

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** When considering what action you should take, you are recommended immediately to consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000.

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## **RENEWABLE POWER & LIGHT PLC**

(Registered in England No. 5817450)

*Directors:*

Michael G. Reynolds (Chairman)  
Victor J. Fryling (President and Chief Executive Officer)  
Timothy P. Hunstad (Vice-President and Chief Financial Officer)  
Alexander S. Lambie (Non-executive)

*Registered Office:*

9 Queen Street  
London  
W1J 5PE  
United Kingdom

*To the holders of Ordinary Shares*

### **Notice of General Meeting**

Dear Shareholder

#### **Proposed Reduction of Share Premium Account**

On 30 July 2009, the Company announced that its subsidiaries RPL Holdings Inc. and Power City Generating Inc., as sellers, had entered into a Purchase and Sale Agreement with MEG Development Company, LLC in respect of the sale of the Massena and Elmwood Park power plants for cash consideration of US\$8.5 million, subject to certain conditions (the “**Plant Disposals**”). The 30 July 2009 announcement also contained the text of a circular to shareholders for the purpose of approving the Plant Disposals, the sale of the Company’s “mothballed” biodiesel facility (the “**Biodiesel Facility Disposal**”) and the directors’ strategy for the Company going forward in order to maximise value for shareholders by effecting an orderly realisation of the assets of the Company, of which the Plant Disposals and the Biodiesel Facility Disposal formed a part (the “**Investing Policy**”). Shareholder approval of the Plant Disposals, the Biodiesel Facility Disposal and the Investing Policy was obtained at a general meeting on 19 August 2009.

The Plant Disposals completed on 23 October 2009, and the Company is continuing to consider proposals to execute the Biodiesel Facility Disposal.

In addition, as part of its Investing Policy to reduce overheads and preserve cash, Mr Donald Verbick (Senior-Vice President) and Mr Mark Draper (Non Executive Director) resigned from the Board on 24 September 2009. The Chairman will continue to review the structure of the Board throughout the implementation of the Investing Policy.

As a result of the proceeds realised from the Plant Disposals, together with existing cash resources which were required as working capital to operate the power plants, the Board is proposing to implement part of its Investing Policy to provide a return of capital to shareholders by reducing the Company's share premium account (the "**Share Premium Account**") in order to make a further payment to shareholders (the "**Share Premium Reduction**").

### **Shareholder Approval**

As required by the Companies Act 2006, the AIM Rules for Companies and for the purpose of compliance with Rule 21.1 of the City Code on Takeovers and Mergers (the "**Takeover Code**"), the Company is seeking shareholder approval for the Share Premium Reduction. The Company will also need to obtain the confirmation of the High Court of Justice (the "**Court**") to the Share Premium Reduction.

The purpose of this circular is to seek shareholder approval for the Share Premium Reduction, both generally and specifically for the purpose of compliance with Rule 21.1 of the Takeover Code at a general meeting ("**GM**") to be convened for 10.00 a.m. on 18 November 2009. Notice of the GM is set out at the end of this circular.

### **Preliminary Approach Update and Rule 21.1 Approval**

Further to the announcements made on 21 November 2008, 19 December 2008 and subsequently, the Board reconfirms that the preliminary approach received may or may not lead to an offer being made for the Company.

Rule 21.1 of the Takeover Code provides that during the course of an offer, or even before the date of the offer if the Board has reason to believe that a bona fide offer might be imminent, the Board must not without shareholder approval take any action which may result in any offer or bona fide possible offer being frustrated or in shareholders being denied the opportunity to decide on its merits, including among other things, the sale of assets of a material amount. As it is possible that the Board's strategy to proceed with the Share Premium Reduction could potentially frustrate any potential offer or make it less likely that a fully-financed proposal to acquire the Company would be received, the Company is required to seek shareholder approval of the Share Premium Reduction by way of an ordinary resolution at the GM for the purposes of compliance with Rule 21.1 of the Takeover Code.

The Board will continue to evaluate the merits of any potential offer for the Company or any transaction which would constitute a reverse take-over (as defined by the AIM Rules for Companies). Should the Board receive a fully-financed proposal to acquire the Company, it would make a recommendation to RPL shareholders in due course, in the light of the proposed Share Premium Reduction, taking account of the advice received from the Company's independent financial adviser.

## **Background to and reasons for the Share Premium Reduction**

The Company reduced its Share Premium Account in February 2009 in order to make a return of capital of 10p per Ordinary Share to shareholders which completed on 19 February 2009 (the “**Initial Reduction**”). The Board now proposes further to reduce its Share Premium Account in order to make a second return of capital to shareholders of 8p per Ordinary Share (the “**Second Return**”), as part of its implementation of the Investing Policy approved by shareholders on 19 August 2009.

The Company’s cash position has increased by approximately US\$8 million due to net proceeds received from the successful completion of the Plant Disposals, as well as reductions made to overhead expenses. In addition, cash reserves which were previously ring-fenced in a blocked account in connection with the Initial Reduction pursuant to an undertaking offered to the Court were released to the Company upon the settlement of certain legal proceedings in which the Company was involved, as announced on 8 April 2009. Consequently, having regard to existing cash reserves and future working capital requirements, the Board is of the view that the amount and timing of the Second Return is appropriate and in the best interests of shareholders.

As at 30 September 2009, the net cash position of the Company was US\$15.1 million (equivalent to approximately 9 pence per Ordinary Share<sup>(2)</sup>). On a pro forma basis, the net cash position of RPL would be US\$3.5 million (equivalent to approximately 2 pence per Ordinary Share<sup>(2)</sup>) following the proposed Second Return.

## **Share Premium Reduction and Return of Capital**

Under the Companies Act 2006 (as amended), a public company may reduce its share premium account provided that it obtains the approval of its shareholders by special resolution in a general meeting and that the High Court of Justice (the “**Court**”) confirms the reduction.

The Company’s Share Premium Account is currently standing at US\$80,019,986.71. As the Company intends to make the Second Return, the Company is therefore seeking the approval of shareholders to reduce the Company’s share premium account by an amount in US dollars such as would permit a payment to all shareholders registered as members of the Company at 5pm on the business day prior to the final hearing of the claim form seeking confirmation of the Share Premium Reduction (the “**Record Date**”) of 8p per Ordinary Share. Such amount will be calculated by reference to the middle spot exchange rate prevailing on the foreign exchange market at 4.00pm on the business day prior to the final hearing of the claim form seeking confirmation of the Share Premium Reduction, as published in respect of that day by the Financial Times (or as certified by an appropriate person authorised under the Financial Services and Markets Act 2000 in the event that such information is not published in the Financial Times) (the “**Reduction Amount**”). For indicative purposes, based on a US\$/Sterling exchange rate of 1.6365, the Reduction Amount would be approximately US\$11.6 million.<sup>(2)</sup>

If the Share Premium Reduction is approved by shareholders by a special resolution (i.e. a resolution passed by a majority of not less than 75% of the votes cast) and also separately by ordinary resolution for the purpose of compliance with Rule 21.1 of the Takeover Code, the Company will, as soon as practicable, apply to the Court for an appropriate court order

confirming the Share Premium Reduction (the “**Court Order**”). It is presently anticipated that the final hearing of the claim form seeking confirmation of the Share Premium Account will take place on 9 December 2009. The Share Premium Reduction will become effective when the Court Order confirming the Share Premium Reduction is registered with the Registrar of Companies (the “**Effective Date**”). On the Effective Date, the Company’s Share Premium Account will be reduced by the Reduction Amount and arrangements will be made to return the Reduction Amount to shareholders registered as members as at the Record Date in the form of a payment of 8p per Ordinary Share.

The Court will be concerned to ensure that the interests of creditors are not adversely affected by reason of the Share Premium Reduction. At the time of the Initial Reduction, this was dealt with by the Company establishing a blocked trust bank account which was credited with sufficient monies to meet the maximum potential claims of certain creditors of the Company as at the effective date of the Initial Reduction, predominantly to reflect certain legal disputes which were ongoing at the time. Since that date, the relevant legal disputes have been settled and all monies therefore released to the Company from the blocked trust bank account.

In relation to the currently proposed Share Premium Reduction and Second Return, it is anticipated that no additional protection will be necessary on the basis that all persons who would be creditors on a notional winding-up of the Company will have consented to the Share Premium Reduction. However, the precise form of creditor protection is for the Court to determine. The Company intends to give any necessary undertakings to the Court as it is advised are appropriate for the protection of creditors.

Once the Share Premium Reduction becomes effective and the appropriate creditor protection is in place, the Board will be able to make the Second Return.

### **Timetable**

An estimated timetable of the principal events is set out below:

<b>Event</b>	<b>Date</b>
Latest Time and Date for Receipt of Forms of Proxy	16 November 2009 (10.00 am)
Date of GM	18 November 2009 (10.00 am)
Estimated Date for Start of Court Process	27 November 2009
Estimated Record Date to be registered as a shareholder to be eligible to receive Second Return	8 December 2009 (5.00 pm)

Estimated Date for Court Hearing to confirm the Share Premium Reduction	9 December 2009
Estimated Effective Date for Share Premium Reduction	10 December 2009

## **Taxation**

The structure proposed by the Board to return capital to shareholders is intended to minimise taxable gains to our shareholders and thereby maximise shareholder value by distributing funds as a return of capital rather than by declaring a dividend. A summary of tax implications of the Second Return are set out below. It is currently envisaged that further distributions will also be made as returns of capital (see “Further Distributions”, below).

**This summary is intended as a general guide to UK current tax law and practice in the areas referred to below. It applies to persons who (unless the position of non-resident shareholders is expressly referred to) are resident or ordinarily resident in the UK for tax purposes and who beneficially own shares as investments (and not as employment-related securities). Any person who is in doubt as to his or her tax position or requires further information should consult an appropriate professional adviser.**

The proposed Second Return made from the Share Premium Reduction will constitute a repayment of capital for United Kingdom taxation purposes to the extent that no premium is paid by the Company over and above the nominal value and share premium originally subscribed for each Ordinary Share by the relevant shareholder. For United Kingdom taxation purposes the Second Return made from the Share Premium Reduction will amount to a notional disposal by United Kingdom taxpayers being a capital distribution within section 122(1) Taxation of Chargeable Gains Act 1992.

Where the amount received by the shareholder, together with the amount received pursuant to the Initial Return, does not exceed the amount originally subscribed for the share (as opposed to the price which may have been paid on acquisition, which may be greater) it will not constitute an income distribution, but will come within the capital gains tax regime. Where shares are held by persons other than the original subscribers, guidance provided by Her Majesty’s Revenue and Customs (“**HMRC**”) is that the onus is on the taxpayer to prove the amount of share premium in relation to the shares they hold. If they are unable to do so then HMRC will accept averaging across the various shares but any such determination would need to be agreed with HMRC.

No United Kingdom capital gains tax should be payable by shareholders where the amount received does not exceed the amount originally subscribed for the shares. Any amounts received by shareholders in excess of the nominal value and share premium will constitute an income distribution for United Kingdom taxation purposes, the taxation of which will depend on the taxation position of individual shareholders.

## **Resolutions**

You will find set out at the end of this document a notice convening the GM to be held at 10.00 am on 18 November 2009 at 9 Queen Street, London, W1J 5PE. Resolution 1 shall be proposed as a special resolution and resolution 2 shall be proposed as an ordinary resolution at the GM (the “**Resolutions**”):

1. **THAT**, subject to the passing of Resolution 2 below, the amount standing to the credit of the share premium account of the Company be and is hereby reduced by an amount in US Dollars which, when converted into Sterling at the middle spot exchange rate prevailing on the foreign exchange market at 4pm on the business day prior to the final hearing of the claim form for confirmation of the reduction of share premium account, as published in respect of that date by the Financial Times (or in the event that the Financial Times does not publish such information as certified by a person nominated by the Company who under Part 4 of the Financial Services and Markets Act 2000 has permission to accept deposits), would permit a payment to all the holders of fully paid Ordinary Shares in the capital of the Company at 5pm on the business day prior to the final hearing of the claim form for confirmation of the reduction of share premium account of 8p per Ordinary Share and that such reduction of share premium account be effected by making such a payment to the holders of fully paid Ordinary Shares in the capital of the Company as are registered as members at 5pm on the business day prior to the final hearing of the claim form for confirmation of the reduction of share premium account.
2. **THAT** the share premium reduction referred to in Resolution 1 above be and is hereby approved for the purpose of compliance with Rule 21.1 of the Takeover Code.

**The Board unanimously recommends that you vote IN FAVOUR of the Resolutions.**

### **How to Vote on the Resolutions**

Shareholders are requested to complete and return the enclosed Form of Proxy for use at the GM in accordance with the instructions printed thereon so as to arrive at the address printed thereon as soon as possible and in any event not later than 10.00 am, on 16 November 2009. Completion of a Form of Proxy will not prevent you from attending the GM and voting in person should you so wish.

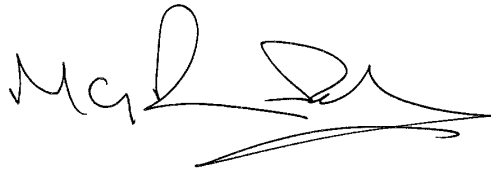
### **Recommendation**

**The Board unanimously recommends that you vote IN FAVOUR of the Resolutions. Each of the Directors intends to vote IN FAVOUR of the Resolutions in respect of his own beneficial holding in the Company amounting to, in aggregate 508,175 Ordinary Shares, representing approximately 0.5% of the current issued ordinary share capital of the Company.**

**Your vote IN FAVOUR of the Resolutions is important to ensure that the Board has the opportunity to explore all possible strategies to create and deliver value for all of its shareholders.**

Thank you for your continued support and confidence.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Michael Reynolds', with a long horizontal flourish extending to the right.

**Michael Reynolds**  
Chairman

Notes:

1. This document contains certain forward-looking statements. These statements relate to future events or future performance and reflect the Board's expectations regarding the Company's growth, results of operations, performance and business prospects and opportunities. Such forward-looking statements reflect the Board's current beliefs, are based on information currently available to the Board and are based on reasonable assumptions as of this date. No assurance, however, can be given that the expectations will be achieved. A number of factors could cause actual results to differ materially from the projections, anticipated results or other expectations expressed in this release. While the Board makes these forward-looking statements in good faith, neither the Company, nor its Board, can guarantee that the anticipated future results will be achieved.
2. Value per share calculations are based on 88,764,646 Ordinary Shares being currently in issue by the Company and a US\$ to Sterling exchange rate on 26 October 2009 of 1.6365 (Source: Bloomberg).

## **NOTICE OF GENERAL MEETING**

### **RENEWABLE POWER & LIGHT PLC**

Notice is hereby given that a General Meeting of Renewable Power & Light plc will be held at 9 Queen Street, London, W1J 5PE at 10.00 am on 18 November 2009 for the purposes of considering and, if thought fit, passing the following resolutions: resolution 1, which will be proposed as a special resolution and resolution 2, which will be proposed as an ordinary resolution:

#### **SPECIAL RESOLUTION**

1. **THAT**, subject to the passing of Resolution 2 below, the amount standing to the credit of the share premium account of the Company be and is hereby reduced by an amount in US Dollars which, when converted into Sterling at the middle spot exchange rate prevailing on the foreign exchange market at 4pm on the business day prior to the final hearing of the claim form for confirmation of the reduction of share premium account, as published in respect of that date by the Financial Times (or in the event that the Financial Times does not publish such information as certified by a person nominated by the Company who under Part 4 of the Financial Services and Markets Act 2000 has permission to accept deposits), would permit a payment to all the holders of fully paid Ordinary Shares in the capital of the Company at 5pm on the business day prior to the final hearing of the claim form for confirmation of the reduction of share premium account of 8p per Ordinary Share and that such reduction of share premium account be effected by making such a payment to the holders of fully paid Ordinary Shares in the capital of the Company as are registered as members at 5pm on the business day prior to the final hearing of the claim form for confirmation of the reduction of share premium account.

#### **ORDINARY RESOLUTION**

2. **THAT** the share premium reduction referred to in Resolution 1 above be and is hereby approved for the purpose of compliance with Rule 21.1 of the Takeover Code.

By order of the Board  
Michael Reynolds  
Chairman

29 October 2009

Registered Office:  
9 Queen Street  
London W1J 5PE  
United Kingdom

#### **NOTES TO THE NOTICE OF GM**

1. A member entitled to attend, speak and vote at the Meeting may a proxy (or proxies) to attend, speak and vote in his place. A proxy need not be a member of the Company.

2. A form of proxy is enclosed with this notice. The instrument appointing a proxy (together with any power of attorney or other authority under which it is executed or an original duly certified copy of such a power) must be deposited with the Company's Registrars, Computershare Investor Services PLC, The Pavilions, Bridgewater Road, Bristol BS99 6ZY, United Kingdom, not less than 48 hours before the time of the Meeting or adjourned Meeting as the case may be, excluding for this purpose Saturdays, Sundays and UK statutory holidays. A corporation may execute a proxy under its common seal or by the hand of a duly authorised officer or other agent. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the Meeting.
  
3. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001 (as amended), entitlement to attend and vote at the Meeting and the number of votes which may be cast thereat will be determined by reference to the Register of Members of the Company at close of business on 16 November 2009, the day which is two days before the day of the meeting, excluding for this purpose Saturdays, Sundays and UK statutory holidays. Changes to entries on the Register of Members after that time shall be disregarded in determining the rights of any person to attend and vote at the meeting