RENEWABLE
ENERGY GENERATION

Full Year Results Presentation

19 October 2010

Full Year Results

Group Overview - Andrew Whalley, Chief Executive Officer

- Operational highlights
- Strategy update

Financials - David Crockford, Finance Director

- Financial overview
- REG Bio-Power

REG Wind Development - Matt Partridge, Development Director

- Development progress
- New opportunities

Financial and operational Highlights

- Financial
  - Group revenues £6.2m (2009: £5.6m)
  - EBITDA loss of £0.9m (2009: £0.6m)
  - Loss before tax from continuing activities before exceptionals of £2.5m (2009: £2.4m)
  - Cash £22.1m
  - Final dividend of 1.5p per ordinary share
- Operational
  - Sale of Canada completed for CAN $125m
  - Construction of Goonhilly and Loscar wind farms (energised October 2010)
  - Expansion of development pipeline to 560MW
  - Purchase of High Haswell and St Breock wind farms
  - Construction of Hockwold oil processing plant (completed October 2010)
  - Internalization of key functions
  - Appointment of two senior non executive Directors to REG Board

Financial Review - Income Statement

	Wind	Biopower	Central Costs	30 June 2010	30 June 2009	31 Dec 2009
MW	26.25	5.35		31.6	22.5	22.5
MWh	39,270	4,768	-	44,038	47,454	26,145
	£m	£m	£m	£m	£m	£m
Revenue	5.3	0.9	-	6.2	5.6	3.5
Cost of Sales	(0.8)	(1.4)	-	(2.2)	(2.1)	(1.1)
Gross Profit	4.5	(0.5)	-	4.0	3.5	2.4
Administration	(1.8)	(0.9)	(0.7)	(3.4)	(3.0)	(1.5)
Development	(1.5)	-	-	(1.5)	(1.1)	(0.5)
EBITDA	1.2	(1.4)		(0.9)	(0.6)	0.4
Depreciation	(1.4)	(0.1)		(1.5)	(1.3)	(0.7)
Exceptional items	(0.9)		(0.1)	(1.0)	(0.5)	-
Discontinued	-	-	-	5.4	(7.0)	-
Tax	0.5	-	-	0.5	0.3	-
PAT	(0.6)	(1.5)	(0.8)	2.5	(9.1)	(0.3)

Wind output down 5% but wind revenues up 15% due to PPA prices

Elimination of the PEP contract and internalisation of operation and development functions

Increased spend on legal and communications of £250,000

Redomiciliation costs and IFRS adjustments

Increased development spend

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Financial Review – Balance Sheet and Cash

	30 June 2010	30 June 2009
NON-CURRENT ASSETS	£m	£m
Intangibles	11.2	8.7
Property, plant and equipment	37.9	23.0
	49.1	32.7
CURRENT ASSETS		
Trade and other receivables	9.8	1.9
Cash and restricted cash	22.1	0.7
	31.9	2.6
CURRENT LIABILITIES		
Trade and other payables	(3.2)	(1.9)
Borrowings	-	(15.0)
	(3.2)	(16.9)
Long term liabilities	(1.2)	-
Deferred Tax	(0.1)	(0.7)
Net assets of disposal group	-	63.4
NET ASSETS	76.5	81.1

Goodwill of £2.5m recognised on St.Breock purchase

Sale of AIM PowerGen created net cash inflow of c£58m after costs.

At 30 June 2010, £6.3m was held as deferred consideration.

£7.5m of post y/e capital commitments on Goonhilly and Loscar

HBoS revolving credit facility fully repaid and cancelled.

REG balance sheet is currently ungeared.

St Breock deferred consideration due after 1 year

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REG Goals Achieved in 2010

- Sale of AIM PowerGen for CAN $125m
- £33m committed to new projects during 2010
- Significant expansion of active wind development portfolio from 350MW to 560MW
- Mixture of organic and internal growth
  - Focus on internal development supplemented by “off market” transactions - St Breock and High Haswell
- Commercialisation of REG Bio-Power
  - Held up by DECC grandfathering of bioliquids
- Internalise operations
  - Operations and metrological data acquisition

Goonhilly - Construction commenced May, 2010.

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REG Strategic Goals for 2011

- Consent at least 20MW of new onshore wind projects
  - Sancton Hill 10MW approved subject to discharge of conditions
  - French Farm 4MW consented
- Continue to consider “off market” transactions where REG can add value:
  - Must fit with our existing portfolio technology
- Solar FIT opportunities
  - Existing sites and landowner relationships
  - Leveraging existing project development skills and experience
- Conclude refinancing of operating projects
  - To release new equity for reinvestment
  - Will fund at least £100m of new investment
- Conclude discussions with DECC over grandfathering of waste cooking oil
  - Construction of a further 10MW of CHP plant to fully utilise Hockwold processing capacity
  - Exploitation of global IP and operational experience

REG Wind – Review of Operations

- Total revenue £5.3m (2009: £4.6m)
- EBITDA of £1.2m (2009: £1.5m)
- 37.15MW operational
- Output 39,270MWh (2009: 41,146MWh)
- PPA with Smartest Energy to March 2011
- New PPA being put in place as part of project financing
- Insourcing:
  - Operations
    - Now run from Truro office
  - Met data acquisition
    - 15 metre meteorological masts
    - 3 remote sensing LIDAR units

Loscar - Turbines erected August, 2010.

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REG Wind portfolio: operating and under construction

Wind farm	Location	Date of commission	Technology	Capacity	P50 budgeted Output MWh	2010 annual Output	% of budgeted output
High Sharpley	County Durham	2009	Nordex N60	2.6MW	7410	5113	69.00%
High Pow	Cumbria	2008	Nordex N60	3.9MW	9800	7502	76.60%
Braich Ddu	Wales	2008	Nordex N60	3.9MW	8500	6812	80.10%
Roskrow Barton	Cornwall	2009	Vestas V52	1.7MW	5500	4556	82.80%
Whittlesey	Cambridgeshire	2009	Vestas V90	1.8MW	4964	2897	58.40%
Ramsey	Cambridgeshire	2009	Vestas V90	1.8MW	5346	4886	91.40%
Goonhilly - old	Cornwall	1994	Windane 34	5.6MW	9099	7245	79.60%
St Breock	Cornwall	1994	Siemens Bonus	4.95MW	300 [10900 pa]	275	91.66%
Total output for year					**50919**	**39270**	**77.10%**
Loscar	Yorkshire	2010	Acciona 1.5	4.5MW	11400	N/A	N/A
Goonhilly - new	Cornwall	2010	Vestas V80	12MW	29200	N/A	N/A
High Haswell	County Durham	2010	Vestas V80	4MW	12100	N/A	N/A
Total net portfolio output					**105,120***	**N/A**	**N/A**

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* excluding Goonhilly - old

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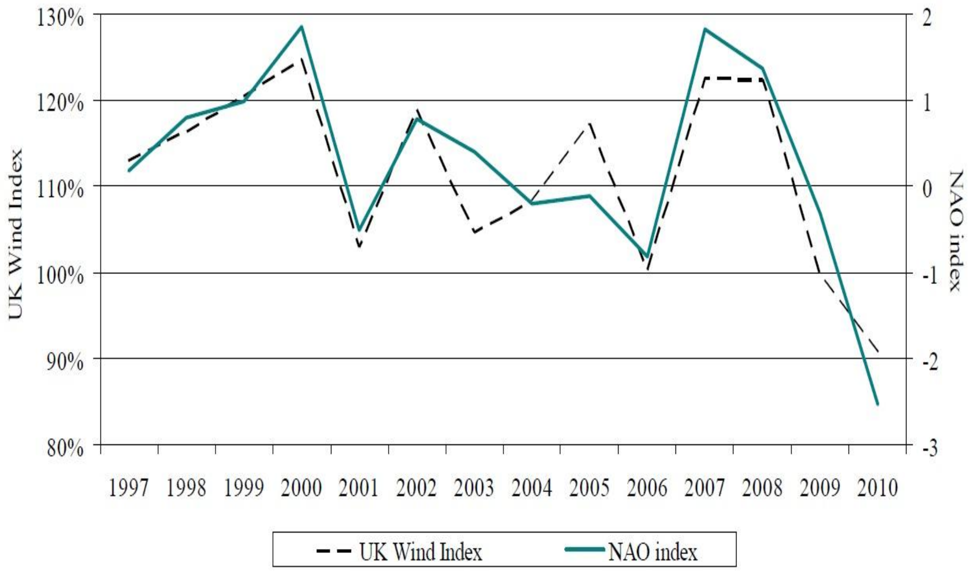
REG Wind - Analysis of operating portfolio

- Total output 39,270 MWh
- Achieved 77.10% of budgeted output against individual project wind reports*
- Annual output circa 50,000 MWh at P50 level
- REG commissioned Garrad Hassan to analyse portfolio performance in context of regional wind indices



- Overall mean of UK Wind Index for the year 92.8%*
- The lowest mean for any 12 month period since Index began in January 1996
- Small variations in wind resulted in significant differences in output
- REG portfolio performed in line with UK Wind Indices
- 2010/11 Wind indices have been slightly above average to date

*Garrad Hassan and SKM commissioned wind report

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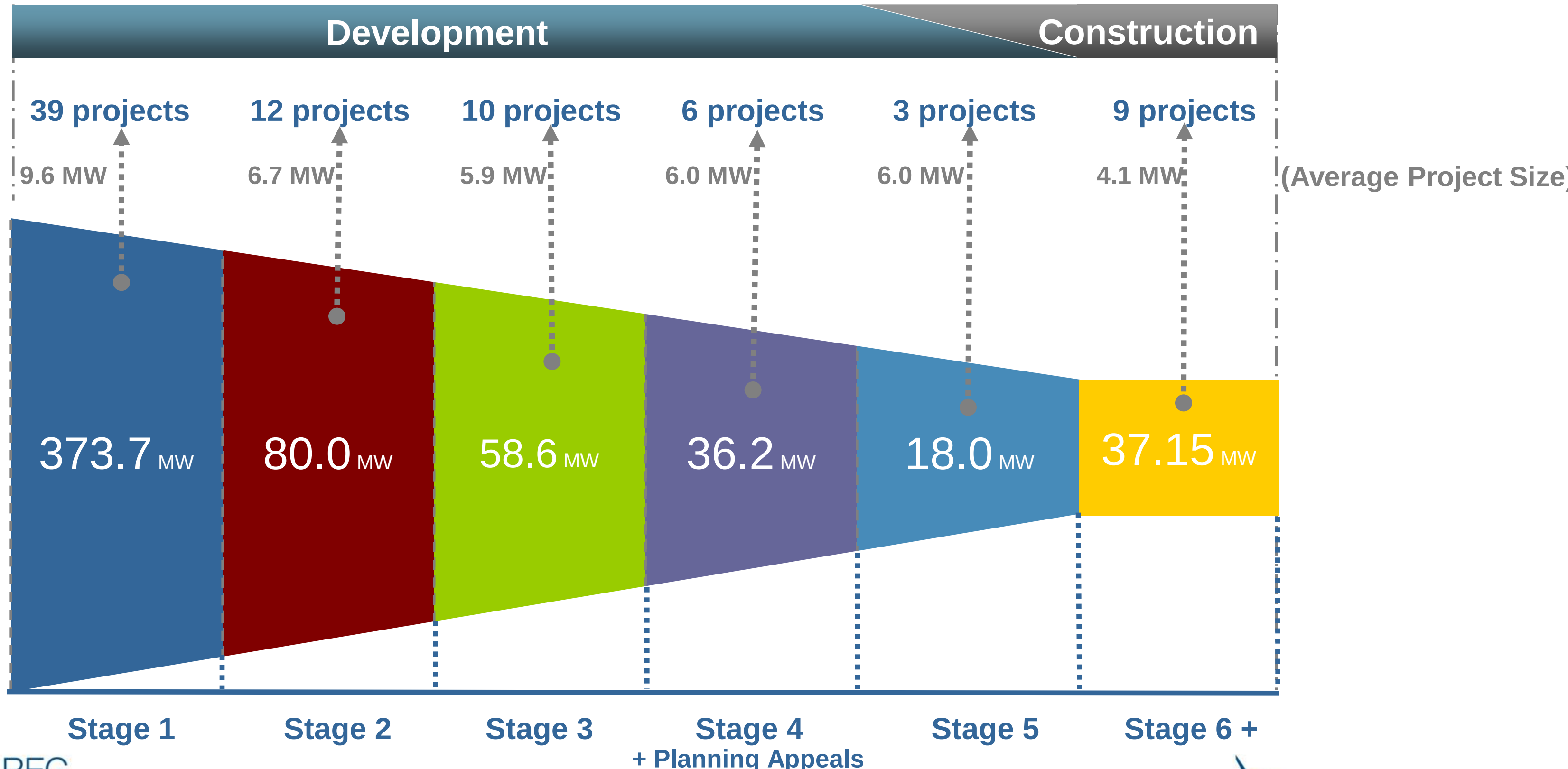
REG Wind – a platform for growth

- Greater development capacity to deliver more MW in the future
- Development "funnel" below shows REG's full wind portfolio now comprises some 560MW (plus 37.15 MW operating and 4MW in construction), with 70 projects in development



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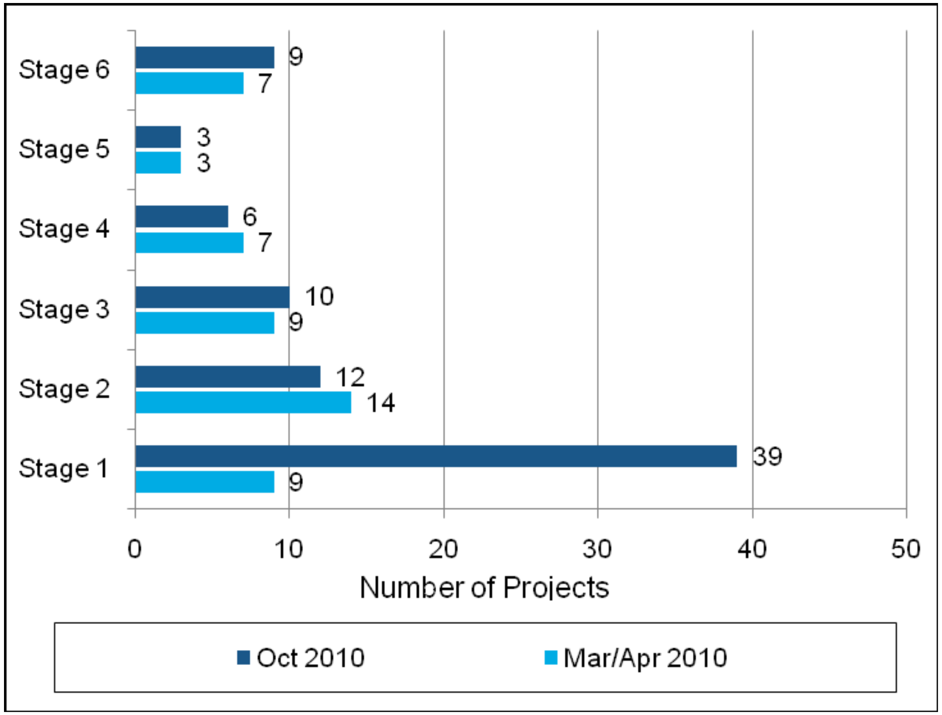
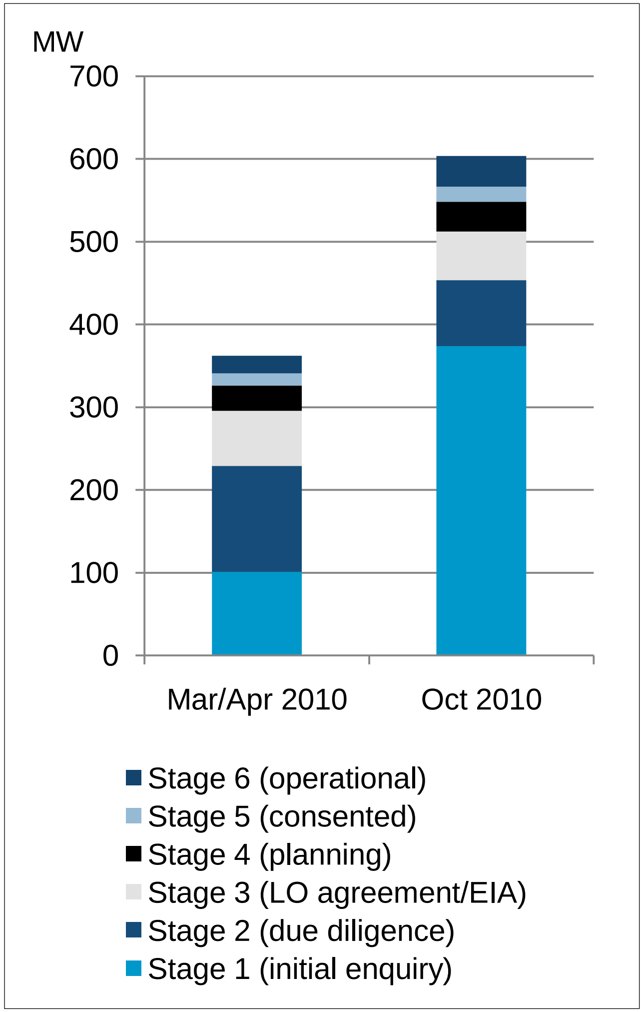
REG Wind Development Process





Significant advancement of wind portfolio in last 6 months – both in project and MW terms

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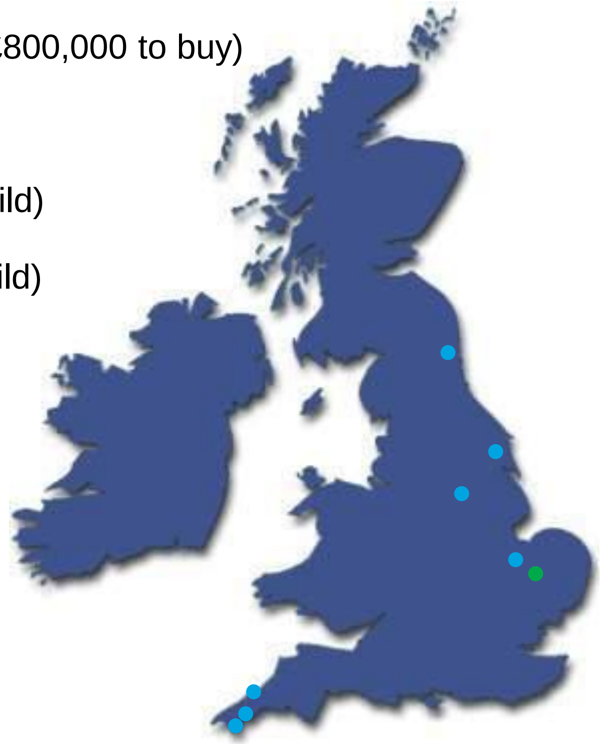
Our challenge to invest £100m by December 2012

Progress since sale of Canada

Goonhilly Downs	Cost £13m
Loscar	Cost £7m
High Haswell	Cost £8m (including £800,000 to buy)
St Breock	Cost £4m
Sancton Hill	Cost £12.5m (2011 build)
French Farm	Cost £5m (2012 build)
Hockwold processing plant	Cost £0.7m
Total investment	**£50.2m**



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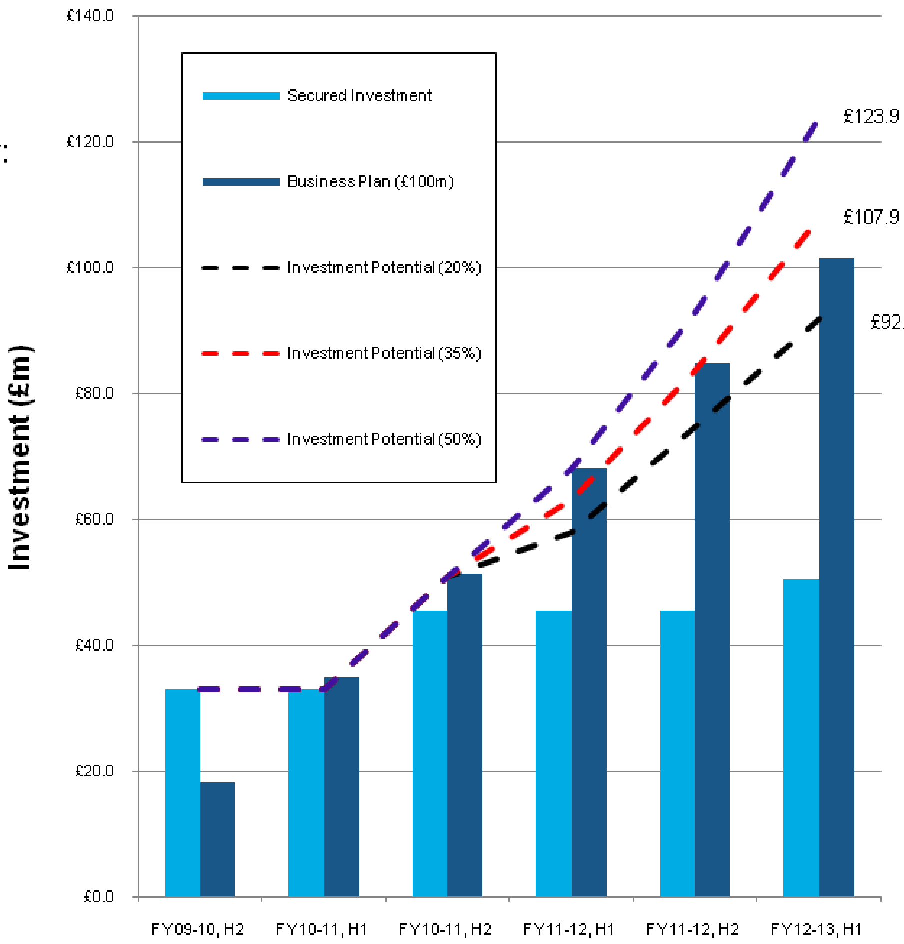
Reaching £100m

REG has modelled potential investment scenarios based on using in-house development resources only:

- **LOW** Assuming 20% Local Planning Authority ("LPA") planning permission rate
- **CENTRAL** Assuming 35% LPA planning permission rate
- **HIGH** Assuming 50% LPA planning permission rate

- Roughly 45-70MW of additional capacity (14MW already secured) during current Business Plan period
- Investment potential of some £60-£90m assuming an average CAPEX of ~£1.25m/MW, excluding acquisition investments
- Aim is to deliver new wind projects for £50,000 to £100,000 per MW "all in"



Organic growth can deliver the Business Plan

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Wind: Current political and other drivers

- Prime Minister, May 2010: I want new coalition to be the “greenest Government ever”
- Secretary of State for Energy and Climate Change, July 2010: onshore wind turbines are "incredibly competitive" in producing electricity
- Onshore wind is the "least cost zero carbon" technology option in the near to medium term with regards to generation costs, according to a report published by the Department of Energy and Climate Change (DECC) in June 2010
- OFGEM’s ongoing Project Discovery analysis considers how the UK electricity sector can deliver “secure and sustainable electricity and gas supplies over the next 10-15 years”; in February 2010 it broadly concluded that the “greener” the electricity mix, the slower energy bills will rise (see image)

	Green Transition	Green Stimulus
Key supply risk:	Generation variability	Generation variability
CO_2 impact:	Down 33% by 2020	Down 46% by 2020
Impact on bills:	Up by 23% by 2020	Up 13% by 2020
Invt required:	£194bn	£190bn
	Dash for Energy	**Slow Growth**
Key supply risk:	Gas import dependency	Deferred investment
CO_2 impact:	Down 14% by 2020	Down 19% by 2020
Impact on bills:	Up 52% by 2016	Up 19% by 2020
Invt required:	£110bn	£95bn

REG Bio-Power - Review of Operations

- Total revenue £900,000 (2009: £900,000)
- 5.35MW operational
- Output 4,768MWh
- Focus on CHP (ROC benefits)
- Hockwold Processing plant now complete and operational
  - Processing 20m litres per annum of waste oil into LF100
  - Uses no additives or chemicals to produce Environment Agency accredited fuel – LF 100
  - Used to fuel stand alone CHP power stations, Bentwaters, Hockwold and Port of Dover plus a further 10MW
- Mott MacDonald report concludes that “there is no evidence that the engines are suffering more wear or other ill effects than if they were running on 100% red diesel fuel”

REG Bio-Power – Building profitability

- CHP Conversion of Bentwaters due for completion by Dec 2010
  - Will increase ROCs to 2/MWh
- Hockwold and Dover Port already CHP accredited
- Operational CHP plant should cover the cost of running REG Bio-Power
- Productive discussions with DECC continuing
- REG Bio-Power seeking ways to leverage existing skill base:
  - Standby power generation construction and operation
  - Licensing technology and patents overseas

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Summary

- Sale of AIM PowerGen was transformational for the Business
- Three new operating wind projects and CHP conversion of Bentwaters provides a step change in income
- Significant expansion of wind development activities – starting to deliver
- Strong balance sheet to fund growth – refinancing of operating projects underway
- Actively looking for acquisitions where we can add value – good market for us right now
- Overall REG is well placed for recurring revenues, growth and profitability