

31st March 2010

Greenko Group plc ("Greenko" or the "Company")

Securing of 117 MW Natural Gas opportunity and completion of acquisition process for 120 MW of hydro schemes

Natural gas project (the "Project")

Greenko, the Indian clean energy owner and operator, is pleased to announce it has secured the opportunity to add up to 117MW of natural gas energy generation in the state of Andhra Pradesh. The Project, once developed, will increase the operating capacity of Greenko to 158 MW and the total secured capacity of the Company from 470 MW to 587MW.

The natural gas opportunity is structured in two parts, first the acquisition and (after approximately two years) conversion of an existing operational 36.8MW liquid fuel plant to natural gas (at 32MW capacity) and secondly the installation of up to 85 MW of additional natural gas capacity in the near term. The additional capacity, including obtaining all approvals, is expected to take two years and the Project as a whole will result in a 117 MW capacity addition for Greenko.

The existing generating plant has a long term "pass-through" or "tolling" power purchase agreement with the state of Andhra Pradesh. It is located on the east coast, close to the KG-D6 natural gas fields controlled by Reliance Energy. The company being acquired has obtained an allocation of gas from those fields, under a Government of India allotment given to only four assets under the last empowered group of ministers (a special committee set up for gas allocations), which provides a fixed price tariff for five years.

The total capital required for the initial acquisition and the expenditure required for the 85MW additional capacity is estimated to total €80 million. Greenko expects to finance this cost with debt of approximately 75% with the balance being deployed in cash in making the acquisition which reflects the assets acquired and the development of the 85MW additional project. In the year ended 31 March 2010 the company being acquired, produced EBTIDA of €5.9m (after non-recurring income of €1.4 million). As at 28 February 2010 (being the date for the completion balance sheet) the assets being acquired had a book value estimated to be approximately €13.3 million.

Once the Project is complete, electricity sales will be structured through a combination of Power Purchase Agreement and merchant sales and the Directors believe the Project will generate above the Company's benchmark equity returns. The Project will be eligible for carbon credits as part of the fuel switch methodology under UNFCCC Protocol.

The Directors believe that Greenko will benefit strongly from the opportunity to add a profitable and scalable power asset based on a fixed natural gas allocation to complement the Company's hydro and biomass assets. The Project will speed expansion of Greenko's installed capacity and will benefit from the well established nature of the technology and the world-class nature of the equipment suppliers.

Completion of Hydro acquisition

The Company also announced the completion of the acquisition process for 120 MW of hydro projects which was announced on the signing of MoU's on 18 January 2010 including 20MW of operating hydro in Himachal Pradesh and Karnataka and 100MW of concessions on the river Kaveri in Karnataka.

Anil Chalamalasetty, CEO of Greenko, said:

'We are extremely pleased to have completed this latest deal, adding a significant operational asset to our expanding portfolio. The Directors believe that natural gas based power generation will provide excellent alternative base load energy generation alongside our biomass assets. The Project will be completed in the near-term and provide more predictable, non-seasonal cash flows which, together with our existing hydro plants, will help diversify our portfolio of assets and take advantage of the exciting opportunities currently available within the Indian power markets.'

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