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## NEWS RELEASE

### **FOR IMMEDIATE RELEASE**

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### **RENEGY SIGNS LEASE FOR SITE OF SUSANVILLE BIOMASS FACILITY**

TEMPE, Ariz. (February 13, 2008) – Renegy Holdings, Inc. (Renegy) (NASDAQ: RNGY) announced today that it has entered into a Lease and Option Agreement with Sierra Pacific Industries to lease, with the option of purchasing, approximately 40 acres of land in Susanville, California where a 13 megawatt biomass power plant acquired by the Company in November 2007 is currently located. Renegy intends to use this property for the operation of the presently idle biomass facility, and estimates the plant could be fully operational by the end of 2008, subject to securing necessary financing to refurbish the plant, obtaining any required construction, operation and environmental permits, identifying and securing necessary fuel sources at a cost-effective rate, entering into a power purchase agreement for the entire power output of the plant, and other activities necessary to restart and operate the plant.

“Preliminary results of our studies indicate that a sufficient supply of wood waste fuel may exist in the Susanville area, and as such, we intend to restart the plant in its current location,” stated Bob Worsley, chairman and CEO of Renegy. “We are currently in discussions with a local forest products and timber company for the supply of wood waste. We are also in discussions with government agencies, local green waste sites and other parties relating to long-term forest thinning and other contracts that may enable us to secure additional fuel. By avoiding the costs associated with relocating and reassembling the plant, we anticipate that our investment in the refurbishment and re-commissioning of the plant will be substantially less than the \$15.0 million previously projected. Including acquisition costs, we now estimate the total cost of refurbishing and commissioning this plant at less than \$800 per kilowatt, whereas the cost to build a new plant can range from \$2,500 to \$3,000 per kilowatt. Based on the attractive economics of this investment, exploring opportunities to acquire other idled biomass facilities will continue to be an important component of our growth strategy.”

Renegy is continuing discussions with utility companies who have expressed an interest in securing the electrical output of the plant through a long-term power purchase agreement. The Company is also pursuing various financing opportunities it has identified to help fund the project.

The terms of the Lease Agreement provide for monthly lease payments of \$750 per acre per month commencing January 31, 2008. Simultaneously with entering into the Lease, for consideration of \$100,000, Renegy entered into an Option Agreement, which provides Renegy the option to acquire the 40-acre site for a purchase price of \$80,000 per acre, subject to a price escalation of 1.5% per annum. The Option Agreement terminates on January 31, 2013, subject to certain exceptions. The Option Agreement provides that the initial \$100,000 payment shall be credited against the purchase price of the property upon exercise of the Option. In addition, the Lease Agreement provides that 100% of the first 24 months of lease payments made by Renegy shall apply to the purchase price under the Option Agreement if Renegy elects to exercise its purchase option. More information on the Lease and Option Agreement can be found in a Form 8-K that will be filed by the Company today with the Securities and Exchange Commission.

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## About Renegy

Renegy, based in Tempe, Arizona, is a green energy company focused on acquiring, developing and operating a growing portfolio of biomass to electricity 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. Its first project is Snowflake White Mountain Power (Snowflake), a 24 megawatt (MW) biomass facility under construction near Snowflake, Arizona. This facility is scheduled to begin supplying electrical power to Arizona's two leading utility companies in the second quarter of 2008, and serves as a solid foundation for the Company's growth. 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 potential future purchase of the 40-acre site; the prospects and timing associated with commencing operation of the Susanville plant, including obtaining necessary financing to refurbish the plant, obtaining any required construction, operation and environmental permits, identifying and securing necessary fuel sources at a cost-effective rate, entering into a power purchase agreement for the entire power output of the plant, and other activities necessary to restart and operate the plant; the expected investment of substantially less than \$15.0 million and less than \$800 per kilowatt to refurbish and restart the plant; long-term fuel availability in the form of wood waste; and the Company's growth strategy and future opportunities. 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 be able to secure the necessary financing, permits, power purchase agreement or long-term fuel supply for the Susanville plant; delays or cost overruns associated with the completion of refurbishment and commissioning of the plant; diversion of management's attention away from other business concerns; the risks associated with the development, generally, of the combined company's overall strategic objectives; the existence of unanticipated technical, commercial or other setbacks related to the Company's power facilities, including construction delays and the ability of the Company to secure an adequate, low-cost supply of fuel for its biomass plants; changes in the environmental requirements relating to certain emissions; and the other risks set forth in the Company's most recent Form 10-QSB filed with the Securities and Exchange Commission. The Company 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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