

**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.

---



## **RENEWABLE POWER & LIGHT PLC**

(Registered in England No. 5817450)

*Directors:*

Michael G. Reynolds (Chairman)  
Victor J. Fryling (President and Chief Executive Officer)  
Donald L. Verbick (Senior Vice-President, Operations)  
Timothy P. Hunstad (Vice-President and Chief Financial Officer)  
Mark R. Draper (Non-executive)  
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 Disposal of Power Plants**  
**Proposed Disposal of Biodiesel Facility**  
**Approval of Investing Policy**

On 29 July 2009, the Company's subsidiaries RPL Holdings Inc. ("**RPL Holdings**") and Power City Generating Inc. ("**Power City**"), as sellers, entered into a Purchase and Sale Agreement (the "**Agreement**") with MEG Development Company, LLC ("**MEG**" or the "**Buyer**") in respect of the sale of the Massena and Elmwood Park power plants (the "**Plants**") for cash consideration of US\$8.5 million, subject to certain conditions, including the approval of the Company's shareholders (the "**Plant Disposal**"). The Plant Disposal is consistent with the Company's strategy of realising value for shareholders, further to the announcement made on 19 December 2008, the circular to shareholders dated 6 January 2009 and the Company's annual report dated 28 May 2009.

Due to the value of the Plant Disposal, it constitutes a fundamental change of business for the Company pursuant to the AIM Rules for Companies (“**Fundamental Change of Business**”). As required by AIM Rule 15, a Fundamental Change of Business must be approved by the Company’s shareholders.

The effect of the Plant Disposal will be to divest the Company of substantially all of its trading business. As a result, the Company will be treated as an “Investing Company” under AIM Rule 15. This circular sets out an investing policy (the “**Investing Policy**”) for the Company going forward which must be approved by shareholders.

The Company intends, subject to shareholder approval, to formally adopt a policy to continue to position the Company to provide future distributions of capital to shareholders as assets are sold and working capital needs diminish. Further details of the Investing Policy are set out under the heading “Investing Policy” on pages 6 and 7 below.

The Company also intends to sell its “mothballed” biodiesel production equipment (the “**Biodiesel Facility**”) as soon as practicable, which may be either before or after completion of the Plant Disposal (the “**Biodiesel Facility Disposal**”).

The purpose of this circular is to explain the background to and reasons for the Plant Disposal and the Investing Policy, to seek shareholder approval for the Plant Disposal for the purposes of AIM Rule 15 and (together with the Biodiesel Facility Disposal) to comply with Rule 21.1 of the City Code on Takeovers and Mergers (“**Takeover Code**”) and also to seek shareholder approval for the Investing Policy at a general meeting of shareholders (“**GM**”) to be convened for 1.00pm. on 19 August 2009. Notice of the GM is set out at the end of this circular.

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

In November 2008, the Company was approached by a third-party who was interested in purchasing the outstanding shares of RPL. As a result of making the public announcement a number of interested parties have since come forward and expressed their interest in the Company. Although none of the parties has yet declared a firm intention to make an offer, and there is no guarantee that these discussions will result in an offer being made, the Company is nevertheless deemed to be in an offer period for the purposes of the Takeover Code.

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 take any action without shareholder approval 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 Plant Disposal and/or the Biodiesel Facility Disposal 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 seeking shareholder approval at the GM of the Plant Disposal and of the Biodiesel Facility Disposal for the purposes of compliance with Rule 21.1 of the Takeover Code. As set out below, the Board unanimously recommends that shareholders vote in favour of the Plant Disposal and of the Biodiesel Facility Disposal.

The Board will continue to evaluate the merits of any potential offer for the Company and the strategy outlined in this circular. 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 Plant Disposal and/or the Biodiesel Facility Disposal, taking account of the advice received from the Company's independent financial adviser.

### **Background to and reasons for the Plant Disposal**

The original business plan of the Company was to utilize a long-term fixed price contract for renewable fuel feedstock, in this case palm oil, to manufacture bio-diesel to be used in generating electricity to sell through long-term contracts to utilities from Company-owned power plants at a negotiated margin. In July 2007, a fuel feedstock supplier failed on its contractual obligation to provide a long-term fixed priced supply of palm oil, leaving the Company with no source of economic feedstock to move the business plan forward. The Company continued through the summer of 2008 to look for long-term economic supplies of bio-fuel without success.

As a result of not having an economic, fixed price contract for the supply of bio-fuel feedstock for its power plants, the Company ceased expenditure on the construction of its biodiesel production project, renegotiated the lease for its railcars and resolved ongoing obligations for the lease of storage tanks and off/on loading facilities.

The Board has initiated numerous initiatives to reduce the operating costs of the Company's Plants and to identify and obtain economic sources of feedstock. Whilst the cost initiatives and operational changes are delivering results, the Company has been unable to obtain feedstock that would allow it to continue to execute on its original business plan. As a consequence, the Board devised in the course of recent months a strategy based on the implementation of a return of capital to shareholders of 10 pence per ordinary share pursuant to a share premium reduction in February 2009, and initiating an asset sale program seeking buyers for the Plants as well as the Biodiesel Facility with a view to realising value for shareholders by enabling capital to be returned to shareholders.

In November 2008 the Company retained Fieldstone Private Capital Group, Inc. ("**Fieldstone**") to assist in the sale of RPL Holdings' Plants. After conducting its internal due diligence, Fieldstone developed an Investment Opportunity Summary which was distributed to over fifty potential interested parties. Over 25 interested parties executed confidentiality agreements. Fieldstone, with the assistance of the Company, completed a Confidential Information Memorandum ("**CIM**") and distributed copies to 18 parties in January 2009.

Initial offers for the Plants were received from five potential buyers in early February. The Board was disappointed with the results of the bidding process as the indicative bids were well below expectations and the net book value of the assets. As a result, Fieldstone and Company management prepared a supplement to the CIM which laid out various initiatives to increase value for potential buyers including: providing a potential contract for the Massena capacity payments to "fix" the payments for several years, launching a reduction in fixed costs at the Plants including the reduction in staff and developing a valuation for the net operating losses tax carryover for RPL Holdings. This supplement was distributed to the three top bidders and revised bids were received in March. These bids were also disappointing but the Board, with the advice of Fieldstone, decided that given the current market conditions, the most appropriate strategy was to move forward with the highest potential acquirer, MEG.

MEG is a wholly-owned subsidiary of Morris Energy Group, LLC, an independent power producer that owns and operates power generating facilities, aggregating approximately 800 megawatts, throughout the northeastern United States.

### **Information on the Plants and their Financial Performance**

As disclosed in the 2008 annual report of the Company, the Elmwood Park and Massena Plants received US\$8.2 million of revenue in 2008, an increase of US\$1.1 million from 2007. The Plants produced a net loss for the year 2008 but were approaching a cash positive operating level due to cost reduction initiatives. As a result of the Plant sales process the facilities were deemed impaired at 31 December 2008 and written down as appropriate. The Massena facility was written down by US\$12 million and the Elmwood Park facility was written down by US\$2.4 million. As a result of these impairment writedowns and the loss from operations, the total loss of the operations of the Plants in 2008 was US\$17.8 million.

### **Information on the Remaining Business**

Following the Plant Disposal, the Company's objectives will principally consist of seeking buyers for the Biodiesel Facility (to the extent the Biodiesel Facility Disposal has not already occurred) and overseeing the winding down of its obligations under its lease of 100 rail cars with UTLX Corporation, which is due to terminate in October 2009. The Company has subleased the majority of the rail cars until October 2009 but remains actively seeking sublease opportunities for the remaining rail cars. The Company also intends to seek to monetise the potential of the net operating tax loss carryforwards accumulated.

As at 30 June 2009, the net cash position of the Company was US\$9.7 million (equivalent to approximately 7 pence per Ordinary Share). This net cash position does not take into account any proceeds received from the Plant Disposal and/or the Biodiesel Facility Disposal.

### **Principal Terms of the Plant Disposal**

Pursuant to the terms of the Agreement, RPL Holdings and Power City (together, the "Sellers") have agreed to sell to MEG, subject to approval of the Company's shareholders and other conditions set out in the Agreement:

- 100% of the membership interests in Elmwood Park Power LLC ("**Elmwood**"); and
- 100% of the limited partnership interest in Power City Partners LP and 100% of the general partnership interest in Power City which is currently held by Power City Generating, Inc., a 100% owned subsidiary of RPL Holdings ("**Massena**").

The consideration for the Plant Disposal will be US\$8,500,000 in aggregate, consisting of US\$6,300,000 (in the case of Elmwood) and US\$2,200,000 (in the case of Massena).

The consideration will be adjusted for any working capital movements (positive or negative) calculated from the balance sheets of Elmwood and Massena at the Closing Date (as defined in the Agreement) minus a per diem adjustment (being US\$4,200 (in the case of Elmwood) and US\$1,200 (in the case of Massena) times the number of days occurring after 15 July 2009 and before the Closing Date). If the parties do not agree on the adjustment, the preliminary consideration shall be calculated by using the mean of RPL Holdings' and the Buyer's respective good faith estimates thereof. Any dispute will be settled by an

independent arbitrator. The Board believes that any adjustments made to the purchase price will not be material.

There are a number of conditions to closing, including the following:

- the Buyer shall have received a binding commitment of a lender to fund the purchase price for the Plants;
- no material adverse effect shall have occurred at Elmwood or Massena after the date of the Agreement in the condition of the Plants;
- obtaining the consent of the shareholders of the Company for the Plant Disposal at the general meeting convened by the notice accompanying this circular;
- obtaining an order by the US Federal Energy Regulatory Commission authorising a Disposition of Jurisdictional Facilities under the United States Federal Power Act;
- a 'no further action' determination under the New Jersey Industrial Site Recovery Act having been obtained from the New Jersey Department of Environmental Protection in connection with Elmwood; and
- all permits required by the New York Public Service Commission having been obtained in connection with Massena.

Assuming that shareholder approval of the Plant Disposal is obtained at the GM, it is anticipated that the remaining conditions will be satisfied, and closing is anticipated to occur, by the end of August 2009 (in the case of Elmwood) and by the end of September 2009 (in the case of Massena).

The Sellers have provided customary representations and warranties as to, amongst other things, financial position, financial indebtedness and related encumbrances, assets, real property, material contract, employees, insurance, environmental laws and tax compliance. The Sellers' aggregate liability under the warranties (other than certain specific warranties relating to the Sellers' capacity, authority and ownership of the Plants) is limited to US\$4,250,000 and is limited in time to one year following the later of the Elmwood closing and the Massena closing.

The Sellers have also agreed to conduct operations in Elmwood and Massena in the ordinary course and in accordance with customary restrictions in the period between signing of the Agreement and closing to avoid any loss of value in Elmwood or Massena.

The Agreement is governed by the laws of the State of New York.

### **Background to and reasons for the Biodiesel Facility Disposal**

During 2008, the Biodiesel Facility was inventoried and placed into storage as a result of not having an economic, fixed price contract for the supply of bio-fuel feedstock. As a result of the continuing excess capacity in the biodiesel manufacturing industry, the value of the equipment was written down by US\$9.9 million. Also, due to the cessation of the plan to construct a biodiesel plant, the storage tank lease was terminated and the associated leasehold improvements written-off in respect of US\$3.0 million.

The Board resolved at that time to seek buyers for the Biodiesel Facility. These efforts were complicated in 2008 when Greenline Industries brought an arbitration claim for alleged damages under its contract with the Company, but these claims have now been settled.

The Company continues to seek a third party buyer for the Biodiesel Facility. If a buyer is identified and terms of any such transaction are approved by the Board, it is proposed that the Company would, subject to shareholder approval having been obtained at the GM, execute the Biodiesel Facility Disposal, which may or may not be prior to the completion of the Plant Disposal.

### **Investing Policy**

Following the Plant Disposal, the Company will be classified under the AIM Rules as an Investing Company. Accordingly, the Investing Policy, details of which are set out below, is also subject to the approval of shareholders at the GM.

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.

With the initial return of 10 pence per Ordinary Share completed in February 2009 and assuming completion of the Plant Disposal, the remaining business of the Company will be to dispose of the Biodiesel Facility (if the Biodiesel Facility Disposal has not already taken place) and complete RPL Holdings' obligations under the rail car lease which expires in October 2009 and potentially to consummate a transaction for the Company's net operating loss tax carryforwards.

As soon as practicable after completion of the Plant Disposal, the Board will determine the appropriate level and timing of a further capital distribution to shareholders, taking into consideration the timing of the Plant Disposal of the Biodiesel Facility Disposal and the other working capital requirements of the Company. It is intended that the proceeds of the Plant Disposal (and of the Biodiesel Facility Disposal, as and when it takes place) will form part of this proposed capital distribution to shareholders.

In addition, the Company intends to take steps to reduce overheads and preserve cash (including staffing levels, board composition, and other appropriate measures). This evaluation of working capital requirements will include the need to fund termination/severance liabilities as well as any ongoing contingencies as a result of the Plant Disposal.

The Company considers the October termination of the rail car lease as the date when steps will be taken to commence the winding up approval process which may take up to 12 months to complete depending on the working capital requirements of the Company.

It is likely that there will be an interim capital distribution and a final capital distribution. The timing of the distributions has not been determined but it is currently anticipated that, assuming closing of the Plant Disposal has occurred, the interim distribution will be made as early as October 2009 to release the funds from the Plant Disposal.

The Company will seek the approval of shareholders prior to making any capital distribution and/or winding up of the Company, including for the purposes of complying with Rule 21.1 of the Takeover Code if required (in the event the Company is in an “offer period” as defined in the Takeover Code).

Following approval of the Investment Policy by the shareholders at the GM, pursuant to AIM Rule 15, the Company must implement the Investing Policy within 12 months of such approval, otherwise trading in the Company’s Ordinary Shares on AIM will be suspended in accordance with AIM Rule 40. If following suspension of the Ordinary Shares in accordance with AIM Rule 40, the Ordinary Shares have not been re-admitted to trading on AIM within six months, the admission of the Ordinary Shares to trading on AIM will be cancelled.

## **Resolutions**

You will find set out at the end of this circular a notice convening the GM to be held at 1.00pm on 19 August 2009 at 9 Queen Street, London, W1J 5PE. The following resolutions shall be proposed as ordinary resolutions at the GM (the “**Resolutions**”):

1. **THAT**, subject to the passing of Resolution 4 below, the disposal by the Company or its subsidiaries of the Plants (the “**Plant Disposal**”) as more particularly described in the circular sent to shareholders of the Company (the “**Shareholders**”) dated 29 July 2009 (the “**Circular**”) on the terms and subject to the conditions of the sale and purchase agreement dated 29 July 2009 made between RPL Holdings, Inc., Power City Generating Inc. and MEG Development Capital, LLC (the “**Agreement**”) be and is hereby approved and that the directors (or any duly constituted committee thereof) of the Company be and are hereby authorised to complete the Agreement and any other agreement or deed for which the Agreement provides and to make any non-material amendment, variation, waiver or extension to the terms or conditions of the Plant Disposal which the directors of the Company consider reasonable and in the best interests of the Company and its Shareholders to do all such other things as they consider necessary, expedient or desirable in connection with or to facilitate the Plant Disposal.
2. **THAT**, subject to the passing of Resolution 5 below, the disposal by the Company or its subsidiaries of the Biodiesel Facility (the “**Biodiesel Facility Disposal**”) as more particularly described in the Circular on the terms and subject to the conditions that the Company or its subsidiaries are able to obtain, be and is hereby approved and that the directors (or any duly constituted committee thereof) of the Company be and are hereby authorised to take any action which the directors of the Company consider reasonable and in the best interests of the Company and its Shareholders to do all such other things as they consider necessary, expedient or desirable in connection with or to facilitate the Biodiesel Facility Disposal.

3. **THAT**, subject to completion of the Plant Disposal, the Investing Policy of the Company, including the Biodiesel Facility Disposal if it has not taken place prior to completion of the Plant Disposal, and the sale of any remaining assets of the Company (as described in detail on pages 6 and 7 of the Circular) be and is hereby approved.
4. **THAT** the Plant Disposal referred to in Resolution 1 above be and is hereby approved for the purpose of compliance with Rule 21.1 of the Takeover Code.
5. **THAT** the Biodiesel Facility Disposal referred to in Resolution 2 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 1.00pm on Monday, 17 August 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 2,298,275 Ordinary Shares, representing approximately 2.6% 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



**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 £ exchange rate on 30 June 2009 of 1.647 (Source: Financial Times).

## 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, United Kingdom at 1.00pm on 19 August 2009 for the purposes of considering and, if thought fit, passing the following resolutions which will be proposed as ordinary resolutions:

#### ORDINARY RESOLUTIONS

1. **THAT**, subject to the passing of Resolution 4 below, the disposal by the Company or its subsidiaries of the Plants (the “**Plant Disposal**”) as more particularly described in the circular sent to shareholders of the Company (the “**Shareholders**”) dated 29 July 2009 (the “**Circular**”) on the terms and subject to the conditions of the sale and purchase agreement dated 29 July 2009 made between RPL Holdings, Inc., Power City Generating Inc. and MEG Development Capital, LLC (the “**Agreement**”) be and is hereby approved and that the directors (or any duly constituted committee thereof) of the Company be and are hereby authorised to complete the Agreement and any other agreement or deed for which the Agreement provides and to make any non-material amendment, variation, waiver or extension to the terms or conditions of the Plant Disposal which the directors of the Company consider reasonable and in the best interests of the Company and its Shareholders to do all such other things as they consider necessary, expedient or desirable in connection with or to facilitate the Plant Disposal.
2. **THAT**, subject to the passing of Resolution 5 below, the disposal by the Company or its subsidiaries of the Biodiesel Facility (the “**Biodiesel Facility Disposal**”) as more particularly described in the Circular on the terms and subject to the conditions that the Company or its subsidiaries are able to obtain, be and is hereby approved and that the directors (or any duly constituted committee thereof) of the Company be and are hereby authorised to take any action which the directors of the Company consider reasonable and in the best interests of the Company and its Shareholders to do all such other things as they consider necessary, expedient or desirable in connection with or to facilitate the Biodiesel Facility Disposal.
3. **THAT**, subject to completion of the Plant Disposal, the Investing Policy of the Company, including the Biodiesel Facility Disposal if it has not taken place prior to completion of the Plant Disposal, and the sale of any remaining assets of the Company (as described in detail on pages 6 and 7 of the Circular) be and is hereby approved.
4. **THAT** the Plant Disposal referred to in Resolution 1 above be and is hereby approved for the purpose of compliance with Rule 21.1 of the Takeover Code.
5. **THAT** the Biodiesel Facility Disposal referred to in Resolution 2 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

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

29 July 2009

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

1. A member entitled to attend, speak and vote at the Meeting may appoint a proxy to attend, speak and vote in his place. The 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, 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 17 August 2009, the day which is two days before the day of the meeting. 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