

Regulatory Announcement

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Company	ReEnergy Group PLC
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ReEnergy Group PLC
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ReEnergy Group plc
("ReEnergy" or "the Company")

Discussions with Worcestershire County Council Re Hartlebury

On 28 September 2007 the Company announced that, earlier that month, it had submitted a proposal to the councils of Herefordshire and Worcestershire for the establishment of a 100,000 tonne capacity steam autoclaving merchant plant at the Hartlebury site, (the "Hartlebury Project").

The Directors of ReEnergy ("Board") are pleased to provide an update on the progress of the Hartlebury Project.

Following discussions with Worcestershire County Council on the details of the proposal, the Board is very pleased to confirm that its wholly-owned subsidiary, Estech Europe Limited ("Estech"), has been granted a period of exclusivity up until 31 March 2008, in which to conclude the contractual agreements for the Hartlebury Project.

The timeline that has been agreed between the parties is for financial close by the end of March 2008. Work is due to start on site shortly afterwards and is expected to last approximately 18 months. ReEnergy expects that waste treatment will commence at the Hartlebury site in late 2009. The agreement includes a termination clause in common with the previous arrangements - in this case requiring 14 days' notice by either party.

The contract with Mercia Waste Management Ltd. for the supply of waste to the Hartlebury Project will expire in December 2028, but the Board expects that the plant will continue to operate on a merchant basis for at least ten years thereafter. As the Company's first commercial steam autoclave, the Hartlebury Project represents a significant landmark in ReEnergy's development. The Directors are confident that the model will be replicated at a number of sites in the U.K. and abroad.

The Company is in discussions with its advisers, bankers and shareholders regarding the funding required to progress the Hartlebury Project and other developments through the refinancing of ReEnergy, and will provide updates on further progress in the New Year.

The Chairman of ReEnergy Group PLC, Roger Hewitt said "This is a significant step forward in this project. We now have the opportunity to finalise the legal agreements and deliver shareholder value through the application of Estech's leading autoclave technology. We now seek to replicate this project at a significant number of other sites where we are in negotiation".

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