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## NEWS RELEASE

### **FOR IMMEDIATE RELEASE**

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### **RENEGY ACHIEVES SIGNIFICANT MILESTONE WITH SYNCHRONIZATION OF ITS SNOWFLAKE BIOMASS PLANT TO THE GRID**

TEMPE, Ariz. (April 28, 2008) – Renegy Holdings, Inc. (Renegy) (NASDAQ: RNGY), announced today that it has successfully synchronized its 24 megawatt (MW) biomass power plant located in Snowflake, Arizona to the electric utility grid. As of April 24, Renegy has been generating electricity from its Snowflake facility and is currently selling test power in advance of commencing full commercial operations.

Hugh Smith, chief operating officer of Renegy, stated, “This achievement marks the successful completion of construction at the plant site and demonstrates continued advancement in our start-up activities. Synchronizing to the grid is a critical milestone toward commercial operations. Over the next several weeks, we plan to complete a variety of performance tests to demonstrate commercial operability, including gradually ramping up the electrical power output to full load while continuing to fine tune the operations. Based on the progress to date, our Snowflake plant remains on track to be fully operational this quarter.”

Once fully operational, the Snowflake plant will be Renegy’s first commercial biomass power generation facility. The plant is located adjacent to a recycled newsprint mill owned and operated by Catalyst Paper Corp. Fuel for the plant will be derived from wood-waste material from local green waste sites and the surrounding forests and from waste recycled paper fibers generated by the newsprint mill. The current fuel inventory at the plant site includes approximately 200,000 tons of wood waste fuel, approximately equivalent to a two-year supply. The Snowflake plant will sell its entire power output through long-term power purchase agreements in place with Arizona Public Service and Salt River Project, Arizona’s two largest electric utility companies.

### **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 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 also recently signed Letters of Intent for the acquisition of two additional biomass facilities – an operating 20 MW facility in Loyalton, California and an idle 18 MW facility in Ione, California. 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 successfully completing remaining start-up activities and performance tests of the plant and commencing full commercial operations. 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 of unforeseen challenges or delays associated with commencing full commercial operations of the Snowflake plant; diversion of management's attention away from other business concerns; 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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