

Regulatory Announcement

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Company	ReEnergy Group PLC
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Headline	Estech Europe Limited Disposal
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ReEnergy Group plc ("ReEnergy" or "the Group")

Disposal of Estech Europe Limited

The board of ReEnergy announces that it has today completed the disposal of its operating subsidiary, Estech Europe Limited ("Estech") to VT Environmental Engineering Limited ("VTEE"), a wholly-owned subsidiary of VT Group plc (the "Disposal").

The Group obtained undertakings approving the Disposal in accordance with Rule 15 of the AIM Rules from shareholders holding in aggregate, 58,746,170 ordinary shares of 5p each, representing 57.65 per cent. of the ReEnergy's issued ordinary share capital.

The consideration payable by VTEE is £1,642,601 in cash, of which £87,000 has been advanced to the Group by way of working capital payments as described in the announcement of the heads of terms on 9 May 2008. The difference between the final consideration receivable and the amount of £1.9 million set out in the announcement of the heads of terms relates to the settlement of additional obligations within Estech, primarily the variation of Estech's lease arrangements in Aldridge and a claim by a former consultant of the Group in Belgium which is being settled to expedite the Disposal.

Of the consideration, £150,000 will be held as a retention against warranties in a joint account and which, less any successful warranty claims by VTEE in the interim, will be released on 15 August 2008.

The balance of the consideration, after deducting transaction expenses, is to be retained by the Group. The Directors are currently obtaining advice regarding the optimum manner for the orderly winding up of ReEnergy and for returning capital, after the costs of closure, to shareholders.

The Directors intend to write to shareholders as soon as practicable outlining the proposed return of capital, and it is expected that the circular will contain a notice of a general meeting to approve the proposed strategy of returning capital to shareholders and, if deemed appropriate, the cancellation of ReEnergy's listing on AIM.

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