



24 September 2009

Renewable Power & Light

Interim Results for the Six Month Period Ended 30 June 2009

Chairman's Review

Overview

RPL was established in 2006 as an independent producer of green or renewable power. In December 2008, the details of the Board's strategy to maximise and realise value for shareholders was announced. The strategy had three key elements:

- Return of an initial 10 pence per Ordinary Share to shareholders via a capital distribution;
- Execution of the ongoing asset sale processes; and
- An orderly realisation of the net value of the remaining business for shareholders, considering the remaining assets and liabilities of the Company and the ongoing working capital requirements.

The initial return of 10 pence per share was accomplished in February of this year and in July the Company announced the signing of an agreement to sell both its Elmwood Park and Massena power stations. The sale of the Elmwood Park power station was concluded on 16 September 2009 and the Massena power station sale is anticipated to close by the end of October 2009.

Since the Board's decision to cease the construction of the biodiesel production facility, the Company has been actively seeking a buyer for the equipment. Given the current market conditions this has proven unsuccessful to date and the Company has pursued an alternative strategy to dispose of the equipment which is due to occur as soon as practicable.

The sale of the power plants, the biodiesel facility and an investing policy for the Company were approved by shareholders in August.

At the end of October, the Company's rail car lease will expire. The Board considers that the appropriate timing to commence the approval process required under the RPL investing policy is after the lease has expired and the biodiesel equipment is disposed of.

Financials

Due to the Company's decision in December 2008 to dispose of the power plants, all of the financial results for the facilities are now classed as discontinued operations. Revenue from discontinued operations in the first

half of the year was US\$3.4 million (2008: US\$4.1 million) due to reduced electricity demand, brought on by unseasonably cool weather in the northeast United States and a slowdown in the economy. Operating losses from discontinued operations were reduced to US\$1.6 million (2008: US\$2.6 million) due to the implementation of management's aggressive cost reduction plan. The loss before tax was reduced to US\$2.3 million (2008: US\$2.8 million) due to lower administrative expenses.

The Company had total assets of US\$25.4 million at 30 June 2009 (as of 31 December 2008: US\$42.1 million) which reflects both the impairment write downs on the power station and biodiesel equipment assets and the cash reduction as a result of the capital distribution. The Company has no short-term or long-term debt as of 30 June 2009 or 31 December 2008.

As part of the previously announced strategy to realise value for shareholders and the investing policy approved by shareholders, RPL intends to make further capital distributions as appropriate.

Operating review

There is reduced demand for electricity in the two regional power grids that the Company sells electricity into due to the current recession and cooler than normal summer weather. As a result, the Elmwood Park and Massena power stations have not been dispatched at expected or historical levels. This situation is expected to continue for the remainder of the year. However, due to increased capacity payments at Elmwood Park and the disposal of excess emission credits, the power stations are cashflow positive for the year to date.

The biodiesel equipment continues to be stored in anticipation of the upcoming disposal. The rail car lease expires at the end of October and the Company is in the process of arranging the return of the rail cars and the recovery of the security deposit.

Outlook

With the pending sale of the power stations and the expected disposal of the biodiesel equipment, the Board is in the process of determining the appropriate staffing and Board composition to implement the investing policy of RPL and determine the timing of a further capital distribution to shareholders. A distribution is anticipated before year end. The Company will seek the approval of shareholders prior to making any future capital distribution of the Company.

Michael G Reynolds

Chairman

24 September 2009

Consolidated Income Statement (unaudited)

**Renewable Power & Light plc
Six Months Ended 30 June 2009**

	Note	Six months Ended 30 June 2009 \$'000	Six months Ended 30 June 2008 \$'000
Continuing Operations:			
Revenue		-	-
Cost of sales		-	-
Gross loss		-	-
Administrative expense		(2,383)	(3,367)
Loss from operations		(2,383)	(3,367)
Investment income		87	566
Loss before tax		(2,296)	(2,801)
Income tax		(23)	(2)
Loss for the period		(2,319)	(2,803)
Discontinued Operations:			
Loss from discontinued operations	3	(1,578)	(2,571)
Loss for the period attributable to equity holders of the parent company		(3,897)	(5,374)
Total comprehensive income for the period attributable to equity holders of the parent company		(3,897)	(5,374)
Loss per share			
Basic and diluted from continuing operations	5	\$(0.02)	\$(0.03)
Basic and diluted from discontinued operations	5	\$(0.02)	\$(0.03)
Basic and diluted from continuing and discontinued operations	5	\$(0.04)	\$(0.06)

The prior year comparatives have been restated as a result of the decision to discontinue operations from the Group's power plants, biodiesel equipment and railcar operations. This is a reclassification only and has no impact on the net loss for the period.

Consolidated Balance Sheet (unaudited)

Renewable Power & Light plc 30 June 2009

	Note	30 June 2009 \$'000	31 December 2008 \$'000
Assets			
Non-current assets			
Property, plant and equipment		60	76
Total non-current assets		60	76
Current assets			
Trade and other receivables		520	760
Non-trade receivables		14	171
Cash and cash equivalents		9,719	25,397
Total current assets		10,253	26,328
Non-current assets classified as held for sale	3	15,125	15,729
Total Assets		25,438	42,133
Equity and Liabilities			
Equity			
Share capital	6	1,710	1,836
Share premium		80,020	93,593
Investment in own shares	6	-	(1,436)
Retained losses		(60,329)	(56,075)
Total equity attributable to equity holders of the parent		21,401	37,918
Current liabilities			
Employee wages and benefits		1,652	1,630
Trade and other payables		312	743
Total current liabilities		1,964	2,373
Liabilities directly associated with non-current assets held for sale		2,073	1,842
Total Equity and Liabilities		25,438	42,133

Consolidated Statement of Cash Flows (unaudited)

**Renewable Power & Light plc
Six Months Ended 30 June 2009**

	Note	Six months ended 30 June 2009 \$'000	Six months ended 30 June 2008 \$'000
Net Cash Flow from Operating Activities	8	(1,962)	(3,972)
Investing activities			
Interest received		87	566
Purchase of property, plant and equipment		(864)	(87)
Cash flow from investing activities		<u>(777)</u>	<u>479</u>
Financing activities			
Partial capital distribution to shareholders		(12,939)	-
Cash flow from financing activities		<u>(12,939)</u>	<u>-</u>
Net decrease in cash and cash equivalents		<u>(15,678)</u>	<u>(3,493)</u>
Cash and Cash Equivalents at Beginning of Period		25,397	37,549
Cash and Cash Equivalents at End of Period		<u><u>9,719</u></u>	<u><u>34,056</u></u>

Consolidated Statement of Changes in Equity (unaudited)

**Renewable Power & Light plc
Six Months Ended 30 June 2009**

Six Months ended 30 June 2009

	Share Capital \$'000	Share Premium \$'000	Retained Loss \$'000	Investment In Own Shares \$'000	Total \$'000
Balance at 1 January 2009	1,836	93,593	(56,075)	(1,436)	37,918
Net loss for the period	-	-	(3,897)	-	(3,897)
Credit to equity for IFRS 2	-	-	319	-	319
Cancellation of shares	(126)	-	(1,310)	1,436	-
Partial capital distribution – share premium reduction	-	(13,573)	13,573	-	-
Partial capital distribution	-	-	(12,939)	-	(12,939)
Balance at 30 June 2009	<u>1,710</u>	<u>80,020</u>	<u>(60,329)</u>	<u>-</u>	<u>21,401</u>

Six Months ended 30 June 2008

	Share Capital \$'000	Share Premium \$'000	Retained Loss \$'000	Total \$'000
Balance at 1 January 2008	1,836	93,593	(14,755)	80,674
Net loss for the period	-	-	(5,374)	(5,374)
Credit to equity for IFRS 2	-	-	437	437
Balance at 30 June 2008	<u>1,836</u>	<u>93,593</u>	<u>(19,692)</u>	<u>75,737</u>

Notes to the Interim Results (unaudited)

General information

The Company is incorporated in England and Wales under the Companies Act 1985.

The financial statements are presented in US dollars, the currency in which the majority of the Group's transactions are denominated.

1. Significant accounting policies

The financial information in this document has been prepared using accounting principles generally accepted under International Financial Reporting Standards ("IFRS"), as adopted by the European Union. The accounting policies applied are consistent with the financial statements issued for the period ending 31 December 2008. The consolidated financial information comprises the Company and its subsidiaries (together referred to as "the Group").

These unaudited interim financial statements do not constitute statutory accounts within the meaning of s434 of the Companies Act 2006. The statutory accounts for the year ended 31 December 2008, on which the auditors gave an unqualified audit report, have been filed with the Registrar of Companies.

2. Segmental information

Segmental information about business units is presented below:

Business segments

For management purposes, the Group is currently organised into two divisions – power plant operations and biodiesel plant operations. These divisions are the basis on which the Group reports its primary segment information. Given the change in strategy as announced by the Board of Directors, all of the activity of these divisions is included in discontinued operations.

Segment information about these businesses is presented below.

2. Segmental information (continued)

	Discontinued			30 June 2009
	Power plant operations \$'000	Biodiesel plant operations \$'000	Unallocated \$'000	Total \$'000
Revenue				
External sales	3,069	334	-	3,403
Total revenue	<u>3,069</u>	<u>334</u>	<u>-</u>	<u>3,403</u>
Result				
Segment result	(725)	(853)	(2,383)	(3,961)
Investment income				87
Loss before tax				<u>(3,874)</u>
Taxation charge				(23)
Loss after tax attributable to equity holders of parent				<u>(3,897)</u>

	Discontinued			30 June 2009
	Power plant operations \$'000	Biodiesel plant operations \$'000	Unallocated \$'000	Total \$'000
Segment assets	<u>9,749</u>	<u>5,376</u>	<u>10,313</u>	<u>25,438</u>
Segment liabilities	<u>1,845</u>	<u>228</u>	<u>1,964</u>	<u>4,037</u>
Net assets				<u>21,401</u>

	Discontinued			30 June 2009
	Power plant operations \$'000	Biodiesel plant operations \$'000	Unallocated \$'000	Total \$'000
Capital expenditure on property, plant and equipment				
Additions	<u>864</u>	<u>-</u>	<u>-</u>	<u>864</u>

2. Segmental information (continued)

	30 June 2008			
	Discontinued			
	Power plant operations \$'000	Biodiesel plant operations \$'000	Unallocated \$'000	Total \$'000
Revenue				
External sales	3,765	343	-	4,108
Total revenue	3,765	343	-	4,108
Result				
Segment result	(2,193)	(378)	(3,367)	(5,938)
Investment income				566
Loss before tax				(5,372)
Taxation charge				(2)
Loss after tax attributable to equity holders of parent				(5,374)

	31 December 2008			
	Discontinued			
	Power plant operations \$'000	Biodiesel plant operations \$'000	Unallocated \$'000	Total \$'000
Segment assets	10,235	5,494	26,404	42,133
Segment liabilities	1,523	319	2,373	4,215
Net assets				37,918

	30 June 2008			
	Discontinued			
	Power plant operations \$'000	Biodiesel plant operations \$'000	Unallocated \$'000	Total \$'000
Capital expenditure on property, plant and equipment				
Additions	82	-	5	87

2. Segmental information (continued)

Geographical segments

The Group has one geographical segment being the USA.

3. Assets of disposal group classified as held for sale and discontinued operations

The assets and liabilities related to the power plants, biodiesel equipment, and railcars have been presented as held for sale following the Board of Directors' decision to pursue a sale of these assets. See Footnote 9 for subsequent events relating to the sale of the power plants.

Analysis of the cashflows of discontinued operations is as follows:

	Period ended 30 June 2009 \$'000	Period ended 30 June 2008 \$'000
Operating cash flows	121	(396)
Investing cash flows	(864)	(82)
Total cash flows	<u>(743)</u>	<u>(478)</u>

Assets of disposal group classified as held for sale:

	Period ended 30 June 2009 \$'000	Period ended 31 December 2008 \$'000
Property, plant and equipment	9,983	10,519
Inventory	3,279	3,271
Other current assets	1,863	1,939
Total	<u>15,125</u>	<u>15,729</u>

Liabilities of disposal group classified as held for sale:

	Period ended 30 June 2009 \$'000	Period ended 31 December 2008 \$'000
Trade and other payables	702	351
Employee wages and benefits	20	10
Other current liabilities	111	241
Provisions	1,240	1,240
Total	<u>2,073</u>	<u>1,842</u>

3. Assets of disposal group classified as held for sale and discontinued operations (continued)

Analysis of the results of discontinued operations is as follows:

	Period ended 30 June 2009 \$'000	Period ended 30 June 2008 \$'000
Revenue	3,403	4,108
Cost of sales	(3,581)	(6,679)
Impairment of tangible fixed assets	(1,400)	-
Gross loss before tax of discontinued operations	(1,578)	(2,571)
Income tax	-	-
Loss for the year from discontinued operations	<u>(1,578)</u>	<u>(2,571)</u>

4. Initial Return of Capital

On 19 February 2009, the Company completed an Initial Return of Capital of 10 pence per share. The purpose of this strategy is to effect an immediate return of capital to shareholders and to position the Company to provide future distributions of capital to shareholders as assets are sold and working capital needs diminish.

5. Loss and net assets per share

Basic loss per share

The calculation of basic loss per share has been determined as the net loss after tax divided by the weighted average number of equity shares outstanding during the period.

	Period ended 30 June 2009	Period ended 30 June 2008
Net loss attributable to ordinary shareholders <i>in thousands of dollars</i>		
Net loss attributable to ordinary shareholders from continuing operations	(2,319)	(2,803)
Net loss attributable to ordinary shareholders from discontinued operations	(1,578)	(2,571)
Number of ordinary shares <i>in thousands of shares</i>		
Issued ordinary shares at the beginning of the period	95,298	95,298
Issued ordinary shares at the end of the period	88,765	95,298
Weighted average number of ordinary shares <i>in thousands of shares</i>		
Weighted average number of ordinary shares during the period	<u>94,209</u>	<u>95,298</u>
Basic loss per share from continuing operations	<u>\$(0.02)</u>	<u>\$(0.03)</u>
Basic loss per share from discontinued operations	<u>\$(0.02)</u>	<u>\$(0.03)</u>
Basic loss per share from continuing and discontinued operations	<u>\$(0.04)</u>	<u>\$(0.06)</u>

5. Loss and net assets per share (continued)

Diluted loss per share is calculated by dividing the loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period adjusted for the effects of all potentially dilutive shares.

The only potentially dilutive shares were the share options. These shares are anti-dilutive as they would decrease the loss per share. There is therefore no difference between the basic loss per share and diluted loss per share for the period.

Net assets per share

	30 June 2009	31 December 2008
Net assets per share		
Net assets attributable to shareholders <i>in thousands of dollars</i>	21,401	37,918
Basic weighted average of ordinary shares <i>in thousand of shares</i>	94,209	95,298
Diluted weighted average of potential shares <i>in thousand of shares</i>	101,354	102,443
Basic net assets per share	<u>\$0.227</u>	<u>\$0.398</u>
Diluted net assets per share	<u>\$0.211</u>	<u>\$0.370</u>

6. Share capital and reserves

The Company's authorised share capital comprises 10,000,000,000 ordinary shares of 1p each (2008: 10,000,000,000) and 88,764,646 of these shares were in issue at 30 June 2009 (2008: 95,297,603). 6,532,957 shares were held in the Employee Benefit Trust, which were cancelled with the dissolution of the Employee Benefit Trust on 1 June 2009.

7. Financial commitments

The Group leases railcars and office space under non-cancellable operating lease agreements.

The future aggregate minimum lease payments under other non-cancellable operating leases are as follows:

	30 June 2009	31 December 2008
	\$'000	\$'000
No later than 1 year	436	936
Later than 1 year and no later than 5 years	398	422
Later than 5 years	-	27
	<u>834</u>	<u>1,385</u>

7. Financial commitments (continued)

The future aggregate minimum sublease payments to be received under non-cancellable operating leases are as follows:

	30 June 2009 \$'000	31 December 2008 \$'000
No later than 1 year	199	615

8. Reconciliation of loss from operations to net cash from operating activity

	Period ended 30 June 2009 \$'000	Period ended 30 June 2008 \$'000
Loss from operations	(3,961)	(5,938)
Adjustments for:		
Depreciation of property, plant and equipment	16	1,201
Impairment of property, plant and equipment	1,400	-
IFRS 2 charge on share options	319	437
Operating cash flows before movement in working capital	(2,226)	(4,300)
(Increase) in inventories	(8)	(53)
Decrease/(Increase) in receivables	474	(963)
(Decrease)/Increase in payables	(179)	1,346
Cash used in operations	(1,939)	(3,970)
Income tax	(23)	(2)
Net cash from operating activities	(1,962)	(3,972)

9. Subsequent Events

In July 2009, the Company announced the signing of an agreement to sell both its Elmwood Park and Massena power stations. The sale of the Elmwood Park power station was concluded on 16 September 2009 and the Massena power station sale is anticipated to close by the end of October 2009.