

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt about the contents of this document or the action you should take you should consult an independent adviser authorised under the Financial Services and Markets Act 2000 immediately.

If you have sold or otherwise transferred all of your shares in Renewable Energy Holdings plc, please send this document, together with the accompanying form of proxy, to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale was effected for transmission to the purchaser or transferee. If you have sold or otherwise transferred only part of your holding of shares in Renewable Energy Holdings plc, please contact your stockbroker, bank or other agent through whom the sale was effected immediately.

RENEWABLE ENERGY HOLDINGS PLC

(Incorporated in the Isle of Man under the Companies Act 1931-2004 and with company number 111938C)

Notice of Extraordinary General Meeting

The notice of an extraordinary general meeting of the Company to be held at 10 a.m. on 6 March 2006 at the offices of Corporate Synergy Plc, 30 Old Broad Street, London EC2N 1HT is set out at the end of this document.

Shareholders are asked to complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible but, in any event, so as to be received by the Company's Registrars, Computershare Investor Services (Channel Islands) Limited, Ordnance House, 31 Pier Road, St Helier, Jersey JE4 8PW, not later than 48 hours before the EGM.

Expected Timetable of Principal Events

Circular posted to Shareholders	10 February 2006
Latest time and date for receipt of the Forms of Proxy	10 a.m. on 4 March 2006
Extraordinary General Meeting	6 March 2006
Admission and commencement of dealings in the Placing Shares	7 March 2006
Expected date for crediting of the Placing Shares issued to CREST stock accounts in uncertificated form	7 March 2006
Expected date for despatch of definitive share certificates in respect of the Placing Shares issued in certificated form and warrant certificates	14 March 2006

Placing Statistics

Number of Placing Shares	12,000,000
Placing Shares as a percentage of the Company's issued share capital immediately following completion of the Placing	26.6
Number of Ordinary Shares in issue immediately following completion of the Placing	45,166,666
Number of Ordinary Shares subject to Warrants issued to persons who subscribe for Placing Shares	12,000,000

Definitions

The following definitions apply throughout this document, unless the context requires otherwise.

“Admission”	the admission of the Placing Shares to trading on AIM
“AIM”	the market of that name operated by the London Stock Exchange
“Board” or “Directors”	the directors of the Company
“CETO Device”	a sub-marine emplaced wave energy capture and extraction device
“Company” or “REH”	Renewable Energy Holdings plc
“Extraordinary General Meeting” or “EGM”	the extraordinary general meeting of the Company convened for 10 a.m. on 6 March 2006 by the notice set out at the end of this document (or any adjournment thereof)
“Founder Options”	founder options to subscribe for Ordinary Shares granted under the Founder Option Agreements, February 2005
“London Stock Exchange”	London Stock Exchange plc
“Ordinary Shares”	ordinary shares of 1p each in the capital of the Company
“Placing”	the proposed conditional placing of the Placing Shares at the Placing Price
“Placing Price”	50p per Placing Share
“Placing Shares”	12,000,000 new Ordinary Shares to be issued pursuant to the Placing
“psi”	pounds per square inch
“Resolution”	the resolution to be proposed at the Extraordinary General Meeting
“Shareholders”	the holders of Ordinary Shares
“SPPL”	Seapower Pacific Pty Limited
“Warrants”	warrants to subscribe for 12,000,000 Ordinary Shares at the Placing Price to be issued to persons who subscribe for Placing Shares

RENEWABLE ENERGY HOLDINGS PLC

(Company No 111938C)

Directors:

John William Baker (*Non-Executive Chairman*)
Michael Joseph Proffitt (*Chief Executive Director*)
Alan Robert Burns (*Non-Executive Director*)
Rear Admiral Roger Charles Lane-Nott (*Non-Executive Director*)
Jeffrey Harding (*Non-Executive Director*)

Registered Office:

Ioma House
Hope Street
Isle of Man IM1 1AP

10 February 2006

To: All Shareholders and, for information purposes only, to the holders of the Founder Options

Dear Shareholder

PROPOSED PLACING AND NOTICE OF EGM

1 Introduction

It was announced today that the Company is proposing to raise £6 million before expenses by a placing of 12,000,000 new Ordinary Shares at 50p per Ordinary Share. Placees who subscribe for Placing Shares will also be issued with Warrants to subscribe for the same number of Ordinary Shares at the Placing Price at any time within 2 years of the issue of the Placing Shares.

The Placing and the issue of Warrants requires the pre-emption rights contained in Article 3.5 of the Articles of Association of the Company to be disapplied and so the EGM is being convened to propose the resolution to disapply the pre-emption rights contained in Article 3.5 of the Articles of Association of the Company. The Resolution disapplies these pre-emption rights in respect of shares issued pursuant to the Placing and the Warrants and in respect of up to 14,291,667 further Ordinary Shares (being 25 per cent. of the enlarged issued share capital of the Company following the Placing and the exercise of the Warrants) and any shares issued pursuant to a rights issue. The Placing will be conditional on, *inter alia*, the passing of the Resolution and Admission.

2 Background to and reasons for the Placing

REH is an Isle of Man company established to be an operator of, and undertake active investment in, both proven and innovative renewable energy technologies. On 11 February 2005, the Company raised £10 million through the issue of Ordinary Shares to assist in financing its investment strategy and was admitted to trading on AIM. At the same time, the Company acquired the CETO Device, an innovative wave energy extraction device which has been designed to capture wave energy and convert such energy into high pressure seawater, leading to onshore generation of electricity from existing technology.

To date the Company has made three renewable energy investments:

Kesfeld-Heckhuscheid GMBH & Co. KG ("Kesfeld")

On 20 July 2005, the Company announced the conditional acquisition of Kesfeld, a wind farm located in Kesfeld, Germany. On 11 October 2005, the Company announced that the various conditions precedent for this acquisition had been satisfied. The purchase price of the project was EUR 33,050,000 (approximately £22.5 million), £6.8 million being paid from REH's cash reserves with the remainder being financed through bank debt.

Of the 13 turbines, which will generate 27.9MWs, ten have been built and are flowing electricity into the national grid, and three are built and soon to be commissioned. The Directors believe that the handover date for the 27.9MWs will be within the month of February. The Directors believe that the additional 4.6MWs will be operational by the end of July 2006. The Company also announced on 11 October 2005 the signing of a weather hedge agreement for Kesfeld, which provides it with cover in the event that the wind drops

below 93.25 per cent. of levels predicted by REH's management. The hedge will provide more predictable revenues and a guaranteed cashflow from the first quarter of 2006.

Kirf GMBH & Co. KG ("Kirf")

The Company announced on the 15 August 2005 the conditional acquisition of Kirf, a 9.2MW wind farm located at a site close to Kesfeld, which the Directors believe will be fully operational by the end of 2006. The purchase price for the project is EUR 10,454,000 (approximately £7.12 million), to be paid in cash on completion, being financed in its entirety through bank debt. It is anticipated that the conditions precedent will be satisfied by June 2006.

Gwynt Cymru Limited ("Gwynt")

On 6 October 2005, the Company announced that REH Landfill Gas (Wales) Limited ("REH Wales"), a joint venture vehicle in which the Company and PurePower Egri Limited ("PPE") each hold a 50 per cent. interest, had signed a conditional sale and purchase agreement to acquire the entire issued share capital of Gwynt for £1.6 million to be paid in cash on completion.

It is anticipated that the funds for the acquisition will be provided by a loan from REH (although it is anticipated that third party financing will be sought to replace a proportion of this debt). PPE will be in charge of day to day operation of the 1MW landfill gas project, which is expected to be cash flow positive from commencement. It is anticipated that the conditions precedent for this acquisition will be satisfied by 28 February 2006.

CETO Device

The Company announced on 26 July 2005 that the CETO Device had in its initial testing, successfully transmitted high pressure seawater to shore at in excess of 500 psi, which was within the design parameters required to generate electricity on-shore using conventional hydro electric power turbines.

The Directors now consider the underlying principles of the technology to be proven and continue to consider how best to take the process of design for commercialisation and production engineering forward and are actively looking for a first commercial development site offshore.

Reasons for the Placing

The Company is now proposing to raise £6 million to assist in the acquisition of a 45MW wind farm in Hungary, in which (assuming the acquisition is completed as it is currently proposed) the Company will have an 80 per cent. holding. The Company is in the process of negotiating a sale and purchase agreement with the vendor with a view to agreeing a conditional agreement towards 31 March 2006 or shortly thereafter. The Company intends to fund its share of the acquisition through a combination of cash raised pursuant to the Placing and debt financing.

The Company also has a number of other projects under consideration (although not at such advanced stages), and funds raised through the Placing, which are not used to satisfy the acquisition of the Hungarian wind farm, will be used to progress future deals.

Consensus Business Group Ltd

The Company is also in discussions with Consensus Business Group Ltd with a view to procuring debt financing for REH's renewable energy projects going forward.

3 Details of the Placing

The Company is intending to raise £6 million (before expenses) by the issue of the Placing Shares at the Placing Price. Corporate Synergy, as agent for the Company, has agreed to use its reasonable endeavours to place the Placing Shares at the Placing Price with institutional and other investors, subject to, *inter alia*, the passing of the Resolution at the EGM and the Placing Shares being admitted to trading on AIM. The Placing Price represents a discount of 13.05 per cent. to the closing mid-market price of 57.5p on AIM as at 9 February 2006, the last practicable date prior to the publication of this circular.

The Placing Shares will, when issued and fully paid, rank *pari passu* in all respects with the existing Ordinary Shares, and are expected to be admitted to trading on AIM on 7 March 2006.

Details of the Warrants are set out in the summary of the Warrant Instrument in Appendix 1.

4 The EGM

You will find set out at the end of this document a notice of the EGM to be held at 10.00 a.m. on 6 March 2006 at which a resolution will be proposed, as a special resolution, to disapply the pre-emption rights contained in Article 3.5 of the Articles of Association of the Company in the circumstances set out in the Resolution.

5 Action to be Taken

A form of proxy is enclosed. Whether or not you intend to be present at the EGM, you are asked to complete and return the form of proxy in accordance with the instructions printed thereon so as to be received by the Company's Registrars, Computershare Investor Services (Channel Islands) Limited, Ordnance House, 31 Pier Road, St Helier, Jersey JE4 8PW, not later than 48 hours before the time of the meeting. Completion and return of the form of proxy will not preclude you from attending the meeting and voting in person, if you so wish.

6 Recommendation

The Directors unanimously recommend that Shareholders vote in favour of the Resolution, as they intend to do in respect of their own shareholdings, amounting in aggregate to 966,592 Ordinary Shares (representing approximately 2.91 per cent. of the issued share capital of the Company).

Yours sincerely

JOHN BAKER

Non-Executive Chairman

APPENDIX 1

Under the terms of a Warrant Instrument to be executed by the Company prior to Admission:

1. Warrants may be issued entitling the holders thereof to subscribe for up to an aggregate of 12,000,000 Ordinary Shares at 50 pence per share (the “Warrant Price”).
2. Each holder for the time being of Warrants (the “Warrant Holders”) shall be entitled to receive one certificate for the Warrants held by that person (a “Certificate”).
3. Each Warrant Holder shall have the right to subscribe for up to the number of Ordinary Shares (the “Warrant Shares”) as set out in its Certificate.
4. The Warrants held by each Warrant Holder may be exercised by that Warrant Holder at any time in the period of two years after the date of issue of the Placing Shares. The Warrants may be exercised by delivering to the Company at its registered office the Certificate covering the Warrant Shares in respect of which the Warrant is exercised and a bankers’ draft made payable to the Company for the appropriate subscription monies payable together with a notice specifying the number of Warrant Shares to be issued.
5. The Warrants held by each Warrant Holder may be exercised in whole or in part subject to any partial exercise being:
 - 5.1 for not less than 200,000 Ordinary Shares; or
 - 5.2 where the entire unexercised portion of the Warrants held by that Warrant Holder is in respect of less than 200,000 Ordinary Shares, for such number of Ordinary Shares as the Warrant Holder shall determine provided that on such an exercise any Warrants held by that Warrant Holder that are not exercised at that time shall lapse.
6. In the event that after the issue of Warrants:
 - 6.1 the Company makes any capital distribution or return of capital to its shareholders; or
 - 6.2 the Company consolidates or subdivides any of its Ordinary Shares then outstanding; or
 - 6.3 the Company issues any shares to its shareholders by way of capitalisation of profits or reserves (other than scrip dividends where the market value of the dividend does not exceed the amount of the cash dividend (or the relevant part thereof, where applicable)); or
 - 6.4 the Company issues any shares to be paid up in cash to any person by way of rights or grants any entitlement to subscribe for or purchase Ordinary Shares for cash, in either case at less than 90 per cent. of the then market value of the Ordinary Shares (other than pursuant to options or warrants existing at 9 February 2006 or pursuant to any employee or executive option scheme or pursuant to the Warrants);then the Company shall appoint, at the Company’s sole cost, its auditors or some other firm of chartered accountants selected by the Company, to determine what adjustment, if any, should be made to the Warrant Price and/or the number of Warrant Shares.
7. Warrant Shares issued pursuant to the exercise of Warrants will be allotted fully paid not later than 28 days after the Company has received the relevant subscription monies and certificates in respect of such shares will be issued not later than 14 days after the relevant allotment date to the person in whose name the Warrant is registered at the date of exercise.
8. Warrant Shares issued pursuant to the exercise of Warrants will not rank for any dividends or other distributions declared, paid or made for which the record date is prior to the date of registration of the Warrant Share in the name of the Warrant Holder but, subject thereto, will rank in full for all dividends and other distributions in respect of the then current financial year and *pari passu* in all other respects with the Ordinary Shares in issue on the date of registration of the Warrant Share in the name of the Warrant Holder.

- 9.** If any Warrants are not exercised within the period of two years after the date of issue of the Placing Shares then those Warrants shall lapse.
- 10.** So long as any Warrants remain outstanding to be exercised:
 - 10.1 the Company shall keep available for issue sufficient authorised but unissued share capital to satisfy in full all Warrants remaining exercisable;
 - 10.2 if an order is made or an effective resolution is passed for winding-up the Company prior to the expiry of the date of two years after the issue of the Placing Shares then the Warrants will lapse 14 days after notice of such event has been provided by the Company to the Warrant Holders;
 - 10.3 if the Company ceases for any reason to have any shares listed on a recognised investment exchange then the Warrants will lapse 14 days after notice of such event has been provided by the Company to the Warrant Holders; and
 - 10.4 if any person (or persons acting in concert) who directly or indirectly controls the Company as at the date of this Warrant Instrument ceases to do so or if a person (or persons acting in concert) obtains directly or indirectly control of the Company after the date of this Warrant Instrument then the Warrants will lapse 14 days after notice of such event has been provided by the Company to the Warrant Holders.
- 11.** All or any of the rights for the time being attached to the Warrants may from time to time (whether or not the Company is being wound up) be compromised, altered or abrogated with the sanction of an extraordinary resolution of the Warrant Holders.
- 12.** Modifications to the rights of the Warrants which are of a minor nature, or made to correct a manifest error, and which in the reasonable opinion of the Directors do not adversely affect the interests of the Warrant Holders shall be deemed not to be an alteration or abrogation of the rights attached to the Warrants and may be effected (without the sanction of an extraordinary resolution of the Warrant Holders) by a deed poll executed by the Company and expressed to be supplemental to the Warrant Instrument and notice of each such modification made pursuant thereto shall be given by the Company to the Warrant Holders as soon as practicable.
- 13.** Warrants will be registered and will not be transferable except to any subsidiary or holding company of the relevant Warrant Holder.
- 14.** The Warrants shall be governed by and construed in accordance with Isle of Man law.

RENEWABLE ENERGY HOLDINGS PLC

(Incorporated in the Isle of Man under Companies Act 1931-2004 and with company number 111938C)

Notice of Extraordinary General Meeting

Notice is hereby given that an Extraordinary General Meeting of Renewable Energy Holdings plc (the "Company") will be held at the offices of Corporate Synergy Plc, at 10 a.m. on 6 March 2006 for the purpose of considering and, if thought fit, passing the following resolution, which will be proposed as a special resolution:

1. THAT the Directors be authorised and empowered pursuant to Article 3.5 of the Articles of Association of the Company to allot equity securities for cash as if Article 3.5 of the Articles of Association of the Company did not apply to such allotment, such power to expire on the earlier of the date of the next Annual General Meeting of the Company or the date 15 months after the date of the passing of this resolution and such power is limited to the allotment of equity securities:
 - (a) in connection with rights issues to holders of ordinary shares where the equity securities respectively attributable to the interests of such holders are proportionate (as nearly as may be practicable) to the respective numbers of ordinary shares held by them, but subject to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with any fractional entitlements or any legal or practical problems under law of, or requirements of any regulatory body or any recognised stock exchange in, any territory;
 - (b) up to a maximum aggregate nominal amount of £120,000.00 in connection with the proposed placing of 12 million ordinary shares of 1p each in the capital of the Company referred to in a circular to the shareholders of the Company, dated 10 February 2006;
 - (c) up to a maximum aggregate nominal amount of £120,000.00 in connection with the issue of 12 million ordinary shares of 1p each in the capital of the Company on the exercise of Warrants as defined in a circular to the shareholders of the Company dated 10 February 2006; and
 - (d) (otherwise than pursuant to paragraphs (a), (b) and (c) above) up to a maximum aggregate nominal amount of £142,916.67;

provided that the Company may, before the expiry of this power, make any offer or agreement which would or might require equity securities to be allotted after the expiry of this power and the directors may allot equity securities in pursuance of such offer or agreement as if this power had not expired.

BY ORDER OF THE BOARD

Clive Wilcox
Company Secretary

10 February 2006

Registered Office:

Ioma House
Hope Street
Isle of Man IM1 1AP

Notes:

- (1) A member entitled to attend and vote at the above-mentioned Extraordinary General Meeting may appoint one or more proxies to attend and, on a poll, to vote instead of him. A proxy need not be a member of the Company.
- (2) A form of proxy is enclosed. To be valid, the form of proxy (together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such authority) must be deposited at the offices of the Company's Registrars, Computershare Investor Services (Channel Islands) Limited, Ordnance House, 31 Pier Road, St Helier, Jersey JE4 8PW no later than 10.00 a.m. on 4 March 2006. Completion of the form of proxy will not preclude a member from attending and voting in person.
- (3) The Company, pursuant to regulation 41 of The Uncertificated Securities Regulations 2001 (of Parliament) and Regulation 22 of the Uncertificated Securities Regulations 2005 (of Tynwald), specifies that only those shareholders registered in the register of members of the Company as at 10.00 a.m. on 4 March 2006 shall be entitled to attend or vote at the Extraordinary General Meeting in respect of the number of shares registered in their name at that time. Changes to entries on the relevant register of securities after that time will be disregarded in determining the rights of any person to attend or vote at the Extraordinary General Meeting.

