

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 OPERATING 20 MW BIOMASS POWER GENERATION FACILITY

TEMPE, Ariz. (April 14, 2008) – Renegy Holdings, Inc. (Renegy) (NASDAQ: RNGY), a renewable energy company focused on acquiring, developing and operating a growing portfolio of biomass to electricity power generation facilities, announced today that it has signed a non-binding Letter of Intent (“LOI”) for the acquisition of a 20 megawatt (“MW”) biomass power plant from Sierra Pacific Industries (“SPI”) for \$13.0 million. The plant operates in Loyalton, California and currently sells 10 MW of its electrical power output to Sierra Pacific Power (“SPP”), a leading electric utility company serving northern Nevada and northeastern California.

“The Loyalton plant will provide us with an additional source of revenue and anticipated positive cash flow from the plant during the second half of 2008,” stated Bob Worsley, chairman and CEO of Renegy. “Acquiring this plant, together with the Ione plant that we announced last week, will increase the electrical power output capacity of our portfolio of biomass power generating assets to 75 MW, and advance us toward our goal of building the operating critical mass necessary for Renegy to become a self-sustaining business beginning in 2009. We previously purchased a biomass facility located in Susanville, California from SPI, and are pleased that our growing relationship has yielded another economically-compelling growth opportunity for us that also supports SPI’s interest in divesting its non-core business assets. Our agreement with SPI will also provide for a supply of wood waste from SPI’s sawmill and other timber-related operations to supplement the fuel requirements of both the Loyalton and Susanville plants. Furthermore, the Northern California fuel zone that we plan to implement to manage the fuel requirements of our Susanville and Ione plants will also support the Loyalton facility. Having a single, centralized fuel aggregation infrastructure that can supply multiple biomass facilities will allow us to realize significant cost efficiencies across our California plant operations.”

Under the terms of the LOI, the sale will also include approximately 50 acres of land at the Loyalton plant site along with existing fuel contracts and all operating and environmental permits for the plant. Renegy expects the transaction to close by June 30, 2008, subject to its completion of final due diligence, entering into a definitive purchase agreement for the plant, and other closing conditions. Renegy will provide partial payments toward the purchase price upon execution of a definitive purchase agreement and upon the closing of the transaction. Payment of the substantial majority of the purchase price will not be due until December 31, 2008.

Fuel for the Loyalton plant is comprised primarily of wood waste provided through long-term contracts with local suppliers. Fifty percent of the fuel is currently derived from sawmills and other forest residue from the surrounding area, and the other fifty percent is derived from municipal wood waste accumulating in nearby landfills. To further supplement its fuel supply, Renegy’s fuel aggregation team is currently in negotiations with a large waste management company in the area, and plans to actively explore opportunities to procure forest-derived fuel from U.S. Forest Service lands. Renegy is also currently in discussions with SPP to renegotiate the terms of the existing power purchase agreement for the Loyalton plant. Upon the closing of the acquisition, Renegy intends to hire the current staff at the plant, consisting of approximately 18 operating personnel and a seasoned plant manager with more than 14 years of biomass fuel procurement, plant operations and permitting expertise.

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 this quarter, 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.

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 20 MW Loyalton plant; the Company's projections regarding the prospects for the plant to generate additional revenues and positive cash flow during the second half of 2008; Renegy's ability to successfully renegotiate the terms of the existing power purchase agreement with SPP; Renegy's ability to procure additional wood waste to supplement the fuel supply for the plant; Renegy's ability to implement a single, centralized fuel management infrastructure that can supply all its California biomass plants and that can enable Renegy to realize significant cost efficiencies across its California plant operations; and Renegy's hiring of current staff at the Loyalton plant. 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 Loyalton biomass plant; that we will not be able to secure the financing necessary to fund the entire purchase price of the plant or that such financing will be on unfavorable terms; diversion of management's attention away from other business concerns; the assumption of any undisclosed or other liabilities in connection with the Loyalton plant; the risk of unforeseen challenges relating to assignment of the operating and environmental permits for the 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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