Welcome to our third newsletter and again we seem to have a lot to tell you.

We hope you will again find the enclosed articles interesting. It has been difficult to edit on this occasion as we had to decide what to put in and what to leave out! I hope we have made the right decisions.

Over the last year we have continued to maintain our steady growth through our word of mouth strategy. This has translated into a profit (albeit a modest one) on the bottom line in only our second full financial year! We think that is an achievement to be proud of. Thank you for playing your part.

At our AGM in November, we outlined how we had achieved that profit. We have, and will continue to pursue our proven formula of steady growth, by maintaining low customer acquisition costs, minimising our cost base and pushing more gross profit onto the bottom line to generate cash. And we will continue to expand our supply portfolio and pursue investment opportunities.

- Inside we have highlighted and expanded some of the key achievements and our future plans.
- We have recently started to supply into Scotland as a result of our ground-breaking contract with the community owned windfarm on the Isle of Gigha.
- We have expanded not only our portfolio of supply but also the technology our generators use. We told you about the increasing amount of small-scale hydro we were buying in the last newsletter but now we have added more solar and have signed our first biomass contract. All this reinforces our position as a renewable energy supplier supporting emerging technologies.
- Our ‘sell us energy’ tariff is about to be launched, where we can purchase energy generated by domestic households as well as small scale generators, which we hope will encourage wider-scale adoption of renewable generation.
- And finally, we have appointed Computershare to maintain our share register in the first step towards making the shares tradable.
- I hope you’ll agree, we should all be justifiably proud of what we have achieved together.

Douglas Stewart – CEO

green energy uk – a cleaner environment at the flick of a switch
Affiliations - The Environment Trust

Britain’s first solar power station in London’s East End will mark the start of another new business partnership and a continuation of our relationship with the Environment Trust. A solar canopy will power a new go-kart track in Mile End Park and will also help supply green energy to homes and businesses.

A canopy of solar photovoltaic panels over the track will generate electricity, charge up the electric racing-karts and power track side facilities. Luckily we are not at the mercy of the British weather as solar photovoltaics generate power from light, whatever the weather.

The excess electricity generated by the station, which is estimated at up to 20 per cent of the total, will be bought by green energy uk. We estimate this project alone will result in an annual saving of 38 tonnes of carbon dioxide. The Trust will have the added benefit of selling the surplus electricity, giving it extra money to invest in other amenities in the park.

The project was inspired by The Environment Trust which has championed community initiatives and regeneration and has led the planning of the Mile End park where the Go-Kart track is sited. Trust chief executive Jon Aldenton says the Trust carried out a lot of very careful research before it chose an energy partner. Their conclusion that green energy uk is the only company they think is ethical enough and whose credentials are sufficiently green, demonstrates their faith in us as a business. Any external assessment also speaks volumes more than any of our marketing literature.

The Environment Trust is working with green energy uk to spread the word about renewable energy at home and at work. When Environment Trust affiliates sign up to green energy uk, part of their bill will support the work of the trust. For further information log onto www.envirotrust.org.

National Schools Partnership

The National Schools Partnership is a young organisation aimed at supporting parents and schools. They aim to harness the power of up to 15 million teachers and parents to get businesses to do more for our schools. They look for companies with strong ethics, great value and excellent service. We were invited to take part in a programme to raise money for the schools that have signed up to the scheme. As such we have become part of a wider campaign to raise awareness of environmental issues and what schools and parents can do about them. We are also working with the National Schools Partnership to produce educational materials linked to the National Curriculum.

They are also instigating a 10% campaign encouraging pupils, staff and parents to become more environmentally aware and to try and reduce energy consumption by 10%.

For every household that switches to green energy uk we will donate £10 to their school. To see if your school has signed up to this scheme you can visit the web site at www.nationalschoolspartnership.com

The Housing sector

The new housing bill (November 2004) calls for a 20% target for improvement in energy efficiency by 2010. The Energy Saving Trust estimates that the household sector could achieve energy efficiencies equivalent to 8 million tonnes of carbon emissions. The bill also requires that an energy performance assessment is required for all new homes as part of the Home Condition report. Of course choosing green energy uk as the default supplier for new homes is one great way to achieve this and as such we have continued to build alliances with home builders such as Goldcrest homes, Primeplace, Gusto Homes, Westbury, Buxton and AJ Payne. Between them they have 14 new sites under construction.

Greenwich Millennium Village

During 2004 we also signed a supply contract with Greenwich Millennium Village Limited (GMV) meaning that all the electricity for use around the Village in communal areas, such as the covered car parks, stairs and hallways of the Village is now renewable. green energy uk also has an agreement to buy the energy from GMV’s combined heat and power (CHP) plant.

‘It’s easy to switch—you can do it without forms on the web www.greenenergy.uk.com at ‘How Do I Join’ or call on 0845 456 9550 (local rate) to speak to a human voice.
We are one of the top 50 Ethical brands in the country

You may be surprised to learn that you are buying your electricity from one of the UK’s top 50 Ethical Companies as defined by a survey for the Good Shopping Guide.

Whilst we have always considered ourselves a transparent and ethical business we are nonetheless rather pleased to be acknowledged as such following an audit which we were unaware was taking place.

We are rather proud of the fact that we have achieved this on the basis of our business model and practices rather than having a department or individual allocated to monitor our performance and the public perception. This is a fantastic achievement as we are one of only 45 companies to have Ethical Company Accreditation, which is granted to companies and certifies we have scored highly in an overall analysis of our corporate and social responsibility record.

Other companies who can display the Ethical Company logo include the Cooperative Group, Body Shop and Ecover.

“green energy uk has green ratings against all the ethical criteria - a very good result which only a handful of companies within the Guide achieve,” says Kat Alexander, of The Ethical Company Organisation, publishers of the Guide. You can buy a copy of the book from all good book shops or direct with free P&P from www.thegoodshoppingguide.co.uk or read the home energy section at www.gooshing.co.uk

Our web site

- Good Shopping Guide also commissioned a study of websites of the top 50 ethical companies as defined by them and assessed their user-friendliness for the disabled population.
- We were provided with tips and advice on how to improve our accessibility and we are implementing a number of changes which allow reading software to better communicate our information to the deaf for example.

Natural Discovery

Natural Discovery is a network aiming to promote sustainable tourism. They have developed a network of accommodation owners who want to promote greener living as well as local business and community interests. James Little, one of the founders, says part of the point of the network is to help with marketing and sales, environmental consultancy and to provide buying power for such things as green-tariff electricity. So if you have ever wondered what an environmentally friendly holiday is take a look at their web site www.naturaldiscovery.co.uk

We don’t use agents as you know but are happy to work with worthwhile organisations. If you know of any ethical company that you feel would be good for us to get in touch with, please let us know. We will be happy to investigate any appropriate opportunity.
Passing the message on and ‘Share’-ing the rewards

We know how successful our word of mouth marketing is – we can see it every month when we look at the number of new customers signing up to green energy uk! We also know that they are signing up on your recommendation as when we ask where they heard about us its overwhelmingly personal recommendation or word of mouth that comes back. So thanks once again for doing this.

We know how willing customers are to pass the message on; they just want to be able to do it simply. It’s worth reminding you that under the terms of the prospectus additional ambassador shares (1000) can be awarded to those customers who help us achieve scale. So there’s even something in it for you too!

Here are a few of the organisations who recommend us to their customers

- Intermediate Technology
- New World Music
- Operation Noah/Christian Ecology Group
- The Environment Trust
- Chauncey’s
- E-titles
- Hillier Hill
- Switch & Give
- The Footprint Trust
- Gone Gardening
- Green Solutions
- Chameleon Net

Our research suggests that when new customers sign up to green energy uk they feel very positive about the change they have made and want to tell their friends. As always we want to make it as simple as possible for people to do this so we are sending new customers a range of postcards with green energy facts on them as part of the welcome pack they receive from us. They contain surprising and important facts about how to reduce carbon emissions. The postcards also allow customers to take advantage of Ambassador Shares (see above) which they can earn if their friends also sign up to green energy uk.

If you would be interested in having copies of these postcards please e-mail us at info@greenenergy.uk.com and state whether you would like electronic images or printed cards and whether you are a residential or business customer.

We have set out here some of the ways in which we can jointly enrol more people in the vision that we have for green energy uk. You may be surprised to find a willing audience when you tell your friends.

- Freepost postcards with interesting facts as described above which allows our friends to request further information
- You can send us their details to Green Energy (UK) plc, Freepost ANG10883, Ware, SG12 9BR or phone or e-mail them to us
- Give them this newsletter or send them a copy via the website’s ‘tell a friend’ button.
- You can direct them to www.greenenergy.uk.com and ‘HOW DO I JOIN?’
- Send them an email – we can provide a template if you ask at info@greenenergy.uk.com

Any other suggestions warmly welcome

We continue to try to make the switchover as easy as and quick as possible. An increasing number of customers are filling in the info on the web and dispatching their data electronically.

Anyone who prefers to speak to a human voice can use our local rate number 0845 456 9550

Building up our supply network

Renewable energy is no longer just about wind!

Expanding our supply network helps guarantee our supply now and in the future. Buying from a variety of renewable suppliers gives us continuity of supply throughout the year and protection from the volatility of the electricity market.

Ramsay Dunning, Chief Financial Officer says

‘As the number of our supply contracts increases we are actively supporting the development of varied renewable technologies’

Our supply base is widening from our current base of tomato Combined Heat and Power (CHP), Derwent Hydro and RES, the wind turbine at Kings Langley on the M25. We have added new sources of supply like wind turbines in Pembrokeshire and the Isle of Gigha, Biomass in Yorkshire and even solar power from a go-kart track as detailed on page 2.

We are however also interested in buying electricity from anyone generating renewable electricity and have put together a special tariff to cover the large number of enquiries we are receiving. We will be working with equipment suppliers and press relations within relevant publications to ensure that our name is first on the list when people are thinking about installing generators like photo voltaic panels or small wind turbines. If you yourself have been thinking about whether your home or business may want to generate renewable energy then the articles on the opposite page may be of interest.

To commemorate the launch the children of Gigha switch on the wind turbines.
Ramsay Dunning, our Chief Financial Officer, travelled up to the remote Scottish Isle of Gigha in January. He presented the island’s Trust with its first cheque for renewable energy from its community owned wind farm.

It is the only mains-connected community owned wind farm of its kind in the UK and Gigha is itself the only community owned island. Whilst wind farms are often contentious, the decision to go ahead in Gigha was made by the islanders in a unanimous show of hands by islanders in the village hall. The windmills are now known affectionately by the islanders as ‘the Dancing Ladies’.

We are buying all the renewable energy from the wind farm and we won the open tender not only by being competitive financially but also because of our approach to long term sustainability which resonates well with the community’s aims. Any Gigha customer who converts to green energy uk will also receive shares in the company.

Gigha Renewable Energy Ltd, set up by the Isle of Gigha Heritage Trust, built the wind farm and is now managing it, allowing the community to benefit from the profits. The profit is being ploughed straight back into the community and contributes to projects such as the Housing Improvement Programme. Even allowing for repayments and running costs, the islanders estimate that their windmills will immediately start to generate a profit in excess of £75,000 per year.

The three 225kW machines on the southern tip of the island are placed to maximise use of the wind generating enough electricity to meet over two thirds of the island’s needs.

“We have already established ourselves in the UK market through a number of unusual projects,” says Ramsay Dunning, Green Energy UK’s Chief Financial Officer. “We are delighted to contribute to such a remarkable enterprise and to help the islanders remain sustainable into the future.”

Encraft

Encraft offer a service to homeowners and small scale property developers who are thinking of installing renewable energy in their homes. They provide them with an independent professional specification for what they can do in micro-generation and energy efficiency, how much it will cost, how much carbon dioxide it will save etc. - without them having to spend weeks researching or committing to a specific technology or supplier.

www.encraft.co.uk

Sell us energy!!

One of our key objectives for 2005 is to become the partner of choice for anyone who may be producing “Home or own” generated electricity themselves. We are interested in buying what the big guys aren’t!

The electricity market is extremely complex and heavily regulated but we are trying to make the process of selling us energy as simple as possible and have advice available or contacts who will be able to assist you.

Many of you may not realize that if you are generating electricity for your home or business that you could sell the surplus to the national grid. Of course there are thresholds at which it becomes viable. We have developed a range of tariffs to meet the varying requirements you might have. So if you are interested in selling electricity to green energy uk and would like a copy of our brochure then e mail us:

sellusenergy@greenenergy.uk.com

Embrace the Revolution

Whilst a declining proportion of our renewable energy comes from wind we do support wind energy at the appropriate size and scale and where it has the backing of the local community. 74% of people in the UK support wind energy.

To add your support or to find out more visit www.embracewind.com
Our top 10 tips for saving energy

You’ve probably heard some of these tips before but can you say hand on heart you do anything about them?

1 Turn it down! By turning your thermostat down just 2 degrees C, you’ll cut as much as 10% off your heating bill - if you and your friends households all did this you could save 3.6 tonnes of CO₂ per year.

2 Switch it off at the set! Switching off your TV, Video, DVD or stereo at the set stops the extra 10-60% electricity being wasted by being left on standby. If just 10 households switched off their TV sets properly, 1 tonne of CO₂ would be saved per annum.

3 Chill to perfection Make sure your fridge and freezer run efficiently by defrosting regularly and setting to the right temperature. Buying an energy efficient fridge could save you up to £35 a year on your electricity bill and help reduce your carbon dioxide output.

4 Fill up your washing machine (and dishwasher) Using full loads will keep your weekly number of washes down saving you money on water, electricity, soap as well as helping the environment.

5 Fit fitter light bulbs Energy saving light bulbs will save you around £10 a year and if everyone in the UK installed just one energy saving light bulb the carbon dioxide emissions saved would fill the Royal Albert Hall in London nearly 3,000 times.

6 Insulate your tank Stop heat escaping by fitting a lagging jacket around your hot water tank. Emissions would be reduced by 2.5 million tonnes (the volume of 400,000 hot air balloons) if everyone in the UK did this.

7...and your walls More than 40% of the heat generated in your home is lost through the walls and roof. Installing cavity wall insulation could cut your fuel bills by £70-£100 per year and save large amount of carbon dioxide from escaping into the atmosphere. It would normally pay for itself within three to five years.

8...and your loft too The amount of heat lost annually through roofs and walls is enough to heat three homes. Save £20-30 on your fuel bills and a tonne of CO₂ emissions by fitting 180mm of loft insulation - it will only cost you £200 but will stop 25% of the heat from your house disappearing through the roof.

9 Install an energy efficient boiler If your boiler is over 15 years old it may not be energy efficient - replacing with a condensing boiler could save you money and reduce your emissions.

10 Unplug your phone charger when not in use 95% of the energy used by the UK’s mobile phone chargers is wasted. Only 5% actually charges phones. The rest is used when the charger is plugged into the wall but not switched off at the socket! Always unplug the charger when not in use. (Feel it – the warmth is caused by the constant consumption of electricity.) That’s over 50,000 tonnes of CO₂ emissions that could be avoided every year if we all unplugged our chargers after use. A forest with an area equivalent to almost 500 football pitches would be needed to absorb those emissions!

And lastly while not part of our top ten an extra one you might like to think about!

Using less water saves electricity No, really! - not obvious but reducing water consumption reduces CO₂ emissions! Think about it, water is pumped to your home using electricity. And here’s another thing – what causes the surge of electricity demand after major TV events. Kettles being switched on? No – it’s the increase in demand for water as millions of toilets are flushed!

Source: www.est.org.uk and green energy uk estimates
Our customers

We continue to add to our varied customer base with the number of enquiries rising each month as a result of our word of mouth marketing. We feature a few below to give you a flavour of the diverse companies that source their energy from us and the reasons for doing so.

Child Base

Child Base is an independent company established in 1989, which operates 34 nurseries nationwide. Its culture is to develop, stimulate and offer a solid foundation for the children in its care and provide a strong network of dedicated, motivated, professionally trained staff.

As a childcare provider, Child Base is well aware that actions taken today play a key role in shaping tomorrow. That's why all their nurseries' electricity is sourced from green energy uk.

Over the last four years, as a direct result of buying power from green energy uk, Child Base has prevented the release of nearly 1,000 tonnes of carbon dioxide into the atmosphere. In their view (and of course ours), taking steps to help the environment is an obvious way of ensuring the long-term well-being of the children they look after.

www.childbase.com

Neal's Yard Remedies

Neal's Yard Remedies manufactures, markets and sells a range of herbal, aromatherapy and skincare products that are as natural and effective as they can make them. They have a commitment to expanding their range of organic products, all certified by the Soil Association. Neal's Yard Remedies stores employ staff trained to inform customers of all the natural health options available to them and even carry a reference book section.

The decision to switch to green energy uk ties in well with their policy on supply and fair trade.

‘As a company, we aim to grow, manufacture and supply in an honest and caring manner. We will actively promote fair trading, organic farming, sustainable growth and social responsibility’

Source: www.nealsyardremedies.com

Paradise Wildlife Park and Project Lifelion

From time to time we hear about a story with a happy ending and this one we thought we’d share with you. Paradise Wildlife Park has been involved with Project Lifelion in Tanzania since 1994 both in terms of direct funding and catalysing other funding. Canine Distemper is passed from domestic dogs to hyenas and jackals and in turn on to the lions. Between 1994 and 1997 a third of the lion population died from Canine Distemper. Since Project Life Lion was initiated, no further cases of Canine Distemper have been documented in wildlife and the lion population has now reached an all-time high.

More than 50,000 domestic dogs in the borders of the Serengeti have now been vaccinated against both Canine Distemper and Rabies. Whilst the aim of the programme was to reduce the number of cases of Canine Distemper in both the dogs and lions the programme also achieved an unexpected bonus as there was a substantial decline in dog rabies and no wildlife rabies cases have been reported in the park for the past 18 months. This has to be good news for the human population too!

Paradise Wildlife Park

Paradise Wildlife Park is the first zoo in the UK to sign up to green energy uk plc. The Park is committed to its conservation efforts and has changed its electrical supply to green energy uk as we provide electricity from sustainable sources.

Park director Steve Sampson said, “We have developed a good reputation for being at the leading edge of environmental management. We are very pleased to be working with green energy uk and have been impressed with the excellent service they supply.” The fact we are now able to use electricity from a sustainable source is very important to us.

www.pwpark.com

If you are aware of other environmentally aware organizations that you think may be interested in using electricity from renewable non polluting sources then drop us a line info@greenenergy.uk.com
As the business grows and the number of customers who need to make contact increases, we have taken steps to streamline the customer handling process and ensure that we direct questions to the people that can best answer them.

Customer contact breaks down broadly into the enquiry categories below and we have put new email contact details next to each.

While clearly there are things that only talking to someone can resolve, if your enquiry doesn't require IMMEDIATE attention then using the email addresses below may be a useful alternative. While we work to try to answer the phones as quickly as possible there will be times during busy periods (Monday mornings usually) when you might waste time queuing for an operator. To avoid this frustration and waste of your time using email means that our phone staff can deal with pressing issues and we can provide answers to your questions having looked at the status of your account.

**WE UNDERTAKE TO REPLY WITHIN 48 HOURS**

Please keep us up to date with any changes to your email address as we endeavour to reduce our paper usage. Our policy is that where appropriate we will use email for routine correspondence.

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### Who should I contact and where

| Switching progress and status | 0800 783 8851 | progressstatus@greenenergy.uk.com |
| New connections | 0800 783 8851 | newconnections@greenenergy.uk.com |
| Billing | 0800 783 8851 | billing@greenenergy.uk.com |
| General service enquiries | 0800 783 8851 | customerservice@greenenergy.uk.com |
| Share information | 0845 456 9550 | shareholderservices@greenenergy.uk.com |
| Selling to us | 0845 456 9550 | sellusenergy@greenenergy.uk.com |
| Meter readings | 0800 783 8851 | readings@greenenergy.uk.com |
| Transferring Shares | 0870 889 3101 | sharetransfer@greenenergy.uk.com |

### Moving House?

As a Green Energy (UK) plc. customer and shareholder, we hope that you will continue to use us as the supplier in your new home. And equally we'd like the best chance possible to ensure we continue to supply the house you are leaving.

We currently have a very low loss rate when people move out of a property as some of you are obviously passing the message on to the new occupiers. We appreciate moving is a busy and stressful time, so one customer suggested we try to make the process simpler.

We've put together a pack that we will send when you advise us of your move.

It will contain contracts for your new home, so we can start the changeover process. We'll also send a hand-over pack for the new occupiers which explains about green energy uk, the share scheme, the investment of profits and has contracts for them to sign.

This provides the best possible chance that your existing home will continue to contribute to the reduction of CO₂ even after you move out.

**And don't forget to send us a meter reading upon moving!**

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### Computershare

Although it is not yet possible to trade shares in Green Energy (UK) plc, we have taken the decision to ask Computershare to handle our share register. This will enable customers who wish to transfer their shares to someone else to do so. Computershare is the world’s largest share registry, with nearly 8,000 employees operating on five continents. They manage over 70m shareholder accounts. Of course this also means that at the point when our shares can be traded we will have all our systems in place with a specialist outside organisation who can provide excellent service.

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Customers who have been using green energy uk for three years should already have received a certificates like this.