



REC Silicon Announces Expansion in Moses Lake

Renewable Energy Corporation (REC) has decided to more than double its production of polysilicon and commence construction of a third plant that will be located in Moses Lake, Washington.

The new plant will add 90 jobs to the Moses Lake facility and increase REC's production capacity by approximately 6,500 metric tons.

"This is the news we have been waiting on," said Terry Brewer, Executive Director for the Grant County Economic Development Council. "I am grateful to every one that has assisted in one way or another over the past year or more to help win this major project for Grant County."

The total capital requirement for the engineering and construction of the plant is estimated at \$600 million, and is already fully funded under existing loan facilities and equity. REC's primary contractor in the expansion project is Fluor Corporation, Inc. which is one of the world's largest engineering firms with extensive competencies in refinery and chemical plant design and construction.

Mechanical completion of the plant is expected by the end of the first quarter 2008, with final completion and ramp-up of production in the third quarter of 2008.

Annualized revenues from this expansion will represent \$294 to \$327 million based on current silicon pricing (according to Marketbuzz 2006).

The new reactor technology is based on Intellectual Property Rights originally developed at REC Advanced Silicon Material LLC and further developed and commercialized at REC Solar Grade Silicon LLC, both of

which REC Silicon currently controls 100%.

The production technology is based on silane gas and significantly reduces the capital and operating costs from current levels.

"REC is currently cost competitive in the industry and this investment will further strengthen our position," said Erik Thorsen, CEO in REC ASA. "The feedback we have received from solar cell pilot customers is that the outcome is identical to cells made with regular polysilicon"

About REC

REC is uniquely positioned in the solar energy industry as the only company with a presence across the entire value chain. REC Silicon and REC Wafer are the world's largest producers of solar grade silicon and wafers for solar applications, while REC Solar produces solar cells and solar modules.

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