



24 July 2008

Novera Energy plc ('Novera' or 'the Company')
INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2008

Novera, one of the leading quoted independent UK renewable energy companies, today announces its results for the six months ended 30 June 2008.

HIGHLIGHTS*

- Revenue increased by 3 per cent. to £17.9 million (1H07: £17.3 million);
- Gross profit before depreciation and amortisation increased by 2 per cent. to £8.4 million (1H07: £8.2 million). EBITDA remained at £5.5 million on a like-for-like basis (1H07: £5.5 million);
- Average price achieved per megawatt hour (MWh) increased by 5 per cent. to £59.85/MWh (1H07: £57.23/MWh);
- £7.5 million cash in bank at 30 June 2008 - including restricted cash of £5.7 million. Net debt at 30 June 2008 was £78.2 million (1H07: £72.6 million); and
- Good progress towards five-year goal of developing wind portfolio of 250MW:
 - Lissett Airfield (30MW) now under construction and on schedule for production before the end of the year. A'Chruach in Argyll and Bute (40-46MW) now consented; and
 - Four further sites in planning and an additional 23 sites in 'pre-planning' with a potential aggregate capacity of 355MW.

The Company has also announced today a placing of 19,485,083 new ordinary shares at a price of 77 pence per share to raise £15.0 million before expenses. The net proceeds of the placing of approximately £14.4 million will be used to further the Company's wind development programme.

Commenting on the results, David Fitzsimmons, CEO of Novera said: *"The growth in revenue during the first half of the year highlights the potential benefit to the Company of our increased exposure to power prices. This is emphasised by the recent Power Purchase Agreement we have signed for 2009/10 for approximately 14 per cent. of our forecast production at a price of approximately £136/MWh. Our average sales price during 1H08 was approximately £60/MWh with much of our production still being sold on fixed price contracts which will expire over time.*

The first half also saw good progress in the growth of our wind portfolio with Lissett (30MW) expected to be in production by the end of 2008, A'Chruach consented in May, and four further sites currently in planning. We expect to submit a further 200MW into planning over the next 12 months."

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* For the purposes of comparison the Directors have presented the results of the Group for the period ended 30 June 2007 on a pro-forma basis which better reflect the underlying performance of the businesses comprising the Group. The 2007 comparative period assumes 100 per cent. ownership of Novera Macquarie Renewable Energy JV ('NMRE') when the Group actually owned 50 per cent of NMRE until 22 January 2007.

Chairman's Statement

I am pleased to report on the activities of Novera for the six months ended 30 June 2008. The Directors have presented the consolidated results of the Group in accordance with IFRS as adopted by the European Union.

Financial Performance

Revenue increased in the period by £0.6 million (3 per cent.) to £17.9 million. Gross profit before depreciation and amortisation increased by £0.2 million (2 per cent.) to £8.4 million. EBITDA remained constant at £5.5 million. One-off costs of £0.5 million were incurred associated with corporate activity during the first half of the year (1H07 £0.6 million restructuring costs); this activity related to the approaches from 3i Infrastructure Limited and Infinis Acquisitions Limited. Pre-construction costs expensed for the first half were £0.8 million (1H07: £0.9 million); given the corporate focus on getting additional wind sites to planning pre-construction costs are expected to accelerate during the second half of the year, to result in an annual figure for 2008 higher than 2007.

In the six months ended 30 June 2008 Novera recorded a loss before tax of £2.2 million (2007: £1.3 million), reflecting an increase in non cash amortisation and depreciation charges resulting from an increased intangible and asset base.

At 30 June 2008, Novera had £7.5 million cash in bank including restricted cash of £5.7 million. Net debt at 30 June 2008 was £78.2 million.

Operational Review

The first half 2008 generation output was 279 GWh, down by 1 per cent. 2008 full year's production is expected to be in line with that of 2007.

Landfill gas generation decreased by 1 per cent. to 237 GWh; however revenue increased by 3 per cent. to £13.7 million due to an increase in the average realised price.

Wind generation increased by 27 per cent. to 19 GWh and revenue increased by 27 per cent. to £1.4 million due to above average wind speeds experienced in the first six months of 2008.

In comparison, Hydro generation was down by 11 per cent. and revenue decreased by 12 per cent. to £1.5 million as rainfall in 2008 has returned to normal levels following exceptionally high rainfall in the first six months of 2007.

The average realised price for power sold increased from the same period in 2007 to £59.85/MWh from £57.23/MWh.

As announced on 8 July 2008 the Company has signed a new short-term Renewables Obligation Power Purchase Agreement. The average price is approximately £136/MWh and applies for the period from April 2009 to March 2010. The agreement will apply to approximately 81 GWh of generation. The price achieved is 32 per cent. above the price of approximately £103 per MWh under the equivalent contract for 2008/2009.

Revenue and Generation by Technology

	Revenue (£m)		Movement	Generation (GWh)		Movement
	1H 08	1H 07*		1H 08	1H 07*	
Landfill Gas	13.7	13.3	3.0%	237	240	(1.2%)
Hydro	1.5	1.7	(11.8%)	23	26	(11.5%)
Wind	1.4	1.1	27.3%	19	15	26.7%
Other	1.3	1.2	8.3%	-	-	-
TOTAL	17.9	17.3	3.5%	279	281	(0.7%)

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Operational improvements in the first half of 2008 have included the establishment of a workshop adjacent to the Warrington Operations Centre and the introduction of a 24-hour Control Centre which allows improved response times to operational incidents. In addition, there have been a number of other initiatives such as engine relocations, in-house engine servicing and improved working arrangements with landfill site operators. These initiatives have already shown positive results and are expected to increase generation and revenue further during the second half of 2008. Gas field management is a continuing area of focus, including improved data collection and maintenance.

Projects in Construction

Work on Novera's 30MW wind farm at Lissett Airfield (East Riding, Yorkshire) is now well advanced with turbine deliveries expected, as scheduled, in late October 2008. The project remains on timetable and within budget and is expected to commence exporting power before the end of 2008, which will be some 30 months from submission of the planning application.

Development Review

Wind

During the first half of 2008, Novera made significant progress towards our 2011 target of having 250MW in operation when the 40-46MW A'Chruach Wind Farm received planning consent within five months of submission of planning application. We are currently in discussions to secure grid access for A'Chruach and have been advised that capacity will be available from between 2010 and 2012.

We currently have four sites in planning: Glenkerie (22-27MW); Fleeter Wood (10MW); Mynydd Clogau 2 (16MW); and Mountboy (6MW). We are expecting decisions on the first three before the end of the year, with Mountboy expected early next year.

We have a further 355MW of wind sites in the pre-planning phase and expect to submit 200MW into planning within the next 12 months. Beyond that, our site search activity is on-going and we are continuing to identify new sites to add to the portfolio.

Energy from Waste

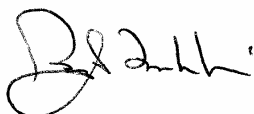
Heads of Terms have now been signed with both Shanks Waste Management Limited ('Shanks') and Ford Motor Company Limited ('Ford') for the Company's East London Sustainable Energy Facility ('ELSEF') which is located at Ford's Dagenham Estate. The Shanks agreement is for a 15-year fuel supply agreement for circa 90,000 tonnes p.a. of solid recovered fuel from Shanks to ELSEF. The Ford agreement is to supply up to 13MW of electricity from ELSEF to Ford. Novera expects to reach financial close on ELSEF in 2009, with the exact timetable dictated by the enactment of the legislation to revise the Renewables Obligation, as set out in the Energy White Paper.

Outlook

The UK now has a target to produce 15 per cent. of all energy from renewable sources by 2020. The Government has recently announced a consultation process on how to achieve this and has stated that it expects that the electricity sector will produce a disproportionate share, with an expectation of at least 32 per cent. of all electricity supplied coming from renewable sources by 2020. This is a significant increase over the previous target of 20 per cent. The Government has also said it is minded to take a number of steps to support the renewables industry including increasing the target for renewables from 20 per cent. to 32 per cent.; extending the ROC regime from 2027 to 2035; making improvements in the planning system; and working with Ofgem and National Grid Electricity Transmission plc to improve access to the grid for consented renewables projects. All of these changes are positive for Novera and underpin the investment the Company is making now in the renewables sector.

Generation for 2008 is expected to be in line with 2007, with revenues progressing as a result of higher prices. The full year's results are expected to be in line with the Company's expectations.

I would like to thank all Novera employees for their continued commitment and achievements especially over the past six months and look forward to the second half of 2008 when we anticipate a number of planning decisions.



Roy A. Franklin
Chairman

Novera Energy plc
Consolidated Income Statement
For the six months ended 30 June 2008

	<i>Unaudited Six months to 30-Jun-08 £'000</i>	<i>Unaudited Six months to 30-Jun-07 £'000</i>	<i>Audited Year to 31-Dec-07 £'000</i>
Continuing Operations			
Revenue	17,852	14,980	32,148
Cost of sales before depreciation and amortisation	(9,496)	(7,899)	(17,239)
Gross profit before depreciation and amortisation	8,356	7,081	14,909
Depreciation	(2,999)	(2,386)	(5,275)
Amortisation	(2,174)	(1,323)	(4,072)
Total cost of sales	(14,669)	(11,608)	(26,586)
Gross profit after depreciation and amortisation	3,183	3,372	5,562
Other income	-	25	25
Pre-construction costs	(788)	(915)	(1,179)
Restructuring costs	-	(622)	(622)
Corporate activity costs	(526)	-	-
Other administrative expenses	(1,509)	(1,081)	(2,883)
Administrative expenses	(2,035)	(1,703)	(3,505)
Operating profit	360	779	903
Interest receivable	275	447	946
Interest payable and similar charges	(2,838)	(2,689)	(5,644)
Share of net profit of a joint venture entity accounted for using the equity method	-	211	259
Loss before income tax	(2,203)	(1,252)	(3,536)
Taxation	590	-	1,578
Loss attributable to equity shareholders	(1,613)	(1,252)	(1,958)

Novera Energy plc
Consolidated Balance Sheet
As at 30 June 2008

	<i>Unaudited</i> 30-Jun-08 £'000	<i>Unaudited</i> 30-Jun-07 £'000	<i>Audited</i> 31-Dec-07 £'000
ASSETS			
Non-current assets			
Intangible assets	80,460	53,259	82,634
Property, plant & equipment	75,992	68,693	76,422
Investments accounted for using the equity method	-	366	-
Receivables	567	652	700
Deferred tax asset	881		881
Total non-current assets	157,900	122,970	160,637
Current assets			
Trade and other receivables	11,628	9,595	7,752
Financial assets - Derivative financial instruments	3,333	4,480	642
Cash and cash equivalents	7,491	17,400	10,803
Total current assets	22,452	31,475	19,197
LIABILITIES			
Current liabilities			
Trade and other payables	(12,125)	(9,364)	(10,075)
Financial liabilities - Borrowings	(4,995)	(4,372)	(4,634)
Total current liabilities	(17,120)	(13,736)	(14,709)
Net current assets	5,332	17,739	4,488
Non-current liabilities			
Financial liabilities - Borrowings	(80,665)	(85,673)	(83,276)
Retirement benefit obligation	(156)	-	(156)
Deferred tax	(23,910)	(1,846)	(24,464)
Total non-current liabilities	(104,731)	(87,519)	(107,896)
Net assets	58,501	53,190	57,229
EQUITY			
Ordinary Shares	6,203	6,198	6,203
Merger Reserve	61,979	61,927	61,979
Other reserves	10,284	3,403	7,399
Accumulated losses	(19,965)	(18,338)	(18,352)
Total equity	58,501	53,190	57,229

Novera Energy plc
Consolidated Statement of Recognised Income and Expense
As at 30 June 2008

	<i>Unaudited</i> Six months to 30-Jun-08 £'000	<i>Unaudited</i> Six months to 30-Jun-07 £'000	<i>Audited</i> Year to 31-Dec-07 £'000
Revaluation on acquisition of subsidiary	-	-	8,394
Hedging reserve movement	2,691	2,304	(1,557)
Share of movement in JV reserves	-	453	453
Net income recognised directly in equity	2,691	2,757	7,290
Loss for the current period	(1,613)	(1,252)	(1,958)
Total recognised income and expense for the year is attributable to the Members of Novera Energy plc	1,078	1,505	5,332

Novera Energy plc
Consolidated Cash Flow Statement
For the six months ended 30 June 2008

	Notes	<i>Unaudited</i> Six months to 30-Jun-08 £'000	<i>Unaudited</i> Six months to 30-Jun-07 £'000	<i>Audited</i> Year to 31-Dec-07 £'000
Continuing Operations				
Cash flows from operating activities				
Cash generated from operations	3	4,176	3,716	10,933
Interest received		227	360	849
Interest paid		(2,806)	(2,975)	(5,920)
Net cash inflow from operating activities		<u>1,597</u>	<u>1,101</u>	<u>5,862</u>
Cash flows from investing activities				
Acquisition of subsidiaries (net of cash acquired)		-	(20,376)	(20,376)
Proceeds from sale of property, plant and equipment		16	202	447
Payments for property, plant and equipment		(2,613)	(1,377)	(11,677)
Proceeds from/(payments for) vending of business		-	375	181
Refund of purchase consideration		-	-	1,097
Net cash (outflow) from investing activities		<u>(2,597)</u>	<u>(21,176)</u>	<u>(30,328)</u>
Cash flows from financing activities				
Net proceeds from issue of share capital		-	35,883	35,883
Repayment of borrowings		(2,312)	(2,101)	(4,307)
Net cash (outflow)/inflow from financing activities		<u>(2,312)</u>	<u>33,782</u>	<u>31,576</u>
Net (decrease)/ increase in cash and cash equivalents				
		(3,312)	13,707	7,110
Cash at the beginning of the period		<u>10,803</u>	<u>3,693</u>	<u>3,693</u>
Cash at the end of period		<u>7,491</u>	<u>17,400</u>	<u>10,803</u>
Reconciliation of cash balances				
Cash at bank		<u>7,491</u>	<u>17,400</u>	<u>10,803</u>

Novera Energy plc
Notes to the interim accounts for the six months ended 30 June 2008

1. Basis of Preparation

These interim financial results for the six months ended 30 June 2008 have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The interim results should be read in conjunction with the annual report and financial statements for the year ended 31 December 2007, which are available from the group's website www.noveraenergy.com. The accounting policies, methods of computation and presentation followed are consistent with those applied in the annual report and financial statements which are prepared in accordance with IFRS as adopted by the European Union.

The interim results do not constitute statutory results within the meaning of section 240 of the Companies Act 1985. The interim results to 30 June 2008 are neither audited nor reviewed by the auditors. The financial information for the full preceding year is based on the statutory accounts for the year ended 31 December 2007, upon which the auditors issued an unqualified opinion and which have been filed with the Registrar of Companies.

This interim report does not comply with IAS 34 "Interim Financial Reporting", as is currently permissible under the rules on the Alternative Investment Market ("AIM").

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-08	30-Jun-07	31-Dec-07
Loss from ordinary activities after income tax	(2,203)	(1,252)	(3,536)
Depreciation	2,999	2,386	5,275
Amortisation	2,174	1,323	4,072
Share based payment expense	194	114	276
Release of deferred revenue	-	(2)	(2)
Foreign exchange	-	-	(6)
Interest income	(275)	(447)	(946)
Interest expense	2,838	2,689	5,644
Share of profits of associates and JV partnerships	-	(211)	(259)
(Increase) in trade & other receivables	(175)	(452)	969
(Decrease) / increase in trade & other payables	(1,376)	(432)	(554)
Cash inflow / (outflow) from operating activities	<u>4,176</u>	<u>3,716</u>	<u>10,933</u>