



27 September 2007

Novera Energy plc ('Novera' or 'the Company')
INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2007

Novera, one of the leading listed independent UK renewable energy companies, today announces its results for the six months to 30 June 2007.

HIGHLIGHTS*

- Revenue increased by 9 per cent. to £17.3 million (1H06: £15.8 million):
 - Generation increased by 3 per cent. to 281 GWh (1H06: 272GWh); and
 - Average price achieved increased 6 per cent. to £57.23/MWh from £54.06/MWh.As a result of consolidating the operating results from 22 January, actual revenue for the period from 22 January to 30 June was £15.0 million (2006: £1.0 million).
- Costs per MWh (excluding royalties) decreased reflecting successful initiation of operational improvements and the timing of major engine overhauls.
- On track to deliver acquisition operating efficiencies and synergies of £1.3 million per annum from 2008.
- Gross profit increased 22 per cent. to £8.2 million (1H06: £6.7 million). As a result of consolidating the operating results from 22 January, actual gross profit for the period from 22 January to 30 June was £7.1 million (2006: £0.1 million).
- EBITDA increased 15 per cent. to £5.5 million on a like for like basis (1H06: £4.8 million).
- £17.4 million cash in bank at 30 June 2007 with net debt of £72.6 million.
- Good progress towards five year goal of developing wind portfolio of 250 MW:
 - Procurement and financing negotiations for Lissett Airfield Wind Farm largely completed.
 - Lissett's capacity has increased from 24 MW to 30 MW.
 - On target to have a further 70 MW of wind applications into planning by the end of 2007.
- Supportive Energy White Paper underpins investment in waste to energy strategy.

Commenting on the results, David Fitzsimmons, CEO: *"Today's results reflect the success of our strategy of focusing on our current asset performance while building our portfolio of new assets. Our development portfolio is on track to deliver our forecast for projects (70MW) into planning by the end of the year with an increase in investment in the second half of the year. We are greatly encouraged by the continuing support of the renewables industry as stated in the Government's Energy White Paper which underpins our optimism for the future."*

* The Directors have presented the consolidated results of the Group in accordance with IFRS. For the purposes of comparison the Directors have also presented the results of the Group on a pro-forma basis which better reflects the underlying performance of the businesses comprising the Group as at 30 June 2007, including 100 per cent. of Novera Macquarie Renewable Energy JV ('NMRE') from 1 January 2006 (refer to Note 4). During 2006 and to 22 January 2007 the Group actually owned 50 per cent of NMRE.

For further information:

Novera Energy plc

**David Fitzsimmons / Rory
Quinlan**

Tel: +44 (0) 20 7845 9720

Oriel Securities Limited

**Adrian McMillan / Michael
Shaw**

Tel: +44 (0) 20 7710 7600

Gavin Anderson & Company

**Ken Cronin / Kate Hill /
Michael Turner**

Tel: +44 (0) 20 7554 1400

Novera Energy plc

30 Bedford Street, London WC2E 9ED, England
Tel +44 20 7845 9720 Fax +44 20 7845 9721
Registered in England and Wales

Company Number: 6163576

Chairman's Statement

I am pleased to report on the activities of Novera for the six months ended 30 June 2007.

The Directors have presented the consolidated results of the Group in accordance with IFRS in the Income Statement. Upon the acquisition of the other 50 per cent. of NMRE on 22 January 2007, the revenue and expenses of the operating business have been consolidated into each line of Novera's Income Statement, rather than disclosed in one line as a profit/loss from joint ventures. For the purposes of comparison, the Directors have also presented the results of the Group on a basis which better reflects the underlying performance of the businesses comprising the Group as at 30 June 2007, including 100 per cent. of NMRE (refer to Note 4). The discussion below is on this basis.

Financial Performance

Revenue increased 9 per cent. to £17.3 million and gross profit increased 22 per cent. to £8.2 million. These figures reflect an improved operating performance, as described below. EBITDA increased 15 per cent. to £5.5 million, despite one-off costs of £0.6 million associated with the acquisition of the 50 per cent. of the operating business from Macquarie and our reincorporation in the UK, and the reduction in income from DEFRA in support of ELSEF (our energy from waste facility development project) of £0.7 million.

In the six months to 30 June 2007 Novera recorded a loss before tax of £1.3 million (2006: £1.7 million) on a pro-forma consolidated basis.

At 30 June 2007 Novera had £17.4 million cash in bank. Net debt at 30 June 2007 was £72.6 million.

Operational Review

Management initiatives undertaken during the first six months have delivered operational improvements across the portfolio. We are on track to deliver the operating improvements and synergies identified at the time of the NMRE acquisition. During the first half of 2007, our generation output increased by 3 per cent., from 272 GWh to 281 GWh and our revenue increased by 9 per cent. to £17.3 million while costs per MWh (excluding royalties) decreased.

	Revenue (£m)		Percentage increase	Generation (GWh)		Percentage increase
	1H 07	1H 06		1H 07	1H 06	
Landfill Gas	13.3	12.5	6	240	237	1
Hydro	1.7	1.5	13	26	24	8
Wind	1.1	0.7	57	15	11	36
Contract Services	1.2	1.1	9	-	-	-
TOTAL	17.3	15.8	9	281	272	3

Landfill gas revenue increased due to higher generation and higher prices being achieved. Increased generation was achieved through two new developments commencing operation and site expansions from drilling additional wells. Higher prices were achieved due to four former Non Fossil Fuel Obligation (NFFO) sites now receiving higher revenue under Renewable Obligation Certificate (ROC) contracts. Furthermore, the site expansions and new developments are under the higher revenue ROC contracts. There has also been increased management focus on the higher revenue sites.

Operating initiatives, such as engine relocations, improved working arrangements with landfill site operators, and engine automation have already shown positive results, and are expected to increase generation and revenue further during the second half of 2007. Gas field management is a continuing area of focus, including improved data collection and maintenance, and establishment of an in-house gas field team.

Gross profit benefited from the increase in revenue and the reduction in costs per MWh (excluding royalties). Unit costs reduced as a result of the successful initiation of operational improvements, timing differences of major engine overhauls and the fixed nature of wind and hydro costs.

Operational improvements in the first half of 2007 have focussed on outsourced engine maintenance and in particular under-generation charges from external engine maintenance providers. Following successful contract negotiation and implementation of measures to minimise engine down time a saving of £0.4 million was realised in the six months, of which £0.2 million represents an ongoing benefit. Further operational

improvements have achieved cost savings of £0.1 million from our procurement strategy and gas field maintenance cost reductions.

Wind generation and revenue increased as a result of six months of full production in 2007 compared to the same period in 2006, after the phased commissioning of the turbines at Mynydd Clogau in Powys, mid-Wales during the first half of last year.

Hydro generation has increased by 8 per cent. to 26 GWh and revenue increased by 13 per cent. to £1.7 million due to increased rainfall in the six months.

Development Review

Wind

During the first half of 2007, Novera expanded its wind team and made tangible progress towards its five-year goal of having 250 MW in operation from onshore wind development by 2011.

The Lissett Airfield Wind Farm Planning Agreement with the Local Planning Authority was completed and the Planning Notice issued in July 2007. Negotiations for the Power Purchase Agreement, the Engineering, Procurement and Construction Contract and the Term Sheet for the Debt Facility have now been largely completed. Financial close is expected after the expiry of the Planning Notice objection period in October. The turbines selected will increase installed capacity of Lissett from 24MW to 30 MW.

Good progress has been made on the rest of the wind development portfolio. We expect to submit planning applications for three new sites by end 2007, at Townhead (Cumbria), Glenkerie (Scottish Borders) and A'Chruach (Argyll, Scotland) which have an aggregate capacity of over 70 MW. These are in addition to the 6 MW wind farm at Mountboy in Angus, Scotland, for which a planning application was submitted in January 2007

In addition, our site search programme is delivering good results. So far this year we have identified 11 new sites with a potential capacity of 152 MW. We remain on target to deliver 250 MW into production by the end of 2011.

Energy from Waste

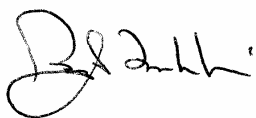
Our ELSEF project received a favourable outcome from the Energy White Paper, which proposed to double the support available for renewable power from gasification.

We are now moving forward to close the commercial agreements, and intend to sign a conditional Engineering, Procurement and Construction contract with our preferred bidder by the end of the year. This will allow us to secure finance for the project when the Energy Bill becomes law.

Novera was developing the ELSEF project under an agreement with the UK Government (DEFRA), through which DEFRA purchased development services from Novera. However the delay in financial close, caused by the DTI's Renewable Obligation Review has resulted in this agreement being terminated. Payments made under the contract to date are unaffected. We anticipate the benefit from the increased support announced in the White Paper to exceed the loss in DEFRA support.

Outlook

The demand for renewable energy is growing at an unprecedented rate, with Government support for wind power and land fill gas undiminished and increasing support for new technologies such as energy from waste. Our strategy aims to respond to this demand by providing solutions which deliver renewable energy using our existing and planned assets. Our operational performance continues to improve and our development portfolio grows in line with our expectations, with increased investment in the second half of 2007. Investment in renewable energy will be enhanced further by the commitment of the EU and UK to reach 20 per cent. by 2020. Novera believes that the company is well placed to benefit from all these developments and the Board looks forward with optimism for the future.



Roy A. Franklin
Chairman

Novera Energy plc
Consolidated Income Statement
For the six months ended 30 June 2007

	<i>Unaudited</i> Six months to 30-Jun-07 £'000	<i>Unaudited</i> Six months to 30-Jun-06 £'000	<i>Audited</i> Year to 31-Dec-06 £'000
Revenue	14,980	1,092	2,183
Cost of sales	(7,899)	(1,013)	(2,021)
Gross profit	7,081	79	162
Other income	25	734	1,133
Development costs	(915)	(1,352)	(2,405)
Restructuring costs	(622)	(125)	(130)
Other administrative expenses	(1,081)	(901)	(1,979)
Administrative expenses	(1,703)	(1,026)	(2,109)
Depreciation	(2,386)	(28)	(33)
Amortisation	(1,323)	-	-
Operating profit / (loss)	779	(1,593)	(3,252)
Interest receivable	447	99	202
Interest payable	(2,689)	-	(2)
	-	-	-
Share of net profit of a joint venture entity accounted for using the equity method	211	291	36
Loss before income tax	(1,252)	(1,203)	(3,016)
Taxation	-	-	-
Loss attributable to equity shareholders	(1,252)	(1,203)	(3,016)

Novera Energy plc
Consolidated Balance Sheet
As at 30 June 2007

	<i>Unaudited</i> 30-Jun-07 £'000	<i>Unaudited</i> 30-Jun-06 £'000	<i>Audited</i> 31-Dec-06 £'000
ASSETS			
Non-current assets			
Intangible assets	53,259	-	-
Property, plant & equipment	68,693	79	76
Investments accounted for using the equity method	366	16,456	14,608
Receivables	652	735	785
Total non-current assets	122,970	17,270	15,469
Current assets			
Trade and other receivables	9,595	1,612	1,267
Financial assets - Derivative financial instruments	4,480	-	-
Cash and cash equivalents	17,400	1,966	3,693
Total current assets	31,475	3,578	4,960
Total assets	154,445	20,848	20,429
LIABILITIES			
Current liabilities			
Trade and other payables	9,364	1,014	1,982
Deferred revenue	-	154	154
Financial liabilities - Borrowings	4,372	-	-
Total current liabilities	13,736	1,168	2,136
Non-current liabilities			
Financial liabilities - Borrowings	85,673	-	-
Deferred revenue	-	2,681	2,605
Deferred tax	1,846	-	-
Total non-current liabilities	87,519	2,681	2,605
Total liabilities	101,255	3,849	4,741
Net assets	53,190	16,999	15,688
EQUITY			
Share Capital / Contributed equity	6,198	32,243	32,243
Share premium	61,927	-	-
Other reserves	3,403	31	533
Accumulated losses	(18,338)	(15,275)	(17,088)
Total equity	53,190	16,999	15,688

Novera Energy plc
Consolidated Statement of Changes in Equity
As at 30 June 2007

	<i>Unaudited</i> Six months to 30-Jun-07 £'000	<i>Unaudited</i> Six months to 30-Jun-06 £'000	<i>Audited</i> Year to 31-Dec-06 £'000
Total equity at the beginning of the period	15,688	16,866	16,866
Movement in fair value of interest rate swaps – cash flow hedges	2,304	-	-
Share of movement in JV reserves	453	1,287	1,720
Employee share options	114	17	86
Net income recognised directly in equity	2,871	1,304	1,806
Loss for the current period	(1,252)	(1,203)	(3,016)
Total recognised income and expense for the period	1,619	101	(1,210)
Transactions with equity holders in their capacity as equity holders:			
Issue of new share capital net of transaction costs	35,883	32	32
Total equity at the end of the period	53,190	16,999	15,688
Total recognised income and expense for the period is attributable to Novera Energy plc	1,619	101	(1,210)

Novera Energy plc
Consolidated Cash Flow Statement
For the six months ended 30 June 2007

	Notes	<i>Unaudited</i> Six months to 30-Jun-07 £'000	<i>Unaudited</i> Six months to 30-Jun-06 £'000	<i>Audited</i> Year to 31-Dec-06 £'000
Cash flows from operating activities				
Cash generated from operations	3	4,631	(724)	(202)
Development costs		(915)	(1,352)	(2,405)
Interest received		360	47	98
Interest paid		(2,975)	-	
Distribution received		-	442	1,600
Net cash inflow / (outflow) from operating activities		1,101	(1,587)	(909)
Cash flows from investing activities				
Acquisition of subsidiaries (net of cash acquired)		(20,376)	-	-
Proceeds from sale of property, plant and equipment		202	-	-
Payments for property, plant and equipment		(1,377)	(19)	(22)
Proceeds from/(payments for) vending of business		375	(300)	(119)
Receipts to decrease the investment in NMRE		-	-	870
Repayments / advances of borrowings – related parties		-	(25)	(24)
Net cash (outflow) / inflow from investing activities		(21,176)	(344)	705
Cash flows from financing activities				
Net proceeds from issue of share capital		35,883	32	32
Repayment of borrowings		(2,101)	-	-
Net cash inflow from financing activities		33,782	32	32
Net increase / (decrease) in cash and cash equivalents				
Cash at the beginning of the period		13,707	(1,899)	(172)
Cash at the end of period		17,400	1,966	3,693
Reconciliation of cash balances				
Cash at bank		17,400	1,966	3,693

Novera Energy plc
Notes to the interim accounts for the six months ended 30 June 2007

1. Basis of Preparation

This financial information comprises the consolidated interim balance sheet as at 30 June 2007, 30 June 2006 and 31 December 2006 and related consolidated interim statements of income, cash flows and changes in equity and related notes numbered 1 to 3 for the six and twelve months then ended of Novera Energy plc (hereinafter referred to as 'financial statements'). The interim consolidated financial statements for the half years ended 30 June 2007 and 30 June 2006 are unaudited and do not comprise statutory accounts within the meaning of section 240 of the Companies Act 1985.

These interim financial statements have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations as adopted by the EU and with those parts of the Companies Act 1985 applicable to companies reporting under IFRS. The Group has chosen not to adopt IAS 34, 'Interim financial statements' in preparing its interim financial statements. The financial statements have been prepared under the historical cost convention.

The comparative figures for the financial year ended 31 December 2006 are not the Group's statutory accounts for the financial year, but have been extracted from the statutory accounts, which were unqualified by the auditors and did not contain statements under section 237(2) or (3) of the Companies Act 1985 and have been delivered to the Registrar of Companies.

In the opinion of directors the financial statements for this period presents fairly the financial position, results of operations and cash flows for the period in conformity with International Financial Reporting Standards (IFRS) consistently applied. The interim report for the six months ended 30 June 2007 was approved by the directors on 26 September 2007.

2. Dividends

There were no dividends provided or paid during the six months.

3. Reconciliation of loss from ordinary activities after income tax to net cash flow

	30-Jun-07	30-Jun-06	31-Dec-06
Loss from ordinary activities after income tax	(1,252)	(1,203)	(3,016)
Depreciation	2,386	28	33
Amortisation	1,323	-	-
Share based payment expense	114	17	86
Release of deferred revenue	(2)	(77)	(153)
Interest income	(447)	(99)	(202)
Interest expense	2,689	-	2
Development costs	915	1,352	2,405
Share of profits from JV not received as distributions	(211)	(291)	(36)
Completion payment	-	25	25
(Increase) in trade & other receivables	(452)	(420)	(256)
(Decrease) / increase in trade & other payables	(432)	(56)	910
Cash inflow / (outflow) from operating activities	<u>4,631</u>	<u>(724)</u>	<u>(202)</u>

4. Pro-forma Income Statement and Balance Sheet

The Income Statement presents the consolidated results of the Group in accordance with IFRS. The Group's 50 per cent. investment in NMRE has been equity accounted up until acquisition of the remaining 50 per cent. on 22 January 2007, and subsequent to that date the results of what was NMRE have been 100 per cent. consolidated on a line by line basis.

Given the significance of the acquisition of NMRE to Novera's Income Statement, for the purposes of comparison, the Income Statement prepared on a pro-forma 100 per cent. consolidated basis, from 1 January 2006, is set out below as additional information for shareholders. The 2006 numbers have been adjusted to exclude discontinued operations, being the German wind farms and the Tower Colliery contract.

	<i>Pro-forma</i> Six months to 30-Jun-07 £'000	<i>Pro-forma</i> Six months to 30-Jun-06 £'000
Revenue	17,272	15,822
Cost of sales	(9,116)	(9,080)
Gross profit	8,156	6,742
Other income	25	734
Development costs	(915)	(1,352)
Relocation costs	(622)	(125)
Other administrative expenses	(1,176)	(1,237)
Administrative expenses	(1,798)	(1,362)
EBITDA	5,468	4,762
Depreciation	(2,670)	(2,296)
Amortisation	(1,505)	(1,551)
Operating profit	1,293	915
Interest receivable	475	359
Interest payable	(3,037)	(2,943)
Share of net loss of a joint venture entity accounted for using the equity method	(37)	-
Loss before income tax	(1,306)	(1,669)
Taxation	-	-
Loss attributable to equity shareholders	(1,306)	(1,669)

In addition, a consolidated balance sheet at 31 December 2006 has also been prepared on a pro-forma basis as though Novera had owned 100 per cent. of NMRE at that date.

	<i>Unaudited</i> 30-Jun-07 £'000	<i>Pro-forma</i> 31-Dec-06 £'000
ASSETS		
Non-current assets		
Intangible assets	53,259	55,534
Property, plant & equipment	68,693	70,254
Investments accounted for using the equity method	366	538
Receivables	652	785
Total non-current assets	<u>122,970</u>	<u>127,111</u>
Current assets		
Trade and other receivables	9,595	7,617
Financial assets		
- Derivative financial instruments	4,480	1,272
Cash and cash equivalents	17,400	18,368
Total current assets	<u>31,475</u>	<u>27,257</u>
Total assets	<u>154,445</u>	<u>154,368</u>
LIABILITIES		
Current liabilities		
Trade and other payables	9,364	10,319
Deferred revenue		
Financial liabilities		
- Borrowings	4,372	4,202
Total current liabilities	<u>13,736</u>	<u>14,521</u>
Non-current liabilities		
Financial liabilities		
- Borrowings	85,673	87,909
Deferred revenue		
Deferred tax	1,846	2,075
Total non-current liabilities	<u>87,519</u>	<u>89,984</u>
Total liabilities	<u>101,255</u>	<u>104,505</u>
Net assets	<u>53,190</u>	<u>49,863</u>