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FOR IMMEDIATE RELEASE

21 DECEMBER 2006

NOVERA ENERGY LIMITED ("NOVERA" OR THE "COMPANY")

Proposed acquisition by Novera of the 50 per cent. holding in Novera Macquarie Renewable Energy Joint Venture Limited ("NMRE") from Macquarie Renewables Limited ("MRL") (the "Acquisition") and proposed placing of 69,090,910 new Novera ordinary shares at 55p per share (the "Placing") to raise £38 million before expenses

The Board of Novera, a leading independent UK renewable energy producer, is pleased to announce that Novera has entered into a conditional agreement with MRL to acquire for cash their 50 per cent. holding in NMRE for £30 million. The Acquisition will be financed through funds to be raised by the Placing which has been fully underwritten by N M Rothschild & Sons Limited ("Rothschild").

NMRE was established in the UK in December 2004 as a 50:50 joint venture between Novera and Macquarie Bank Group ("Macquarie") to form a vehicle for operating and acquiring landfill gas and biomass renewable energy assets. NMRE currently has one of the largest diversified renewable energy portfolios in the UK with an installed operating capacity of 131 MW at 59 sites.

The Acquisition is an important step in Novera's development and the consolidation of ownership of NMRE will bring a number of benefits to Novera, including, inter alia:

- the ability to unlock additional shareholder value through a combination of operating efficiencies and synergies between NMRE and Novera's existing activities, and also Novera's planned development pipeline of opportunities;
- enhanced sector presence for Novera which will benefit both the existing Novera operations as well as the development pipeline; and
- opportunities for Novera to fund additional new developments through NMRE's cash generation.

The operating efficiencies and synergies will start to be realised during 2007 and are expected to provide pre tax improvements of £1.3 million per annum from 2008 onwards, due to savings in corporate overheads, engine maintenance and procurement, improved operational interface and response times, and gas field management.

Undertakings to vote in favour of the Acquisition have been given by each of the Directors in respect of shares they own and certain other institutional shareholders totalling 26,648,150 Novera shares, representing approximately 48.6 per cent. of the existing share capital of Novera.

In addition to the cash consideration payable at completion, MRL is entitled to receive 50 per cent. of the net proceeds of any payment that NMRE may receive subject to the outcome of an outstanding indemnity claim which NMRE is pursuing. Novera has undertaken to place £750,000 into escrow at completion pending the outcome of the indemnity claim.

An extraordinary general meeting of Novera will be held on 15 January 2007 (the "EGM") at which a resolution will be proposed for the purpose of approving the Acquisition.

The Acquisition is conditional on approval by Novera's shareholders, the placing and underwriting agreement not having been terminated and having become unconditional, and admission of the placing shares (the "Placing Shares") to trading on the AIM Market of London Stock Exchange plc ("Admission").

The Placing

A total of 69,090,910 new Novera ordinary shares of no par value have been conditionally placed at 55 pence per share by Oriel Securities Limited ("Oriel Securities"), Kaupthing, Singer & Friedlander Capital Markets Limited ("Kaupthing") and Scott Harris UK Limited ("Scott Harris"), with institutions and certain of Novera's directors and employees. The Placing will raise approximately £38 million (before commissions and expenses), to fund the Acquisition and the ongoing working capital requirements of the enlarged Novera group.

Subject to completion, the Placing Shares will be issued credited as fully paid up and will rank pari passu in all respects with Novera's existing ordinary shares, including the right to receive any future dividends or other distributions which may or may not be declared from time to time.

Current trading

NMRE

NMRE continues to perform well with generation, revenue and earnings before interest tax depreciation and amortisation ("EBITDA") for the 10 months between January and October 2006 all ahead of the corresponding period in 2005 (generation up by 10% (470 GWh vs. 426 GWh), revenue up by 25% (£25m vs. £20m) and EBITDA up 48% (£11m vs. £7m)). Generation performance has continued to be strong in the second half of the year, although revenues are likely to be down on the first half due to the disposal of the German wind farms, termination of the Tower Colliery contract, a delay to the installation of the gas collection systems and expansion projects and seasonality.

Novera

Novera continues to make good progress with its East London Sustainable Energy Facility ("ELSEF") and is also now in preliminary discussions regarding four other similar projects. In addition, Novera has pre-qualified for the Manchester Solid Recovered Fuel contract and agreements are in place to operate three waste water sludge drying facilities until 2010 with Kelda Group plc.

Novera has continued to develop its wind operations with tangible progress made towards its five year goal of 250 MW of capacity from green field development sites. Novera has secured grid access for its Lissett wind farm. Novera has completed feasibility studies on a further 11 wind sites with potential capacity of 171 MW and Novera's next wind development, Mount Boy, is expected to be submitted for planning in January 2007.

Commenting on the Acquisition, John Brown, Chairman of Novera, said:

"Novera's strategy is to create value through focusing on UK renewable power generation, through the organic development of the company's strong pipeline of development projects and through driving consolidation in the sector. The acquisition of MRL's shares in NMRE is a significant milestone in the execution of that strategy."

Commenting on the Acquisition, David Fitzsimmons, Chief Executive of Novera, said:

"This acquisition is a major step forward for Novera as it transforms the scale of the company's operations in UK renewables, creating a business with greater economies of scale, critical mass and a much stronger platform to drive future consolidation in the sector.

Going forward, the Board is confident about the enlarged Novera business, and its ability to create further shareholder value in an exciting and growing sector."

Summary timetable

- Latest time and date for receipt of Forms of Proxy by: 8.00 a.m. on 12 January 2007
- EGM to approve the Acquisition: 15 January 2007
- Expected date of admission of the Placing Shares: 19 January 2007
- Expected date of completion of the Acquisition: 22 January 2007

Further details regarding both the Acquisition and the Placing, including the Notice of the EGM at which the ordinary resolution required to approve the Acquisition will be proposed, are set out in a shareholder circular ("Circular") which will be posted to Novera shareholders later today.

Unaudited financial information on NMRE

For the 6 months ended 30 June 2006, NMRE generated an EBITDA of approximately £6,873,000 and had unaudited net assets of approximately £32,893,000. For the 12 months ended 31 December 2005, NMRE generated an EBITDA of approximately £8,813,000 and had unaudited net assets of approximately £30,832,000.

There will be a conference call for analysts on 21 December 2006 at 9.30 a.m. Please contact Rebecca Ghent at Hudson Sandler on 0207 796 4133 for the details of this call.

For further information please contact:

Novera Energy Limited

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Rothschild, which is authorised and regulated by the Financial Services Authority in the United Kingdom, is acting exclusively as financial adviser to Novera in connection with the Acquisition and is not acting for any other person and will not be responsible to any other person for providing the protections afforded to customers of Rothschild or for advising on the transaction and arrangements proposed in the Circular or any transaction or arrangement referred to in this announcement.

Oriel Securities has been appointed as Nominated Adviser and joint broker to the Company. Oriel Securities, which is authorised and regulated in the United Kingdom by the FSA, is acting as Nominated Adviser and joint broker to the Company for the purposes of the AIM rules in connection with the Placing and Admission and is not acting for and will not be responsible to any other person other than the Company for providing the protections afforded to customers of Oriel Securities or for advising any other person on the contents of Circular or any transaction or arrangement referred to in this announcement.

Kaupthing has been appointed as joint broker to the Company. Kaupthing, which is authorised and regulated in the United Kingdom by the FSA, is acting as joint broker to the Company for the purposes of the Placing and is not acting for and will not be responsible to any other person other than the Company for providing the protections afforded to customers of Kaupthing or for advising any other person on the contents of the Circular or any transaction or arrangement referred to in this announcement.

All statements, other than statements of historical fact, contained in this announcement constitute “forward-looking statements”. In some cases, forward-looking statements can be identified by terms such as “may”, “intend”, “might”, “will”, “should”, “could”, “would”, “believe”, “anticipate”, “expect”, “estimate”, “predict”, “project”, “potential”, or the negative of these terms, and similar expressions. Such forward-looking statements are based on assumptions and estimates, and involve risks, uncertainties and other factors that may cause the actual results, financial condition, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.