

Company ReEnergy Group PLC
TIDM RGY
Headline Trading Update
Released 08:00 31-Mar-08
Number 1124R



RNS Number:1124R
ReEnergy Group PLC
31 March 2008

REENERGY GROUP PLC
("ReEnergy" or "the Company")

Trading Update and Financial Position

The Board announces that it is currently in discussions with regards to a potential fund raising to meet its short term working capital requirements.

On 19 December 2007, the Company provided an update on its discussions with Worcestershire County Council on the details of its proposed 100,000 tonne per annum capacity autoclaving merchant plant at the Hartlebury site, (the "Hartlebury Project"). ReEnergy, through its wholly-owned subsidiary, Estech Europe Limited ("Estech"), is continuing to progress discussions in respect of the Hartlebury Project with Mercia Waste Management Ltd and Worcestershire County Council.

The Company is pleased to announce that Estech has signed a consortium agreement and preferred bidder letter with VT Group plc and Wakefield MBC for the provision of a 150,000 tonne per annum autoclaving facility. Estech is also in advanced discussions on a possible third autoclaving plant.

The Company is also pleased to announce that Estech has renegotiated its licence with Estech USA LLC, bringing with it additional improved technology and providing an enhanced waste processing solution.

On closing of the various contracts being negotiated, the Directors are confident that positive cash flows in to the Group will be generated within the current financial year.

To enable the Company to further these negotiations and continue to trade beyond April 2008, the Directors are actively pursuing a number of channels to raise additional short-term working capital. These options include a fund raising of circa £1 million which is currently being discussed with a major existing

