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FINANCIAL CLOSE FOR MORAY WIND FARM

RES secures financing deal for Hill of Towie Wind Farm

Leading renewable energy developer RES¹ has announced today a financing deal for its Hill of Towie Wind Farm², in Moray in Scotland. The arrangement with Lloyds Banking Group³ and BNP Paribas⁴ for construction of the wind farm is the first large scale project to benefit from the EIB Intermediated UK Onshore Wind Scheme⁵.

The Banks have established a Portfolio facility to support RES as it seeks to develop and own a pipeline of up to 300MW of wind farm projects in the UK and France over the next three years. Further projects are expected to be added to the portfolio throughout the course of 2010. The total long term project finance facilities for Hill of Towie were £76m, with a debt tenor of 17 years. Lloyds Banking Group will act as Agent Bank to the Portfolio and BNP Paribas as Issuing Bank.

Hill of Towie Wind Farm, at 48MW, will be RES's largest onshore project in the UK to date. The project will be constructed and owned by RES, using I&H Brown Limited of Perth to undertake all the civil and ancillary works. The project will use 21 Siemens 2.3MW wind turbines, which are due to be delivered in summer 2011, and the power will be purchased by Scottish Power.

Hill of Towie Wind Farm is expected to be fully commissioned by spring 2012, following the National Grid's queue advancement process, which saw the grid connection date brought forward from 2018. Once operational, Hill of Towie will make a significant contribution to Scotland ambitious renewable energy targets. It will provide clean, green electricity equivalent to the needs of approximately 26,000 homes, a third of the households in the Moray region.

RES is proposing a community fund of approximately £50,000 per annum and is in the process of forming a Community Liaison Group to discuss the mechanism for distributing these funds.

Eversheds, McGrigors and Garrad Hassan acted for RES and Norton Rose, Shepherd & Wedderburn, Sgurr, Willis and PKF acted for the Banks.

Gordon MacDougall, RES UK & Ireland Chief Operating Officer, commented:

"Hill of Towie is one of the first major wind projects to be financed following the well documented difficulties in the financial markets. This financing demonstrates that robust, well developed projects can again secure financing, and provides positive signs for the industry as a whole. The wind farm will make a further important contribution to Scotland's renewable energy capacity and security of supply. We look forward to welcoming Hill of Towie into RES's growing portfolio of operational wind farms."

Andreas Nauen, CEO of Siemens Wind Power, said:

"We are very pleased that RES has chosen Siemens as supplier of the wind turbines for the Hill of Towie wind farm, says Andreas Nauen, CEO of Siemens Wind Power. It underlines the good relation between our companies since many years. The project will provide Scotland with more renewable and clean energy and also secure jobs."

Oliver Alexander, Senior Director, Renewable Energy, Lloyds Banking Group, commented:

"Lloyds Banking Group has been the long term banking partner to RES for many years and we are now absolutely delighted to be able to put in place this new Portfolio Facility that we hope will support RES to grow its UK & French wind generation business over the medium term. This transaction demonstrates the Banks commitment to financing quality renewable energy projects and businesses, such as RES, through the economic cycle".

Nick Gardiner, Director, Renewables, BNP Paribas, commented:

"BNP Paribas is delighted to partner with RES and Lloyds in the financing of the Hill of Towie project with the potential to develop further wind projects in the UK and France within this financing structure. We are particularly pleased to utilise the EIB funding mechanism for the project - the first large scale project to do so. BNP Paribas, embracing the renewables team from Fortis Bank, is a leading financier of European renewables and the UK market is an important growth sector."

Simon Brooks, European Investment Bank Vice President responsible for lending operations in the United Kingdom said:

"The European Investment Bank congratulates RES in proposing the Hill of Towie wind farm as the first individual project to be eligible to receive part of the GBP 700m EIB financing for onshore wind projects announced last October and intermediated by 3 partner banks,. The EIB's contribution to transforming wind energy generation in the United Kingdom is a core element of our support for renewable energy technology across Europe. We are sure that targeted support, following UK and European Union policy combating climate change, will facilitate rapid and sustained investment in the industry and promote continued transformation to a low-carbon economy."

ENDS

Notes to editors:

1. RES is one of the world's leading independent renewable energy project developers with operations across Europe, North America and Asia-Pacific. At the forefront of wind energy development since the 1970s, RES has developed and/or built more than 4.5GW of wind energy capacity worldwide, including around 10% of the UK's wind energy. In Scotland, RES has developed and/or owns seven wind farm projects. The RES Group is active in a range of renewable energy technologies (biomass,

solar, ground source, onshore and offshore wind), as well as sustainable building design. RES is a holder of the Queen's Award for Enterprise for its commitment to renewable energy. For more information, visit www.res-group.com

2. RES submitted an application for Hill of Towie Wind Farm (formerly known as Drummur) to Moray Council in 20002. The application was refused by Moray Council and RES subsequently appealed. A planning inquiry took place in 2004 and in February 2005 the Scottish Executive approved the project. Moray Council appealed to the Court of Session under section 239 of the Town and Country Planning (Scotland) Act 1997. The Court of Session refused the appeal in 2006. The project was originally given a grid connection date of 2018, this was brought forward to 2011 as part of the National Grid's queue advancement process. The wind farm is expected to be completed in spring 2012. For more information, visit www.hilloftowie-windfarm.co.uk
3. The Renewable Energy Team at Lloyds Banking Group is focused on providing debt financing solutions to companies, projects and assets involved in the development, construction and operation of renewable power generation across the sectors of Bio-Energy, Carbon Capture & Storage, CHP, Marine, Solar and Wind.

Lloyds Banking Group was formed on the 19th of January 2009 and has the biggest private shareholder base in the country. The Group has over 30 million customers and is the UK's leading provider of current accounts, savings, personal loans, credit cards and mortgages. Lloyds Banking Group has approximately 120,000 colleagues across the UK. Operating a multi-brand strategy, the Groups main brands include; Lloyds TSB, Bank of Scotland, Halifax, Scottish Widows and Cheltenham & Gloucester.

Lloyds Banking Group Wholesale division services in excess of a million businesses ranging from start ups and small to medium enterprises to Global Corporations. Lloyds Banking Group has a 22 per cent market share in banking amongst businesses with a turnover between £15 -£250 million. In addition to core banking, Lloyds Banking Group provides specialist products and services including asset based lending, structured finance, acquisition finance, capital markets, international trade finance and risk management on interest rates, inflation, foreign exchange and commodities. Lloyds TSB Corporate Markets was named 'Bank of the Year' for the fifth consecutive year at the Real Business/CBI Finance Directors' Excellence Awards in May 2009. Voted for by Britain's Financial Directors, the award was given in recognition of the support the bank has given business customers through the downturn.

4. BNP Paribas (www.bnpparibas.com) is one of the six strongest banks in the world according to Standard & Poor's* and the largest bank in the eurozone by deposits. With a presence in more than 80 countries and more than 200,000 employees, including 160,000 in Europe, BNP Paribas is a

leading European provider of financial services on a worldwide scale. It ranks highly in its three core activities: Retail Banking, Investment Solutions and Corporate & Investment Banking. In Retail Banking, the Group has four domestic markets: Belgium, France, Italy and Luxembourg. BNP Paribas is rolling out its integrated model across the Europe-Mediterranean zone and boasts a large network in the United States. BNP Paribas Personal Finance is the leader in consumer lending in Europe. In its Corporate & Investment Banking and Investment Solutions activities, BNP Paribas also enjoys top positions in Europe and solid and fast-growing businesses in Asia.

*Within its peer group

5. The EIB which is making up to £700m of its own financing available through 3 intermediary banks and providing up to 50% of the eligible project cost. This could enable around £1.4bn of onshore wind projects to move to construction over the next 3 years.

The EIB will provide funding to banks for loans to eligible projects. The eligibility criteria are designed to ensure that the projects are in compliance with procurement and environmental standards as well as demonstrating sound technical, economic and financial viability.

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