

Renewable Energy Holdings plc

Interim Results for the six months

Ended 30 June 2007

Renewable Energy Holdings plc

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Chairman's Statement

The half year to 30 June 2007 has seen major developments in our Company. Reference was made in my last report of our intention to refinance our German assets: a €135,000,000 credit facility has been established with Standard Chartered Bank and the facility has been deployed as intended.

We have expanded our German wind farm capacity by a further 8MW, taking the total to 40.5MW. Following a poor wind year in 2006, the German assets are now performing to our expectations with the latest 8MW expansion exceeding budgeted output in each of its first three months. A further expansion of this asset base to 48MW will take place next year.

Our interest in developing new wind farms in Europe remains high. Our activities are focussed on Poland, where we are pursuing construction of a 30MW wind farm next year; and we are engaged in a feasibility study of a large wind farm in Wales with good energy and economic prospects.

The last six months have also seen major developments in the Group's CETO project, the unique wave energy device that can be used both to generate electricity and for water desalination. There is worldwide interest in both capabilities.

Following the independent report on the technology, issued late 2006 by Parsons Brinkerhoff, we entered discussions with EDF Energies Nouvelles in order to explore the possibility of working together on the future commercial opportunities that exist for this technology. Following their own technical examination and due diligence, EDF Energies Nouvelles and REH have entered into agreement exclusively to joint venture the commercial deployment of CETO, wave energy "power stations" throughout the whole of the Northern Hemisphere and Isle de la Reunion in the Indian Ocean.

Meanwhile the delivery of a fully developed unit, ready for commercialisation is being taken forward by the agreement recently announced with Carnegie Ltd, the Australian company originally involved in the CETO project, and a vendor shareholder in REH's admission to the AIM market. Under this agreement Carnegie will pay the development costs and in return will be licensed by REH to deploy the CETO units commercially throughout the Southern Hemisphere, excluding Isle de la Reunion. REH retains a free carried equity of 10% in all Carnegie CETO projects, and is paid a licence fee.

Through these agreements with quality development partners and the licence fee arrangements, the Board of Directors of REH are confident in a global roll out of CETO on successful completion of the development of the technology, in a way that can bring major benefits to shareholders.

Finally, a successful capital raise this summer has given us the working capital to maintain the Group's momentum as it follows its business plan and builds its asset base.

30 months after the initial flotation, the Directors believe the Company is now in a position of strength to fulfil its ambitions and provide a sound basis for investment and growth. Trading so far this year is in line with expectation.

John W Baker
Chairman
17th September 2007

Renewable Energy Holdings plc

Interim condensed consolidated income statement for the six months to 30 June 2007

	Notes	Six months to 30 June 2007 (Unaudited) £	Six months to 30 June 2006 (Unaudited) £	Twelve months to 31 December 2006 (Unaudited) £
Revenue & gross profit	4	1,859,928	1,456,549	2,912,584
Expenditure				
CETO development expenses		(515,151)	(349,494)	(904,804)
Administrative expenses		<u>(2,328,697)</u>	<u>(1,894,078)</u>	<u>(3,907,192)</u>
Loss from Operations		(983,920)	(787,023)	(1,899,412)
Finance cost		(762,989)	(333,560)	(745,548)
Finance income		<u>31,627</u>	<u>82,773</u>	<u>153,699</u>
Loss before tax		(1,715,282)	(1,037,810)	(2,491,261)
Tax expense		<u>(51,721)</u>	<u>(108,436)</u>	<u>(193,952)</u>
Loss after tax attributable to the equity holders of the parent		<u>(1,767,003)</u>	<u>(1,146,246)</u>	<u>(2,685,213)</u>
Basic and diluted loss per share	5	(3.90)	(2.81)	(6.24)

Condensed consolidated statement of recognised income and expense for the six months to 30 June 2007

	Notes	Six months to 30 June 2007 (Unaudited) £	Six months to 30 June 2006 (Unaudited) £	Twelve months to 31 December 2006 (Unaudited) £
Loss after tax		(1,767,003)	(1,146,246)	(2,685,213)
Foreign exchange loss on retranslation of overseas operations		<u>(2,616)</u>	<u>1,848</u>	<u>(70,025)</u>
Total recognised income and expense for the period		<u>(1,769,619)</u>	<u>(1,144,398)</u>	<u>(2,755,238)</u>

Renewable Energy Holdings plc

Interim condensed consolidated balance sheet at 30 June 2007

	Notes	At 30 June 2007 (Unaudited) £	At 31 December 2006 (Audited) £	At 30 June 2006 (Audited) £
Non-current assets				
Property, plant and equipment		26,502,841	26,677,929	23,293,606
Intangible assets		7,544,126	7,596,806	7,649,485
Current assets				
Trade and other receivables	6	670,632	1,271,266	765,658
Cash and cash equivalents		<u>2,885,944</u>	<u>2,698,789</u>	<u>5,678,840</u>
Total current assets		<u>3,556,576</u>	<u>3,970,055</u>	<u>6,444,498</u>
Total assets		<u>37,603,543</u>	<u>38,244,790</u>	<u>37,387,589</u>
Current liabilities				
Trade and other payables	6	958,501	4,442,834	789,178
Tax liability		101,311	88,384	=
Other financial liabilities		<u>1,509,799</u>	<u>1,356,277</u>	<u>1,458,063</u>
Total current liabilities		2,569,611	5,887,495	2,247,241
Non-current liabilities				
Financial liabilities	6	19,370,297	14,952,785	16,067,108
Deferred Tax Liability		93,497	93,497	109,531
Other Creditors		<u>-</u>	<u>-</u>	<u>70,000</u>
		19,463,794	15,046,282	16,246,639
Total liabilities		<u>22,033,405</u>	<u>20,933,777</u>	<u>18,493,880</u>
TOTAL NET ASSETS		<u>15,570,138</u>	<u>17,311,013</u>	<u>18,893,709</u>
Capital and reserves attributable to equity holders of the company				
Share capital		452,666	452,666	452,666
Share premium reserve		16,583,898	16,583,898	16,583,898
Foreign exchange reserve		(84,785)	(82,169)	(10,296)
Share based payment reserve		1,013,459	984,715	956,571
Merger reserve		4,410,000	4,410,000	4,410,000
Retained earnings		<u>(6,805,100)</u>	<u>(5,038,097)</u>	<u>(3,499,130)</u>
TOTAL EQUITY		<u>15,570,138</u>	<u>17,311,013</u>	<u>18,893,709</u>

The financial statements were approved by the Directors on 17th September 2007.

John W Baker, Chairman

Michael J Proffitt, Director

Renewable Energy Holdings plc

Interim condensed consolidated cash flow statement for the six months to 30 June 2007

	Six months to 30 June 2007 (Unaudited) £	Six months to 30 June 2006 (Unaudited) £	Twelve months to 31 December 2006 (Unaudited) £
Operating activities			
Net loss from ordinary activities	(983,920)	(787,023)	(1,899,412)
Adjustments for:			
Depreciation	722,598	601,056	1,222,923
Amortisation	52,679	17,560	70,239
Foreign exchange gains	(12,403)	577	543,003
Equity-settled share based payments	<u>28,744</u>	<u>100,738</u>	<u>128,882</u>
Operating loss before changes in working capital and provisions	(192,302)	(67,092)	65,635
Decrease in deferred expenditure	-	590,631	590,631
Decrease in trade and other receivables	600,634	1,294,654	789,046
Increase in other financial assets	-	1,276	1,276
Increase/(decrease) in trade and other payables	<u>(3,484,332)</u>	<u>258,628</u>	<u>3,842,284</u>
Cash generated/(absorbed) from other operations	(3,076,000)	2,078,097	5,288,872
Income taxes paid	<u>(38,794)</u>	<u>-</u>	<u>(13,166)</u>
Cash flows from operating activities	<u>(3,114,794)</u>	<u>2,078,097</u>	<u>5,275,706</u>
Investing activities			
Acquisition of property, plant & equipment	(537,723)	(12,581,711)	(17,202,200)
Acquisition of subsidiary – net of cash acquired	-	(2,481,926)	(2,481,926)
Interest received	<u>31,627</u>	<u>82,773</u>	<u>153,699</u>
Cash flows from investing activities	<u>(506,096)</u>	<u>(14,980,864)</u>	<u>(19,530,427)</u>
Financing activities			
Issue of ordinary shares	-	6,050,000	6,050,000
Issue costs	-	(385,139)	(385,139)
Proceeds from bank borrowings	4,571,033	9,370,544	9,370,544
Issue costs for bank borrowing	-	(500,572)	(500,572)
Repayment of bank borrowing	-	(661,212)	(1,938,280)
Finance costs paid	<u>(762,989)</u>	<u>(301,770)</u>	<u>(652,799)</u>
Cash flows from financing activities	<u>3,808,044</u>	<u>13,571,851</u>	<u>11,943,754</u>
(Decrease)/increase in cash and cash equivalents	<u>187,154</u>	<u>669,084</u>	<u>(2,310,967)</u>

Notes to the interim condensed consolidated financial statements for the six month period ended 30 June 2007

1. Basis of preparation

The unaudited consolidated interim financial statements have been prepared using accounting policies consistent with those International Financial Reporting Standards (IFRS) in force, as adopted by the European Union and on the basis of the accounting policies disclosed in the financial statements for the six months ended 31 December 2006, which are also expected to apply for the year ended 31 December 2007.

During the second half of 2006 the company changed its accounting reference date from 30 June to 31 December, as a result the comparatives for the full year ended 31 December 2006 are not the Company's full statutory accounts for that year; they have been produced from the audited statutory accounts for the year to 30 June 2006 and the audited statutory accounts for the six months to 31 December 2006. Copies of these statutory accounts have been delivered to the Companies Registry. The auditors' reports on those accounts were unqualified, did not include references to any matters to which the auditors drew attention by way of emphasis without qualifying their report, and did not contain a statement under chapter 2 section 15.4 of the Companies Act 1982.

2. Issue of shares

No shares were issued during the period. After the balance sheet date the following shares were issued:

On 8 August 2007 8,000,000 shares were issued at a price of 50 pence.

On 10 August 2007 8,692,000 warrants were exercised, as a result on 23 August 8,692,000 shares were issued at a price of 50 pence. 3,208,000 warrants remain in issue.

3. Related party transactions

During the period to 30 June 2007 a net amount of £3,503 was received from Carnegie Corporation in respect of administration services rendered (31 December 2006: £9,505 net paid to Carnegie Corporation, 30 June 2006: £13,042 net paid to Carnegie Corporation).

An amount of £3,885 has been received from Carnegie Corporation in respect of office rent paid on behalf of Carnegie Corporation (31 December 2006: £NIL, 30 June 2006: £NIL).

Included in creditors is £148,000 due to Carnegie Corporation from Seapower Pacific Pty Limited (31 December 2006: £NIL, 30 June 2006: £NIL). Mr Alan Burns, a Director of Renewable Energy Holdings Plc and Seapower Pacific Pty Limited is Chairman of Carnegie Corporation.

An amount of £54,332 has been received from BPC Ltd in respect of travel costs incurred on BPC business and office rent paid on behalf of BPC (31 December 2006: £10,228, 30 June 2006 £7,872 paid to BPC Ltd in respect of office costs and rent).

Mr Alan Burns and Mr Michael Proffitt are Directors of both Renewable Energy Holdings plc and BPC Ltd.

Notes to the interim condensed consolidated financial statements for the six month period ended 30 June 2007 (continued)

4. Segment information

The group's primary reporting format for reporting segment information is business segments, and the segments are defined as Head Office, CETO development, Windfarm and Landfill gas. This split coincides with a geographical origin split of activities; Head Office being in the Isle of Man, CETO development taking place in Australia, Wind farm in Germany and Landfill gas in Wales.

	Head Office Isle of Man £	CETO Development Australia £	Wind farm Germany £	Landfill Gas Wales £	Total £
Six months ended 30 June 2007					
Operating income	-	-	1,734,460	125,468	1,859,928
Finance Income	<u>8,773</u>	<u>6,209</u>	<u>16,645</u>	<u>-</u>	<u>31,627</u>
	<u>8,773</u>	<u>6,209</u>	<u>1,751,105</u>	<u>125,468</u>	<u>1,891,555</u>
Total profit/(loss) before taxation	<u>(896,734)</u>	<u>(508,942)</u>	<u>(244,889)</u>	<u>(64,717)</u>	<u>(1,715,282)</u>
Twelve months ended 31 December 2006					
Operating income	-	-	2,790,226	122,358	2,912,584
Finance Income	<u>124,305</u>	<u>7,124</u>	<u>22,270</u>	<u>-</u>	<u>153,699</u>
	<u>124,305</u>	<u>7,124</u>	<u>2,812,496</u>	<u>122,358</u>	<u>3,066,283</u>
Total profit/(loss) before taxation	<u>(2,006,670)</u>	<u>(668,537)</u>	<u>366,564</u>	<u>(182,618)</u>	<u>(2,491,261)</u>
Six months ended 30 June 2006					
Operating income	-	-	1,415,651	40,898	1,456,549
Finance Income	<u>75,024</u>	<u>3,046</u>	<u>4,703</u>	<u>-</u>	<u>82,773</u>
	<u>75,024</u>	<u>3,046</u>	<u>1,420,354</u>	<u>40,898</u>	<u>1,539,322</u>
Total profit/(loss) before taxation	<u>(1,103,705)</u>	<u>(165,305)</u>	<u>258,067</u>	<u>(26,867)</u>	<u>(1,037,810)</u>

There has been no material change in the amount of total assets per segment since 31 December 2006, and the basis of segmentation is consistent with that applied at 31 December 2006.

5. Loss per share

The calculation of basic loss per share is based on the weighted average number of shares in issue throughout the period. The diluted loss per share has been calculated in accordance with the provisions of IAS 33 and is the same as the basic loss per share.

6. Trade receivables and payables

At 31 December 2006 an amount of £3,829,226 was included in trade payables which represented payments due to enXco GmbH for the expansion of the Kesfeld wind farm in Germany, an amount of £281,693 was also included in trade receivables which represented the corresponding VAT reclaimable by the company. During the period to 30 June 2007 the payments to enXco have been funded by drawing down on the company's €135,000,000 project finance facility with Standard Chartered Bank, and the corresponding VAT has been reclaimed. The effect on the consolidated balance sheet as at 30 June 2007 is a reduction of £3,829,266 in current liabilities, a corresponding increase in financial liabilities, and a reduction in trade receivables of £281,693.

7. Events after the balance sheet date

The Group is in the process of completing the acquisition of Windpark Kirf GmbH & Co. KG, the owner of an 8MW wind farm located in Kirf, Rheinland-Pfalz, Germany. A cash payment of €10,157,000 has been made for the purchase of the electricity generating assets. In the opinion of the Directors the fair value of the net assets acquired along with the expected associated costs will be equal to the total costs of acquisition.

Renewable Energy Holdings plc

Independent review report to Renewable Energy Holdings plc

Introduction

We have been instructed by the company to review the financial information for the six months ended 30 June 2007 set out on pages 2 to 7. We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

Our report has been prepared in accordance with the terms of our engagement to assist the company in meeting the requirements of the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Directors' responsibilities

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the interim report in accordance with the Rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market which require that the half-yearly report be presented and prepared in a form consistent with that which will be adopted in the company's annual accounts having regard to the accounting standards applicable to such annual accounts.

Review work performed

We conducted our review in accordance with guidance contained in Bulletin 1999/4 issued by the Auditing Practices Board for use in the United Kingdom. A review consists principally of making enquiries of management and applying analytical procedures to the financial information and underlying financial data and based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with International Standards on Auditing (UK and Ireland) and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the financial information.

Review conclusion

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 30 June 2007.

BDO Stoy Hayward LLP

Chartered Accountants

Gatwick

17th September 2007