29 September 2009, entered into in connection with the Sale, as referred to in Part 1 of this Circular;

“Sale Proposal”	the proposal described in Part 1 of this Circular for the passing of an ordinary resolution to authorise the Company to proceed with the Sale;
“Seller”	AIM PowerGen Limited, a company incorporated under the laws of the England & Wales (with registered number 5890568) whose registered office is at 2 Station View, Guildford, Surrey, United Kingdom, GU1 4JY;
“Share Option Schemes”	the Plan and the ESOP;
“Shareholder”	a registered holder of Ordinary Shares;
“Subsidiaries”	AIM SOP Phase I GP Inc., AIM SOP Phase I LP, AIM Plateau Essex SOP GP Inc., AIM Plateau Essex SOP LP, AIM Harrow Wind Farm GP Inc., AIM Harrow Wind Farm LP, AIM Harrow Wind Farm Holdings Inc., AIM Lurgan GP Inc., AIM Lurgan LP, AIM Erie Shores Phase II GP Inc., AIM Erie Shores Phase II LP, AIM RFP Phase I GP Inc., AIM RFP Phase I LP, Top Pond Wind Power General Partner Inc., Top Pond Wind Power Limited Partnership, Dominion City Wind Power Inc., Dominion City Wind Farm LP, Oakland Wind Power Inc. and Oakland Wind Farm LP.;
“Tax Withholding”	any proportion of the consideration payable under the terms of the Sale Agreement that is to be paid into an escrow account on Completion, to be distributed from the escrow account dependent on receipt of tax clearance from the Canada Revenue Agency and subject to the terms of the Sale Agreement, as further described in Part 1 of this Circular; and
“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 pursuant to the warrant instrument as Publicly Disclosed.

Note: an exchange rate of £1:C\$1.73 has been applied in this Circular.

PART 1

LETTER FROM THE CHAIRMAN OF RENEWABLE ENERGY GENERATION LIMITED

RENEWABLE ENERGY GENERATION LIMITED

*(Incorporated and registered in Guernsey under the Companies (Guernsey) Law, 2008 (as amended)
with registered number 43099)*

Directors:

Mike Liston OBE (*Chairman*)
Andrew Whalley (*Chief Executive Officer*)
Nigel Le Quesne
Nigel Syvret
Dr Malcolm Kennedy CBE
David Crockford

Registered Office:

La Plaiderie House
St Peter Port
Guernsey GY1 1WF
Channel Islands

30 September 2009

To Shareholders and, for information purposes only, to holders of options under the Share Option Schemes

Dear Shareholder,

1. Introduction to the Proposals

The Company announced today that a conditional agreement has been entered into in relation to the sale to International Power Canada, Inc. (whose ultimate holding company is International Power plc) of the entire issued share capital of AIM PowerGen, for an initial cash consideration of C\$118.6m (£68.6m). Under rule 15 of the AIM Rules, the Sale is deemed to be a sale resulting in a fundamental change of business of the Company and accordingly the sale is conditional, *inter alia*, on the approval by Shareholders of an ordinary resolution to be proposed at the EGM.

Furthermore, the Board has reviewed the operating structure of the Company and considers that the Cessation of 'Fund' Designation Proposal and the Migration Proposal will streamline the governance and administration of the business and complete its transition to an operating company structure.

In addition to being conditional, *inter alia*, on approval by Shareholders of resolutions to be proposed at the EGM and the consent of the GFSC and the JFSC, the Cessation of 'Fund' Designation Proposal and the Migration Proposal is each also conditional upon the Sale Agreement becoming unconditional and the Sale being completed. In addition the Board has proposed a resolution that, should the Migration Proposal not proceed, will allow the Board to agree the basis upon which the Company shall remain resident in Guernsey.

Your Board is recommending you to vote in favour of the resolutions to be proposed at the Meeting. The procedure for voting at the Meeting is set out under the heading "Action to be Taken" on page 18 of this Circular.

2. Disposal of AIM PowerGen

Information on AIM PowerGen

AIM PowerGen is a corporation incorporated in the Province of Ontario in Canada. It was acquired by the Company in August 2006 for £14.0m. To date a further £40.3m of equity has been invested in AIM PowerGen. AIM PowerGen is a leading Canadian independent wind developer that takes wind projects from initial concept through feasibility and permitting to construction and operation. AIM PowerGen currently owns four operational wind farms, which it has developed, with a total installed capacity of approximately 40 MW (Cultus, Frogmore, Mohawk Point and Clear Creek). A further capacity of approximately 40 MW is currently the subject of project financing and construction (Harrow). In addition, AIM PowerGen owns a large portfolio of potential wind projects at various stages of development, throughout Canada.

A summary of AIM PowerGen's project portfolio is set out in the table at Part 4 of this Circular.

Reasons for the Sale

The Directors believe that the Sale Proposal represents an opportunity for the Company to realise fair value for the business of AIM PowerGen and so release capital to fund the growth in the Group's UK business. The Directors consider that conditions in the global debt and equity markets will constrain the Company's ability to fund the substantial development of its Canadian assets for superior returns.

The proceeds of the Sale will be used to fund existing operations and growth in the Company's UK business and enable the Company to repay the Company's facility with the Bank.

The Company has taken the strategic decision to focus on the UK onshore wind market where it sees significant growth opportunities over the next few years. In addition to its existing operational portfolio totalling 21.3 MW, the Group has two fully consented wind projects at Goonhilly Downs and Loscar totalling around 15 MW. In addition, the Group has a number of other projects that are reaching the end of the planning process. The capital released through the Sale will allow the Company to initiate construction of these UK consented sites whilst providing sufficient additional capital to build a sizeable portfolio of projects over the next few years.

In addition, it is intended that some of the capital raised through the Sale will be used to fund the Group's bio power business, where progress has been made in obtaining the necessary permits to build a portfolio of operational plants.

Following the Sale, it is intended that turbines will be ordered for the Goonhilly Downs and Loscar wind farms. Construction of these UK projects is expected to start in the summer of 2010. In addition, approximately £0.5m will be utilised to construct an oil processing plant in Norfolk to facilitate the production of 15,000 tons per annum of recycled vegetable oil.

Details of the Sale: Terms of the Sale Agreement

The Sale will take the form of the sale of the entire issued share capital of AIM PowerGen (together with the entire ownership interests in the Subsidiaries). The Sale Agreement was entered into on 29 September 2009.

Completion is conditional on: (i) the passing of the ordinary resolution to be proposed as Resolution 1 at the Meeting, which is set out in the Notice of EGM; (ii) the written consent and release by the Bank of AIM PowerGen and its Subsidiaries from subsisting guarantee, indemnity and security arrangements and the release of the shares of AIM PowerGen from existing security arrangements; (iii) no material adverse change arising by reference to the subsisting power purchase arrangements or land interests relating to AIM PowerGen's operating assets; (iv) no material damage or destruction of AIM PowerGen's operating assets; and (v) no governmental consents or intervening restrictive orders or expropriation of assets arising. The Seller and International Power have determined that no competition clearance is required under Canadian competition legislation.

Of the initial cash consideration of C\$118.6m, a sum of C\$82.7m is to be satisfied wholly in cash of which:

- (i) 75 per cent., being the sum of C\$62.0m, is payable to the Seller on Completion; and
- (ii) the treatment of the remaining balance of 25 per cent., being the sum of C\$20.7m, will be dependent on whether the Seller has obtained the necessary tax clearances from the Canada Revenue Agency by Completion. In relation to any part of such balance for which tax clearances have not been obtained at that time, such sums shall be payable into an escrow account on Completion (the Tax Withholding). If the requisite tax clearances are obtained by the 27th day of the month following the calendar month in which completion occurs, the Tax Withholding held in escrow shall be released to the Seller (subject to the holdback arrangement referred to below). If the necessary tax clearance has not been obtained within the above noted period there is a mandatory obligation to pay such Tax Withholding amount to the Canadian Revenue Agency (which becomes refundable if clearance is subsequently obtained). The tax treatment of the Sale is described in further detail in Part 6 of this Circular.

In addition to payment of the initial consideration amounts, the Buyer has agreed to procure that the outstanding inter-company indebtedness of C\$29.9m shall be repaid by AIM PowerGen to the Cornwall Light & Power Company Limited (a wholly owned subsidiary of the Company) on account of inter-company indebtedness.

The initial cash consideration of C\$118.6m also includes deferred consideration of C\$6.0m which becomes payable subject to certain specified amendments being made to the RESOP Contracts relating to Harrow, pursuant to the September 24, 2009 FIT Program Rules. Such further consideration shall be payable within 10 Business Days after the last of the relevant amendments being made.

In addition to the initial cash consideration of C\$118.6m, a further deferred consideration of up to C\$6.0m also becomes payable subject to the release of funds held in escrow under the terms of a non recourse credit facility with Fortis Capital (Canada) Ltd and its co-lenders entered into by AIM SOP Phase I LP, a subsidiary of AIM PowerGen. The release is subject, *inter alia*, to an operational output assessment of AIM PowerGen's operating assets over a 12 month period.

The initial consideration is subject to a completion accounts adjustment (upwards or downwards) by reference to levels of cash, debt, capital assets and working capital as at Completion.

As security for the Buyer in respect of the completion accounts adjustment and any claims under the Sale Agreement arising in the 12 month period post Completion, an amount equal to 5 per cent. of the initial consideration is required to be paid into an escrow account out of any amount of the Tax Withholding amount that is either released, refunded or not required to be paid to the Canada Revenue Agency. A further holdback is required to be paid into such escrow account (to be held on the same terms) upon the release to AIM SOP Phase I LP of the escrow monies held under the non recourse credit facility with Fortis Capital (Canada) Ltd. and its co-lenders and (once any payment has been satisfied pursuant to the completion accounts (and excluding any funds held by way of tax withholding)) to ensure that the remaining overall sums held in escrow equal 5 per cent. of the initial consideration (plus any amount required to discharge any outstanding claims (if any)) at that time.

The Sale Agreement contains restrictions on the Company and the Seller soliciting or entering into discussions with regard to competing alternative proposals for the sale of AIM PowerGen or its assets in the period prior to Completion, but recognises the need for the Board to be able to fulfil their fiduciary and statutory duties. A break fee of C\$1.13m is payable by the Company in the event that Completion does not occur and (i) the Company or Seller is in breach of the restrictions placed upon them; or (ii) the Board fails to recommend the Sale or recommends or announces an alternative proposal; or (iii) Shareholder approval for the sale is not obtained (notwithstanding that the Sale remains recommended by the Board); or (iv) the Company or the Seller fails to comply with certain of its obligations with regard to documentation to be entered into and delivered to the Buyer on Completion; or (v) the Bank fails to deliver releases of its security over certain assets of AIM PowerGen.

The Buyer has undertaken to procure the release from the date of Completion of the Company and its remaining subsidiaries from guarantees or indemnities provided in respect of the business of AIM PowerGen which are disclosed in the Sale Agreement (or to counter indemnify the Company in respect of such obligations, pending such release).

The Sale Agreement contains warranties and indemnities (including an indemnity for tax) typical for a transaction of this nature. The liability of the Company and the Seller under the warranties in the Sale Agreement is limited to an amount equal to 25 per cent. of the purchase price in aggregate (save for warranty claims relating to specific issues such as authority, capacity, title, ownership and tax, which fall within an overall liability cap (together with other claims under the Sale Agreement) of 100 per cent. of the purchase price). Claims under the warranties contained in the Sale Agreement in relation to authority, capacity, title and ownership are without time limit. Claims under the environmental and health and safety warranties must be brought within a period of 24 months from the date of Completion. Claims in relation to tax must be brought within 6 months of the expiry of the applicable revenue determination period and claims under the other warranties must be brought within 12 months from the date of Completion (unless in each case contingent whereupon the periods are extended). The Buyer is indemnified under the terms of the Sale Agreement in respect of breaches of warranties by the Seller. The obligations of the Buyer under the Sale Agreement are guaranteed by International Power America,

Inc., a Delaware corporation, until the later of: satisfaction by the Buyer of all deferred consideration payments; and the release of the Company and the remaining members of the Group from certain subsisting obligations in relation to AIM PowerGen and its Subsidiaries.

The Sale Agreement provides for the entry into on Completion of a non competition and non solicitation agreement, which precludes the Company and its subsidiaries from competing with the operations of AIM PowerGen and the Subsidiaries in the wind or solar sectors in Canada, or from soliciting personnel or diverting or prejudicing business relationships, for a period of three years from Completion.

Financial Information on AIM PowerGen

For the six month period ended 31 December 2008, AIM PowerGen's operations generated revenues of £1.9m and gross profit of £0.5m and, as at 31 December 2008, it had a net asset value of £54.0m.

In June 2008, AIM PowerGen refinanced on a non recourse basis Cultus, Frogmore, Mohawk Point and Clear Creek wind farms with Fortis Capital (Canada) Ltd and its co lenders, and entered into an interest rate hedge facility for 100 per cent. of the non recourse loan. The principal amount of indebtedness as at 31 December 2008 under that facility was C\$74.4m.

Pro forma financial information relating to the Group is set out in Part 3 of this document. This has been prepared for illustrative purposes to show the effect of the Sale on the net assets of the "Continuing Group" as if the Sale had been completed on 31 December 2008.

Use of the Sale Proceeds

The initial proceeds of the Sale, approximately £66.9m (net of transaction costs), will be utilised by the Company to fund ongoing activities in the UK of developing, owning and operating wind farms and generating power from refined, used vegetable cooking oil.

The initial proceeds of the Sale will also be used to repay the Company's facility with the Bank (with indebtedness to the Bank as at the date of this Circular being approximately £17.0m).

As announced in the Company's interim results, the Company has gained planning permission this year for the repowering of its existing wind farm at Goonhilly and also for the construction of a new wind farm at Loscar in Yorkshire totalling 15 MW of capacity. Following Completion, it is intended that turbines will be ordered for these projects. In addition, approximately £0.5m will be utilised to construct an oil processing plant in Norfolk to finalise the production of 15,000 tons per annum of recycled vegetable oil.

The turnover attributable to the remaining business for the 6 month period ended 31 December 2008 was approximately £2.7m.

Consequences of the Sale not proceeding

If the Sale does not proceed the ability of the Group to further develop and construct its UK and Canadian wind portfolios would be reliant on a strategy of further debt raising in the UK and Canadian credit markets along with the sale of existing assets to fund future growth. The Board's growth expectations for the Group would be reduced, as funds could not necessarily be made available as quickly to take advantage of current opportunities in the UK business, nor would the Group be able to quickly fund opportunities in the Canadian business.

REG will also be dependent on alternative funding sources in order to satisfy the requirements of the AIM team of the London Stock Exchange in respect of the Migration Proposal and the Cessation of Fund Designation Proposal (for further details please refer to paragraph 4 of Part 1 of this Circular and to the Risk Factors set out in Part 2 of this Circular) and to ensure that the Company is in a position to make the requisite going concern statement at such time as is required and without qualification.

If the sale is not approved by Shareholders and does not proceed, the break fee, described in the paragraph headed "Details of the Sale: Terms of the Sale Agreement", will become payable in the manner and circumstances described above.

3. Background to and reasons for the Cessation of the ‘Fund’ Designation Proposal

At the time of its incorporation it was envisaged that the Company would adopt a business model focussing on passive investment in specifically targeted global renewable energy projects. As a result the Company was designated for Guernsey legal purposes as a closed-ended investment fund.

Since incorporation however, the Company has identified various opportunities in the renewable energy market, which have encouraged it to adopt a progressively more active operating business model instead.

The Company’s transition from a closed-ended investment fund into an operating company took a significant step in November 2007 when the Company acquired its investment manager REG Power Management Limited (formerly known as Eastgate Power Management Limited). The Company completed this acquisition because the Board had determined that the acquisition would be beneficial for Shareholders, would make the Company’s corporate structure more transparent and because the Company had, by that time, the necessary expertise within the Group to develop and operate its own projects. The Board now monitors and reviews all the Company’s projects without reference to an investment manager and is involved in all stages of planning, building, operating and maintaining the Company’s projects.

The final stage in the Company’s transition from a closed-ended investment fund into an operating company is for:

- (a) the Shareholders to confirm by special resolution that the Company should cease to be designated as a closed-ended investment fund and become designated as an operating company;
- (b) the GFSC to confirm that the Company has ceased to fulfil the GFSC’s criteria for classification as a closed-ended investment fund with effect from the Company’s continuance in Jersey; and
- (c) the GFSC to confirm the revocation of the Company’s Guernsey Consent.

However, the cessation of the Company’s ‘fund’ designation has to be seen in the context of the Migration Proposal as the Company needs to definitively determine its status as an operating company with effect from the time of its registration as a Jersey company in order to avoid the potential requirement to obtain authorisation in Jersey, as a collective investment fund under The Collective Investment Funds (Jersey) Law, 1988.

As a result you will note that Resolution 2 requesting Shareholder authorisation of the Cessation of ‘Fund’ Designation Proposal is tied to a resolution requesting Shareholder authorisation of the Migration Proposal and that both resolutions are conditional upon, amongst other things, (b) and (c) above, and are expressed to take effect on the Company’s continuance as a limited liability company incorporated under the Jersey Companies Law.

It should be noted that there can be no guarantee that the JFSC will treat the Company as an operating company and the JFSC may classify the Company as a collective investment fund pursuant to the Collective Investment Funds (Jersey) Law, 1988. This would involve additional time and cost for the Company and may require further restructuring of the Company.

The Company is currently in correspondence with the GFSC with regard to compliance with applicable law and regulation. In light of this correspondence the Board considers that it is prudent to table Resolution 3 (in addition to the conditional resolution at Resolution 2). Resolution 3 will be relevant in the event that the Migration Proposal is not approved by Shareholders or that the Migration Proposal cannot proceed for any other reason. This will enable the Company to seek an end to its designation as a Guernsey authorised collective investment scheme, notwithstanding that the migration out of Guernsey is not taking place. The Company will then be able to engage with the GFSC in order to seek to change its status under Guernsey regulation to that of an operating company. If the consent of the GFSC to that change of status was not forthcoming, the Directors could then engage with the GFSC as to the terms on which the Company remains as a Guernsey authorised collective investment scheme.

4. The Migration Proposal

Background

Currently three of the Company's offshore Directors are based in Jersey. The Directors plan to rationalise the Company's organisational structure to reflect its development into an operating company and to strengthen the Board's constitution in key areas that are relevant to the Company's further growth. In consultation with its advisers, the Board has concluded that it is in Shareholders' interests as a whole for the Company to migrate to Jersey and to appoint JTC Management Limited as secretary and administrator. The Directors have received legal advice from Carey Olsen in Jersey that as a matter of Jersey Companies Law the Company is able to migrate to Jersey, subject to receipt of the necessary regulatory approvals.

The Company is party to a Facility Agreement, pursuant to which the Company has given certain representations and undertakings to the Bank. Accordingly, the Company will need to obtain consent from the Bank in order to proceed with the Migration Proposal.

In summary, the Migration Proposal comprises the passing of a special resolution by the Shareholders approving the removal of the Company from the Register of Companies for the purpose of continuing as a company incorporated under Jersey Companies Law.

Details of the Migration Proposal

The Migration Proposal requires:

- *The approval of a special resolution to migrate the Company to Jersey and to adopt New Articles*
The Company may not be removed from the Register of Companies for the purpose of becoming incorporated under the law of Jersey unless the Company has passed a special resolution that it be so removed. In order to be incorporated in Jersey the Shareholders must also approve the adoption of New Articles that conform to Jersey law conditional upon the Company's registration in Jersey.

The New Articles will be substantially different to the existing Articles, primarily due to the fact that the Company will cease to be a fund and will become an operating company (subject to the JFSC agreeing with this treatment). A summary of the proposed New Articles is set out in Part 5 of this document. The main differences between the current Articles and the New Articles include:

- restrictions on the allotment and issue of shares and pre-emption rights designed to mirror the provisions of the UK Companies Act 1985 including sections 89 to 95;
 - disclosure of interest provisions designed to reflect the provisions of Part 22 of the Companies Act 2006 (Disclosure of Interests in Shares) and of Chapter 5 of the Disclosure and Transparency Rules; and
 - provisions providing the Company with a general authority to buy back its shares from shareholders.
- *The Company to give notice to creditors*
Concurrently with the circulation of this Circular, the Company will be posting written notice to all its creditors to inform them that the Company intends to apply to the Registrar of Companies in Guernsey for the removal of the Company from the Register of Companies for the purpose of continuing as a company incorporated under Jersey Companies Law.
 - *The Company to apply to the GFSC for consent to migration*
An application must be made to the GFSC for consent to the removal of the Company from the Register of Companies.

In applying for consent from the GFSC the Company is required to provide various documents including certificates from the Directors confirming the Company's solvency; confirmations from the Administrator of Income Tax and H.M. Procureur that they have no objection to its removal from the Register of Companies; and a legal opinion from Carey Olsen Jersey stating that the Company is able to become incorporated in Jersey under the laws of Jersey.

- *Removal of the Company from the Register of Companies in Guernsey*

If the GFSC consents to the application from the Company to its removal from the Register of Companies, the Company will give notice of that fact to the Registrar of Companies.

On receipt of the application the Registrar of Companies will give not less than 28 days' notice that the Company will be migrating and that the Company's name will be removed from the Register of Companies. Upon expiry of that period, the Company will cease to be a Guernsey company.

The removal of the Company from the Register of Companies does not:

- (a) create a new legal person; or
- (b) prejudice or affect the identity or continuity of the legal person constituted by the Company.

In addition, upon removal from the Register of Companies:

- (a) all property and rights to which the Company was entitled immediately before that removal remain its property and rights;
- (b) the Company remains subject to all criminal and civil liabilities, and all contracts, debts and other obligations, to which it was subject immediately before that removal;
- (c) all actions and other legal proceedings which immediately before that registration or removal could have been instituted or continued by or against the Company may be instituted or continued by or against it after that removal; and
- (d) a conviction, ruling, order or judgement in favour of or against the Company before that removal may be enforced by or against it after that removal.

- *The Company to apply to the JFSC for consent to migration*

An application must be made to the JFSC for consent to continue the Company in Jersey as a company incorporated under the Jersey Companies Law.

In applying for the consent from the JFSC the Company is required to provide various documents including Articles of Continuance amending the Articles to comply with Jersey legal requirements, certificates from the Directors confirming the Company's solvency, copies of all relevant members' resolutions and a legal opinion from Carey Olsen Guernsey stating that a Guernsey company may migrate to Jersey.

- *Amendments to Material Contracts*

As part of the migration JTC Management Limited will replace JG Secretaries Limited as secretary, and Capita Registrars (Jersey) Limited will replace Capita Registrars (Guernsey) Limited as registrar of the Company. This will necessitate the termination of certain existing material contracts and entry by the Company into new material contracts.

Consequences of the Migration not proceeding

As referred to in section 3 above, the nature of the operations of the Company has changed over time so that in practice the Company now operates as a trading company rather than as a closed ended investment fund. Despite this, the Company remains regulated in Guernsey as an authorised closed ended fund and accordingly (amongst other matters) it is required to maintain an administrator based in Guernsey. The Company is in correspondence with the GFSC in connection with its compliance with applicable law and regulation in relation to it not currently maintaining a Guernsey based administrator.

The appointment of an administrator has negative cost implications for the Company without any discernable benefit. As the Company considers it is now effectively a trading company rather than an investment fund, and indeed may no longer come within the definition of an investment fund under Guernsey regulation, the Directors consider it appropriate to now terminate that status and accordingly they are seeking Shareholder approval for both the migration of the Company to Jersey and to end the Company's fund designation, which in both cases requires the consent of the GFSC.

If the Migration Proposal is not approved by Shareholders, but Resolution 3 (authorising the Directors to agree with the GFSC as to the cessation of the Company's fund designation) is approved, the Company will engage with the GFSC in order to seek to change its status to that of an operating company, in which event it will not need to appoint a Guernsey based administrator or be subject to the rules in Guernsey relating to collective investment schemes. If the consent of the GFSC is not forthcoming, the Company will need to appoint a Guernsey based administrator and bear the costs thereof as well as the costs generally that need to be incurred to comply with the rules concerning collective investment schemes.

5. Admission and Dealings in Ordinary Shares

For the purposes of implementing the Cessation of 'Fund' Designation Proposal and the Migration Proposal the London Stock Exchange has permitted the Company to utilise the 'fast track' admission procedure by treating the Company as a Quoted Applicant (as defined by the AIM Rules) and consequently the Company is not required to produce an Admission Document. The Ordinary Shares will be cancelled from trading on AIM and will then be admitted simultaneously to trading on AIM at the relevant time, following the completion of the Cessation of 'Fund' Designation Proposal and the Migration Proposal. The ISIN and SEDOL in respect of the Ordinary Shares will change as a consequence and will be JE00B3B67P11 and B3B67P1 respectively. Application will be made to keep the ticker symbol the same.

If at the Record Date you hold your Ordinary Shares in uncertificated form your new Ordinary Shares will be credited to your CREST member account on the date of Admission.

If at the Record Date you hold your Ordinary Shares in certificated form, you will receive new certificates following the completion of the Cessation of 'Fund' Designation Proposal and the Migration Proposal. Certificates in respect of Ordinary Shares held in certificated form on completion of the Cessation of 'Fund' Designation Proposal and the Migration Proposal are expected to be posted within 14 days thereof and your existing Ordinary Share certificate(s) will be of no further value and should be destroyed.

6. Costs of Implementing the Proposals

The legal and advisory costs and expenses relating to the Sale, Cessation of 'Fund' Designation Proposal and the Migration Proposal to be incurred by the Company, are estimated to amount to approximately £2.4m.

7. Taxation

A summary of the tax consequences of the Sale Proposal, the Cessation of the 'Fund' Designation Proposal and the Migration Proposal is set out in Part 6 of this Circular. If you are in any doubt as to your tax position or the impact of the Proposals on you, you are recommended to consult your professional adviser.

8. Shareholder Meeting

The Proposals are conditional on the approval of Shareholders. Accordingly, an Extraordinary General Meeting of the Company is being convened for 16 October 2009 at 10:00 a.m. at which Shareholders will be invited to pass the Resolutions.

The EGM will be held at the offices of Carey Olsen, Carey House, Les Banques, St Peter Port, Guernsey, GY1 4BZ Channel Islands. The notice convening the EGM is set out in Part 8 of this Circular.

In order to be passed, an ordinary resolution requires 50 per cent. of the votes cast to be in favour of it and a special resolution requires at least 75 per cent, of the votes cast to be in favour of it. The quorum requirement for the EGM is not less than two Shareholders present in person or by proxy.

9. Current Trading and Prospects

Since the publication of the Group's interim results for the 6 month period to 31 December 2008, there have been no significant changes to the Group's performance or expectations of performance.

The Group's UK wind projects totalling 21.3 MW are operating to expectations, and the planned construction of the Goonhilly and Loscar wind farms is on target, subject to the release of funds from the Sale. The Group's bio-power business has continued to make progress in its field and is due to start construction of its new oil processing facility in this financial year.

Given the need to address the Proposals, the Board is not currently considering any proposals to buy-back any Shares of the Company.

10. Additional Information

Your attention is drawn to the risk factors set out in Part 2 of this Circular and to the additional information set out in Parts 3 to 7 of this Circular. You should read the whole of this document and not just rely on the information provided in this letter.

11. Action to be Taken

Introduction

Before taking any action, you are recommended to read the further information set out in this document. **If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 immediately (or, if you are in a country outside the United Kingdom, another appropriately authorised independent financial adviser).**

To Vote at the EGM

You will find enclosed with this document a Form of Proxy for use at the EGM. Please complete the Form of Proxy and return it by post to Capita Registrars at the address set out on such form as soon as possible and, in any event, so as to be received not later than 10:00 a.m. on 14 October 2009.

The completion and return of a Form of Proxy will not prevent you from attending the EGM and voting in person if you wish to do so.

12. Recommendation

The Board considers the Proposals to be in the best interests of Shareholders.

The Board recommends that you vote in favour of the resolutions to be proposed at the Meeting. Those Directors who hold shares in the Company intend to vote in favour of the resolutions to be proposed at the Meeting in respect of their own beneficial holdings of Ordinary Shares amounting, in aggregate, to 369,648 Ordinary Shares (representing approximately 0.36 per cent. of the Ordinary Shares in issue).

Yours faithfully

Mike Liston OBE

Chairman

PART 2

RISK FACTORS

Shareholders should consider carefully the specific risks described below, in addition to the other information set out in this document, when considering the Proposals. The following risks are those risks which the Directors consider to be material to the Proposals only (and not to investment in the Company generally) as at the date of this Circular (based on the assumption that the Proposals are implemented). If any of the adverse events described below actually occurs, the Company's business, financial condition or results or prospects could be materially and adversely affected. Additional risks and uncertainties which were not known to the Directors at the date of this document or that the Directors considered at the date of this document to be immaterial (based on the assumption that the Proposals are implemented) may also materially and adversely affect the Company's business, financial condition or results or prospects.

1. Risks associated with the Sale

Completion of the Sale Agreement is conditional on those matters described on page 11 of this Circular under the heading, "*Details of the Sale: Terms of the Sale Agreement*".

Shareholders should also refer to paragraph 2 of Part 1 of this Circular, under the section headed "*Consequences of the Sale not proceeding*".

2. Risks associated with the Proposals not being approved

(a) *Risks associated with the Sale not proceeding*

Shareholders should also refer to paragraph 2 of Part 1 of this Circular, under the section headed "*Consequences of the Sale not proceeding*".

The Company has agreed to pay a break fee in certain circumstances, as described on page 11 of this Circular under the heading "*Details of the Sale: Terms of the Sale Agreement*".

If the Sale does not complete the Company may not be able to realise the value of the assets of AIM Powergen immediately. There is no guarantee that terms as favourable as those offered for the Sale would be obtained by the Company on any subsequent sale and there may be an adverse impact on the Company's share price.

(b) *Impact on working capital and on the Cessation of 'Fund' Designation Proposal and the Migration Proposal if the Sale does not complete*

If the Sale does not complete it will have an adverse affect on the Group's working capital position. In the event that the Sale is not effected, the Company would need to either pursue an alternative sale process or to implement asset or corporate realisations or seek alternative sources of financing to improve its working capital position.

In addition and importantly the Directors would be unable to give the requisite working capital statement as required by London Stock Exchange's "AIM Team" in connection with the Admission. Consequently the Company would not be able to proceed with the Migration Proposal, as the Migration Proposal requires the Company to apply to be readmitted to AIM.

Shareholders should also refer to paragraph 2 of Part 1 of this Circular, under the section headed "*Consequences of the Sale not proceeding*".

(c) *Consequence of the Cessation of 'Fund' Designation Proposal and the Migration Proposal not proceeding*

The Migration Proposal (which also encapsulates the cessation of the fund designation as part of that process) is conditional on the passing of the Sale Proposal. However the Company is putting to Shareholders a separate resolution ("Resolution 3") which includes

authority to seek cessation of the Company's fund designation should, for any reason, the Migration Proposal not be approved by Shareholders. Should the Migration Proposal not be approved by Shareholders, but Resolution 3 is approved (facilitating, amongst other things, the cessation of the Company's fund designation), the Company will remain an entity incorporated in Guernsey and the Company shall engage with the GFSC to endeavour to reach agreement to change the Company's status from that of an authorised closed ended investment fund to a trading entity. If the consent of the GFSC is obtained, the Company will cease to be a regulated investment fund and will no longer be subject to investment fund regulation in Guernsey. If such agreement is not reached with the GFSC, the status of the Company for Guernsey regulatory purposes will remain that of an authorised closed ended investment scheme and subject to any agreements made with the GFSC will remain subject to the rules in Guernsey applicable to authorised collective investment schemes, including the requirement to maintain a Guernsey based administrator.

Should both the Migration Proposal and Resolution 3 not be passed, the Company would remain incorporated in Guernsey as an authorised closed ended investment fund and accordingly the Company would remain subject to the applicable collective investment scheme rules and regulations in Guernsey, including the requirement to maintain a Guernsey administrator. The Company would therefore need to appoint and bear the costs of maintaining the services of an administrator.

3. Classification

There is no guarantee that the JFSC will treat the Company as an operating company rather than as a collective investment fund pursuant to the Collective Investment Funds (Jersey) Law, 1988.

4. Risks Relating to the Ordinary Shares and any sale of Ordinary Shares

The market value and the net asset value of the Ordinary Shares may go down as well as up. The market value of the Ordinary Shares at any particular time may vary significantly and not reflect their underlying net asset value. Shareholders may not get paid the amount they originally invested on a sale of their Ordinary Shares or on a liquidation of the Company.

5. Risks Associated with the Company's Investments

The value of the investments comprised in the Company's portfolio and any income derived from them may go down as well as go up.

6. Taxation

The general guidance on taxation in Canada, the United Kingdom and Jersey set out in Part 6 of this document is based on current Canadian, United Kingdom and Jersey legislation and what is understood to be the Canada Revenue Agency, HM Revenue & Customs and Jersey Comptroller of Income Tax practice as at the date of this document. The current legislation and practice may change and/or Canada Revenue Agency, HM Revenue & Customs and/or the Jersey Comptroller of Income Tax may not follow such practice.

7. Dependence on management

The future financial success of the Company and the Group depends on highly qualified managers continuing to work for the Company and the Group and furthering the interests of the Company and the Group in the long term. If such managers were to cease working for the Company or the Group, this could have a material adverse affect on the business, financial condition and results of operations of the Company and the Group.

8. Jersey Law

The Company is a limited liability company that after the migration will be governed by the Jersey Companies Law. Some of the protections and safeguards that investors may expect to find in relation to a public company under the United Kingdom Companies Act 1985 and/or Companies Act 2006 are not available under the Jersey Companies Law.

9. Litigation risk

The Company and the Group may be involved in legal actions in the normal course of business. Damages may be demanded in some of these actions in the event that the Company or the Group is unsuccessful in defending its position.

Although the Company's and the Group's management believes that the Company and the Group has made adequate provision, in all material respects, to absorb the costs of unsuccessful litigation, no assurance can be provided that such provision will be sufficient to cover all actual liabilities that the Company or the Group may incur.

10. Insurability of risks

The Company's and the Group's assets could suffer physical damage caused by fire or other causes, resulting in losses which may not be fully compensated by insurance. In addition, there are certain types of losses, generally out of a catastrophic nature, such as earthquakes, floods, hurricanes, terrorism or acts of war, that may be uninsurable or are not economically insurable. Inflation, environmental considerations, and other factors may also result in insurance proceeds being insufficient to repair or replace an asset if it is damaged or destroyed. Should an uninsured loss or a loss in excess of insured limits occur, the Company and the Group could lose capital invested in the affected asset, as well as anticipated future revenue from that asset. In addition, the Company and the Group could be liable to repair damage caused by uninsured risks. The Company and the Group would also remain liable for any debt or other financial obligation related to that asset. No assurance can be given that material losses in excess of insurance proceeds will not occur in the future.

11. Dependence on one line of business

The future economic development of the Company and the Group is likely to be strongly influenced by demand for power generated from wind energy and used cooking oil, the future market acceptance of which is difficult to assess. In addition, potential sales derived from the supply of energy generated by wind or used cooking oil are largely dependent on continued governmental support for wind or used cooking oil generated energy. There can be no assurance that the efforts of the Company's and the Group's management to market wind or used cooking oil energy, as a result of which the Company and the Group will incur considerable costs, will be successful. If the Company and the Group are unable to reach their goal of exploiting the potential for significantly increased sales of wind and used cooking oil generated energy, the Company's and the Group's business, financial condition and results of operations could be materially adversely affected.

12. Environmental impact and availability of suitable sites

Laws and other regulatory measures govern the operation of wind turbines (in terms of allowable noise levels, distance from buildings, and permissibility of construction projects in nature reserves) and available transmission lines. Due to these laws and regulations and the widely different wind conditions in various regions, only a limited number of suitable sites are available for wind turbines in the countries targeted by the Company. There can be no assurance that changes in laws and regulations will not be made and that the number of suitable sites will not decline below current availability. This could lead to a decline in investment opportunities for wind farm operations, which could adversely affect the business, financial condition and results of operations of the Group. Similar considerations apply to the Company's ability for generating electricity from used cooking oil.

13. Impact of law in governmental regulation

The Company and developers with whom the Company deals will need to comply with regulations relating to environmental, health and safety, land use and development standards. The institution and enforcement of such 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 Group's assets. Changes in law relating to ownership of land could have an adverse effect on the value of the Ordinary Shares. New laws may be introduced which may be retrospective and affect existing environmental planning, land use and development regulations.

14. No Guarantee as to future performance

Past performance is not necessarily a guide to future performance.

15. Regulatory Regime And Permits

The profitability of renewable energy facilities will be in part dependent upon the continuation of a favourable regulatory climate and regime with respect to the continuing operations and the future growth and development of the independent power industry and environmentally preferred energy sources.

16. 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.

Failure to maintain or comply with necessary licenses, 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 Group.

The risk factors listed above are not provided in any order of priority and do not necessarily comprise all of the risks associated with the Proposals and/or the Group.

PART 3

UNAUDITED PRO FORMA STATEMENT OF NET ASSETS OF THE CONTINUING GROUP

The unaudited pro forma net assets statement for the Continuing Group set out below has been prepared for illustrative purposes only to reflect the effect of the Sale on the net assets of the Group as if it had occurred on 31 December 2008.

Due to its nature, the unaudited pro forma statement of net assets addresses a hypothetical situation and, therefore, does not represent the Continuing Group's actual financial position. The unaudited pro forma statement of net assets has been prepared on the basis set out in the notes below and in accordance with Annex II of the PD Regulation.

	<i>Group assets and liabilities at 31 December 2008 (Note 1) £'000</i>	<i>Pro forma adjustments Elimination of AIM PowerGen assets and liabilities at 31 December 2008 (Note 2) £'000</i>	<i>Proceeds (Notes 3 & 4) £'000</i>	<i>Continuing Group £'000</i>
ASSETS				
Non-current assets				
Goodwill	4,890	—	—	4,890
Intangibles	23,763	(23,763)	—	—
Development assets	3,896	—	—	3,896
Property, plant and equipment	110,750	(87,427)	—	23,323
	<u>143,299</u>	<u>(111,190)</u>	<u>—</u>	<u>32,109</u>
Current assets				
Inventories	105	—	—	105
Trade and other receivables	9,416	(7,445)	18,343	20,314
Intangibles	907	—	—	907
Cash and cash equivalents	5,216	(4,161)	38,393	39,448
	<u>15,644</u>	<u>(11,606)</u>	<u>56,736</u>	<u>60,774</u>
Total assets	<u><u>158,943</u></u>	<u><u>(122,796)</u></u>	<u><u>56,736</u></u>	<u><u>92,883</u></u>
LIABILITIES				
Non-current liabilities				
Financial liabilities	45,632	(45,632)	—	—
Deferred tax liabilities	6,442	(5,464)	—	978
	<u>52,074</u>	<u>(51,096)</u>	<u>—</u>	<u>978</u>
Current liabilities				
Trade and other payables	4,709	(3,151)	—	1,558
Financial liabilities	14,518	(14,518)	—	—
	<u>19,227</u>	<u>(17,669)</u>	<u>—</u>	<u>1,558</u>
Total liabilities	<u><u>71,301</u></u>	<u><u>(68,765)</u></u>	<u><u>—</u></u>	<u><u>2,536</u></u>
Total net assets	<u><u>87,642</u></u>	<u><u>54,031</u></u>	<u><u>56,736</u></u>	<u><u>90,347</u></u>

Notes

1. The consolidated financial information relating to the Group at 31 December 2008 has been extracted without material adjustment from the unaudited interim financial statements of the Group for the six months ended 31 December 2008.
2. The financial information relating to AIM PowerGen has been extracted without material adjustment from the underlying consolidation schedules supporting the unaudited interim financial statements of the Group for the six months ended 31 December 2008. Under Canadian law, AIM PowerGen is not required to prepare or publish financial statements; as such the financial information relating to AIM PowerGen does not constitute statutory accounts.
3. The pro forma adjustment assumes that the gross proceeds of the Sale amount to £58.9m. (translated using a rate of £1: C\$1.73). Total estimated expenses of the sale are approximately £2.2m, of which £0.5m was paid prior to 31 December 2008.

The initial consideration of £40.1m is payable in cash to the Group on completion, with further deferred and contingent amounts of up to £18.8m being receivable comprising;

- £9.6m consideration contingent on receiving clearance from the Canadian Revenue Agency, as described in Part 6 section (a) of this Circular. The Company is of the view that no tax is payable under s116 and so the holdback will be released in full to the Company in due course.
- £2.6m deferred consideration pending certain specified amendments being made to the RESOP Contracts relating to Harrow, pursuant to the 24 September 2009 FIT Program Rules.
- £3.2m deferred consideration held as post completion holdback. As described above in paragraph 2 of Part 1 of this Circular under the heading: "Details of the Sale: Terms of the Sale Agreement", the holdback is held as security for the Buyer in respect of the completion accounts which are prepared at closing and is contingent on any adjustment and claims under the Sale Agreement arising in the 12 month period post Completion.
- £3.4m deferred consideration, payable subject to the release of funds to AIM PowerGen's relevant Subsidiaries from the non recourse credit facility with Fortis Capital (Canada) Limited, such a release is contingent on the achievement by AIM PowerGen's operating assets' of certain operational output levels over a 12 month period. The Company is of the view, based on latest available information, that the full amount will be payable.

As set out in Part 6 of this Circular, no tax liability is expected to arise on the Sale. Consequently no adjustment to account for a corporation tax liability has been made in the pro forma statement of net assets.

The sources and uses of the gross proceeds are set out below:

	<i>£m</i>	<i>£m</i>
Consideration		
Initial consideration*	53.2	
Less intercompany settlement based on balance as at 31 December 2008	(13.1)	
Initial consideration net of pro forma intercompany repayment		40.1
Receivable on clearance from Canadian Revenue Agency	9.6	
Receivable on Harrow RESOP contract amendments**	2.6	
Receivable on release of post-completion holdback	3.2	
Deferred consideration receivable on release of funds from Fortis Capital (Canada) facility	3.4	
Deferred and contingent amounts		18.8
Total pro forma consideration receivable		58.9
Estimated transaction expenses		(2.2)
Net consideration receivable		56.7

* Initial consideration calculated as C\$82.7m cash, net of 25 per cent. withholding tax, plus C\$29.9m of repayment of intercompany indebtedness converted at a rate of C\$1.73:£1.

** Harrow RESOP receivable calculated as C\$6m, net of 25 per cent. withholding tax, converted at a rate of C\$1.73:£1.

4. Trade and other receivables adjusted for deferred consideration receivable of £18.8m and expenses already paid of £0.5m.
5. No adjustment has been made to take into account movements in the trading or financial position of the Continuing Group or of AIM PowerGen subsequent to the balance sheet date referred to in note 1. The actual profit or loss on disposal of AIM PowerGen will be based on the net asset value at completion, and as such may be different from the amount derived from the net asset statement set out below.
6. The following table reconciles the consideration set out in the pro forma above to the consideration stated in Part 1 Section 1 of the Circular:

	<i>£m</i>
Initial consideration	53.2
Receivable on clearance from Canadian Revenue Agency	9.6
Receivable on Harrow RESOP contract amendments**	2.6
Receivable on release of post-completion holdback	3.2
	<u>68.6</u>

The deferred consideration receivable on release of funds from Fortis Capital (Canada) facility of £3.4m is considered additional to this stated amount of £68.6m.

PART 4

AIM POWERGEN PROJECT PORTFOLIO

<i>Project</i>	<i>Province</i>	<i>Capacity</i>
Operating projects		
Cultus, Frogmore, Mohawk, Clear Creek	Ontario	40 MW
Projects being financed for construction		
Harrow (i) to (iv)	Ontario	40 MW
Potential Development portfolio		
Twenty eight projects	Ontario, Alberta, Manitoba, Newfoundland	Potential capacity of over 2,300 MW
Strategic potential development portfolio		
Two projects	Saskatchewan	Potential capacity of over 3,200 MW
Total portfolio		Potential capacity of over 5,500 MW

PART 5

SUMMARY OF THE APPLICABLE JERSEY COMPANY LAW AND THE COMPANY'S MEMORANDUM AND NEW ARTICLES OF ASSOCIATION

1.1 Memorandum of Association

The Memorandum of Association of the Company does not restrict the activities of the Company and thus the Company will have unlimited legal capacity. The Memorandum of Association is one of the documents available for inspection at the address specified in Part 7 paragraph 7 of this Circular.

1.2 New Articles of Association

The New Articles are one of the documents available for inspection at the address specified in Part 7 paragraph 7 of this Circular. The Company's New Articles contain provisions, *inter alia*, to the following effect:

1.2.1 Annual general meetings

Subject to the provisions of the Jersey Companies Law, annual general meetings shall be held at such time and place as the Board may determine. An annual general meeting shall be convened by not less than 14 clear days' notice in writing or on shorter notice if so agreed by all of the members entitled to attend and vote at the meeting.

1.2.2 Extraordinary general meetings

The Board may convene an extraordinary general meeting whenever it thinks fit. An extraordinary general meeting shall also be convened on such requisition, or in default may be convened by such requisitionists, as provided by Article 89 of the Jersey Companies Law. In summary, Article 89 of the Jersey Companies Law provides that on a requisition of members of a company who together hold not less than one-tenth of the total voting rights of the members of that company who have the right to vote at the meeting requisitioned, the directors of that company are required forthwith to call a general meeting and, if the directors fail to do so, the requisitionists themselves can call such general meeting. At any meeting convened on such requisition or by such requisitionists no business shall be transacted except that stated by the requisition or proposed by the Board. A general meeting shall be convened by not less than 14 clear days' notice in writing. An extraordinary general meeting may be held on shorter notice if so agreed by a majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than 95 per cent. in number of the shares giving that right.

1.2.3 Meetings generally

- (a) In the case of both an annual general meeting and an extraordinary general meeting, the notice must specify whether the meeting is an annual general meeting or an extraordinary general meeting, the place, day and time of the meeting, the general nature of the business (if special business is to be transacted) and the intention to propose a special resolution if that be the case, and with reasonable prominence that a member entitled to attend and vote is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him and that a proxy need not also be a member.
- (b) The notice must be given to the members (other than any who, under the provisions of the New Articles or of any restrictions imposed on any shares, are not entitled to receive notice from the Company), the Board and its auditors.
- (c) The Board may, for the purpose of controlling the level of attendance and ensuring the safety of those attending at any place specified for the holding of a general meeting, from time to time make such arrangements as the Board shall in its absolute discretion consider to be appropriate and may from time to time vary any such arrangements or make new arrangements in place therefor. The entitlement of any member or proxy to attend a general

meeting at such place shall be subject to any such arrangements as may be for the time being approved by the Board. In the case of any meeting to which such arrangements apply the Board may, when specifying the place of the meeting:

- (i) direct that the meeting shall be held at a place specified in the notice at which the chairman of the meeting shall preside (the “Principal Place”); and
 - (ii) make arrangements for simultaneous attendance and participation at other places by members otherwise entitled to attend the general meeting but excluded therefrom under these provisions or who wish to attend at any of such other places, provided that persons attending at the Principal Place and at any of such other places shall be able to see, and hear and be seen and heard by, persons attending at the Principal Place and at such other places, by any means.
- (d) Such arrangements for simultaneous attendance may include arrangements for controlling the level of attendance in any manner aforesaid at any of such other places, provided that they shall operate so that any such excluded members as aforesaid are able to attend at one of such other places. Any such meeting shall be treated as being held and taking place at the Principal Place.
- (e) The Board may direct that any person wishing to attend any general meeting should provide such evidence of identity and submit to such searches or such other security arrangements or restrictions as the Board shall consider appropriate in the circumstances and shall be entitled in its absolute discretion to refuse admission to any person who fails to provide such evidence of identity or fails to submit to such searches or to otherwise comply with such security arrangements or restrictions.

1.2.4 *Voting rights*

Subject to any special rights or restrictions as to voting attached to any shares, on a show of hands every member who is present in person shall have one vote and on a poll every member who is present in person or by proxy shall have one vote for every share of which he is the holder. If a member has been duly served by the Company with a notice requiring disclosure of the identity of any other persons interested in his shares under article 38 of the New Articles (as to which, see paragraph 1.2.15 below) and fails to supply the Company with the information thereby required within a period of 14 days from the date of service of such notice, in certain circumstances he may not be entitled to attend or vote at a general meeting either personally or by proxy or to receive any dividend or to transfer or agree to transfer any shares or any rights therein.

1.2.5 *Variation of rights and changes of capital*

- (a) If at any time the capital of the Company is divided into different classes of shares the special rights attached to any class of shares may, subject to the provisions of the Jersey Companies Law, be varied or abrogated in such manner (if any) as may be provided by such rights or, in the absence of such provision, either with the consent in writing of the holders of two-thirds in nominal amount of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class, but not otherwise. To every such separate meeting, the provisions of the New Articles relating to general meetings of the Company shall apply with the necessary modifications except that the necessary quorum shall be not less than two persons holding or representing by proxy at least one-third in nominal amount of the issued shares of that class.
- (b) The Company may from time to time by special resolution amend its Memorandum of Association to increase its share capital by such sum to be divided into shares of such amounts and carrying such rights as the resolution may prescribe.
- (c) The Company may by special resolution amend its Memorandum of Association to increase or reduce the number of shares that it is authorised to issue, to consolidate all or any of its shares (whether issued or not) into fewer shares or to divide all or any of its shares (whether issued or not) into more shares.

- (d) The Company may by special resolution reduce any of its share capital and its share premium account. The Company may, subject to the provisions of the Jersey Companies Law and to any rights for the time being attached to any shares, purchase any of its own shares (including redeemable shares).
- (e) In general, the Board has the power to allot, grant options over, offer or otherwise deal with or dispose of shares (or rights to subscribe for or convert any securities into shares) in the authorised but unissued share capital of the Company.
- (f) The Board may not exercise the power referred to in (e) above in relation to relevant securities unless the Board is authorised to do so by the Company in general meeting by ordinary resolution. Such authority may be given for a particular exercise of the power or for its exercise generally, and may be unconditional or subject to conditions. The authority must state the maximum amount of relevant securities that may be allotted under it and the date on which the authority will expire, which must be not more than 5 years from the date on which the resolution is passed by virtue of which the authority is given, but such authority may be previously revoked or varied by the Company in general meeting by ordinary resolution. The Jersey Companies Law does not include an equivalent to section 20 of the Companies (Amendment) Act 1990, and purpose of these provisions of the New Articles is to provide similar provisions in favour of members.
- (g) Subject to the provisions of the New Articles, if the Company proposes to allot equity securities then the Company (i) shall not allot any of them on any terms to a person unless it has made an offer to each member who holds relevant shares or relevant employee shares to allot to him on the same or more favourable terms a proportion of those securities which is as nearly as practicable equal to the proportion in nominal amount held by him of the aggregate of relevant shares and relevant employee shares; and (ii) shall not allot any of those securities to a person unless the period during which any such offer may be accepted has expired or the Company has received notice of the acceptance or refusal of every offer so made. These rights in favour of members are called “pre-emption” rights. The Company in general meeting may by special resolution disapply such pre-emption rights, in which case such equity securities may be allotted as if members did not have such pre-emption rights. The Jersey Companies Law does not include an equivalent to sections 89 to 95 of the Companies Act 1985 and the purpose of these provisions of the New Articles is to provide similar provisions in favour of members (although, under the Companies Act 1985, a special resolution would require a three-fourths majority vote, whereas under Jersey law a special resolution requires a two-thirds majority vote). The New Articles give the Directors a general mandate to issue shares up to an amount not exceeding 33 per cent. of the Company’s issued share capital for a period from the date of adoption of the New Articles until the next annual general meeting of the Company. The New Articles also provide for a waiver of pre-emption rights for up to 10 per cent. of the Company’s issued share capital during the same period.
- (h) The New Articles also permit the Company to make market purchases of its own shares in accordance with the Jersey Companies Law. The minimum price that may be paid for such a purchase is 10 pence per share and the maximum price is 105 per cent. of the average middle market price for the five business days immediately preceding the purchase. The authority expires on the earlier of (i) the Company’s next annual general meeting; and (ii) eighteen months from the date of adoption of the New Articles.

1.2.6 *Transfer of shares*

All transfers of shares shall be effected in writing in any usual or common form or in any other form acceptable to the Directors. The instrument of transfer shall be executed by or on behalf of the transferor. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered on the register of members. The Board may decline to recognise any instrument of transfer unless: (a) it is duly stamped (if required) and deposited at the registered office of the Company accompanied by the certificate for the shares and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer, provided

that, in the case of a transfer by a recognised clearing house or a nominee of a recognised clearing house or of a recognised investment exchange, the lodgement of a share certificate will only be necessary if a certificate has been issued in respect of the share in question; and (b) the instrument of transfer is in respect of only one class of shares, which are fully paid up and over which the Company has no lien and is in favour of not more than four transferees. If the Board refuses to register any transfer of shares, they shall send to the transferee notice of such refusal within two months after the date on which the transfer was lodged with the Company. There are no rights of pre-emption on the transfer of ordinary shares contained in the New Articles.

1.2.7 *Dividends and distributions of assets on a winding up*

The assets of the Company available for dividend and resolved to be distributed shall be applied in the payment of dividends to the members in accordance with their respective rights and interests in the profits of the Company. The Company in general meeting may declare dividends accordingly, but no dividend shall exceed the amount recommended by the Board. No dividends shall be payable otherwise than in accordance with the Jersey Companies Law out of the assets of the Company available for that purpose. If the Company should be wound up (whether the liquidation is voluntary, under supervision or by the court) the liquidator (or, if no liquidator is appointed, the Board) may with the authority of a special resolution and any other sanction required by the Jersey Companies Law, divide amongst the members *in specie* the whole or any part of the assets of the Company and whether or not the assets shall consist of property of one kind or of properties of different kinds, and may for such purposes set such value as he deems fair upon any one or more class or classes of property, and may determine how such division should be carried out as between the members or different classes of members. There are no fixed dates on which entitlement to dividends arises.

1.2.8 *Unclaimed dividends*

No dividend or other monies payable in respect of a share shall bear interest as against the Company unless otherwise provided by the rights attached to the share. Any dividend which has remained unclaimed for a period of ten years from its due date of payment shall, if the Board so resolves, be forfeited and shall cease to remain owing by the Company and belong to the Company absolutely.

1.2.9 *Redeemable shares and share warrants*

The Company may issue redeemable shares and, with respect to fully paid shares, may issue a warrant stating that the bearer of the warrant is entitled to the shares specified in it and may provide for the payment of future dividends on the shares.

1.2.10 *Borrowing powers*

Subject to the further provisions of the New Articles, the Board may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of its undertaking, property, assets (present and future) and uncalled capital and, subject to the provisions of the Jersey Companies Law, to create and issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligations of the Company or of any third party.

1.2.11 *Directors*

- (a) Unless and until otherwise determined by the Company by ordinary resolution, the Board (other than any alternate directors) shall be not less than two but there shall be no maximum. Save as mentioned below, any person on the Board shall not vote on or in respect of any contract or arrangement or any other proposal in which he has any interest which is, to his knowledge, a material interest otherwise than by virtue of his or her interest in shares, debentures or other securities or rights of, or otherwise in or through, the Company.

- (b) A Director shall not vote on (but shall still be counted in the quorum in relation to) any resolution of the Board concerning any proposal to which the Company is a party and in which he has an interest which is, to his knowledge, a material interest otherwise than by virtue of his interests in shares, debentures or other securities of the Company, unless the resolution concerns any of the following matters:
- (i) the giving of any security, guarantee or indemnity in respect of money lent or obligations incurred by him or any other person at the request of or for the benefit of the Company or any of its subsidiary undertakings;
 - (ii) the giving of any security, guarantee or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
 - (iii) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiary undertakings in which he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting in which he is to participate;
 - (iv) any proposal relating to any other company in which he (together with persons connected with him within the meaning of sections 252 to 255 of the United Kingdom Companies Act 2006) does not to his knowledge hold an interest in shares (as that expression is defined for the purposes of Part 22 of the Companies Act 2006) in one per cent. or more of any class of the equity share capital of such company or the voting rights in such company;
 - (v) any proposal relating to an arrangement for the benefit of the employees of the Company or any of its subsidiary undertakings which does not award to him any privilege or benefit not generally awarded to the employees to whom the arrangement relates; or
 - (vi) any proposal concerning insurance which the Company proposes to maintain or purchase for the benefit of the Board or for the benefit of persons including the Board.
- (c) Where proposals are under consideration concerning the appointment (including determining or varying the terms of appointment) of two or more of the directors of the Company to offices or employment with the Company or any company in which the Company is interested, such proposals may be divided and considered in relation to each director separately. In such case, each of the directors concerned shall (if not debarred from voting under the New Articles) be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.
- (d) If any question shall arise at a meeting as to the right of any person on the Board to vote or to the materiality of a director's interest, and such question is not resolved by his voluntary agreement to abstain from voting, the question may (subject to the Jersey Companies Law) be referred to the chairman of the meeting (or, if the director concerned is the chairman of the meeting, to such other directors present at the meeting) and his ruling in relation to any other director shall be final and conclusive.
- (e) Any person on the Board shall be entitled to receive by way of fees for their services such sum as the Board may from time to time determine. The directors shall also be entitled to be paid all reasonable travelling, hotel and other expenses properly incurred by them in or about the performance by them of their duties as directors including any expenses in attending meetings of the Board or any committee of the Board or general meetings or separate meetings of the holders of any class of shares or debentures of the Company. Extra remuneration may be paid out of the funds of the Company by way of salary, commission, participation in profits or otherwise as the Board may determine to any director who, by

arrangement with the Board, shall perform or render any special duties or services outside the scope of the ordinary duties of a director and not in his capacity as a holder of employment or executive office.

- (f) The Board may exercise all the powers of the Company to provide pensions or other retirement or superannuation benefits and to provide death or disability benefits or other allowances or gratuities (whether by insurance or otherwise) for, or to institute and maintain any institution, association, society, club, trust, other establishment or profit-sharing, share incentive, share purchase or employees' share scheme calculated to advance the interests of the Company or to benefit any person who is or has at any time been a director or employee of the Company or any body corporate which is a holding body or a subsidiary undertaking of or allied to or associated with the Company or any such holding body or subsidiary undertaking or any predecessor in business of the Company or of any such holding body or subsidiary undertaking, and for any member of his family (including a spouse or former spouse) and any person who is or was dependent on him. For such purpose the Board may establish, maintain, subscribe and contribute to any scheme, institution, association, club, trust or fund and pay premiums and, subject to the provisions of the Jersey Companies Law, lend money or make payments to, guarantee or give an indemnity in respect of, or give any financial or other assistance in connection with any of the aforesaid matters. The Board may procure any of such matters to be done by the Company either alone or in conjunction with any other person. Any director or former director shall be entitled to receive and retain for his own benefit any pension or other benefit provided under the New Articles and shall not be obliged to account for it to the Company.
- (g) No person shall be incapable of being appointed a director by reason of his having attained the age of 70 or any other age.
- (h) At each annual general meeting one-third of the directors who are subject to retirement by rotation shall retire from office. Such directors may stand for re-election subject to any rules or law to the contrary.
- (i) Board meetings must be held outside the United Kingdom. Any director who participates in a board meeting while in the United Kingdom will not have a vote and will not count towards the quorum required for such meeting.

1.2.12 *Non-United Kingdom shareholders*

There are no limitations in the New Articles on the rights of non-United Kingdom shareholders to hold, or to exercise voting rights attached to, the ordinary shares. However, non-United Kingdom shareholders are not entitled to receive notices of general meetings unless they have given an address in the United Kingdom to which such notices may be sent.

1.2.13 *CREST*

CREST is a paperless settlement system enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument. The New Articles are consistent with CREST membership and, amongst other things, allow for the holding and transfer of shares in uncertificated form.

1.2.14 *Restrictions on changes in control, mergers, acquisitions or corporate restructuring of the Company.*

There are no provisions in the New Articles that would have the effect of delaying, deferring or preventing a change of control in the Company that would operate only with respect to a merger, acquisition or corporate restructuring involving the Company.

1.2.15 *Disclosure of interests*

- (a) The Jersey Companies Law does not contain any provisions equivalent to those contained in Part 22 of the Companies Act 2006 (Disclosure of Interests in Shares) or the Disclosure and Transparency Rules. Accordingly, in order to make provision for the disclosure of interests, the New Articles contain provisions which require members in certain circumstances to disclose interests in shares.
- (b) The Company has the right by service of a notice to require any member to disclose to the Company his interest in the Company's shares and the identity of any person other than the member who has any interest in the shares held by the member and the nature of such interest. The notice may also request the disclosure of past interests (held in the previous 3 years). A member will be required to respond within 5 days of the date of the notice, or such longer period as the Directors may determine. The Directors may be required to exercise their powers on the requisition of members of the Company holding at the date of deposit of the requisition not less than one-tenth in number of such of shares as carry at that date the right of voting at general meetings of the Company. The sanctions applicable if a member is in default of his obligation to respond to a notice requiring disclosure of interests include that the member may not be entitled to exercise voting rights attaching to the shares held by that member, that (depending on the size of his holding) dividends payable on his shares may be withheld and certain transfers of shares may be prohibited, in each case until such time as the member complies with the obligation to respond to such notice.
- (c) The provisions of Chapter 5 of the Disclosure and Transparency Rules (the "DTR 5 Provisions") are incorporated by reference into the New Articles.

The DTR 5 Provisions detail the circumstances in which a person may be obliged to notify the Company within two business days that he has an interest in voting rights in respect of the shares of the Company. An obligation to notify the Company arises when the percentage of voting rights which a person holds reaches, exceeds or falls below 3 per cent. of the voting rights attaching to the shares or moves through any whole percentage point above 3 per cent.

Notwithstanding the time limits for disclosure set out in the DTR 5 Provisions, the Company is required by Rule 17 of the AIM Rules to announce via a Regulatory Information Service, all the information contained in any vote holder notification "without delay".

For the purposes of the incorporation by reference of the DTR 5 Provisions into the New Articles and the application of DTR 5 Provisions to the Company and each holder of shares of the Company, the Company shall be deemed to be an "issuer", as such term is defined in the DTR 5 Provisions (and not, for the avoidance of doubt, a "non-UK issuer", as such term is defined in DTR 5 Provisions).

Where a shareholder fails to comply with the DTR 5 Provisions that shareholder will be in default (such shareholder being a "Defaulting Holder"). Under the New Articles, the Company has the right to deliver a direction notice to the Defaulting Holder in accordance with the provisions summarised in paragraph 1.2.15 above, save that any such direction notice shall cease to have effect on the date that is not more than seven (7) days after the Company has determined that the Defaulting Holder has cured the non-compliance with the DTR 5 Provisions; provided, however, that the Company may at any time by subsequent written notice cancel or suspend the operation of a direction notice.

The full text of the DTR 5 Provisions will be made available to any shareholder free of charge on application to the Company secretary or are available at the Financial Services Authority's website at <http://fsahandbook.info/FSA/html/handbook/DTR>.

- 1.3 Under the Jersey Companies Law, the Company in general meeting may by special resolution amend its Memorandum of association or the New Articles. For the purposes of the Jersey Companies Law, a resolution is a special resolution when it has been passed by a two-thirds majority vote.

PART 6

TAXATION

The information in this Part 6, which is intended as a general guide only, is based on current legislation and practice regarding Canadian, United Kingdom and Jersey taxation and may be subject to change. The information summarises advice received by the Directors as to (a) the Sale, (b) the position of the Company and (c) the position of Shareholders who are resident or ordinarily resident in the United Kingdom or Jersey for tax purposes and who hold their Ordinary Shares as an investment, but solely in relation to implications resulting from the Sale Proposal, the Cessation of ‘Fund’ Designation Proposal and the Migration Proposal. The information in this Part 6 does not constitute legal or tax advice to any Shareholders. Accordingly, Shareholders who are in any doubt as to their tax position, or who are subject to tax in a jurisdiction other than the United Kingdom or Jersey or who may hold their Ordinary Shares otherwise than as an investment, are strongly recommended to consult their professional adviser.

1 The Sale

(a) Canadian tax consequences

- (i) The following is a general summary of the principal Canadian federal income tax consequences under the Income Tax Act (Canada) (the “Tax Act”) to the Seller of the Sale. This summary is based on the current provisions of the Tax Act, all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) (“Tax Proposals”) before the date of this Circular, and the current published administrative policies and assessing practices of the Canada Revenue Agency. No assurance can be given that the Tax Proposals will be enacted in the form proposed or at all. This summary is not exhaustive of all possible Canadian federal income tax considerations and, except as mentioned above, does not take into account or anticipate any changes in law, whether by legislative, administrative or judicial decision or action, nor does it take into account provincial, territorial or foreign income tax legislation or considerations, which may differ significantly from the Canadian federal income tax considerations discussed herein. This summary assumes that the Seller is a non-resident of Canada for purposes of the Tax Act at all relevant times.
- (ii) The Seller will realise a capital gain (or capital loss) on the Sale equal to the amount by which the proceeds of the Sale exceed (or are less than) the aggregate of the adjusted cost base to the Seller of the shares of AIM PowerGen (for the purposes of this paragraph (ii) and paragraph (iii) below the “Shares”) and any reasonable costs of the Sale. The Shares constitute “taxable Canadian property” of the Seller and as a result the Seller will be subject to tax under the Tax Act on any capital gain realised on the Sale unless tax on such gain is exempt under the provisions of the Canada-United Kingdom Tax Convention (the “Treaty”) as discussed in more detail below. If the Seller is subject to tax in Canada on any capital gain (or capital loss) realised on the Sale, one-half of the amount of any capital gain (a “taxable capital gain”) realised on the Sale must be included in computing the Seller’s income in that taxation year and one-half of any capital loss (an “allowable capital loss”) realized on the Sale must generally be deducted against any taxable capital gains from the disposition of any other taxable Canadian property (other than “treaty protected property” within the meaning of the Tax Act) in that year. Allowable capital losses in excess of taxable capital gains may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any following taxation year against net taxable capital gains realised from the disposition of taxable Canadian property (other than “treaty protected property”) in such years, to the extent and under the circumstances described in the Tax Act. The amount of any capital loss realised on the disposition of the Shares may be reduced by the amount of dividends received or deemed to be received by the Seller on the Shares to the extent and in the circumstances prescribed by the Tax Act.

- (iii) The Seller will not be subject to tax in Canada on any capital gain realized on the Sale if tax on such gain is exempt under the provisions of the Treaty. Provided that (1) the Seller is a resident of the United Kingdom for purposes of the Treaty and is otherwise entitled to full benefits of the Treaty and (2) the Shares do not derive their value or the greater part of their value directly or indirectly from immovable property situated in Canada, any capital gain realized by the Seller on the Sale should be exempt from tax in Canada under the Treaty.
 - (iv) The Seller is also required to comply with the procedures in section 116 of the Tax Act with respect to the Sale. The Seller intends to apply for a tax clearance certificate under section 116 of the Tax Act. The Seller may be required to pay an amount equal to 25 per cent. of the amount of any capital gain realized on the Sale or to post acceptable security to the Canada Revenue Agency in order to obtain the tax clearance certificate. However, if the Seller will not realize a capital gain on the Sale or if any such gain is exempt under the Treaty, the Seller will not be required to pay any amount or post security in order to obtain the tax clearance certificate.
 - (v) As described above in paragraph 2 of Part 1 of this Circular under the heading: “Details of the Sale: Terms of the Sale Agreement”, if a tax clearance certificate under section 116 of the Tax Act is not obtained on or prior to Completion, International Power is authorized to withhold the amount that it may be required under the Tax Act to remit to the Canadian Government in respect of the Sale from the initial consideration. Any additional consideration payable with respect to the Sale is subject to the same withholding. International Power will continue to hold any withheld amounts until such time as an acceptable tax clearance certificate is provided to it or until such time as it may be required to remit all or a portion of such amounts to the Canadian Government. In the event that International Power remits an amount to the Canadian Government that exceeds the Canadian taxes payable by the Seller with respect to the Sale, the Seller will be able to obtain a refund or credit of such excess amount by making the appropriate tax filings within the required time.
- (b) UK tax consequences
- (i) For the purpose of UK corporation tax, the Seller may realise a capital gain or capital loss on the Sale equal to the amount by which the proceeds exceed or are less than the tax base cost to the Seller of such shares.
 - (ii) Based on the proceeds for the Sale there will be a capital loss, the benefit of which has not been recognised in the Pro Forma Statement of Net Assets of the Continuing Group (as set out at Part 3 of this Circular) as it is considered likely by the Group’s tax advisors that the Substantial Shareholding Exemption will apply so that the loss is not allowable for UK corporation tax purposes.
 - (iii) By way of explanation, the Substantial Shareholding Exemption assures that any gain on a disposal by a company of shares after 31 March 2002 is exempt and a loss is not allowable where certain conditions are met with regard to (i) the size and length of the shareholding disposed of, (ii) the investee company and (iii) the investing company.

2 The Company

The Company is currently regarded as resident for tax purposes in Guernsey and is subject to taxation in Guernsey at the standard rate, currently zero per cent. Upon migration to Jersey it is anticipated that the Company will be resident for tax purposes in Jersey and be subject to income tax in Jersey at a rate of zero per cent. pursuant to Article 123C of the Income Tax (Jersey) Law 1961, as amended. Dividends on Ordinary Shares may be paid by the Company without withholding or deduction for or on account of Jersey income tax and holders of Ordinary Shares (other than residents of Jersey) will not be subject to any tax in Jersey in respect of the holding, sale or other disposition of such Ordinary Shares.

(a) ***Stamp duty***

In Jersey, no stamp duty is levied on the issue or transfer inter vivos of shares in the Company. However, there is stamp duty payable when grants of probate and letters of administration are required in Jersey. Under Jersey law, a Jersey grant of probate or letters of administration are required to transfer shares on the death of a shareholder except (in the case of a shareholder not domiciled in Jersey) where the value of the deceased's holdings does not exceed £10,000, in which case the Directors of the Company may at their discretion dispense with this requirement on certain conditions being satisfied. In the case of a grant of probate or letters of administration, stamp duty is levied according to the size of the estate and is payable on a sliding scale at a rate of up to 0.75 per cent. of the estate.

Jersey does not otherwise levy taxes upon capital, inheritances, capital gains or gifts nor are there estate duties.

If you are in any doubt as to your tax position you should consult your professional adviser.

- (b) The Directors have to date conducted the affairs of the Company with the intention that it should be resident for tax purposes outside the UK and should not have a UK permanent establishment. The Directors intend to continue to manage the affairs of the Company in this manner in the future. On the assumption that the Company is therefore not resident for tax purposes in the UK at present and has no UK permanent establishment, and that there is no relevant change in the conduct of the Company's affairs, the reincorporation of the Company in Jersey should not make the Company resident in the UK for tax purposes or cause the Company to have a UK permanent establishment.

3 Shareholders

(a) ***Shareholders resident in Jersey***

The attention of investors who are resident in Jersey for taxation purposes is drawn to Article 134A of the Income Tax (Jersey) Law 1961, the effect of which is that if the Jersey Comptroller of Income Tax is of the opinion that the main purpose, or one of the main purposes, of a transaction, or a combination or series of transactions, is the avoidance, or reduction, of the liability of any person to income tax, the Comptroller may make such assessment or additional assessment on that person as the Comptroller considers appropriate to counteract such avoidance or reduction of liability.

Jersey does not levy a tax in respect of gains of a capital nature. Therefore, no charge to Jersey income tax should arise in respect of a Sale of Ordinary Shares by a Jersey resident Shareholder.

(b) ***Shareholders not resident in Jersey***

Shareholders who are not resident in Jersey for Jersey income tax purposes will receive dividends without deduction of Jersey income tax.

(c) ***Shareholders resident in the UK***

There is no UK tax law specifically applicable to the reincorporation of a company in a different jurisdiction to that in which it was previously incorporated. However, the Directors have been informed that as a matter of both Guernsey law and Jersey law, the Company's existence as a legal entity continues without any break and that the shares held by Shareholders also remain in existence across the reincorporation. On this basis, general UK tax principles may mean that Shareholders are not treated as making a disposal of their Shares in the Company for the purposes of UK taxation of capital gains as a result of the migration of the Company to Jersey.

For similar reasons, there should be no conveyance or transfer for the purposes of UK stamp duty. Shares in the Company are not "chargeable securities" for the purposes of UK stamp duty reserve tax provided that no share register is maintained in the UK.

Shareholders who are resident in the United Kingdom or carrying on a trade in the United Kingdom for tax purposes will, depending on their circumstances, be liable to United Kingdom income tax or corporation tax on the gross amount of dividends paid by the Company whether directly or by way of reinvestment of income. The attention of corporate Shareholders is drawn to the provisions of Part 9A of the Corporation Tax Act 2009 which exempt certain dividends from corporation tax.

Depending on their circumstances, Shareholders who are resident or, in the case of individuals, ordinarily resident or temporarily non-resident in the United Kingdom for taxation purposes or who hold the Shares as capital assets of a UK trade may be subject to capital gains tax (or, in the case of a corporate Shareholder, corporation tax on capital gains) in respect of any gain arising on a disposal of their Shares. Reliefs may be available to reduce gains depending on the circumstances of the Shareholders in question.

The Company is not an offshore fund for United Kingdom taxation purposes.

The attention of UK resident and domiciled Shareholders is drawn to the provisions of Section 13 of the Taxation of Chargeable Gains Act 1992 under which, in certain circumstances, a portion of capital gains made by the Company might be attributed to an investor who holds, alone or together with associated persons, more than a 10 per cent. interest in the Company.

A UK resident corporate Shareholder who, together with connected or associated persons, is entitled to at least 25 per cent of the Ordinary Shares should note the provisions of the controlled foreign companies legislation contained in Sections 747-756 of the Taxes Act 1988.

The attention of individuals ordinarily resident in the United Kingdom is drawn to the provisions of Chapter 2 of Part 13 of the Income Tax Act 2007 which may render such individuals liable to tax in respect of undistributed profits of the Company in certain circumstances.

PART 7

ADDITIONAL INFORMATION

1. Share Capital

The authorised and issued share capital of the Company is as follows:

	<i>Par Value £</i>	<i>Authorised No of Shares</i>	<i>Authorised £</i>	<i>Issued No of Shares</i>	<i>Issued £</i>
Ordinary Shares	0.10	300,000,000	30,000,000	103,251,014	10,325,101.40
Total		<u>300,000,000</u>	<u>30,000,000</u>	<u>103,251,014</u>	<u>10,325,101.40</u>

2. Share Options

On 9 December 2008 a further 135,000 options over Ordinary Shares were granted to staff under the ESOP. There are now a total of 750,000 options over Ordinary Shares outstanding under the ESOP.

3. Directors

3.1. The directorships held by each of the Directors over the five years preceding the date of this document and the partnerships in which they have been partners in the five years preceding the date of this document are as follows:

Director

Andrew Whalley

Current directorship or partnership

AIM PowerGen Corporation, AIM Powergen Limited, Amplebow LLP, Eastgate Capital Limited, Living Fuels Limited, Living Power Limited, REG Bio-Power UK Limited, REG Holdings Limited, REG Power Management Limited, The Cornwall Light & Power Co Limited

Past directorship

Green Crop Power Limited, Johnson Fry Holdings plc, Johnson Fry Second Utilities Trust Limited, Legg Masons Investments (Europe) Limited, Legg Masons Investment Funds Limited, Legg Mason Investments Holdings Limited, Legg Mason Investments plc

Director

Michael Liston

Current directorship or partnership

Foresight European Solar Fund GP Limited, Jersey Post International Ltd, The Jersey Electricity Company Ltd

Past directorship

Channel Islands Electricity Grid Ltd, Foreshore Holdings Ltd, Foreshore Ltd, KSK Emerging India Energy Fund Limited, Newtel Limited.

Director

David Crockford

Current directorship or partnership

AIM Powergen Limited, Eastgate Capital Limited, Living Fuels Limited, Living Power Limited, REG Bio-Power UK Limited, REG Holdings Limited, REG Power Management Limited, The Cornwall Light & Power Co. Limited, AIM PowerGen Corporation.

Past directorship

None

Director

Dr Malcolm Kennedy

Current directorship or partnership

Mary Court (Jesmond) Limited, NAREC Development Services Limited, New and Renewable Energy Centre Limited

Past directorship

National Energy Action, Merz Orchard Limited

Director

Nigel Le Quesne

Current directorship or partnership

Austra Corp, Emory Properties Limited, Certain Funding Limited, Creake Limited, Hong Kong Mortgage Financing Limited, JTC Corporate Services Limited, Jersey Trust Company Limited, JTC Management Limited, JTC Trustees Limited, Silver Reef Properties Limited, Warwick Square Limited, Watermark Holdings Limited, Whitecote Limited, DNA Holdings Limited, JTC Properties (Elizabeth House) Limited, Ammar Holdings Limited, John Sisk & Son Africa Holdings Limited, Scaramouche Investments Limited, Carmin Invest SA, JTC Securities Limited, Gloucester Estates (Landsberger) Limited, Baligay Limited, Avalanche Investments Limited, Irongame Holdings Limited, SES Limited, Interport Limited, Wickets Investments Limited, M & A International Investments Holdings Inc, Cadenza International Limited, Gloucester Estates (Wandsbeker) Limited, Gloucester Estates (Holdings) Limited, Lion Star Limited, Round Thorn N.V., Hudson Investment Holdings Limited, Van Reijendam Investments Limited, JTC Group Limited, Bespoke Investments Limited, Logitech (Jersey) Limited, JTC Group Limited, JTC Management Limited, JTC Corporate Services Limited, Jersey Trust Company Limited, JTC Securities Limited, JTC Trustees Limited, Tic Toc Films Limited, DCLW Consulting Limited, MFF Leasing Limited, JTC Holdings Limited, DBG Development Capital Eastern Europe Limited, Tabreed Project Finance One Limited, Commerzbank International Trust (Jersey) Limited, Sauluna Invest Holding Ltd, WFPF Management Limited, Sherwood Films Limited, Coral International Resources Inc, Karvelen Limited, CMS Holdings Limited, MFB Films Limited, Quadroon Holdings Limited, Curzon Two Limited, Curzon Three Limited, Ellisfield Investments Limited, Land Project and Development Limited, Polaris Investment Holdings Ltd, Loxley Films Limited, WorldNet Capital Management Limited, Root Holdings Limited, JTC Fund Services Limited, Worldwide Music Corporation, Lincoln Investments Limited, SugarInvest Limited, Haiku Releasing Limited, Watermark CH AG, Tungsten Group Limited, Antalis US Funding Corp., Blue Swan Insurance (Jersey) Limited (in liquidation), Shorething Limited, Declaron Trustee Limited, Highgrove Trustee Limited, Corsaire Limited, Phoenix Films Limited, N17 Limited, Rock Solid Limited, Safety Net Limited, Carrera Limited, Mizaya Property Limited, Rosery Estates Limited, Cyclone Limited, Fabian Romania Limited, Tungsten Group (2) Limited, Sabot Investments Limited, Westside & City Holdings Limited, Heathcote Holdings Limited, Axis Sports & Entertainment Limited, MKM Longboat Investor Services Limited, Chester Terrace Limited, Dr Pooter Limited, Interport Limited, Flintstone Finance Limited, Infinite End Limited, Ditco Vehicles Limited, Lowndes Lodge Limited, Global Residential Properties Limited, Global Residential Developments Limited, 5-7 Yeoman's Row Limited, Connaught House Limited, Global Foundation Holdings Limited, Trans-Baltica Container Line Ltd., Roches Properties Limited, Taliesin Property Fund Limited, WCH Limited, SWB Holdings Limited, JTC Corporate Services (BVI) Limited, JTC Directors (BVI) Limited, JTC Trustees (BVI) Limited, Draco Maidenhead Limited, Mayfair Mezzanine Limited, Broadstone Limited, JTC (BVI) Limited, Etna Range Limited, 14 Yeomans Row Limited, Volos Limited, Draco Southampton Limited, MSF Leasing Limited, Investors In Arabia Limited, Caribe Entertainment Limited, Defiant Productions Limited, Manolete Limited, Blue Diamond Management Limited, BrightWater Aquatics Limited, 12a Yeomans Row Limited, BrightWater Enterprises Limited, Numology Limited, Hero Football Holdings Limited (formerly Norion Investments Corp.), Glenview Property Holdings Limited, Berkely Limited, Draco (St.Andrews) Limited, Hero Football Fund Limited, Taliesin Holdings

Limited, Madara Holdings Limited, Madara Bulgarian Property Fund Limited, Draco Kings Chase Limited, 9 Yeomans Row Limited, Lakeshore Entertainment Group Jersey Limited, Saville Real Estates Ltd, Taunus Consultants Limited, Wharf Land Investments (Jersey) Limited, MSF Shipping Limited, CMB Monaco Real Estate Limited, Worton Grange Industrial Limited, Grope Music Limited, Uchida S.A., Lateen Limited, Lunghin Fund Limited, Global Sea Trade Limited, Cardeka Holdings Limited, Commercial Property Management Limited, SOL Energy Management Limited, Draco Brettenham Limited, Yeomans Residential Limited, Renewable Energy Generation Limited, Servantes Holdings Ltd, Roba LB Limited, Roba Investments Germany Limited, Robar Limited, Roba PE Limited, Roba Investments Romania Limited, G J R Securities Limited, Roba MF Limited, Roba WV Limited, Roba Securities Limited, SLH Investments Limited, Sandown Isle of Wight Airport Limited, Red Harrison Limited, Minotaur Films Limited, Mistral Properties Limited, FR Romania Sarl, Norfolk Euro Property Holdings BV, Balconia Corporation NV, Lincoln Land Austria GmbH, Lincoln Euro Property Holdings BV, Redbank Investments Limited, Wharf Air Industries Limited, MBR No.2 Limited, Northpoint Partners ICC, Chopper Holdings Limited, JTC Holdings (BVI) Limited, CED-CAP ICC, Velvet Heights Limited, Greenslades Limited, Silver Blue Properties Limited, Opera Reform International Limited, Rhombus Receivables Limited, WGC Holdings Limited, Brass Hat Films International Limited, West End Building Materials SARL, Lucky Mill Holdings Limited, Ingenious (Jersey) Film Sales Limited, Loxodonta Properties Limited, Bogany Holdings Limited, Opera Reform Investments Limited, Mint Green One Limited, Hurstpoint Limited, New Port Development S.a.r.l, Foresight European Solar Fund GP Limited, India Carried Interest Limited, MSF Partnership Services ICC, Eastside and City Developments Limited, MSF Enterprise No.1 IC, MSF Vanguard No.1 IC, CLS Holdings Limited, Gold Bullion Holdings (Jersey) Limited, M Health International Limited, Vine Court Estates Limited, Gryphon Overseas Limited, LMM Partners, RDI Financial Services Limited, MSF Vanguard No 2 IC, Millharbour Investments Limited, Temmart Limited, Q C Supplies (Jersey) Limited, The Aegis Film Fund Limited, Spindor Limited, JTC Directors Limited, MSF Vanguard No.3 IC, Northpoint Orange IC, PCP Gulf Invest 1 Limited, PCP Gulf Invest 2 Limited, PCP Gulf Invest 3 Limited, Franklin Global Limited, Spinner Limited, Albemarle Fair Oaks Airport Limited, Mattsam Limited, Foresight European, Solar 2 Limited, BMF Investments Limited, Foresight European Solar 1 Limited, Northpoint Partners Solar IC, Old Street Limited, Blackfriars Limited, G.F. Shui (B.V.I.) Ltd., Eklus (Mauritius) Limited, Eklus (BVI) Limited, PCP Propinvest 3 Limited, Create Distribution (Jersey) Limited, Mawingo Investments Limited, Colourpoint Investments Limited, Macanillo Investments Limited, Bowker Capital Holdings Limited, Dubai Gold Investments DMCC, Destriero Limited, Castle Directors Limited, PCP Qatar Invest Limited, JTC Foundations Limited, Madison Special Opportunities Fund Ltd, Winsley Properties Limited, Belnepco Management Limited, Cantel Investments Limited, Arx Asset Management Limited, Arx Equity Partners Limited, DBG Asset Management Limited.

Past directorship

Linthor Holdings Ltd, Minotaur Films Limited, Telmil (Yeovil) Limited, Cant Enterprises Ltd., Ravensbeck Investments Ltd., Jeeves Enterprises Ltd., Tungrand Ltd, Quintus Management Limited, Samarkand Films Limited, Quintus Consultants Limited, Broadstone Limited, Inveresk Consulting Limited, Hughestone Development Limited, Fergana Holdings Limited, Ikcon Lighting Limited, Ikcon (Jersey) Limited, Property Initiatives Limited, Hawkwood Fund Limited, Mukwa Investments Limited

Walden Equity Limited, Convergence Aviation Limited, Fitzpain Limited, Villanueva Solar UK Limited, Megaira Limited, Anaitis Limited, Allegretto Limited, Hurstpoint Limited, CREEC (Bedford) Limited, Belmondos Property Investments Limited, Temple Wood Developments Limited, Eumundi Properties Limited, Jaspers Property Investments Limited, Blue Aura Limited, Moorgate Associates Institutional Investment Advisory Services Limited, Drayton Park Limited, Bansko MezzFin General Partner Limited, Regional Development and Investment (Jersey) Limited, Two Orchards Properties Limited, Mercury Sofia General Partner Limited, Rectory Limited MRD Limited, MBR Limited, STM Fiduciaire Trustees Limited, Sogerepar Holding Company Limited, Leyston International Limited, JTC (UK) Limited, JTC Trustees (UK)

Limited, JTC Corporate Services (UK) Limited, Zenais Limited, Proteus Films Ltd, Perseus Films Limited, Samarkand Films Limited, Covenant Films Limited, Titan MP Limited, Olympus FP Limited, Terra Nova Films Limited, JTC Share Services (UK) Limited, JTC Trustee Services (UK) Limited, JTC Mayfair Limited, Daivat Limited, Chillenden Media Limited, Melbourne Moorfield Limited, Zarthusra Investments Limited, New House Media Limited, Vicarage Productions Limited, Grisay Media Limited, Elsieisla Limited, Stockport Miller Limited, Leonard Jay Productions Limited, RSM Finance Limited, April Films Limited, Lyroyd Films Limited, Shakti Productions Limited, Karkowski Productions Limited, Gisborne Film & Media Limited, Peregrine and Falcon Limited, The Best Film Company Limited, Harold Wood Limited, Harefield Productions Limited, Kilimanjaro Productions Limited, Reading Wood Limited, Cumberland Gordon Productions Limited, Charvet Productions Limited, MSIP Limited, Montanet Investments Limited, Ox Mountain Ltd, Kite Hill Ltd, Un Deux and Trois Limited, Bavarian Nice Ltd, Kirkcaldy And Ravenscraig Ltd, Flint House Initiatives Limited, Trier Ltd, Helligan Ltd, Dorchester Stella Ltd, Thompson White Ltd, Carnegie Place Productions Limited, Henlaur Limited, Goalkeeper Investments Ltd, Little Grange Innovations Ltd, Emma Bella Ltd, Hellenica Ltd, Mediolanum Limited, Micheldever & Northbrook Ltd, Daivat 2 Ltd, Zero Kelvin Ltd, Toronto Productions Ltd, Portus Adurni Ltd, Roe, Bann and Bush Limited, Half Eagle Ltd, Nick Chaffey Film Production 1 Limited, Mike Dobson Film Production 4 Limited, Ram Initiatives Limited, Richmond Palace Ltd, Persian Garden Ltd, Sherborne Films 2008 Ltd, Makoni Productions Limited, Bradbury Films Ltd, Nairobi River Ltd, Fitzpain Limited, Stark Contrast Limited, Aescwine Limited, Stuart Borgman Film Production 1 Limited, Mark Stradling Film Production 1 Limited, Second Chance Renovations Ltd, Humber Land (Grimsby) Trustee One Limited, Humber Land (Grimsby) Trustee Two Limited, Burhill Kennels Properties Limited, Conington Estate Investments Limited, Stroude Farm Properties Limited, Stockley Investments Limited, Lisfinny Limited, Cherry Tree Trustee One Limited, Cherry Tree Trustee Two Limited, Alborada Limited, Basildon Trustee 1 Limited, Basildon Trustee 2 Limited, Weedon Road Trustee 1 Limited, Weedon Road Trustee 2 Limited, Monkswood Way Trustee 1 Limited, Monkswood Way Trustee 2 Limited, Ringwood Road Trustee 1 Limited, Ringwood Road Trustee 2 Limited, Fusiongold Limited, Hazenmoor Limited, Panthermane Limited, Ostingale Limited, Swan & Drake 1 Limited, Swan & Drake 2 Limited, Fern Trustee 1 Limited, Fern Trustee 2 Limited, Jessop Avenue Trustee 1 Limited, Jessop Avenue Trustee 2 Limited, Eden Street Trustee 1 Limited, Eden Street Trustee 2 Limited, M A Street Trustee 1 Limited, M A Street Trustee 2 Limited, Camrose Properties Limited, Corston Holdings Limited, Firefly Limited, Ringland Properties Limited, Watermark NL Limited, Zamora Limited, Cheval Noir Investments Limited, April Point Properties Limited, Michellisa Properties Limited, Glow-Worm Properties Limited, Winsley Properties Limited, Keyway Properties Limited, Ochre Properties Limited, Sandford Farm Properties Limited, SDH Trustee One Limited, SDH Trustee Two Limited, Securitised Instantly Repackaged Perpetuals Limited, Egyptinvest One Limited, Yosemite Securities Company Ltd, Amedis Commercial Finance Limited, UK & European Investments (Chiswick) Ltd, UK & European Investments (Redhill) Ltd, Chantelys Investments Limited, UK & European Investments (Bristol) Ltd, Corporate Real Estate Equity Capital Limited, Savior Faire Properties Limited, Strazo Investments Limited, Karibu Limited, Peterborough Court (Nominees) I Limited, Peterborough Court (Nominees) II Limited, Barnwood Properties Limited, Bath Holdings Limited, CET (New Europe) Limited, Liquid Petroleum Gas Development Ltd, Midlin Properties Limited, Newman Street Investments Limited, Perceptive Holdings Limited, Raneen Properties Limited, Shalot Properties Limited, Sea Freedom Limited, Showmaxx Rights Limited, MasterSearch Management Consultants Limited, Newport Holdings Limited, Tanlan Limited, Ezyrik Holdings Limited, Chakalak Limited, Cuvette Investments Limited, Peregrine Finad Limited, Optimate Holdings Limited, BW Investments Limited, TAJRV LTD, Amirati Investments Limited, MHL Investments Limited, Cadenza Management Limited, Zebedhee Properties Limited, GFF Limited, Hernando Investments Limited, Holcroft Limited, Terrace Hill (Awdry) Limited, Norrismount Holdings Limited, Luba Primitive Limited, Silverstone Holdings Limited, Homecourt Limited, Woodlands Holdings Limited, GVG Distribution Limited, Lou Investments Limited, Rada Investments Limited, Mermaid Holdings Limited, Siberia Overseas Limited, Bannerman (Capital) Limited, Ashes Property Limited, Chalk Hill Holdings Limited, Convergence Group International SA,

Access Investments (Jersey) Limited, Pinnata Limited, PCP (Jersey) Limited, Triforium Investments Limited, Eklus Holdings Limited, Ringsend Property Limited, Ming Holdings Ltd, Fernando Holdings Limited, Premier Asset Collateralized Entity Limited.

Director

Nigel Syvret

Current directorship or partnership

JTC Securities Limited, JTC Corporate Services Limited, JTC Trustees Limited, JTC Properties (Elizabeth House) Limited, Watermark Holdings Limited, Jersey Trust Company Limited, JTC Group Limited, Certain Funding Limited, M & A International Investments Holdings Inc, Wickets Investments Limited, Carmin Invest SA, Austra Corp, Hong Kong Mortgage Financing Limited, Irongame Holdings Limited, Whitecote Limited, Baligay Limited, SES Limited, DNA Holdings Limited, Bespoke Investments Limited, Tic Toc Films Limited, Van Reijendam Investments Limited, DCLW Consulting Limited, MFF Leasing Limited, Ammar Holdings Limited, JTC Holdings Limited, Avalanche Investments Limited, Tabreed Project Finance One Limited, Commerzbank International Trust (Jersey) Limited, Sauluna Invest Holding Ltd, WFPF Management Limited, Sherwood Films Limited, Coral International Resources Inc, Karvelen Limited, CMS Holdings Limited, MFB Films Limited, JTC Management Limited, Quadroon Holdings Limited, Curzon Two Limited, Curzon Three Limited, Ellisfield Investments Limited, Cadenza International Limited, Land Project and Development Limited, Polaris Investment Holdings Ltd, Loxley Films Limited, WorldNet Capital Management Limited, Root Holdings Limited, JTC Fund Services Limited, Worldwide Music Corporation, Lincoln Investments Limited, SugarInvest Limited, Haiku Releasing Limited, Tungsten Group Limited, UBS Capital Americas Cayman, Ltd, Antalis US Funding Corp., Hudson Investment Holdings Limited, UBS Capital Jersey Corporation I Ltd, Blue Swan Insurance (Jersey) Limited (in liquidation), Shorething Limited, UBS Capital Americas North Ltd, Declaron Trustee Limited, Highgrove Trustee Limited, Corsaire Limited, Phoenix Films Limited, N17 Limited, Rock Solid Limited, Safety Net Limited, Carrera Limited, Rosery Estates Limited, Cyclone Limited, Tungsten Group (2) Limited, Chester Terrace Limited, Dr Pooter Limited, Infinite End Limited, Ditco Vehicles Limited, Lowndes Lodge Limited, Global Residential Properties Limited, Global Residential Developments Limited, 5-7 Yeoman's Row Limited, Connaught House Limited, Global Foundation Holdings Limited, Mayfair Mezzanine Limited, Etna Range Limited, 14 Yeomans Row Limited, Volos Limited, MSF Leasing Limited, Caribe Entertainment Limited, Manolete Limited, Blue Diamond Management Limited, BrightWater Aquatics Limited, Defiant Productions Limited, 12a Yeomans Row Limited, BrightWater Enterprises Limited, Hero Football Holdings Limited (formerly Norion Investments Corp.), MRD Limited, Glenview Property Holdings Limited, Hero Football Fund Limited, 9 Yeomans Row Limited, Lakeshore Entertainment Group Jersey Limited, Saville Real Estates Ltd, Taunus Consultants Limited, MSF Shipping Limited, Worton Grange Industrial Limited, Uchida S.A., Lateen Limited, Commercial Property Management Limited, MBR Limited, JTC Trustees (BVI) Limited, JTC (BVI) Limited, JTC Directors (BVI) Limited, JTC Corporate Services (BVI) Limited, Yeomans Residential Limited, Renewable Energy Generation Limited, SLH Investments Limited, Red Harrison Limited, Minotaur Films Limited, DBG Development Capital Eastern Europe Limited, Taliesin Jersey Limited, Taliesin Limited, Wharf Air Industries Limited, MBR No.2 Limited, Northpoint Partners ICC, Walden Equity Limited, Chopper Holdings Limited, JTC Holdings (BVI) Limited, Velvet Heights Limited, Greenslades Limited, Silver Blue Properties Limited, Rhombus Receivables Limited, JTC Trustees (UK) Limited, Brass Hat Films International Limited, West End Building Materials SARL, Lucky Mill Holdings Limited, Ingenious (Jersey) Film Sales Limited, Bogany Holdings Limited, Mint Green One Limited, New Port Development S.a.r.l, India Carried Interest Limited, MSF Partnership Services ICC, MSF Enterprise No.1 IC, MSF Vanguard No.1 IC, M Health International Limited, Vine Court Estates Limited, Gryphon Overseas Limited, LMM Partners, RDI Financial Services Limited, MSF Vanguard No 2 IC, Millharbour Investments Limited, Temmart Limited, JTC Directors Limited, MSF Vanguard No.3 IC, Northpoint Orange IC, Franklin Global Limited, Spinner Limited, Albemarle Fair Oaks Airport Limited, Mattsam Limited, Foresight European Solar 2 Limited, BMF Investments Limited,

Foresight European Solar 1 Limited, Northpoint Partners Solar IC, G.F. Shui (B.V.I.) Ltd., Eklus (Mauritius) Limited, Eklus (BVI) Limited, Mawingo Investments Limited, Colourpoint Investments Limited, Macanillo Investments Limited, Bowker Capital Holdings Limited, Castle Directors Limited, JTC Foundations Limited Candel Investments Limited.

Past Directorships

Linthor Holdings Ltd, Minotaur Films Limited, Telmil (Yeovil) Limited, Cant Enterprises Ltd., Ravensbeck Investments Ltd., Jeeves Enterprises Ltd., Tungrand Ltd, Quintus Management Limited, Samarkand Films Limited, Quintus Consultants Limited, Westside & City Holdings Limited, Heathcote Holdings Limited, JTC Corporate Services (BVI) Limited, JTC Directors (BVI) Limited, JTC Trustees (BVI) Limited, JTC (BVI) Limited, Inveresk Consulting Limited, Hughestone Development Limited, Fergana Holdings Limited, JTC (UK) Limited, JTC Trustees (UK) Limited, JTC Corporate Services (UK) Limited, UBS Capital Americas South Ltd, Axis Sports & Entertainment Limited, Fitzpain Limited, Allegretto Limited, CREEC (Bedford) Limited, Arx Equity Partners Limited, DBG Asset Management Limited, Belmondos Property Investments Limited, Temple Wood Developments Limited, Eumundi Properties Limited, Jaspers Property Investments Limited, Blue Aura Limited, Moorgate Associates Institutional Investment Advisory Services Limited, Two Orchards Properties Limited, Rectory Limited, Numology Limited, STM Fiduciaire Trustees Limited, Sogerepar Holding Company Limited, Humber Land (Grimsby) Trustee One Limited, Humber Land (Grimsby) Trustee Two Limited, Burhill Kennels Properties Limited, Stroude Farm Properties Limited, Stockley Investments Limited, Lisfinny Limited, Silver Reef Properties Limited, Emory Properties Limited, Creake Limited, Roches Properties Limited, Annica Trust Company Limited, Cherry Tree Trustee One Limited, Cherry Tree Trustee Two Limited, Alborada Limited, Basildon Trustee 1 Limited, Basildon Trustee 2 Limited, Weedon Road Trustee 1 Limited, Weedon Road Trustee 2 Limited, Monkswood Way Trustee 1 Limited, Monkswood Way Trustee 2 Limited, Ringwood Road Trustee 1 Limited, Ringwood Road Trustee 2 Limited, Swan & Drake 1 Limited, Swan & Drake 2 Limited, Fern Trustee 1 Limited, Fern Trustee 2 Limited, Jessop Avenue Trustee 1 Limited, Jessop Avenue Trustee 2 Limited, Eden Street Trustee 1 Limited, Eden Street Trustee 2 Limited, M A Street Trustee 1 Limited, M A Street Trustee 2 Limited, Fabian Romania Limited, April Point Properties Limited, Cheval Noir Investments Limited, Camrose Properties Limited, Zamora Limited, Ringland Properties Limited, Firefly Limited, Corston Holdings Limited, Watermark NL Limited, Michellisa Properties Limited, Glow-Worm Properties Limited, Winsley Properties Limited, Keyway Properties Limited, Ochre Properties Limited, Logitech (Jersey) Limited, Warwick Square Limited, Sandford Farm Properties Limited, SDH Trustee One Limited, SDH Trustee Two Limited, Egyptinvest One Limited, UK & European Investments (Chiswick) Ltd, Amedis Commercial Finance Limited, Securitised Instantly Repackaged Perpetuals Limited, Yosemite Securities Company Ltd, UK & European Investments (Redhill) Ltd, Chantelys Investments Limited, UK & European Investments (Bristol) Ltd, Corporate Real Estate Equity Capital Limited, Savior Faire Properties Limited, Strazo Investments Limited, Karibu Limited, Peterborough Court (Nominees) I Limited, Peterborough Court (Nominees) II Limited, Scaramouche Investments Limited, Sabot Investments Limited, Draco Maidenhead Limited, Draco Southampton Limited, Investors In Arabia Limited, Draco (St.Andrews) Limited, Draco Kings Chase Limited, Draco Brettenham Limited, PCP (Jersey) Limited, Redbank Investments Limited, John Sisk & Son Africa Holdings Limited, Triforium Investments Limited, Ringsend Property Limited, Interport Limited, Trans-Baltica Container Line Ltd., Global Sea Trade Limited, Loxodonta Properties Limited, Tanlan Limited, MasterSearch Management Consultants Limited, Sea Freedom Limited, Liquid Petroleum Gas Development Ltd, Perceptive Holdings Limited, Showmaxx Rights Limited, Barnwood Properties Limited, Bath Holdings Limited, Midlin Properties Limited, Newport Holdings Limited, Raneen Properties Limited, Shalot Properties Limited, CET (New Europe) Limited, Ezyrik Holdings Limited, Chakalak Limited, Cuvette Investments Limited, Optimate Holdings Limited, BW Investments Limited, Newman Street Investments Limited, TAJRV LTD, Peregrine Finad Limited, Amirati Investments Limited, MHL Investments Limited, Cadenza Management Limited, Zebedhee Properties Limited, GFF Limited, Hernando Investments Limited, Holcroft Limited, Terrace Hill (Awdry) Limited, Norrismount Holdings Limited, Luba Primitive Limited, Silverstone Holdings Limited,

Homecourt Limited, Woodlands Holdings Limited, GVG Distribution Limited, Lou Investments Limited, Rada Investments Limited, Mermaid Holdings Limited, Siberia Overseas Limited, Bannerman (Capital) Limited, Ashes Property Limited, Chalk Hill Holdings Limited, Convergence Group International SA (in liquidation), Access Investments (Jersey) Limited, Pinnata Limited, Gloucester Estates (Landsberger) Limited, Gloucester Estates (Wandsbeker) Limited, Gloucester Estates (Holdings) Limited, Flintstone Finance Limited, Ming Holdings Ltd, Fernando Holdings Limited, Premier Asset Collateralized Entity Limited.

- 3.2 Michael Liston was a director of KSK Emerging India Energy Fund Limited. The company was placed in members voluntary liquidation on 22 January 2009. The company has yet to be dissolved.
- 3.3 None of the letters of appointment entered into between each Director and the Company provide for benefits on termination.

4. Material Contracts

Save where otherwise Publicly Disclosed, the following contracts (not being contracts entered into in the ordinary course of business have been entered into by a member of the Group either (i) within the two years immediately preceding the date of this Circular and are or may be material or (ii) more than two years prior to the date of this document but contain a provision under which any member of the Group has an obligation or entitlement which is material in each case at the date of this document:

4.1 CoSec Agreement

4.1.1 It is proposed that with effect from the Company becoming incorporated as a limited liability company under the Jersey Companies Law, the Company will enter into an “Agreement for the Provision of Company Secretary and Administrative Services” with JTC Management Limited.

4.1.2 Pursuant to the CoSec Agreement:

- (a) JTC Management Limited will act as company secretary of the Company providing services including, but not limited to, the convening and handling of meetings of Shareholders and Directors; the delivery of information and returns to any applicable regulatory authorities of Jersey or elsewhere; and the keeping of the statutory books and records of the Company;
- (b) JTC Management Limited will act as administrator of the Company and will provide services including, but not limited to, the general administration of the Company; advising and assisting with compliance by the Company with the reporting requirements of AIM and the JFSC; and keeping the records of the Company;
- (c) JTC Management Limited’s liability under the CoSec Agreement is limited in that, in the absence of any breach of the CoSec Agreement by JTC Management Limited due to JTC Management Limited’s negligence, bad faith, fraud or dishonesty in the performance of its duties, JTC Management Limited shall not be liable to the Company on account of anything done, omitted or suffered by JTC Management Limited (or its subsidiaries, affiliates, directors and other officers, shareholders, servants, employees, agents and permitted delegates) in good faith;
- (d) JTC Management Limited receives an indemnity from the Company against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, claims, demands, suits, costs, expenses or disbursements of any kind or nature whatsoever, which may be imposed on, incurred by, or asserted against JTC Management Limited, howsoever arising (other than by reason of negligence, bad faith or dishonesty on the part of JTC Management Limited or breach of the CoSec Agreement by JTC Management Limited) in connection with the provision of its services under the CoSec Agreement;

- (e) the CoSec Agreement is terminable by either party on 90 days written notice (or such shorter notice as the other party may agree to accept) or forthwith if either party commits a material breach of the CoSec Agreement or goes into liquidation; and
- (f) JTC Management Limited will charge fees on a time spent basis payable quarterly in arrears, and it is anticipated that the administration fee will be in the region of £120,000 per annum.

4.2 **Offshore Registrar Agreement**

4.2.1 It is proposed that with effect from the Company becoming incorporated as a limited liability company under the Jersey Companies Law, the Company will enter into an “Offshore Registrar Agreement” with Capita Registrars (Jersey) Limited;

4.2.2 Pursuant to the Offshore Registrar Agreement:

- (a) Capita Registrars (Jersey) Limited will act as registrar of the Company;
- (b) Capita Registrars (Jersey) Limited receives an indemnity from the Company against any third party claims except to the extent that the claim is due to the fraud, negligence or wilful default of Capita Registrars (Jersey) Limited or its agents, officers or employees;
- (c) the Offshore Registrar Agreement is terminable by either party on three months’ notice expiring on or after the second anniversary of the date of the Offshore Registrar Agreement or otherwise if one of the parties goes into liquidation or if Capita Registrars (Jersey) Limited ceases to hold the necessary consents to enable it to act as a registrar;
- (d) Capita Registrars (Jersey) Limited will charge a fee of £2.11 per shareholder account per annum subject to a minimum annual charge of £5,806 per annum including, *inter alia*, fees in the sum of £2,000 per annum for the maintenance of the register in Jersey and reimbursement of all reasonable out of pocket expenses incurred by Capita Registrars (Jersey) Limited on behalf of the Company.

4.3 **HBOS Facility Agreement**

4.3.1 The Facility Agreement was entered into between (1) the Bank in its capacities as Lender, Agent, Arranger, Hedging Provider and Security Trustee (“BoS”) (2) The Cornwall Light and Power Co. Limited (the “Borrower”) (3) the Company and (4) Bio-Power UK Limited, Living Fuels Limited, Living Power Limited and the other companies listed in part 1 of Schedule 1 therein (together with the Company, the “Obligors”) (the “Facility”).

4.3.2 Pursuant to the Facility Agreement:

- (a) BoS made available to the Borrower a multi currency revolving loan and letter of credit facility in an aggregate amount of up to £20,000,000 for the purposes of capital expenditure incurred in connection with the development of wind farms in the United Kingdom and Canada or for the purposes of meeting counter-indemnity obligations under any letter of credit issued under the Facility;
- (b) interest on each loan made under the Facility is payable at the rate of 3 month LIBOR plus an accreting margin of 3.5 per cent. to 4 per cent. per annum;
- (c) each Obligor provided a cross guarantee and indemnity to BoS in respect of the borrowers’ obligations under the Facility Agreement;
- (d) Debentures dated 16 October 2007 and 30 December 2008 between (1) the Borrower and certain Obligors and (2) BoS relating to the Facility Agreement were granted pursuant to which BoS has been granted fixed and floating charges over all the assets and undertaking of the Borrower and the Obligors as security for making the Facility available to the Borrower;

- (e) a pledge agreement dated 16 October 2007 between (1) AIM PowerGen Limited and (2) BoS pursuant to which AIM PowerGen Limited grants a security interest in favour of BoS in respect of AIM PowerGen Limited's shareholding in AIM PowerGen Corporation as security for BoS making the Facility available to the Borrower; and
- (f) a general security agreement dated 16 October 2007 (1) between AIM PowerGen and (2) BoS pursuant to which AIM PowerGen grants in favour of BoS a security interest in all present and future personal property and undertaking of AIM PowerGen.

4.4 ***Equity Purchase Agreement***

For the purposes of the sale by the Company of its interest in the 50MW Tymien wind farm located on the Baltic Coast, the Company entered into an Equity Purchase Agreement on 15 October 2007 with Invenergy Wind Europe II LLC in relation to the sale by the Company of its 50 per cent. voting interest and 50 per cent. ownership interest (comprising Class B membership interests) in Invenergy Wind Tymien LLC, a Delaware limited liability company, for a sale price of £10,000,000 payable on close. Signature and closing were simultaneous. Warranty cover was limited and included matters such as title, authorisation and capacity. The agreement was governed by the laws of the State of Delaware.

4.5 ***Sale Agreement***

A summary of the key material terms of the Sale Agreement is set out in Part 1 of this Circular, at Page 11, under the heading "*Details of the Disposal: Terms of the Sale Agreement*".

- 4.6 Pursuant to a share and business sale agreement dated 25 July 2007 between Adrian Venni and The Cornwall Light & Power Company Limited ("CLP"), Living Power Limited and Living Fuel Limited (the "Hockwold Facility Agreement"), CLP acquired the Hockwold Facility and was granted options over (i) shares comprising 80 per cent. of the issued share capital of Living Power Limited and (ii) 20 per cent. of the issued share capital of Living Fuel Limited (the "Call Option"). CLP assigned its rights and interests in the Hockwold Facility Agreement to REG Bio Power UK Limited ("REG Bio") pursuant to a deed of assignment and amendment agreement dated 26 September 2007, and REG Bio subsequently exercised the Call Option on 26 September 2007.
- 4.7 Pursuant to a sale and shareholders' agreement dated 2 June 2008 between Adrian Venni, REG Holdings Limited and REG Bio (the "LF/ LP Sale Agreement"), REG Bio acquired from Adrian Venni (i) the remaining 20 per cent. of the issued share capital of Living Power Limited and (ii) the remaining 80 per cent of Living Fuels Limited (such that Living Fuels Limited and Living Power Limited became wholly owned subsidiaries of REG Bio) in consideration for the allotment of shares comprising 10 per cent. of the enlarged issued share capital of REG Bio.

5. The Takeover Code and Compulsory Squeeze Out and Sell Out Rights

- 5.1 The Code is issued and administered by the Panel. The Company is a company to which the Code applies, and its shareholders are accordingly entitled to the protections afforded by the Code. Under Rule 9 of the Code, any person who acquires an interest (as defined in the Code) in shares which, taken together with the shares in which he is already interested and in which persons acting in concert with him are interested, carry 30 per cent. or more of the voting rights of a company which is subject to the Code, is normally required to make a general offer to all the remaining shareholders to acquire their shares.
- 5.2 Similarly, when any person, together with persons acting in concert with him is interested in shares, which in aggregate carry not less than 30 per cent. of the voting rights of a company which is subject to the Code, but does not hold shares carrying more than 50 per cent. of the voting rights of the company, a general offer would normally be required if any further interests in shares are acquired by any such person, or any persons acting in concert with him, which increases the percentage of the shares carrying voting rights in which they are together interested.

- 5.3 An offer under Rule 9 must be in cash and at the highest price paid by the person required to make the offer, or any person acting in concert with him, for any interest in shares of the company during the 12 months prior to the announcement of the offer.
- 5.4 Currently, the Code applies to the Company on a statutory basis in Guernsey pursuant to the Companies (Guernsey) Law, 2008. If the Migration Proposal is approved by Shareholders at the EGM and becomes effective, such that the Company's place of incorporation becomes Jersey, the Code would then apply to the Company on a statutory basis in Jersey pursuant to the Companies (Takeovers and Mergers Panel) (Jersey) Law 2009.
- 5.5 The Companies (Guernsey) Law 2008 as amended (the "Guernsey Companies Law"), which currently applies to the Company, contains provisions in relation to compulsory acquisition of shares in the event of a takeover offer as follows:
- 5.5.1 Following the making of an offer ("Offer") by a purchaser (the "Purchaser"), the Guernsey Companies Law allows a 4 month period (the "Offer Period") in which the Offer has to be accepted by the vendors of shares in the Company comprising 90 per cent. in value of the shares affected.
- 5.5.2 If, at the end of the Offer Period, 90 per cent. in value of the vendors (the "Accepting Vendors") have accepted the Offer, the Guernsey Companies Law allows a further 2 month period during which the Purchaser can give a notice (a "Notice to Acquire") to any shareholders who have not accepted the Offer (the "Dissenting Shareholders").
- 5.5.3 Immediately following the date on which the Notice to Acquire is sent to the Dissenting Shareholders, the Guernsey Companies Law allows a one month period during which the Dissenting Shareholders can apply to the Court for the cancellation of the Notice to Acquire (the "Court Cancellation Period").
- 5.5.4 If the Notice to Acquire has not been cancelled by the Court by the end of the Court Cancellation Period, the Guernsey Companies Law provides that the Purchaser shall: (a) send a copy of the Notice to Acquire to the Company; and (b) pay or transfer to the Company the consideration required under the Notice to Acquire in respect of the shares he is entitled to acquire from the Dissenting Shareholders (the "Consideration"), and on receipt of the Notice to Acquire and the Consideration, the Company shall register the Purchaser as holder of those shares.
- 5.6 Assuming the Migration Proposal becomes effective and the Company's place of incorporation becomes Jersey, Part 18 (Article 116 to 124A) of the Jersey Companies Law would apply to the Company, which contains provisions in relation to compulsory acquisition of shares in the event of a takeover offer. Those provisions provide as follows:
- 5.6.1 The Jersey Companies Law defines a takeover offer as an offer to acquire all the shares, or all the shares of any class or classes, in a company (other than shares which at the date of the offer are already held by the offeror), being an offer on terms which are the same in relation to all the shares to which the offer relates or, where those shares include shares of different classes, in relation to all the shares of each class.
- 5.6.2 If, in a case in which a takeover offer (as defined in the Jersey Companies Law) does not relate to shares of different classes, the offeror has by virtue of acceptances of the offer acquired or contracted to acquire in the case of a par value company, not less than 9/10ths in nominal value of the shares to which the offer relates, the offeror may give notice, to the holder of any shares to which the offer relates which the offeror has not acquired or contracted to acquire, that he or she desires to acquire those shares.
- 5.6.3 If, in a case in which a takeover offer relates to shares of different classes, the offeror has by virtue of acceptances of the offer acquired or contracted to acquire in the case of a par value company, not less than 9/10ths in nominal value of the shares to which the offer relates, the offeror may give notice, to the holder of any shares of that class which the offeror has not acquired or contracted to acquire, that he or she desires to acquire those shares.

- 5.6.4 No notice shall be given under paragraphs 5.6.2 or 5.6.3 above unless the offeror has acquired or contracted to acquire the shares necessary to satisfy the minimum specified in that paragraph before the end of the period of 4 months beginning with the date of the offer; and no such notice shall be given after the end of the period of 2 months beginning with the date on which the offeror has acquired or contracted to acquire shares which satisfy that minimum. There are provisions as to the form that notices must take and the methods of payment pursuant to the Jersey Companies Law.
- 5.6.5 If an offeror does not give a notice in accordance with the above provisions:
- (a) If a takeover offer relates to all the shares in a company and at any time before the end of the period within which the offer can be accepted (i) the offeror has by virtue of acceptances of the offer acquired or contracted to acquire some (but not all) of the shares to which the offer relates; and (ii) those shares (with or without any other shares in the company which he or she has acquired or contracted to acquire) amount, in the case of a par value company, to not less than 9/10ths in nominal value of all the shares in the company, the holder of any shares to which the offer relates who has not accepted the offer may by a written communication addressed to the offeror require him or her to acquire those shares.
 - (b) If a takeover offer relates to shares of any class or classes and at any time before the end of the period within which the offer can be accepted (i) the offeror has by virtue of acceptances of the offer acquired or contracted to acquire some (but not all) of the shares of any class to which the offer relates; and (ii) those shares (with or without any other shares of that class which he or she has acquired or contracted to acquire) amount, in the case of a no par value company, to not less than 9/10ths in nominal value of all the shares of the relevant class or classes in the company, the holder of any shares of that class who has not accepted the offer may by a written communication addressed to the offeror require him or her to acquire those shares.
- 5.6.6 Within one month of the time specified in paragraph 5.6.5(a) or, as the case may be, paragraph 5.6.5(a) above, the offeror shall give any shareholder who has not accepted the offer notice of the rights that are exercisable by the shareholder under that paragraph; and if the notice is given before the end of the period mentioned in that paragraph it shall state that the offer is still open for acceptance.
- 5.6.7 A notice under paragraph 5.6.5(a) above may specify a period for the exercise of the rights and in that event the rights shall not be exercisable after the end of that period; but no such period shall end less than 3 months after the end of the period within which the offer can be accepted.
- 5.6.8 Paragraph 5.6.5(a) above does not apply if the offeror has given the shareholder a notice in respect of the shares in question under the provisions summarised in paragraphs 5.6.2 or 5.6.3 above.
- 5.7 There has been no takeover offer (within the meaning of the Guernsey Companies Law) for any Ordinary Shares whether in the current financial year or the last financial year.

6. Miscellaneous

- 6.1 The auditors of the Company are Ernst & Young LLP who have audited the Company's accounts for each of the three consecutive financial years ended 30 June 2008 and have given an unqualified report in respect of each of those accounts.
- 6.2 Since 30 June 2008 (the date to which the last published annual report and accounts of the Company was prepared):
- 6.2.1 no share or loan capital of the Company or any of its subsidiaries has been issued or been agreed to be issued fully or partly paid either for cash or otherwise or is proposed to be issued for cash or otherwise, other than in respect of the Plan and the Warrants;

- 6.2.2 no mortgages or charges have been granted over the assets of the Company;
- 6.2.3 there were no contingent liabilities or guarantees of the Company; and
- 6.2.4 no commission, discount, brokerage or other special terms have been granted by the Company in connection with the issue or sale of any such capital.
- 6.3 The Company is not engaged in any legal or arbitration proceedings and, so far as the Company is aware, no legal or arbitration proceedings are pending or threatened that may have or have had, during the 12 months prior to the date of this document, a significant effect on the Company's financial position.
- 6.4 All documents and remittances sent by or to Shareholders will be sent at Shareholders' risk. No acknowledgement will be issued to Shareholders for receipt of Forms of Proxy.
- 6.5 The Company's Shareholders all have the same voting rights.
- 6.6 Save as Publicly Disclosed, there are no patents or intellectual property rights, licences, industrial, commercial or financial contracts or new manufacturing processes, which are of material importance to the Company's business or profitability.
- 6.7 Save as Publicly Disclosed, no person (other than a professional advisor referred to in this document and trade suppliers) has received, directly or indirectly, from Group within the twelve months preceding the application for Admission or entered into contractual arrangements (not otherwise disclosed in this document) to receive, directly or indirectly, from Group on or after Admission, any of the following:
- (a) fees totalling £10,000 or more;
 - (b) securities in the Company with a value of £10,000 or more calculated by reference to the expected price on Admission; or
 - (c) any other benefit with the value of £10,000 or more at the date of Admission.
- 6.8 Save as Publicly Disclosed, none of the Directors nor any person who is part of a Director's family (as defined in the AIM Rules) has any interest, in any related financial product (as defined in the AIM Rules) referenced to the Ordinary Shares.
- 6.9 Save as set out in this Circular or otherwise as Publicly Disclosed, there has been no significant change in the financial or trading position of the Group since 31 December 2008, being the end of the six month financial period for which the unaudited interim financial statements of the Group have been published.

7. Documents Available for Inspection

Copies of the following documents will be available for inspection during usual business hours on any day (Saturdays, Sundays and public holidays excepted) at the registered office of the Company at Carey House, Les Banques, St Peter Port, Guernsey, Channel Islands GY1 4BZ from the date of this Circular up to and including the close of business on the date falling 1 month following the date of Admission:

- 7.1 this Circular;
- 7.2 the Memorandum of Incorporation of the Company;
- 7.3 the Articles of the Company; and
- 7.4 the New Articles of the Company to be adopted on incorporation in Jersey.

Dated: 30 September 2009.

PART 8

RENEWABLE ENERGY GENERATION LIMITED

*(Incorporated and registered in Guernsey under the Companies (Guernsey) Law, 2008
(as amended) with registered number 43099)*

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting of Renewable Energy Generation Limited will be held on 16 October 2009 at Carey House, Les Banques, St Peter Port Guernsey, Channel Islands GY1 4BZ at 10:00 a.m. to consider and, if thought fit, pass the following resolutions, of which resolution 1 which will be proposed as an ordinary resolution, and resolutions 2 and 3 will be proposed as special resolutions:

ORDINARY RESOLUTION

- 1 **THAT** for the purposes of Rule 15 of the AIM Rules for Companies issued by the London Stock Exchange plc, the Sale by the Company of the entire issued share capital of AIM PowerGen Corporation on the terms contained in the conditional Sale Agreement, as summarised in the Circular dated 30 September 2009 and sent to Shareholders of the Company with this notice, be and is hereby approved and the Directors of the Company be and are hereby authorised to make non material amendments, variations or extensions to the terms of the Sale as they consider necessary or desirable.

SPECIAL RESOLUTIONS

- 2 **THAT** conditional on: (i) resolution 1 above being passed and completion of the Sale occurring in accordance with the terms of the Sale Agreement (subject to any non material amendments, variations or extensions to the terms of the Sale as the directors of the Company consider necessary or desirable); (ii) the GFSC confirming that the Company will cease to fulfil the GFSC's criteria for classification as a closed-ended investment fund with effect from the Company's continuance as a limited liability company incorporated under the Jersey Companies Law; (iii) the GFSC confirming the revocation of the Company's Guernsey Consents with effect from the Company's continuance as a limited liability company incorporated under the Jersey Companies Law; and (iv) the GFSC and the JFSC consenting to the removal of the Company from the Register of Companies for the purpose of being incorporated as a limited liability company under the Jersey Companies Law:
 - (a) pursuant to section 88 of the Guernsey Companies Law, the Company be removed from the Register of Companies for the purpose of being incorporated as a limited liability company under the Jersey Companies Law;
 - (b) the Company shall cease to be designated as a closed-ended investment fund and become designated as an operating company with effect from the Company's continuance as a limited liability company incorporated under the Jersey Companies Law;
 - (c) the New Articles (in the form produced to the meeting and initialled by the chairman of the meeting for the purpose of identification), which will govern the Company's continued existence in Jersey be and are hereby approved (to the exclusion of and in substitution for the Articles) as comprising the constitutional documents of the Company to take effect upon the Company's continuance as a limited liability company incorporated under the Jersey Companies Law; and
 - (d) the Company's registered office in Jersey shall be at Elizabeth House, 9 Castle Street, St Helier, Jersey.

- 3 **THAT** in the event that the special resolution numbered 2 above is not passed and/or that the Migration Proposal is not able to proceed for whatever reason, the Board of Directors of the Company shall have authority to agree with the GFSC the terms upon which the Company shall remain as a company registered in Guernsey (including, subject to the agreement of the GFSC, the change of the Company's status as an authorised closed-ended investment fund to that of an operating company, or if such agreement is not reached, the terms on which the Company shall remain as a Guernsey authorised close-ended investment fund).

Words and expressions defined in the Circular shall have the same meanings when used in these resolutions unless the context otherwise requires.

30 September 2009
By Order of the Board

Registered Office:
La Plaiderie House
St. Peter Port
Guernsey GY1 1WF
Channel Islands

Notes:

1. Voting record time

Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company has specified that only those shareholders registered on the register of members of the Company as at 6.00 p.m. on 14 October, or if the EGM is adjourned, on the Company's register of members not less than 48 hours before the time of any adjourned meeting, shall be entitled to attend and vote at the meeting in respect of the number of ordinary shares in the Company registered in their name at the relevant time. Changes to entries on the Company's register of members after 6.00 p.m. on 14 October or, if the EGM is adjourned, on the Company's register of members not more than 48 hours before the time of any adjourned meeting, will be disregarded in determining the right of any person to attend and vote at the meeting.

2. Proxies

General information

As a shareholder of the Company, you are entitled to appoint a proxy or proxies of your own choice to exercise all or any of your rights to attend, speak and vote on your behalf at the EGM and you should have received a proxy form ("Form of Proxy"). You can only appoint a proxy using the procedures set out in these notes and the notes to the Form of Proxy.

A proxy does not need to be a shareholder of the Company but must attend the EGM to represent you. Details of how to appoint the Chairman of the EGM, the Company Secretary or another person or persons as your proxy using the Form of Proxy are set out in the notes to the Form of Proxy.

You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy you may photocopy the Form of Proxy. If you wish to appoint some other person or persons as proxy or proxies other than the Chairman of the Meeting or the Company Secretary, please indicate the proxy holder's name, address and the number of shares in relation to which they are authorised to act as your proxy. Please also indicate if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope.

If you do not give your proxy an indication of how to vote on any resolution, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the EGM.

Appointment of proxy using hard copy Form of Proxy

The notes to the Form of Proxy explain how to direct your proxy on how to vote on each resolution or withhold their vote.

To appoint a proxy using the Form of Proxy, the form must be:

- completed and signed;
- sent or delivered to Capita Registrars, Proxy Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU; and
- received by Capita Registrars at the above address no later than 10.00 a.m. on 14 October 2009 or, if the EGM is adjourned, not less than 48 hours before the time for holding the adjourned meeting.

Any power of attorney or any other authority under which the Form of Proxy is signed (or a duly certified copy of such power or authority) must be included with the Form of Proxy.

In the case of a shareholder which is a company, the Form of Proxy must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

In the case of joint shareholders, only one need sign the Form of Proxy. Joint shareholders shall not each have the right to vote individually in respect of their shares but shall elect one of their number to represent them and to vote whether in person or by proxy in their name. In default of such election the person whose name stands first on the Company's register of members shall alone be entitled to vote.

Changing your proxy instructions

To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

Where you have appointed a proxy using the hard-copy Form of Proxy and would like to change the instructions using another hard-copy Form of Proxy, please contact Capita Registrars, Proxy Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

Termination of proxy appointments

In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to the Capita Registrars at the address above. In the case of a shareholder which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power of authority) must be included with the revocation notice.

The revocation notice must be received by Capita Registrars, at the address above no later than 48 hours before the time and date scheduled for the meeting.

Appointment of a proxy does not preclude you from attending the EGM and voting in person. If you have appointed a proxy and attend the EGM in person, your proxy appointment will automatically be terminated.

Appointment of proxy using CREST electronic proxy appointment service

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the EGM and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members and those CREST members who have appointed a voting service provider should refer to their CREST sponsor or voting service provider, who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it relates to the appointment of a proxy, the revocation of a proxy appointment or an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the Company's agent, Capita Registrars (ID RA10) by the latest time(s) for receipt of proxy appointments specified above in this notice. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the Company's agent, Capita Registrars, is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to a proxy appointed through CREST should be communicated to the appointee by other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

3. Corporate representatives

Any corporation which is a shareholder of the Company may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its corporate representative at the EGM and to vote on any resolution at the EGM and the person so authorised shall be entitled to exercise on behalf of the corporation which he represents the same powers (other than to appoint a proxy) as that corporation could exercise if it were an individual shareholder of the Company.

In order to facilitate voting by corporate representatives at the EGM, arrangements will be put in place at the EGM so that (i) if a corporate shareholder has appointed the Chairman of the Meeting as its corporate representative to vote on a poll in accordance with the directions of all of the other corporate representatives for that shareholder at the EGM, then on a poll those corporate representatives will give voting directions to the Chairman and the Chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and (ii) if more than one corporate representative for the same shareholder attends the EGM but the corporate shareholder has not appointed the Chairman of the Meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives (www.icsa.org.uk) for further details of this procedure. The guidance includes a sample form of appointment letter if the Chairman is being appointed as described in (i) above.

4. Communications

No form of electronic communication shall be accepted.

