

301 W. Warner Road, Suite 132  
Tempe, AZ 85284

T: 480-556-5555  
F: 480-556-5500  
www.renegy.com



## NEWS RELEASE

### **FOR IMMEDIATE RELEASE**

**CONTACT:** Megan Meloni  
Investor Relations  
(650) 631-2847

### **RENEGY SIGNS LETTER OF INTENT TO ACQUIRE IDLE 18 MW BIOMASS POWER GENERATION FACILITY**

TEMPE, Ariz. (April 10, 2008) – Renegy Holdings, Inc. (Renegy) (NASDAQ: RNGY), announced today that it has signed a non-binding Letter of Intent (“LOI”) for the acquisition of an idle biomass power plant located in Ione, California for \$5,350,000. This plant will add 18 megawatts (“MW”) of electricity generating capacity to the Company’s portfolio of biomass power facilities, which currently includes a 24 MW plant near Snowflake, Arizona that is scheduled to begin operating during the second quarter of 2008, and an idle 13 MW plant in Susanville, California that has the potential to be restarted by the end of 2008.

Bob Worsley, chairman and CEO of Renegy, stated, “Acquiring this plant will further expand our presence in the growing California renewable energy market, which requires utilities to purchase or generate 20% of their total power from renewable sources by the end of 2010. This acquisition will also provide us with the possibility of having three biomass facilities in operation by the end of the year, and a portfolio of power generating assets totaling 55 MW. Acquisitions of existing facilities at a significant discount to new construction costs are a key component of our rapid growth strategy and our efforts to secure near-term revenue and cash flow opportunities to build additional value in the business.”

Renegy expects to close the transaction within the next 90 days, subject to its completion of final due diligence, entering into a definitive purchase agreement for the plant, securing necessary financing, and other closing conditions.

The Ione biomass facility has recently undergone several renovations and improvements. As a result, Renegy’s initial estimates indicate that only a modest amount of additional investment will be required to refurbish and restart the plant. Renegy expects these estimates will be further refined during the due diligence process, and anticipates the plant could be fully operational by the end of 2008.

Preliminary fuel studies indicate that a cost-effective, long term supply of wood waste fuel exists within a 75-mile radius of the plant site. The majority of the fuel for the plant is expected to be derived from commercial, industrial, municipal and agricultural waste, with a smaller percentage expected to be derived from forest residues. To further manage the fuel requirements of its California biomass plants, Renegy plans to develop a centralized fuel management infrastructure in California that will support these facilities. Renegy’s established fuel aggregation team will lend more than 40 years of combined experience in biomass fuel management and procurement to lead these efforts. In addition to an expertise in both urban and agricultural waste as well as forest-derived fuel, Renegy’s fuel procurement managers have significant forestry experience and previously managed the fuel programs for multiple California-based biomass plants with a combined power generating capacity totaling more than 150 MW and annual wood waste fuel requirements in excess of one million tons.

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## About Renegy

Renegy, based in Tempe, Arizona, is a renewable energy company focused on acquiring, developing and operating a growing portfolio of biomass power generation facilities. Renegy seeks to rapidly grow its renewable energy assets with the goal of becoming the leading independent power producer (IPP) of biomass electricity in North America utilizing wood waste as a primary fuel source. Renegy's current biomass power generating assets include a 24 megawatt (MW) facility near Snowflake, Arizona that is scheduled to begin commercial operations during the second quarter of 2008, and an idle 13 MW biomass plant in Susanville, California that has the potential to be restarted by the end of 2008. Renegy's other business activities include an established fuel aggregation and wood products division, which collects and transports forest thinnings and woody waste biomass fuel to its power plants, and which sells logs, lumber, shaved wood products and other high value wood by-products to reduce the cost of fuel for its primary business operations. Find Renegy on the Worldwide Web at [www.renegy.com](http://www.renegy.com).

*This news release contains forward-looking statements within the meaning of the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended, and is subject to the safe harbors created therein. These statements include, but are not limited to, those regarding the prospects and timing associated with execution of a definitive purchase agreement and closing the acquisition of the 18 MW Ione plant; the potential to restart the plant by the end of 2008; Renegy's belief that only a modest amount of additional investment will be required to refurbish and restart the Ione plant; the prospects associated with securing financing to fund the purchase and refurbishment of the plant; the prospects for Renegy to have three biomass plants in operation by the end of 2008; Renegy's ability to positively impact near-term revenues and cash flows through its strategy of acquiring existing biomass facilities; and the prospects associated with Renegy's implementation of a centralized California fuel management infrastructure that will help support the fuel requirements of its California facilities. These statements are subject to risks and uncertainties that could cause actual results and events to differ materially from those expressed in the forward-looking statements. These risks and uncertainties include, among others, the risk that we will not close the proposed acquisition of the 18 MW Ione biomass plant; that we will not be able to secure the financing necessary to fund the entire purchase price or refurbishment of the plant or that such financing will be on unfavorable terms; the risk of unforeseen challenges associated with reinstating the existing operational and environmental permits, acquiring biomass fuel at a cost-effective rate, entering into a power purchase agreement for the power output of the plant, or completing other activities necessary to restart and operate the plant; diversion of management's attention away from other business concerns; the assumption of any undisclosed or other liabilities in connection with the Ione plant; the risks associated with the development, generally, of Renegy's overall strategic objectives; the existence of unanticipated technical, commercial or other setbacks related to Renegy's biomass plant operations; the ability of Renegy to secure adequate fuel for its biomass plants; changes in the environmental requirements relating to certain emissions; and the other risks set forth in Renegy's Form 10-KSB filing with the Securities and Exchange Commission. Renegy undertakes no obligation to update any forward-looking statements to reflect new information, events, or circumstances occurring after the date of this release.*

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