



4Energy Invest NV — Atrium Park, Koloniënstraat 11 — B-1000 Brussels

**Offering to subscribe between €22 million and €25 million
in New Shares with VVPR strips, which can be increased
by a maximum amount of €3.75 million with VVPR strips
up to a maximum amount of €28.75 million**

**Admission to Listing on Euronext Brussels
of all Shares and VVPR strips**

The Offering consists of a public offering in Belgium and a private placement to institutional investors in Belgium, as well as elsewhere in the European Economic Area and Switzerland in reliance on Regulation S under the US Securities Act of 1933, as amended (the “Securities Act”).

The Lead Manager will be granted an Over-allotment Option of up to 15% of the Offering of the New Shares for the sole purpose of covering possible over-allotments. The Over-allotment Option shall be exercisable from time to time on or before the 30th day after the Listing Date and will consist exclusively of Existing Shares at the Offer Price.

The Offer Price will be fixed and will be published in the Belgian financial press as well as on the Issuer’s website on or about 13 June 2008. The amount of the Offering, the number of New Shares to be issued and the allocation methodology will be published through the same media on the same day.

Investing in the Shares Offered involves risks. Investors should refer to “Risk Factors” beginning on page 13 for a description of some of these risks.

Prior to this Offering, there has been no public market for the Shares and VVPR strips. The Shares have not been and will not be registered under the Securities Act or with any regulatory authority of any state or other jurisdiction in the United States. The Shares are being offered and sold outside the United States in reliance on Regulation S under the Securities Act. For a description of certain restrictions on transfers of the Shares, see “Disclaimers and notices”, beginning on page 21.

Lead Manager and sole Bookrunner



Co-Lead Manager

PETERCAM

Selling Agent



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SUMMARY

The words written in capital letters shall — in singular or in plural — have the meaning as defined in the Section “Definitions” or assigned to them below.

This summary must be read solely as an introduction to the Prospectus. The summary contains selected information about the Issuer and the Offering. The summary must be read together with, and is fully qualified by the more detailed information, audited consolidated financial accounts and explanatory notes that appear elsewhere in this Prospectus. It must be read, in particular together with the information provided in the Section “Risk Factors”.

Any decision to invest in the Shares Offered must be based on the Prospectus in its entirety. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the applicable legislation, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Nobody can be held liable under civil law merely on the basis of the summary or translation thereof, unless the content is misleading, inaccurate or inconsistent when read with other parts of this Prospectus.

RISK FACTORS

An investment in the Shares Offered involves certain risks that relate to the Issuer, its activities, and the Offering, as described in the Section “Risk Factors” hereinafter. Before investing in the Shares Offered, prospective investors should consider, in combination with the other information provided in this Prospectus, all factors and risks associated with investing in the Shares, including, but not limited to, the following risks which are summarized below but which should be read and considered in full, as included under “Risk Factors” in this Prospectus.

Risks related to the Issuer’s business:

- **Risks related to the specific financing structure of projects**

A long delay in or the inability to raise financing for new projects (which may be caused by a number of factors) might have an adverse effect on 4Energy Invest’s business operations, financial position and/or operational results.

- **Risks related to obtaining the necessary permits and governmental approvals**

If 4Energy Invest fails to obtain, renew, adapt or maintain the permits and governmental approvals required to develop and operate its biomass plants, it could incur material costs, liabilities or sanctions including the limitation, suspension or termination of one or more projects. Furthermore, the interpretation of certain terms of permits or authorizations is not always clear and may be subject to change.

- **Risks related to fluctuations in market prices of electricity, heat, Green Certificates and related products**

A material fluctuation of the market prices of heat and electricity (their market price is volatile), Green Certificates (their market price fluctuates between the minimum prices and penalties set by the government) and related products may have a materially adverse effect on 4Energy Invest’s business operations, financial position, prospects and/or operational results.

- **Risks related to the sourcing and availability of biomass**

The availability and price of biomass may be negatively affected by a number of factors largely beyond the control of 4Energy Invest, as a result of which 4Energy Invest may be unable to obtain adequate supplies of biomass or may have to pay higher prices than initially anticipated.

- **Risks related to the reliance on third parties for the further development of 4Energy Invest**

The loss of its relationships with customers and suppliers (there are only a relatively limited number of specialist suppliers), especially to competitors, may adversely affect the operations, financial position, prospects and/or operational results of 4Energy Invest.

- **Risks related to changes in the environmental and safety regulation of 4Energy Invest**

The cost of compliance with the set of rules and regulations that govern the energy sector, and adaptation thereto, could be substantial. In addition, significant sanctions may be imposed in the

event of (even inadvertent) non compliance. Finally, changes in these rules or in the interpretation thereof by the competent authorities, may confront 4Energy Invest and/or its local partners with substantial additional costs and investments that may make the initially conceived projects less attractive.

- **Risks related to regulations and changes in regulations**

4Energy Invest conducts its business in a highly regulated environment. If 4Energy Invest or its biomass plants were to fail to comply with the applicable rules, they could face the revocation or restriction of their operating permits or to be required to pay fines and, possibly, damages.

More generally, 4Energy Invest cannot guarantee that rapid and/or significant modifications to current laws or regulations will not occur in the future, either at the initiative of regulatory authorities or following an action filed by a third party to overturn current regulations.

- **Risks related to connection to power transmission and distribution networks**

The installation of a biomass plant may require a connection to the power grid in order to sell and deliver electricity, which may require significant investments. 4Energy Invest cannot guarantee that it will obtain sufficient network connections for future plants within planned timetables and budgetary constraints.

Transmission and distribution networks may experience problems and operators of these networks may fail to meet their contractual obligations or terminate the contracts involved.

These and other risks related to 4Energy Invest and relating to the Offering are described in the Section “Risk Factors”.

SUMMARY OF 4ENERGY INVEST’S ACTIVITIES

Industry

The International Energy Agency (IEA) expects global primary energy consumption to increase by 50% between 2004 and 2030. Although this increase can only realistically be met through an increased use of traditional energy sources, the IEA expects that, inter alia, in view of growing environmental concerns and corresponding political initiatives, the use of renewable energies will also increase significantly. Whereas in 2004, only 13% of the world energy supply came from renewable energies, the IEA expects an increase to 19% in 2030. Renewable energy distinguishes itself from traditional energy in terms of its environmental impact, the security of its supply and its potential for long-term economic viability.

Renewable energy sources include wind, sun, geothermal heat, hydro and biomass. The latter is any organic matter, typically plant-based, that is available on a renewable and recurring basis. Biomass energy sources include amongst others, forest and mill residues, agricultural crops and waste, wood and wood waste, animal waste, livestock operation residues and municipal and industrial waste. Biomass is CO₂ neutral, sustainable, cost competitive, relatively easy to store, environmentally friendly and generally widely and locally available.

The objective to reduce greenhouse gas emissions and the fact that, despite technical evolution, some production of green energy at certain locations is still more expensive than the generation of energy from traditional fossil sources, have driven numerous policy makers to support and stimulate the use of renewable energy sources. An attractive European regulatory framework has caused the European Union to currently become the world leader in the renewable energy sector. Mainly two market-based instruments are used to promote the use of renewable sources to generate heat and electricity: feed-in tariffs and quota obligations (and the herewith related tradable Green Certificates).

4Energy Invest’s business activities

4Energy Invest is a Belgian based renewable energy company that aims at creating and managing a European portfolio of small to mid-sized locally embedded projects that valorize biomass, directly or indirectly, into energy. 4Energy Invest identifies potential biomass projects, performs a feasibility study and eventually takes responsibility for developing, financing, constructing and operating the project, in close cooperation with carefully selected suppliers and partners.

Currently, 4Energy Invest (through its fully owned subsidiary Renogen) has a cogeneration project, located in Amel (Wallonia, Belgium), that is fully operational since November 2007. The total investment for this

project amounted to €25.0 million. 4Energy Invest has constructed an expansion of the Amel cogeneration plant which will almost double the capacity of the site and which is currently in test phase and expected to be operational before end 2008 (estimated investment of €13.4 million). 4Energy Invest has further identified a number of sites that offer opportunities to build and operate similar cogeneration projects to Amel I, in Belgium as well as elsewhere in Europe. Presently, the cogeneration project in Ham (Flanders, Belgium) and in Pontrilas (England, UK) are in development phase.

The cogeneration project of Amel is built around sustainability and follows a project approach in which win-win situations are created for all stakeholders: 4Energy Invest sources a large part of the biomass feedstock for its power plant from the waste (non contaminated wood) of local industrial partners, sells the produced energy to said industrial partner(s) and sells the produced electricity fed into the distribution grid. As a result of the on-site energy production, the industrial partner turns its waste disposal into a profitable feedstock and simultaneously reduces its energy costs (through the purchase of heat) whereas 4Energy Invest secures its access to a substantial volume of sustainable biomass.

Revenues of cogeneration projects are generated through the sale of energy and of Green Certificates. 4Energy Invest sells energy in the form of heat (MWth) to its local industrial partners that are intensive energy users thereof, and in the form of electricity (MWe) to energy suppliers, by feeding it directly into the distribution grid. In addition, 4Energy Invest sells its Green Certificates to energy suppliers.

Exploiting the in-depth cogeneration expertise that it has gained throughout the process of designing, financing, constructing and operating the Amel plant, 4Energy Invest presently pursues other similar cogeneration projects either on a stand alone basis or in combination with other applications that convert biomass into solid fuel (green coal). All these projects are still in development phase (permits application, negotiation of land use rights and of contracts with partners). The probability of these projects materializing into operations, such as Amel I, will increase significantly once, if ever, these projects move into the construction phase.

By the end of 2007, 4Energy Invest employed 5 persons and generated €5.8 million of revenues with a corresponding Ebit of €1.4 million.

Competitive strengths

4Energy Invest believes that certain key factors differentiate it from its competitors and may provide competitive advantages.

- Proven track record of developing, building and operating a profitable cogeneration plant;
- Focus on customized and sustainable projects offering a win-win situation for all stakeholders;
- Long-term sustainable projects result in predictable cash flows;
- Focused biomass player; and
- Experienced and multi-disciplinary management team.

Strategy

Leveraging on the multi-disciplinary experience and expertise of its management team and the fully operational plant of Amel I, 4Energy Invest intends to continue to identify, design, develop, construct and operate, together with carefully selected partners, similar small to mid-sized cogeneration projects throughout Europe. 4Energy Invest believes that it is well positioned to win and secure such projects, firstly because of its proven track record and secondly because it has experienced that the projects it focuses on are often too small to fall within the scope of interest of the larger energy producers and too complex to be handled directly by the industrial players themselves. 4Energy Invest's key strategies to help achieve these goals include the following:

- Generate power and environmental value;
- Focus on locally embedded sustainability;
- Manage risks and control costs;
- Master in development, construction and commercial operation;
- Enhance shareholder value by optimizing external financing;

- Geographical expansion through selective international development; and
- Develop additional sources of growth such as green coal and bioethanol.

Use of proceeds

The Issuer intends to use the net proceeds of the Offering mainly for enabling the financing of projects which are currently in development phase (€18.0 – €20.0 million), for reinforcing of its balance sheet through a.o. the partial repayment of €1.7 million of a total loan agreement of €4.2 million as of the date of this prospectus and to source and develop future projects in order to support the Issuer's growth (€1.0 – €7.6 million). See also Section 2.2.2. The net proceeds from the Over-allotment Shares, in the event where the Over-allotment Option is exercised, will be fully allotted to the Selling Shareholder.

SUMMARY OF THE OFFERING

Issuer	4Energy Invest NV, a limited liability company organised and existing under Belgian law, with registered office at Atrium Park, Koloniënstraat 11, 1000 Brussels, Belgium, registered with the register of legal persons under enterprise number 0876.488.436 (Brussels).
4Energy Invest or the Group	The Issuer and/or its subsidiaries Renogen SA ("Renogen"), 4BioFuels SA ("4BioFuels"), Amel Bio SA ("Amel Bio") and Pontrilas Renewable Energy Ltd ("Pontrilas").
Offering	A public offering of the Shares Offered in Belgium and a private placement of the Shares Offered to institutional investors in Belgium and elsewhere in the European Economic Area and Switzerland.
Shares Offered	<p>Offer between (i) €22.0 million and €25.0 million in New Shares with VVPR strips, which can be increased by a maximum amount of €3.75 million with VVPR strips up to an amount of €28.75 million; and (ii) Over-allotment Shares equal to 15% of the number of New Shares covered by the Over-allotment Option.</p> <p>All Shares Offered were or will be issued in accordance with Belgian law. All Shares Offered will have the same rights attached to them as the Issuer's Existing Shares, taking into account however that only the New Shares will have VVPR strips attached. The Shares Offered will be entitled to a share in the profits of the Issuer as of the financial year beginning on 1 January 2008 and the following financial years. The Shares Offered will have coupons no.1 and following attached.</p>
New Shares	<p>Between €22.0 million and €25.0 million in newly issued shares that are expected to be issued in the Offering, which can be increased by a maximum amount of €3.75 million up to a maximum amount of €28.75 million. The number of New Shares shall be determined by dividing the total subscribed and allocated amount by the Offer Price. The Issuer will not proceed with the issuance of New Shares if it cannot issue such shares for an amount of at least €22.0 million. The maximum number of New Shares will be confirmed and published as an addendum to the Prospectus in the Belgian financial press together with the price range of the Offering. After the closing of the Offering Period the actual number of New Shares that will be offered by the Issuer will be confirmed and published in the Belgian financial press together with the Offer Price. All New Shares are offered with a separate VVPR strip.</p>
VVPR strips	VVPR strips entitle certain of their holders to a reduced rate of Belgian withholding tax (15% rather than 25%) on dividends. The VVPR strips will be separately tradable on Euronext Brussels. In allocating the Shares Offered, the Underwriters will use reasonable efforts to deliver shares with VVPR strips to individual persons

residing in Belgium and to investors subject to Belgian tax on legal entities, in this order of priority.

Existing Shares

The 9,000,090 Shares that are outstanding just prior to the Offering and after the stock split.

Shares

All Existing Shares (including the Over-allotment Shares) and all New Shares.

Over-allotment Shares

A number of Existing Shares owned by the Selling Shareholder corresponding to a maximum of 15% of the New Shares and that are borrowed by the Selling Shareholder to the Lead Manager, for the sole purpose of allowing the Lead Manager to cover over-allotments, if any. In case of an offering of New Shares representing €22.0 million, the Over-allotment Shares will represent an additional amount of €3.3 million, in case of an Offering of New Shares representing €25.0 million, the Over-allotment Shares will represent an additional amount of €3.75 million and in case of an Offering of New Shares representing €28.75 million, the Over-allotment Shares will represent an additional amount of €4.3 million.

The maximum number of Over-allotment Shares will be confirmed and published in the Belgian financial press and on the website of the Issuer together with the price range of the Offering.

Over-allotment Option

The option granted to the Lead Manager in relation to the Over-allotment Shares, exercisable from time to time on or before the 30th day after the Listing Date, for the sole purpose of allowing the Lead Manager to cover over-allotments, if any. The possibility to over-allot shares in the Offering and to exercise the Over-allotment Option will exist whether or not the Offering is fully subscribed. All Over-allotment Shares will be Existing Shares that are being lent to the Lead Manager by the Selling Shareholder.

Founders

Nico Terry, Guido Schockaert and Enerpro SPRL, controlled by Yves Crits.

Selling Shareholder

KBC Private Equity NV, a limited liability company organised and existing under Belgian law, with registered office at Havenlaan 12, 1080 Brussels (Belgium), and registered with the register of legal persons under company number 0403.226.228 (Brussels). The Over-allotment Shares are the only Shares that KBC Private Equity NV intends to sell in the Offering. The other existing shareholders of the Issuer, the Founders, will not offer or sell any of their Existing Shares in the Offering.

Offering Period

The Offering Period will start on 30 May 2008 and is expected to close on 11 June 2008, subject to early closing. The Lead Manager, in common agreement with the Issuer, reserves the right to close the Offering Period at an earlier date and time. Any early closure of the Offering Period will be announced in the Belgian financial press and on the website of the Issuer. The Offering Period will in any event be open for at least six trading days as of the availability of this Prospectus. In the event the Offering Period is extended, this will be mentioned in an addendum to the Prospectus and on the website of the Issuer. The Offering Period for retail and institutional investors will be the same.

Offer Price

The Offer Price will be a single price in euro per Share Offered that will apply to all investors, whether retail or institutional. The Offer Price will be determined within a price range that will be announced as an addendum to the Prospectus as approved by the CBFA in the Belgian financial press and on the website of the Issuer on or about

30 May 2008. The Lead Manager will determine in common agreement with the Issuer the Offer Price on the basis of a book-building procedure, in which only institutional investors can participate. The Offer Price will be published in the Belgian financial press and on the website of the Issuer on or about 13 June 2008, which is to be the first publication day following the expected Allocation Date, subject to early closing.

Allocation Date and Allocation

The Offer Price and the final number of Shares Offered effectively allocated, will be determined as soon as possible after the end of the Offering Period on the Allocation Date, which is expected to take place on 12 June 2008, subject to early closing. The final total number of Shares Offered effectively allocated and the Offer Price will be published in the Belgian financial press and on the website of the Issuer on or about 13 June 2008, which is to be the first publication day following the expected Allocation Date, subject to early closing.

It is expected that no less than 25% of the Shares Offered that are effectively allocated will be allocated to retail investors in Belgium. However, (i) the proportion of Shares Offered allocated to retail investors may be increased and possibly substantially, if applications received from them exceed 25% of the Shares Offered or, conversely, (ii) such proportion may be reduced but not below 10% (unless retail demand would be lower than 10%) if the relative demand from institutional investors at or above the Offer Price significantly exceeds that of retail investors.

An investor may receive a smaller number of Shares than subscribed for, as further described in this Prospectus. The Issuer and the Lead Manager retain full discretion on the allocation of the Shares Offered, subject to the above paragraph.

Listing, Listing Date and Trading

An application has been made for the listing and admission to trading on Euronext Brussels of all Shares and VVPR strips.

Trading of all Shares and VVPR strips will commence on the Listing Date, expected to be on or about 13 June 2008, being the first Euronext trading day following the Allocation Date, but before the Closing Date on which the Shares Offered and VVPR strips are expected to be delivered to the investors. Prior to the delivery of the Shares Offered and VVPR strips, the Shares and VVPR strips will be traded on an “as if-and-when-issued-and/or-delivered” basis. Prior to the Offering, no public market existed for the Shares and VVPR strips.

Payment, settlement and delivery

Payment for and delivery of the Shares Offered and VVPR strips is expected to take place in book-entry form against payment in immediately available funds on the Closing Date.

Closing Date/Closing of the Offering

The date on which the capital increase associated with the Offering will be established. The Closing Date is expected to be on or about 17 June 2008, being the third trading day following the Allocation Date. This date will be published in the Belgian financial press and on the website of the Issuer together with the announcement of the Offer Price and the results of the Offering. On the Closing Date, the Shares Offered are delivered to the investors.

Use of proceeds

The net proceeds from the New Shares will be fully allotted to the Issuer. The Issuer intends to use the net proceeds of the Offering mainly for enabling the financing of projects which are currently in development phase (€18.0 – €20.0 million), for reinforcing its balance sheet through a.o. the partial repayment of €1.7 million of a total loan agreement of €4.2 million at the date of this Prospectus and to source

and develop future projects in order to support the Issuer's growth (€1.0 – €7.6 million). See also Section 2.2.2. The net proceeds from the Over-allotment Shares, in the event where the Over-allotment Option is exercised, will be fully allotted to the Selling Shareholder.

Lock-up arrangements

The Issuer, the Founders and the Selling Shareholder have agreed to a lock-up arrangement of 1 year as of the Closing Date as follows: (a) save in case of prior written consent of the Lead Manager, the Issuer will not (i) issue, sell or purchase equity linked securities issued by the Issuer or make any commitment relating thereto, (ii) grant any options or other rights to subscribe for, or otherwise acquire, any such securities or (iii) reduce its share capital.

This lock-up arrangement shall not prevent the Issuer from issuing warrants in the framework of the Warrant Plan (see Section 3.5).

(b) the Founders and the Selling Shareholder shall not sell, purchase or otherwise transfer equity linked securities issued by the Issuer or make any commitment relating thereto nor grant any options or other rights to subscribe for, or otherwise acquire, any such securities, it being understood that (i) the lock-up arrangement of the Selling Shareholder can be waived by the Lead Manager in the second half of the one year lock-up period (and will thus have a soft character during this period) and (ii) the lock-up arrangements of the Founders and the Selling Shareholder shall be subject to certain limited exceptions as further set forth in Section 2.8.

Costs of remuneration and intermediaries

The aggregate costs of the Offering are estimated to be approximately 6.2% of the gross proceeds of the Offering in case €22.0 million is raised and 5.9% in case €25.0 million is raised and assuming the Over-allotment Option is exercised in full in both cases. These costs include legal, administrative, audit and other costs (€450k), remuneration of the CBFA (€16k), legal publications and printing of the Prospectus (€85k), cost of advisors, management, underwriting and selling fees of the Underwriters (3% or €0.8 million in case €22.0 million is raised and €0.9 million if €25.0 million is raised not including a discretionary fee of up to 1% in both cases) and the fees payable to Euronext Brussels (€65k). All cost will be borne by the Issuer except for the fees related to the sale of Existing Shares, which will be paid by the Selling Shareholder.

Prospectus

The present document, drawn up for the Offering and the Listing, and of which the English version has been approved by the CBFA on 20 May 2008.

CBFA

The Banking, Finance and Insurance Commission, Congresstraat 12-14, 1000 Brussels, Belgium.

Lead Manager

KBC Securities NV, which will also act as sole bookrunner.

Co-lead Manager

Petercam NV

Underwriters

KBC Securities NV and Petercam NV

Selling Agent

KBC Bank NV

Security codes — shares

ISIN: **BE0003888089**

Security Code: **3888.08**

Euronext Symbol: **ENIN**

Security codes — VVPR strips

ISIN: **BE0005625968**

Security Code: **5625.96**

Euronext Symbol: **ENINS**

Indicative Timetable

The following dates are all envisaged dates, barring any unforeseen circumstances and subject to early closing:

30 May 2008

Expected start of Offering Period

11 June 2008

Expected end of Offering Period

12 June 2008

Expected Allocation Date

13 June 2008

Expected publication date of Offer Price and the Allocation

13 June 2008

Expected Listing Date (i.e. admission to listing and start of conditional trading)

17 June 2008

Expected Closing Date (i.e. payment, settlement and delivery)

General timetable (in the event of an early closing of the Offering)

Early closing of the Offering Period will be announced by a press release in the Belgian financial press and on the website of the Issuer (together with any related revision of the expected Allocation Date, Listing Date and Closing Date) at the latest one Euronext trading day after such early closure.

In the event of early closure of the Offering Period, the revised expected Allocation Date, Listing Date and Closing Date would be as follows:

T – 1 or before

Revised expected end of the Offering Period.

T

Revised expected Allocation Date.

*T + 1**

Revised expected publication date of the Offer Price and the Allocation.

T + 1

Revised expected Listing Date.

T + 3

Revised expected Closing Date.

* If publication occurs on a Saturday, then listing will take place the following Euronext trading day.

SELECTED KEY FINANCIALS

The summary audited consolidated financial data of 4Energy Invest set forth below should be read in conjunction with Chapter 8 “Financial Information”. The summary audited consolidated financial data are extracted from the consolidated financial statements which have been audited by VGD Bedrijfsrevisoren CVBA. The tables below show selected financial information of the Group, drawn up on the basis of the International Financial Reporting Standards (IFRSs). The consolidated financial statements for the years ending 2007, 2006, 2005 have been prepared only for the purpose of illustration in relation to the Prospectus issued in the context of the IPO (Initial Public Offering) of the Issuer. Apart from the context of the IPO, the Issuer was not obliged under Belgian law to publish consolidated financial statements and has therefore not published any in the past. From 2008 onwards, the Issuer will be obliged to publish consolidated financial statements on the basis of the International Financial Reporting Standards (IFRSs).

Consolidated income statement of 4Energy Invest

	Limited Review	Audited		
	31 March 2008	2007	2006	2005
	€'000	€'000	€'000	€'000
Revenues	1,930	5,808	0	0
Sales	1,925	4,356	0	0
Other operating income	5	1,452	0	0
Cost of Sales	(847)	(2,652)	0	0
Gross profit	1,083	3,156	0	0
Operating result	372	1,405	(278)	(23)
Result before tax	(123)	1,200	(278)	(23)
Result of the period	46	1,226	591	54

Consolidated balance sheet of 4Energy Invest

	Limited Review	Audited		
	31 March 2008	2007	2006	2005
	€'000	€'000	€'000	€'000
Non-current assets	36,107	32,551	20,925	2,060
Land and buildings	3,314	3,374	57	57
Installations, machinery and equipment	19,095	20,339	0	0
Furniture and vehicles	62	68	80	13
Leasing and similar rights	1,109	234	238	0
Assets under construction	10,420	6,819	19,453	1,873
Goodwill	335	0	0	0
Deferred tax assets	1,344	1,236	1,097	117
Long-term other receivables	428	463	0	0
Current assets	3,169	3,072	1,316	512
Inventories	132	120	86	0
Trade receivables	2,293	2,635	65	1
Other receivables	300	237	183	452
Cash and cash equivalents	444	73	982	59
Total assets	39,274	35,599	22,241	2,570
Equity	5,507	5,461	4,236	224
Share capital	3,588	3,588	3,588	212
Retained earnings	1,909	1,866	606	12
Minority interests	10	8	42	0
Non-current liabilities	27,486	24,771	12,827	2,067
Current liabilities	6,282	5,366	5,179	280
Total liabilities	39,274	35,599	22,241	2,570

Audited consolidated cash flow statement of 4Energy Invest

	2007	2006	2005
	€'000	€'000	€'000
<i>Cash flows from operating activities</i>			
Net profit after taxes	1,226	591	54
<i>Adjustment for non-cash or non operating items:</i>			
Deferred taxes	(26)	(869)	(77)
Depreciation	352	8	0
Impairment of property, plant and equipment	376	0	0
Unrealised loss on financial instruments	19	0	0
Financial result	205	1	0
Cash flow from operating activities before changes in working capital and provisions	2,152	(269)	(23)
Decrease/(Increase) in other long term receivables	(463)	0	0
Decrease/(Increase) in inventories	(34)	(86)	0
Decrease/(Increase) in trade receivables	(2,570)	(64)	1
Decrease/(Increase) in other receivables	(55)	269	(451)
(Decrease)/Increase in trade payables	(1,484)	3,720	261
(Decrease)/Increase in other payables	209	26	1
]Net cash from operating activities	(2,244)	3,596	(211)
<i>Cash flow from investing activities</i>			
Net investment in property, plant and equipment	(11,734)	(17,893)	(1,943)
Net cash from investing activities	(11,734)	(17,893)	(1,943)
<i>Cash flow from financing activities</i>			
Net proceeds from the issue of share capital	0	3,376	137
Net proceeds from loans	13,274	11,801	2,054
Financial result	(205)	(1)	0
Minority interests in new subsidiaries	0	44	0
Net cash from financing activities	13,069	15,220	2,191
Net increase/decrease in cash and cash equivalents	(909)	923	37
Net cash and cash equivalents at 1 January	982	59	22
Net cash and cash equivalents at 31 December	73	982	59

Operating and financial review

As a project development company, 4Energy Invest has a number of projects at different stages of development being: (i) origination, (ii) development, (iii) construction, (iv) test and (v) commercial operation. The status of each investment project has a significant impact on the evolution in the consolidated financial statements of 4Energy Invest. 4Energy Invest activates all project expenses incurred in a particular project until either the project enters into commercial operation, or it has become clear that the project will not materialize at all. From that moment onwards, the incurred project expenses are taken to the consolidated income statement. General and administrative expenses with regard to the operation of 4Energy Invest and its affiliates are not activated and immediately booked as expenses.

Results of operations

In 2007, 4Energy Invest reported revenues of €5.8 million, consisting of sales (75%) and other operating income (25%). The latter is mainly driven by €1.3 million of delay damages that were paid by certain contractors. In the first quarter of 2008 the sales amounted to €1.9 million.

In 2007 the sales were predominantly composed of Green Certificates (69%), electricity (22%) and heat (6%). Sales rose from €0.0 million in 2006 to €4.4 million in 2007 following the gradual start of commercial operation of the Amel I project in the course of 2007. In the first quarter of 2008, the sales were mainly composed of Green Certificates (€1.3 million) and the sale of energy (heat for €0.1 million and electricity for €0.4 million). The sales of the first quarter were impacted by a scheduled maintenance of the wood

fired cogeneration facility of Amel I during 11 days in February 2008 and by a series of exceptional unscheduled stops that impacted the performance of the Amel I wood fired cogeneration facility.

Total cost of sales rose to €2.7 million in 2007 compared to €0.0 million in 2006. The increase is driven by the gradual start of the commercial operation of Amel I in the course of 2007. The cost of sales of €2.6 million mainly consists of the purchases of biomass (€2.0 million), operating and maintenance expenses (€0.4 million) and other expenses (€0.3 million). The cost of sales in the first quarter of 2008 amounted to €0.9 million and consisted of purchases of biomass (€0.6 million), operating and maintenance expenses (€0.2 million) and other expenses (€0.1 million).

Staff increased from 3 persons at the end of 2006 to 5 persons at the end of 2007 and personnel related expenses rose accordingly. Other operating expenses mainly relate to management compensation, third party advisors, insurance, rental and general and administrative expenses. The personnel costs in the first quarter of 2008 amounted to €0.1 million and other operating expenses amounted to €0.2 million.

The Ebitda of 4Energy Invest turned positive in 2007, amounting to €2.1 million. Before 2007, the Ebitda was predominantly influenced by general and administrative expenses and development expenses of projects that were not pursued. In 2007, the Ebitda amounted to 36.7% of revenues, but did not reflect the results of a full operational year of Amel I. In the first quarter of 2008, the resulting Ebitda margin amounted to €789k corresponding to 40.8% of revenues. This margin is negatively impacted by the scheduled maintenance program and unscheduled stops of the Amel I wood fired cogeneration facility which decreased the average electricity sales price realised over the first quarter 2008.

The installations are being depreciated over 10 to 14 years as of the start of commercial operation. In 2007, €0.4 million of development costs, related to a project involving an integrated bioethanol facility that is presently no longer under development, have been impaired.

4Energy Invest's Ebit shows an evolution similar to the Ebitda. The Ebit increased to €1.4 million in 2007, compared to slightly negative numbers before. The Ebit margin equaled 24.2% of revenues, but did not reflect the results of a full operational year of Amel I. In the first quarter of 2008 the Ebit amounted to €372k corresponding to 19.3% of the revenues.

Interest costs on the financing facilities structured for Amel I were activated until November 2007. Hence, the financial expenses of €0.2 million correspond to the interest expenses of the last two months of 2007 only. In the first quarter of 2008 the financial costs amounted to €0.5 million and were related to the interest expenses incurred on the financing facilities of Amel I and the financing facilities used for the development of the Brussels integrated bio-ethanol project which is currently no longer developed. The €0.5 m includes an unrealised loss of €131k as a result of the revaluation of the IRS per 31 March 2008 (acc. to IAS39).

None of the Group's companies have yet paid current taxes due to their start-up losses and the application of the increased investment deduction. 4Energy Invest reported a net profit of €1.2 million in 2007 compared to €0.6 million in 2006 and €0.0 million in 2005. In 2007, the net profit represented 21.1% of revenues, but did not reflect the results of a full operational year of Amel I. In the first quarter of 2008, the net profit for the period equalled €0.0 million.

Balance Sheet

The consolidated balance sheet of 4Energy Invest reflects the dynamics of a project development company whereby a specific contractual package is structured for each individual investment project in order to allow the investment project to benefit from long-term project financing.

The assets mainly consist of fixed assets. As long as a project is not in commercial operation, the project is booked as "Assets under Construction". In this respect, "Assets under Construction" decreases significantly from 2006 to 2007 and "Property, Plant and Equipment" increased accordingly as the Amel I project was taken into commercial operation in 2007. "Assets under Construction" in 2007 primarily consists of the Amel II project. Compared to end 2007, the Property, Plant and Equipment decreased in the first quarter of 2008 with €0.4 million to €23.6 million due to the depreciations on the Amel I facilities in commercial operation. The increase in the Assets under Construction from €6.8 million to €10.4 million mainly reflects the progress in construction of Amel II during the first quarter of 2008.

The creation of goodwill of €0.3 million in the first quarter of 2008 reflects the acquisition of 75% of the shares of Pontrilas Renewable Energy Limited by 4Energy Invest in March 2008.

The equity of 4Energy Invest increased from €0.2 million in 2005 to €5.5 million in 2007 resulting from a capital increase of €3.4 million in the beginning of 2006 and an increase in retained earnings. In the first quarter of 2008, the equity attributable to the equity holders of 4Energy Invest increased slightly to €5.5 million thanks to the small positive result.

Over the period from 2005 to 2007, 4Energy Invest's financial debt evolved from €2.0 million in 2005 to €27.1 million in 2007. This substantial financial debt reflects the specific financing structure that 4Energy Invest applied to the development of its Amel projects whereby each project is to a large extent financed with long-term financing. The net increase in interest bearing loans and borrowings from €27.1 million end 2007 to €31.2 million in the first quarter of 2008 reflects the use of (i) additional credit facilities for a total amount of €3.2 million for the construction of Amel II, (ii) additional credit facilities for a total amount of €0.4 million for the development of the Pontrilas project, (iii) the working capital facility for a total amount of €1.0 million of which €980k was already used at 31 March 2008 and (iv) the repayment of €0.5 million under the credit facilities structured for Amel I (see also Section 7.8.2).

Cash Flow Statement

The cash flow from operating activities (before changes in working capital) increased from €0.0 million in 2005 to €2.2 million in 2007.

The net cash flow from operating activities has decreased from €3.6 million in 2006 to -€2.2 million in 2007 due to the negative change in working capital in 2007.

The net cash flow from investment activities is primarily determined by the investments for the Amel I and Amel II projects. We refer to Section 7.6.1 of this Prospectus for further detail on the investment program executed by 4Energy Invest.

The net cash flow from financing activities increased from €2.2 million in 2005 to €13.1 million in 2007, demonstrating the highly leveraged funding structure that has been implemented for the financing of Amel I and Amel II. Section 3.4.3 of this Prospectus provides further detail on the funding structure of 4Energy Invest.

The net cash position of 4Energy Invest increased from €0.0 million in 2005 to €1.0 million in 2006 and decreased to €0.0 million in 2007.

Corporate information

a. Capital

Prior to the Offering, the Issuer's share capital amounted to €9,959,900, represented by registered shares without par value. Also see Section 3.4.1.

b. Articles of Association

The Issuer's articles of association provide, amongst others, for specific rules relating to the management of the Issuer, the board of directors, its shareholders' meeting (including rules with respect to the right to attend and to vote at the shareholders' meeting) and to the Issuer's liquidation. Also see Sections 3.2 and 3.4.

c. Information available to the public

Documents disclosed in accordance with applicable laws are available for consultation at the registered office of the Issuer and/or on the Issuer's website: www.4energyinvest.com.

RISK FACTORS

An investment in the Shares Offered involves substantial risks. Investors should carefully consider the following information about certain of these risks, together with the information contained in this Prospectus, before deciding to subscribe for the Shares Offered. If any of the following risks actually occur, the Issuer's business, results of operations, financial condition and prospects could be adversely affected. In that case, the trading price of the Shares could decline and subscribers for the Shares Offered could lose all or part of their investment. An investment in the Shares Offered is only suitable for investors who are capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss which might result from such investment. Prospective investors should carefully review this entire Prospectus and should reach their own views and decisions on the merits and risks of investing the Shares Offered in light of their own personal circumstances. Furthermore, investors should consult their financial, legal and tax advisors to carefully review the risks associated with an investment in the Shares Offered.

The risks and uncertainties that the Issuer believes to be material are described below. However, these risks and uncertainties may not be the only faced by the Issuer and are not intended to be presented in any assumed order of priority. Additional risks and uncertainties, including those currently unknown, or deemed immaterial, could have the effects set forth above.

Risks related to the Issuer's business

Risks related to the specific financing structure of projects

4Energy Invest's growth will depend on the successful implementation of new projects, all of which will require equity capital and debt in order to achieve acceptable returns for investors. A long delay or the inability to raise financing for its projects might have an adverse effect on 4Energy Invest's business operations, financial position and/or operational results. A number of factors (including changes in interest rates, conditions in the banking market and general economic and regulatory conditions which are beyond 4Energy Invest's control) may make it difficult for 4Energy Invest to obtain financing for its projects at attractive terms or even at all. If the borrowings of a project become more expensive relative to the return on its investment, then 4Energy Invest's profits will be adversely affected. If 4Energy Invest is unable to obtain new finance then it may suffer a substantial loss as a result of having to delay, or even to dispose of those investments which cannot be timely financed. Significant leverage used on project level presents the risk that a project of 4Energy Invest may be unable to service its interest payments and principal repayments or to comply with other requirements of its loans, rendering borrowings immediately repayable in whole or in part together with any cost. In such a case 4Energy Invest might be forced either to seek new financing, with the risk that it will not be able to refinance the existing borrowings or that the terms of such refinancing may be less favourable than the terms of the existing borrowings, or to sell some of its assets (or to divert the proceeds from one project to another) to meet such financing obligations.

Risks related to obtaining the necessary permits and governmental approvals

4Energy Invest will be required to obtain and maintain numerous permits and governmental approvals for the development, construction and operation of its biomass plants. In the ordinary course of its business, if 4Energy Invest fails to obtain, renew or maintain the permits and governmental approvals required to develop and operate its biomass plants or to comply with, or to satisfy new conditions of, such standards, laws, regulations, permits and governmental approvals, or is unsuccessful in any pending or future application, it could incur material costs or liabilities, fines or penalties or other sanctions including the limitation, suspension or termination of one or more projects which might have a material adverse effect on 4Energy Invest's business operations, financial position and/or operational results.

Furthermore, the interpretation of certain terms of permits or authorizations is not always clear and may be subject to change. At present, 4Energy Invest (through its fully owned subsidiary Renogen) has applied for a clarification/modification of certain terms of its permit for the operations in Amel (including the interpretation of the maximum amount of untreated wood waste that can be burned at Amel I and II and that can be stored on the Amel site, which 4Energy Invest interprets as being expressed in tons excluding humidity). In certain instances, permits or authorizations may be granted and subsequently challenged by third parties. In such circumstances 4Energy Invest may decide to proceed with the project notwithstanding such challenges, in function of the assessment by 4Energy Invest of the merits of the opposition. In the event where such opposition would subsequently prove to be founded, 4Energy Invest may face significant penalties and damages in addition to the cost of abandoning, significantly modifying or even destroying the work that has already been started.

Should the permit granting authority not agree with the interpretation given by 4Energy Invest, then in function of whatever agreement put forward by such authority, 4Energy Invest's operations may be restricted. For instance, 4Energy Invest may be restricted to only purchasing wood with a low humidity factor (the price of which can depend on the availability thereof) or it may need to make additional investments (e.g. it may have to create facilities on site or lease facilities off site to store and dry the humid wood).

Risks related to the construction of biomass plants

The construction of biomass plants entails certain difficulties, both from a technical perspective as in terms of the timing of the various construction phases. A number of problems may arise during the construction phase of biomass plants such as interruptions or delays due to failed deliveries by suppliers or manufacturers, difficulties during the civil and electrical engineering works, problems with connecting the biomass plant to the electricity network, construction faults, problems linked to the operation of equipment by sub-contractors, adverse weather conditions, unexpected delays in obtaining or sourcing permits and authorizations, a longer than expected period of fine-tuning requiring technical adjustments or legal proceedings initiated by third parties. The additional costs that may arise in the construction of new biomass plants might have a material adverse effect on 4Energy Invest's business operations, financial position and/or operational results.

Risks related to the lack of diversification

4Energy Invest only has projects in the production of energy from biomass sources and currently the entirety of 4Energy Invest's biomass plants consists of cogeneration plants in operation or under construction in the Walloon Region. This current lack of sectorial and geographical diversification increases the risks related to the political, economic and regulatory conditions, which might have a material adverse effect on 4Energy Invest's business operations, financial position and/or operational results.

Risks related to fluctuations in market prices of electricity, heat, Green Certificates and related products

The future profitability and potential growth of 4Energy Invest will to a large extent be determined by the prices 4Energy Invest receives for its produced heat, electricity, the accompanying Green Certificates and related products. The market price of heat, electricity and related products is volatile and is determined by the global market demand and market supply. The market price of Green Certificates is likely to fluctuate between the price guaranteed by the government (minimum price) and the penalty imposed by the government (maximum price). The minimum and maximum prices of Green Certificates differ from country to country and from region to region depending on the regulatory framework and are subject to changes by policy decisions of the competent regulators.

A material fluctuation of the market prices of heat, electricity, Green Certificates and related products may have a materially adverse effect on 4Energy Invest's business operations, financial position, prospects and/or operational results.

Risks related to the sourcing and availability of biomass

The future profitability and potential growth of 4Energy Invest will be dependent on its ability to source sufficient and adequate biomass for its present and future projects. The availability and price of biomass may be negatively affected by a number of factors largely beyond the control of 4Energy Invest, including interruptions in production by suppliers, decisions by suppliers to allocate biomass to other parties (which may include other renewable energy players), price fluctuations, increasing transport costs, climate, labor shortage and crop productivity. 4Energy Invest cannot guarantee that it will be able to source as much biomass as it will need for its current and future projects or at the price levels that are required to maintain the profitability of their projects. To the extent that 4Energy Invest is unable to obtain adequate supplies of biomass or if 4Energy Invest has to pay higher prices than initially anticipated, the operational results, financial position and business plan of 4Energy Invest may be materially adversely affected.

Risks related to competition

4Energy Invest faces competition that may intensify in the future. In the renewable energy sector and the biomass sector in particular, competition focuses primarily on access to available sites and availability of biomass, biomass technology and equipment.

Although 4Energy Invest looks carefully at these competitive factors, certain of its competitors may have more experience in this sector, as well as more ample financial, technical or human resources to cope with unexpected issues that may arise. In particular, certain competitors who seek to expand in the biomass sector, including established producers in Europe, large (international) utility companies, as well as, possibly, suppliers of biomass, have more financial strength than 4Energy Invest, which could enable them to acquire sites for new projects, to supply biomass and/or technology and equipment at higher prices.

Although 4Energy Invest endeavors to maintain and strengthen its competitiveness, no assurance can be given that it will be able to succeed in the face of the current or future competition. Fiercer competition in the biomass sector might have a material adverse effect on 4Energy Invest's business operations, financial position and/or operational results.

Risks related to the reliance on third parties, suppliers and customers for the further development of 4Energy Invest

4Energy Invest relies on current and future relationships with its customers and suppliers, sometimes on an exclusive basis, for the growth of its business and will continue to be reliant on third parties for its further development. There are only a relatively limited number of specialist suppliers of biomass technology and equipment operating on the European market. 4Energy Invest cannot guarantee that suppliers of biomass technology and equipment will be able or willing to accept the orders of 4Energy Invest, to honour their commitments within the agreed time, to meet their maintenance commitments or to maintain their sales prices of biomass technology and equipment at reasonable levels, notwithstanding an increase in demand. 4Energy Invest conducts business in cooperation with local industrial partners and distributors of electricity. In general, the local partner performs the functions of first supplier of biomass and of first customer of energy. The distributor of electricity generally purchases electricity as well as Green Certificates. These partnerships are an inherent part of the win-win situation that 4Energy Invest strives to create at each of its projects. There can be no assurance that 4Energy Invest will be able to maintain and/or to secure such partnerships due to commercial, operational, legal, regulatory or other reasons or that 4Energy Invest's partners will continue to commit sufficient resources to achieve commercial success. There is no guarantee that 4Energy Invest will be able to replace any material customer or distributor in a timely manner or at all in the event any of these relationships would be discontinued or terminated. The loss of such relationships, especially to competitors, may adversely affect the operations, financial position, prospects and/or operational results of 4Energy Invest.

Risks related to technological processes

Technological complexity characterises the renewable energy environment. The industry is strongly influenced by the introduction of new technologies. 4Energy Invest's success depends on its ability to introduce and implement biomass plants with enhanced functionality. If 4EnergyInvest fails to succeed in developing and introducing and operating these complex technologies or plants, its business, result of operations, prospects and/or financial condition could be materially affected.

Risk related to attracting and retaining skilled personnel and management

On 31 March 2008 4Energy Invest employed 6 full-time equivalents. As 4Energy Invest engages in new projects, it will have to attract new personnel. The Issuer's success will largely depend on its ability to attract and retain skilled personnel with a strong knowledge of and affinity to the renewable energy market. 4Energy Invest operates in a competitive employment market and there can thus be no assurance that it will be able to attract or keep key personnel. 4Energy Invest's success will further continue to depend on its ability to retain its present management team and other key personnel with a broad experience in the renewable energy market and a strong dedication to the realization of 4Energy Invest's strategy. The failure to retain these individuals could materially adversely affect 4Energy Invest's business.

Risk related to the planned internationalisation of the business activities

The strategic approach of 4Energy Invest to internationalise its business activities in the future and in particular to establish biomass plants in other European countries could involve a host of new risks, which have to be examined separately for each individual project and country. These risks, relate, inter alia, to the general economic conditions, and/or the political, regulatory, labour, legal and/or tax conditions in other countries. Risks inherent to international operations include, amongst others, the following:

- foreign countries may impose additional withholding taxes or otherwise tax 4Energy Invest's foreign income, impose tariffs or adopt other restrictions on foreign trade or investment, including currency exchange controls;
- general economic conditions, in the countries in which 4Energy Invest operates, could have an adverse effect on the earnings from operations in those countries;
- unexpected adverse changes in foreign laws or regulatory requirements may occur, including those regarding Green Certificates, permits and government grants;
- agreements may be difficult to enforce and receivables difficult to collect through a foreign country's legal system;

Against this background a future internationalisation of 4Energy Invest and the penetration into foreign markets could prove to be more difficult than presently anticipated and have substantial presently unforeseen negative implications on the future business developments, financial position and/or operational results of 4Energy Invest.

Risks related to environmental and safety regulations of 4Energy Invest

The operations of 4Energy Invest are subject to a set of rules and regulations that govern the energy sector, which become more and more complex and are constantly subject to change. These rules and regulations include, but are not limited to, environmental and safety laws and regulations, including those governing the use of hazardous materials. The cost of compliance with, and adaptation to, these and similar future and ever changing regulations could be substantial. In addition, significant penalties, damages and/or restrictions on 4Energy Invest's operations may be imposed in the event of (even inadvertent) non compliance with any such rules and regulations. Finally, changes in these rules or in the interpretation thereof by the competent authorities, may confront 4Energy Invest and/or its local partners with substantial additional costs and investments that may not have been initially budgeted and that may make the initially conceived projects less attractive. Any of these risks, if they materialize, may have a negative impact on 4Energy Invest's business operations, financial position and/or operational results.

Risk related to future acquisitions

4Energy Invest may, in the future, pursue its development through acquisitions or investments in the biomass industry or in other new renewable energy activities. Such acquisitions or investments are likely to involve a number of risks associated with the integration of activities and personnel, the difficulty to achieve the expected synergies, if any, the appearance of costs or liabilities that were not anticipated and the regulation applicable to such transactions or activities. These risks, if they materialize, might have a material adverse effect on 4Energy Invest's business operations, financial position and/or operational results.

Risks related to the availability, identification of sites, customers and suppliers

The installation of a long-term sustainable biomass plant cannot usefully take place unless the site meets certain specific criteria. These criteria include, in particular, sufficient space that can be purchased or leased, proximity to continuous supply of biomass in order to reduce the negative impact on the environment of transportation costs, the presence of industrial clients that can and are willing to source their energy from a nearby cogeneration plant, the possibility, need and/or cost, if any, to connect to the electricity network and the receipt of the necessary permits and authorizations.

4Energy Invest cannot guarantee that it will in the future be able to find sufficient sites that are attractive to install additional biomass plants. 4Energy Invest's inability to identify, or to obtain priority access to, such sites would have substantial negative implications on the future business developments, financial position and/or operational results of 4Energy Invest.

Risks related to the reliability of biomass plants

The economic model of a biomass plant is based on a financing plan over a relatively long period, which model can only remain in balance in function of the reliability of the biomass plants. Although 4Energy Invest makes efforts to provide contractual cover for the risks that might affect this reliability, 4Energy Invest cannot offer any guarantee of the reliability of installations, the development of operating and maintenance costs, temporary unscheduled outages of the biomass plant or any event that may affect the profitability of biomass plants over a relatively long period of time.

Risks related to insurance

4Energy Invest's business activities are exposed to the risks inherent to the construction and operation of biomass plants, such as delays, breakdowns, manufacturing defects and natural disasters. 4Energy Invest is also exposed to environmental risks.

4Energy Invest cannot guarantee that its insurance policies are or will be sufficient to cover any losses resulting from a major outage at its power plants, for the repair and replacement of damaged sites or the consequences of a lawsuit brought by a third party. If 4Energy Invest were to incur a serious uninsured loss or a loss significantly exceeding the limits of its insurance policies, the resulting costs could have a material adverse effect on its business operations, financial position and/or operational results.

4Energy Invest's insurance policies are subject to annual review by its insurers. If the level of premiums were to increase, 4Energy Invest may not be able to maintain its insurance cover comparable to that currently in effect, or it may be able to maintain such coverage only at a significantly higher cost. If 4Energy Invest were unable to pass an increase in insurance premiums on to its customers, the additional cost could have a material adverse effect on its business operations, financial position and/or operational results.

Risks related to regulations and changes in regulations

4Energy Invest conducts its business in a highly regulated environment. 4Energy Invest, each of its biomass plants and its operations must comply with various laws and regulations that differ in each country and region in which 4Energy Invest operates or intends to operate. In particular, 4Energy Invest and its biomass plants are subject to strict international, national and local rules relating to the construction and operation of biomass/energy plants (including land acquisition, grant of building permits, other authorisations) and their operation, particularly concerning the protection of the environment (including noise and waste regulation). If 4Energy Invest or its biomass plants were to fail to comply with such rules, they could face the revocation or restriction of their operating permits or authorisation to connect to the local transmission and distribution grid, or to be required to pay fines and, possibly, damages.

The regulations applicable to the generation of electricity and heat from renewable energy sources and which determine the price of Green Certificates vary from country to country and are subject to future changes that may be unfavourable to 4Energy Invest. Restrictive regulations or their enforcement could lead to changes in operating conditions for 4Energy Invest that may increase its capital expenditures or its operating expenses or otherwise hinder its development.

More generally, 4Energy Invest cannot guarantee that rapid and/or significant modifications to current laws or regulations will not occur in the future, either at the initiative of regulatory authorities or following an action filed by a third party to overturn current regulations. Such modifications could have a material adverse effect on its business operations, financial position and/or operational results.

Risks related to currency fluctuations

4Energy Invest will become subject to risks of currency exchange to the extent that some of its sales and purchasing will be conducted in countries that are located outside the Euro zone. Currency fluctuations between the Euro and the other currencies in which 4Energy Invest may do business could cause foreign currency transaction gains and losses. 4Energy Invest cannot fully predict the effects of exchange rate fluctuations on its future operating results.

Risks related to connection to power transmission and distribution grids

The installation of a biomass plant may require a connection to the power grid in order to sell and deliver electricity. The sites that are suitable for the construction of a cogeneration plant are preferably close to

the (wood) biomass, which may imply that they are not close to the existing electricity network. Significant investments may therefore be required to connect the 4Energy Invest power plant to the existing electricity distribution grids. 4Energy Invest cannot guarantee that it will obtain sufficient network connections for future plants within planned timetables and budgetary constraints.

Transmission and distribution grids may experience congestion, outages, *force majeure* events or technical incidents and operators of these networks may fail to meet their contractual transmission and distribution obligations or terminate the contracts involved. Such events could have a material adverse effect on 4Energy Invest's business operations, financial position and/or operational results.

One of the reasons why the direct sourcing of electricity generated by a local power plant may be more attractive to local industrial players may be the fact that access to the existing distribution grid, and the related costs associated therewith, may be avoided (as is the case for a number of various private networks). Recently, 4Energy Invest has been informed that the competent authorities in Wallonia, Belgium take the view that the electricity connection from their Amel I plant to the sites of their local industrial partners is not a private connection and is therefore subject to payment, by the customers involved, of a grid fee (which is approximately 20% of the total energy invoice) to the local network manager. While 4Energy Invest disagrees with this view, this present official position can affect the total cost structure of the local customers who considered to source electricity directly from the Amel I plant.

Risks related to the Offering

Absence of liquid public market

Prior to the Offering, there has been no public market for the Issuer's Shares and VVPR strips and an active public market for the Shares and VVPR Strips may not develop or be sustained after the Offering. The Offer Price of the Shares Offered will be determined by the Lead Manager in common agreement with the Issuer on the basis of a book-building procedure in which only institutional investors can participate. The Offer Price may not be indicative of future market prices, which may fall below the Offer Price.

Limited shares available for sale in the market

The number of shares that will be available for sale in the public market following the admission to listing of the Issuer's Shares will be limited by several arrangements between the Issuer, the Founders, the Selling Shareholder and the Lead Manager, as further described in Section 2.8 of the Prospectus. Pending such arrangements, the liquidity of the shares trading on Euronext Brussels may be limited and this may cause the Issuer's share price to be even more volatile. Also, upon termination of such arrangements, sales of shares that were previously subject to transfer restrictions could cause the Issuer's share price to be volatile. The current restrictions on transfers of shares by shareholders and the Issuer as described in Section 2.8 aim at limiting sudden, unorganised sales of large numbers of the Issuer's shares by certain existing shareholders during a term following the start of the Issuer's Offering. However, no guarantee can be given that there are no such large, unorganised sales by other shareholders prior to the end of such term, or that there will be such large, unorganised sales by existing significant shareholders after such term. Any such large, unorganised sale of shares could have an adverse effect on the Issuer's share price.

Future dilution

The Issuer might decide to increase the capital also in the future through the public or private issuance of (convertible) bonds, equity securities and/or rights to acquire these bonds or securities. Case pertaining, the preferential right attached to the shares existing at that moment could be limited or excluded. Should the Issuer, by such or other means, raise significant amounts of capital, this could at that time bring about a substantial dilution for the shareholders.

Use of proceeds

The Issuer's board of directors and management will have significant flexibility and broad discretion in allocating and using the net proceeds of the Offering, without further shareholder approval. If the proceeds are not wisely allocated, the Issuer's ability to carry out its business plan could be harmed and it may result in financial losses that could have a material adverse effect on the Issuer's financial condition for the foreseeable future. The Issuer has not determined the amounts it plans to spend on any of the projects under development described in Section 6.4.1.3 and 6.3.2 or the timing of these expenditures.

Volatility of the share price

Numerous factors, in addition to other risk factors described in this Prospectus, may have a significant impact on the market price and volatility of the Shares Offered, including:

- announcements of new projects, of collaborations or of financial results by 4Energy Invest's competitors or 4Energy Invest itself or other players that are active in the same market globally;
- litigation; or
- economic, monetary and other external factors.

Risk related to "as if-and-when-issued-and/or-delivered" trading

The shares and VVPR strips of the Issuer will be listed and traded on Euronext Brussels on an "if-and-when-issued-and/or-delivered" basis as of the Listing Date until the envisaged Closing Date. Euronext will annul all transactions effected in the shares and VVPR strips if the Shares Offered and VVPR strips are not issued and delivered on the envisaged Closing Date. Investors that wish to enter into transactions in the shares or VVPR strips prior to the envisaged Closing Date, whether such transactions are effected on Euronext or otherwise, should be aware that the Closing Date may not take place on or about 17 June 2008, or at all, if certain conditions or events are not satisfied or waived or do not occur on or prior to such date (see Section 2.5). Such conditions include the receipt of officers' certificates and legal opinions and such events include the suspension of trading on Euronext Brussels or a material adverse change in the Issuer's financial condition or business affairs or in the financial markets. Euronext Brussels has indicated that it will annul all transactions effected in the shares and VVPR strips of the Issuer if the Shares Offered and VVPR strips are not delivered on the envisaged Closing Date. Euronext has indicated it cannot be held liable for any damage arising from the listing and trading on an "if-and-when-issued-and/or-delivered" basis as of the Listing Date until the envisaged Closing Date.

Risks related to the shareholding structure of the Issuer

The Founders and the Selling Shareholder have agreed that, after the issuance of the New Shares, each of the Founders will hold at least 16.7% of the outstanding shares of 4Energy Invest.

Certain agreements allow the contracting party of 4Energy Invest to terminate the relationship in case of change of control over 4Energy Invest as compared to the situation when those agreements were entered into. Other agreements that 4Energy Invest may enter into in the future may contain similar provisions. As a result, 4Energy Invest may be exposed to early termination of these agreements by its contractual partners, in the event where the Founders, the Selling Shareholder, and/or any other shareholders, were to decide to transfer all or a part of their shares in such a way that the control over 4Energy Invest is deemed to have changed for purposes of the clause concerned. Such early termination, if invoked by the contractual partner of 4Energy Invest, may impact the operations or financial position of the Issuer.

Amount for the Offering may be reduced

The Issuer has the right to proceed with the Offering by issuing less New Shares than the maximum of Shares Offered, even if all Shares Offered are subscribed. The actual number of Shares Offered will be confirmed in the Belgian financial press together with the Offer Price. Therefore, (i) only a reduced number of shares could be available for trade on the market, which could limit its liquidity, and thus have an adverse effect on volatility and share price and (ii) the Issuer's financial means in view of the uses of proceeds as described in Section 2.2.2 might be reduced. The Issuer might therefore be forced to adjust the timing of the implementation of its strategy and/or to look for further external funding in the near future.

Takeover provisions of the national law could have a material adverse effect on the share price of the Issuer

The Belgian Act on public takeover bids (*Wet op de openbare overnamebiedingen*) of 1 April 2007 and the Royal Decree of 27 April 2007 on public takeover bids implementing the European Directive 2004/25/EC of 21 April 2004 on takeover bids provide that a mandatory bid will be triggered if a person, as a result of the acquisition of shares, holds more than 30% of the voting securities in the target company. The mere fact of exceeding the relevant threshold as a result of an acquisition of shares, may give rise to a mandatory bid, irrespective of whether or not the price paid in the relevant transaction exceeds the current market price. The Belgian Act on public takeover bids further provides that another or an additional threshold

percentage of voting securities can be determined by Royal Decree to take into account evolutions on the financial markets or, as the case may be, to take transitional measures.

There are several provisions of Belgian company law and certain other provisions of Belgian law, such as the obligation to disclose important shareholdings and merger control, that may apply to the Issuer and which may make an unfriendly tender offer, merger, change in management or other change in control, more difficult. These provisions could discourage potential takeover attempts that other shareholders may consider to be in their best interest and could adversely affect the market price of the Issuer's shares. These provisions may also have the effect of depriving the shareholders of the opportunity to sell their shares at a premium. In addition, 4Energy Invest has adapted certain rules in its by-laws, allowing the board to increase the capital or to redeem shares, including in the event of a public takeover bid. These measures may also discourage, complicate or even preclude a takeover bid on the Shares in the future.

Pursuant to Article 513 of the Belgian Company Code and the Royal Decree of 27 April 2007 on public squeeze-out bids, a person or entity, acting alone or in concert, who owns 95% of the securities conferring voting rights in a public company, can acquire the totality of the securities conferring voting rights in that company following a squeeze-out offer. The Shares that are not voluntarily tendered in response to such offer are deemed to be automatically transferred to the bidder at the end of the procedure.

Publication of research and analyst reports could have a material adverse effect on the Share price of the Issuer

The Share price may be influenced by research reports that industry or securities analysts publish about the Issuer or its industry. If one or more analysts, who cover the Issuer, or its industry, publish a less favourable view on the Shares, the market price of the Shares might decline. If one or more of these analysts ceases coverage of the Issuer or fails to regularly publish reports on the Issuer, the Issuer could lose visibility in the financial markets, which in turn could cause the market price of the Shares or trading volume to decline.

Increased expenses as a result of being a public company could have a material adverse effect on its business

As a public company, the Issuer will incur significant additional legal, accounting and other expenses that it did not incur as a private company. For example, as a result of its becoming a public company, the Issuer will have to appoint independent directors, create board committees and adopt policies regarding corporate governance and internal controls and procedures. In addition, the Issuer will incur increased costs associated with investor relations and public company reporting requirements, and listing costs.

The Issuer does not exclude that these new rules and regulations may make it more difficult and expensive for the Issuer to obtain or maintain director and officer liability insurance, and it may be required in the future, to accept low policy limits and coverage or incur substantial costs to obtain adequate coverage.

DISCLAIMERS AND NOTICES

No representation

No dealer, sales person or other person has been authorized to give any information or to make any representation in connection with the Offering and listing that is not contained in this Prospectus and, if given or made, such information or representation must not be relied upon as having been authorised or acknowledged by 4Energy Invest or KBC Securities or Petercam.

Statements made in this Prospectus are valid on the date set forth on the cover page of this Prospectus. The delivery of this Prospectus or the Closing of the Offering and listing will not imply under any circumstance that there have been no changes in the affairs or financial situation of 4Energy Invest since the date of this Prospectus, or that material information contained in this document is correct after the date of this Prospectus. In accordance with Belgian law, if a significant new factor, material mistake or inaccuracy relating to the information included in the Prospectus which is capable of affecting the assessment of the securities and which arises or is noted between the time when the Prospectus is approved and the final Closing of the offer to the public or, as the case may be, the time when trading on the relevant market begins, will be mentioned in a supplement to the prospectus. Investors who have already agreed to purchase or subscribe for the Shares Offered before the supplement is published will have the right, exercisable within two working days after the publication of the supplement, to withdraw their acceptances. The supplement is subject to approval by the Belgian Banking, Finance and Insurance Commission (*Commissie voor het Bank-, Financie- en Assurantiewezen*, “CBFA”), in the same manner as the Prospectus and must be made public in the same manner as the Prospectus.

Decision to invest

In making an investment decision regarding the Offering described herein, potential investors must rely on their own examination of 4Energy Invest and the terms of the Offering, including the risks and merits involved. Any summary or description set forth in this Prospectus of legal provisions, corporate structurings or contractual relationships is for information purposes only and should not be construed as legal or tax advice as to the interpretation or enforceability of such provisions, structurings or relationships. In case of any doubt relating to the contents or the meaning of the information contained in this document, prospective investors should consult an authorised or professional person specialized in advice on the acquisition of financial instruments. The Offering has not been recommended by any federal or state securities commission or regulatory authority in Belgium or elsewhere.

Certain restrictions on the Offering and the distribution of this Prospectus

The Offering and the distribution of this Prospectus may be restricted by law in certain jurisdictions outside Belgium. 4Energy Invest does not represent that this Prospectus may be lawfully distributed in jurisdictions outside Belgium or that its shares may be lawfully offered in compliance with any applicable registration or other requirements in jurisdictions outside Belgium, or pursuant to any exemption available there under. 4Energy Invest does not assume any responsibility for such distribution or Offering. Accordingly, the Shares Offered may not be offered or sold, directly or indirectly, and neither this Prospectus nor any advertising or other Offering materials may be distributed or published in any jurisdiction outside Belgium, except in circumstances that will result in compliance with any applicable laws and regulations. This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the shares of 4Energy Invest to any person in any jurisdiction in which it is unlawful to make such offer or solicitation to such person. Persons in whose possession this Prospectus or any of the shares come, must inform themselves about, and observe any such restrictions.

Within the European Economic Area

In relation to offerings of the Shares Offered in the Member States of the European Economic Area which have implemented the Prospectus Directive (each, a “Relevant Member State”) the following rules apply. The Issuer has not authorized an offer of the Shares Offered to the public in the Relevant Member States, except Belgium. Nevertheless, the Shares Offered can be offered to investors in a Relevant Member State

in the following circumstances pursuant to exemptions available under the Prospectus Directive, provided that such exemptions have been transposed into the laws of that Relevant Member State:

- (a) the Shares Offered can be offered to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (b) the Shares Offered can be offered to legal entities that according to their last annual or consolidated accounts meet at least two of the following three criteria: (1) an average number of employees of at least 250 employees during the financial year, (2) a total balance sheet of more than €43.0 million, and (3) an annual net turnover of more than €50.0 million;
- (c) the Shares Offered can be offered by the Underwriters to fewer than 100 natural or legal persons (other than “qualified investors” as defined in the Prospectus Directive) subject to obtaining the prior consent of the Lead Manager for any such offer; and
- (d) the Shares Offered can be offered in other circumstance provided for in Article 3(2) of the Prospectus Directive, provided that no such offer results in a requirement by the Issuer or any Underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purpose of the foregoing rules, the expression an “offer to the public” in relation to any of the Shares Offered in any Relevant Member State means the communication in any form and by any means, presenting sufficient information on the terms of the Offering and the Shares Offered to be offered, so as to enable an investor to decide to purchase or subscribe the Shares Offered, subject to the terms pursuant to which such definition may have been transposed into national law in that Relevant Member State. The expression “Prospectus Directive” means Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC, and includes any relevant transposition measure in a Relevant Member State.

United Kingdom

This document and its contents are confidential and its distribution (which term shall include any form of communication) is restricted pursuant to section 21 of the Financial Services and Markets Act 2000, as amended (“FSMA”). In relation to the United Kingdom, this document is only directed at, and may only be distributed to, persons who are “investment professionals” (being persons having professional experience in matters relating to investments) within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Financial Promotion Order”) or who are persons to whom any of paragraphs (2)(a) to (d) of Article 49 (high net worth companies, unincorporated associations, etc.) of the Financial Promotion Order apply or who are persons to whom distribution may otherwise lawfully be made (all such persons together being referred to as “relevant persons”). Any investment or investment activity to which this document relates is available only to relevant persons and will be engaged in only with relevant persons. Any person who is not a relevant person should not rely or act upon this document or any of its contents.

France

The Shares Offered have not been offered or sold and will not be offered or sold, directly or indirectly, and copies of this Prospectus or of any other offering material relating to the Shares Offered have not been and will not be distributed or caused to be distributed, directly or indirectly, to the public in France except (i) to providers of investment services relating to portfolio management for the account of third parties (“*personnes fournissant le service d’investissement de gestion de portefeuille pour compte de tiers*”), and/or (ii) to qualified investors (“*investisseurs qualifiés*”), acting for their own account, and/or (iii) to a restricted circle of investors (“*cercle restreint d’investisseurs*”), acting for their own account, all as defined and in accordance with articles L. 411-2, D. 411-1 to D. 411-4, D. 734-1, D. 744.1, D. 754-1 and D. 764-1 of the French *Code Monétaire et Financier*, or otherwise in circumstances which do not constitute and will not constitute a public offering (“*appel public à l’épargne*”) in France as defined in and in accordance with articles L. 411-1 and L. 411-2 of the French *Code Monétaire et Financier*.

As required by article 211-4 of the General Regulations of the *Autorité des Marchés Financiers*, such *personnes fournissant le service d’investissement de gestion de portefeuille pour compte de tiers*, *investisseurs qualifiés* and *cercle restreint d’investisseurs* are informed that (i) neither this Prospectus nor any other offering documents in relation to the Shares Offered has been submitted to the clearance procedures of

the *Autorité des Marchés Financiers*; (ii) with respect only to *investisseurs qualifiés* and *cercle restreint d'investisseurs*, they must participate in the Offering on their own account in the conditions set out in articles D. 411-1, D. 411-2, D.734-1, D. 744-1, D. 754-1 and D. 764-1 of the French *Code Monétaire et Financier*, and (iii) the direct or indirect offer or sale, to the public in France, of the Shares Offered can only be made in accordance with articles L. 411-1, L. 411-2, L. 412-1 and L. 621-8 to L. 621-8-3 of the French *Code Monétaire et Financier*.

This offering document does not constitute and may not be used for or in connection with either an offer to any person to whom it is unlawful to make such an offer or a solicitation (“*démarchage*”) by anyone not authorised so to act in accordance with articles L. 341-3, L. 341-4 and L. 341-7 of the French *Code Monétaire et Financier*.

Outside the European Economic Area

The Shares Offered have not been and will not be registered under the Securities Act of the United States of America. Subject to certain exceptions, the Shares Offered may not be offered, sold or delivered in the United States of America, or to, for the account or benefit of, US persons, except in certain transactions exempt from the registration requirements of the Securities Act. The terms used in this paragraph have the meanings given to them by Regulation S. The Shares Offered have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the US or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the Shares Offered or the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the US.

The Shares Offered have not been and will not be registered under the Securities and Exchange Law of Japan. Accordingly, no person may offer or sell, directly or indirectly, any Shares Offered in Japan, to, or for the benefit of, any resident of Japan, including any corporation or other entity organized under the laws of Japan or to others for reoffering or resale, directly or indirectly, in Japan or to, or for the benefit of, any person resident in Japan, except (i) pursuant to an exemption from the registration requirements of the Securities and Exchange Law of Japan and (ii) in compliance with any other applicable requirements of Japanese law.

No offer of the Shares Offered has been or will be made to the public in Switzerland within the meaning of Article 65a paragraph II of the Swiss Code of Obligations.

It is the responsibility of any person not resident in Belgium who wishes to take part in this Offering to ascertain that the legislation applicable in his or her country of residence is complied with, and that all other formalities that may be required are fulfilled, including the payment of all costs and levies.

Forward-looking information

This Prospectus contains forward-looking statements, forecasts and estimates made by the management of the Issuer with respect to the anticipated future performance of 4Energy Invest and the market in which it operates. Such statements, forecasts and estimates are based on various assumptions and assessments of known and unknown risks, uncertainties and other factors, which assumptions were deemed reasonable when made but may or may not prove to be correct. Therefore, actual results, the financial condition, performance or achievements of the Issuer, or industry results, may turn out to be materially different from any future results, performance or achievements expressed or implied by such statements, forecasts and estimates. Factors that might cause such a difference include, but are not limited to those discussed in the Section “Risk factors”. Furthermore, forward-looking statements, forecasts and estimates only speak as of the date of the Prospectus.

Industry data, market share, ranking and other data

Unless indicated otherwise in this Prospectus, industry data, market share data, ranking and other data contained in this Prospectus are based on independent industry publications, on reports by market research firms and on other independent sources or on the Issuer’s management’s own estimates, believed by management to be reasonable. The information provided by third parties has been correctly reflected in the Prospectus and insofar as the Issuer knows or could determine on the basis of this published information, no data have been omitted which would render the published information inaccurate or misleading. The Issuer, the Underwriters and their respective advisors have not independently verified this information. Furthermore, market information is subject to change and cannot always be verified with

complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey of market information. Also, third party publications generally state that the information they contain has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. As a result, prospective investors should be aware that the Issuer cannot guarantee that industry data, market share, ranking and other similar data in this Prospectus, and estimates and beliefs based on such data, are correct.

Rounding of financial and statistical information

Certain financial and statistical information in this Prospectus has been subject to rounding adjustments and to currency conversion adjustments. Accordingly, the sum of certain data may not be equal to the expressed total.

1. GENERAL INFORMATION AND PARTIES ASSUMING RESPONSIBILITY FOR THIS PROSPECTUS

1.1. Responsibility for the content of the Prospectus

The Issuer, represented by its board of directors, assumes responsibility for the content of this Prospectus. The Issuer declares that, having taken all reasonable care to ensure that such is the case the information contained in this Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

The Underwriters make no representation or warranty, express or implied, as to the accuracy or completeness of the information in this Prospectus, and nothing in this Prospectus is, or shall be relied upon as, a promise or representation by the Underwriters. The following segments of the Prospectus have been drawn up on the basis of information provided by the Selling Shareholder which assumes any additional liability arising there from: (i) details about the Selling Shareholder and its share participation in the Issuer, (ii) the statements and declarations concerning the intentions of the Selling Shareholder and the arrangements between it and the Founders, and (iii) the biographical data of the current director of the Issuer that has been elected by the Selling Shareholder. The Selling Shareholder declares that, having taken all reasonable care to ensure that such is the case, the information contained in the parts of the Prospectus for which it is responsible, is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

This Prospectus is intended to provide information to potential investors in the context of and for the sole purpose of evaluating a possible investment in the Shares Offered. It contains selected and summarized information, does not express any commitment or acknowledgement or waiver and does not create any right expressed or implied towards anyone other than a potential investor. It cannot be used except in connection with the Offering. The content of this Prospectus is not to be construed as an interpretation of the rights and obligations of 4Energy Invest, of the market practices or of contracts entered into by 4Energy Invest.

1.2. Responsibility for auditing the accounts

VGD Bedrijfsrevisoren, a civil company having the form of a coöperatieve vennootschap met beperkte aansprakelijkheid with registered office at Greenland, Burgemeester Etienne Demunterlaan 5, 1090 Jette (Brussel), Belgium and with membership number of IBR 150, represented by Jurgen Lelie⁽¹⁾, has been elected as statutory auditor of the Issuer for a term of three years ending immediately after the closing of the general shareholders' meeting to be held in 2009 that will have deliberated and resolved on the financial statements for the fiscal year ended on 31 December 2008.

The consolidated financial statements prepared for the purpose of the IPO for the years ending 31 December 2007, 31 December 2006 and 31 December 2005 have been audited by VGD Bedrijfsrevisoren CVBA represented by Mr. Jurgen Lelie⁽¹⁾, who delivered an unqualified opinion thereon.

The statutory financial statements of the Issuer for the years ending 31 December 2007 (and 31 December 2006) have been audited by VGD Bedrijfsrevisoren CVBA, represented by Mr. Jurgen Lelie⁽¹⁾ who delivered an unqualified opinion thereon.

1.3. Approval of the Prospectus

On 20 May 2008, the CBFA, approved this Prospectus for the purposes of the public offering and the listing on Euronext Brussels of the Shares and the VVPR strips in Belgium in accordance with Article 23 of the Belgian Act of 16 June 2006 relating to public offers of securities and to the admission to trading of securities on regulated markets. The CBFA's approval does not imply any judgment on the merits or the quality of the Offering or the Shares Offered, nor of the status of the Issuer.

This Prospectus has been prepared in English. In accordance with Article 31 of the aforementioned Belgian Act of 16 June 2006, this Prospectus has been translated into Dutch. The Issuer is responsible for the consistency between the Dutch and the English versions of the Prospectus. In connection with the public offering in Belgium, both the English and Dutch version of the Prospectus are legally binding.

The Offering and this Prospectus have not been submitted for approval to any supervisory body or governmental authority outside Belgium.

(1) Marc Wauters as from 22 November 2005 and Jurgen Lelie as from 1 March 2008.

1.4. Legal publications

The notice containing the price range will be published in the Belgian financial press and on the website of the Issuer on or about 30 May 2008.

All publications with regard to the Offering will be made in the Belgian financial press and on the website of the Issuer.

1.5. Available information

1.5.1. Prospectus

The Prospectus is available in Dutch and English. This Prospectus will be made available to investors at no cost at the registered office of the Issuer at Atrium Park, Koloniënstraat 11, 1000 Brussels, Belgium, and can be obtained upon simple request from KBC Telecenter at +32 (0)3 283 29 70. Subject to certain conditions, this Prospectus is also available, for information purposes only, on the internet at the following websites: www.4Energyinvest.com, www.bolero.be, www.kbc.be, and www.petercam.be.

Posting this Prospectus on the internet does not constitute an offer to sell or a solicitation of an offer to buy any of the shares to any person in any jurisdiction in which it is unlawful to make such offer or solicitation to such person. The electronic version may not be copied, made available or printed for distribution. This Prospectus is only valid in its original version circulated in Belgium in compliance with applicable laws. Other information on the website of the Issuer or any other website does not form part of the Prospectus.

1.5.2. Issuer documents and other information

The Issuer must file its (restated and amended) articles of association and all other deeds that are to be published in the annexes to the Belgian State Gazette with the clerk's office of the Commercial Court of Brussels (Belgium), where they are available to the public. A copy of the articles of association will also be available on the Issuer's website after the Closing of the Offering.

In accordance with Belgian law, the Issuer must prepare annual audited statutory and consolidated financial statements. The annual statutory and consolidated financial statements and the reports of the board of directors and statutory auditor relating thereto are filed with the Belgian National Bank, where they are available to the public. Furthermore, as a listed company, the Issuer will have to publish annual and semi-annual financial releases as well as a report including the annual financial statements, the auditor's statutory report and the report of the board of directors of the Issuer. In addition (and save in case of quarterly financial releases) the Issuer will have to issue a quarterly declaration in each semester containing an update on important transactions or matters as well as a general description of the Issuer's financial position and results. Copies thereof and of the annual report will be available on the Issuer's website.

The Issuer will also have to disclose price sensitive information and certain other information to the public. In accordance with the Belgian Royal Decree of 14 November 2007 relating to the obligations of issuers of financial instruments admitted to trading on a Belgian regulated market, such information and documentation will be made available through the Issuer's website, press release and the communication channels of Euronext Brussels.

The Issuer's website can be found at www.4Energyinvest.com.

2. GENERAL INFORMATION RELATING TO THE OFFERING AND ADMISSION TO LISTING AND TRADING ON EURONEXT BRUSSELS

2.1. Information related to the capital increase

At its meeting held on 21 May 2008, the extraordinary general shareholders' meeting of the Issuer decided to increase the Issuer's share capital in cash through the issuance of New Shares, subject to the Closing of the Offering. The Issuer intends to offer New Shares for an aggregate subscription amount between €22.0 million and €25.0 million (including share premium). The Offering of New Shares can be increased by a maximum amount of €3.75 million up to a maximum amount of €28.75 million. The Issuer will in no case proceed with the issuance of New Shares if it cannot issue such shares for an amount of at least €22.0 million (see also Section 2.2.2).

The final issuance price (including share premium) of these New Shares will be the Offer Price and will be determined through a book-building procedure with institutional investors. The maximum number of New Shares offered in the Offering will be announced as an addendum to the Prospectus in the Belgian financial press together with the price range and on the website of the Issuer. The maximum number of New Shares to be issued in the Offering will be determined by dividing the total amount (capital contribution and issuance premium) for which the Issuer, in common agreement with the Lead Manager, decides to issue New Shares, by the Offer Price.

In connection with the issuance of the above shares, each of the shareholders of the Issuer has waived his or her preferential subscription right as existing shareholder.

Whether or not the Offering is fully subscribed, the Lead Manager may proceed with over-allotments covered by Existing Shares, with a view to stabilization after the start of the trading. See also Section 2.7 below.

There will be no employee offering.

2.2. Key information

2.2.1. Working capital statement

As of the date of this Prospectus, the Issuer is of the opinion that, taking into accounts its available cash and cash equivalents, it has sufficient working capital to meet its present requirements and cover its working capital needs for a period of at least 12 months as of the date of the Prospectus.

2.2.2. Use of proceeds

The gross proceeds from the issue of New Shares, which are expected to be between €22.0 million and €25.0 million with a maximum of €28.75 million, will be paid to the Issuer. Assuming that the Over-allotment Option is fully exercised, the gross proceeds from the sale of such shares, which are expected between €3.3 million and €4.3 million (representing an additional amount equal to 15% of the New Shares), will be paid to the Selling Shareholder.

The Issuer intends to use the net proceeds of the Offering of the New Shares to support 4Energy Invest's growth, to increase its capitalisation and financial flexibility, as well as for general corporate purposes. More specifically, the Issuer intends to use the net proceeds of the Offering (i.e. after commissions and offering expenses payable by the Issuer have been deducted) to:

- Enable the Issuer to finance projects currently in development phase to a lesser or larger extent taking into account that cogeneration projects in development phase can be leveraged with debt for approximately 75% of the total financing cost and that the green coal project in development phase would be leveraged with substantial lower leverage (€18.0 – €20.0 million);
- Reinforce the balance sheet of the Issuer through; inter alia the partial repayment of €1.7 million of a total loan agreement of €4.2⁽²⁾ million to the Selling Shareholder;
- Source and develop future projects in order to support the Issuer's growth (€1.0 – €7.6 million).

The Issuer expects that a capital increase between €22.0 million and €25.0 million should allow it to execute its present strategy. In case of a capital increase of €28.75 million, the Issuer would have more

(2) On the date of the Prospectus, the Issuer has drawn down a total loan facility of €4,170k.

flexibility in time and budget to execute its strategy fully and projects in origination phase may migrate faster to the development phase.

The Issuer's board of directors and the executive management will determine, at their sole discretion and without the need for shareholders' approval, the amounts and timing of the Issuer's actual investments, which will depend upon numerous factors, including the further evolutions of projects in development phase, trends and opportunities in the biomass market, and the amount of proceeds actually raised in the Offering. The Issuer regularly evaluates new operating projects that it believes may be complementary to its business activities. The Issuer has not yet determined the amounts it plans to spend on any of the areas listed above or the timing of these investments. Accordingly, the Issuer will have significant flexibility and broad discretion to allot and use the net proceeds resulting from the Offering.

2.2.3. Capitalization and indebtedness

The table below sets forth the Issuers' unaudited cash and cash equivalents and capitalization at 31 March 2008.

Since 31 March 2008 the Issuers' net debt has not increased except for the draw down of the total loan facility of KBC Private Equity from €2.9m end of March to €4.2m. The equity on 31 March 2008 amounts to €5,507k.

	31 March 2008	31 December 2007
	€'000	€'000
Share capital	3,588	3,588
Retained earnings	1,909	1,866
Minority interests	10	8
Total equity	5,507	5,461

The net financial debt of the Issuer on 31 March 2008 amounts to €30,585k.

	31 March 2008	31 December 2007
	€'000	€'000
Financial debt		
<i>Interest bearing loans & borrowings</i>	<i>31,029</i>	<i>26,940</i>
Secured debts		
Bank loans(*)	26,096	24,256
Working capital facility	980	0
Leasing debts	1,053	184
Unsecured debts		
Loans from related parties	2,900	2,500
Total financial debt	31,029	26,940
Cash and cash equivalents	(444)	(73)
Net financial debt	30,585	26,867

(*) Not including the accrued interest expenses of €210k at 31 March 2008 and €189k at 31 December 2007.

Since 31 December 2007 the following loans were granted to the Issuer:

Unsecured debts:

- On 27 February 2008 an increase of the existing €2,500k loan facility from related parties to €4,170k was granted. On 31 March 2008, the outstanding amount under this facility equaled €2,900k. On the date of the Prospectus, the Issuer has drawn down the total loan facility of €4,170k.

Secured debts:

- On 14 February 2008 a new credit line of €1,000k to finance the working capital needs was granted of which €980k was in use as per 31 March 2008.
- A new credit line of €456k to finance the acquisition of a plot of land located at the industrial zone in Amel. On 31 March 2008, no use of this facility has yet been made.

All securities previously established remain in place for the bank loans (see 8.1.7.17).

Furthermore Renogen has engaged to establish (or have established) the following new securities:

- a mortgage of €50k in principal: a first mortgage on the acquired plot of land and a second mortgage on the industrial building located at the Kaiserbaracke industrial zone in Amel;
- a power attorney to create a mortgage of €400k in principal on the acquired plot of land on the industrial building located at the Kaiserbaracke industrial zone in Amel.

2.3. Interest of natural and legal persons involved in the Offering

KBC Securities NV is the Lead Manager, sole bookrunner and one of the Underwriters in the Offering. KBC Bank NV acts as the only Selling Agent in the Offering and is the credit provider of the Issuer. KBC Securities NV and KBC Bank NV are affiliated companies (as defined in Article 11 of the Belgian Companies Code) of the Selling Shareholder, KBC Private Equity NV. KBC Private Equity NV holds 34.99% of the shares and granted loans to the Issuer, which will be partially repaid with the proceeds of the Offering (see Section 2.2.2). The Selling Shareholder will lend the Over-allotment Shares. The shares of the Selling Shareholder that will not be sold in the Offering will be subject to a lock-up further described in Section 2.8.4.

Outside of these roles and these contracts, nor KBC Securities nor any of its affiliates hold a participation in the Issuer and have no other dealings with the Issuer.

2.4. Terms of the Offering

2.4.1. General terms

The Offering consists of a public offering in Belgium and a private placement to institutional investors in Belgium and elsewhere in the European Economic Area and Switzerland.

The offering consists of New Shares, coupons no.1 and following attached, for an amount between €22.0 million and €25.0 million. The offering of New Shares can be increased by a maximum amount of €3.75 million up to a maximum amount of €28.75 million. The exact number of New Shares will be determined by the Lead Manager in common agreement with the Issuer.

All New Shares will carry a right to reduced withholding tax, known as *Verminderde Voorheffing* or *VVPR*. A separate VVPR strip will represent this right. Each New Share will come together with one VVPR strip, which will be separately tradable on Euronext Brussels.

In addition, the Selling Shareholder granted to the Lead Manager an Over-allotment Option, exercisable from time to time on or before the 30th day after the Listing Date, corresponding to up to 15% of the number of New Shares sold in the Offering with the sole purpose of allowing the Lead Manager to cover over-allotments, if any. Therefore, in case of an offering and allocation of New Shares representing €22.0 million, the Over-allotment Shares will represent an amount of €3.3 million, in case of an offering and allocation of New Shares representing €25.0 million, the Over-allotment Shares will represent an amount of €3.75 million and in case of an offering and allocation of New Shares representing €28.75 million, the Over-allotment Shares will represent an amount of €4.3 million.

Subject to sufficient retail demand, it is expected that no less than 25% of the Shares Offered effectively allocated will be allocated to retail investors in Belgium. However, at the discretion of the Lead Manager and in common agreement with the Issuer (i) the proportion of those Shares Offered allocated to retail investors may be increased and possibly substantially, if applications received from retail investors exceed 25% of the Shares Offered or, conversely, (ii) such proportion may be reduced but not below 10% (unless sufficient retail demand would be lower than 10%) if the relative demand from institutional investors at or above the Offer Price significantly exceeds that of retail investors.

For the purpose of the above paragraph, a retail investor means (a) an individual person resident in Belgium, or (b) the legal entities in Belgium that apply for Shares in an amount of €250k or less.

In allocating the Shares Offered, the Lead Manager will use reasonable efforts to ensure that the New Shares with VVPR strips are delivered to individual investors residing in Belgium and to investors subject to Belgian tax on legal entities (*rechtspersonenbelasting*), in this order of priority.

In the event that the terms of the Offering are modified, the Issuer will publish a supplement to this Prospectus. Any such prospectus supplement is subject to approval by the CBFA in the same manner as the

prospectus and shall be made public as shall be determined by the CBFA. If a prospectus supplement is published, investors shall have the right to withdraw their subscriptions made prior to the publication of the supplement. Such withdrawal must be done within the time limits set forth in the supplement and which shall not be shorter than two banking days after publication of the supplement. Any such prospectus supplement will be published in the Belgian financial press and on the website of the Issuer or made available by any other permitted method of distribution. If the Issuer does not provide any update with respect to such event, the CBFA may suspend the Offering until such event has been made public.

2.4.2. Offer Price

The Offer Price will be a single price in Euro that will apply to all investors whether retail or institutional. The Offer Price will be determined within a price range. The Offer Price will be determined by the Lead Manager in common agreement with the Issuer, on the basis of a book-building procedure during the Offering Period, in which only the institutional investors can participate. In the determination of the Offer Price, various relevant qualitative and quantitative elements will be taken into account, including but not limited to the number of Shares requested, the size of orders received and the quality of the investors submitting such orders and the prices at which the orders were made, as well as the market conditions at that time. The applicable Offer Price will be determined within the price range.

The applicable price range will be published as an addendum to the Prospectus in the Belgian financial press and on the website of the Issuer on or about 30 May 2008. The Offer Price will be determined as soon as possible after closing of the Offering Period, which is expected to take place on 11 June 2008 and will be published in the Belgian financial press and on the website of the Issuer on the first publishing day following its determination, which is expected to be on 13 June 2008. Both dates are subject to early closing of the Offering Period.

2.4.3. Offering Period

The Offering Period will start on 30 May 2008 and is expected to close on 11 June 2008, unless it is closed earlier. The Lead Manager, in common agreement with the Issuer, reserves the right to close the Offering Period at an earlier date and time. Any early closure of the Offering Period will be announced in the Belgian financial press and on the website of the Issuer. The Offering Period will in any event be open for at least six trading days as of the availability of this Prospectus. In the event the Offering Period is extended, this will be mentioned in an addendum to the Prospectus and on the website of the Issuer. The Offering Period for retail and institutional investors will be the same.

2.4.4. Application procedure

2.4.4.1 Retail offering in Belgium

Applications to subscribe to the Shares Offered in the framework of the retail offering in Belgium can be submitted at the counter of KBC Bank NV, KBC Securities NV, and Petercam, at no cost to the investor. Applications are not binding upon the Issuer, the Lead Manager or the Co-Lead Manager as long as they have not been accepted with the allocation rules as described in Section 2.4.5.

Investors wishing to apply for Shares Offered through other intermediaries should request details of the costs which such intermediaries may charge and which such investors may therefore have to pay for.

Retail investors must indicate in their orders the number of Shares Offered they commit to acquire. Only one application per retail investor will be accepted. If the Underwriters determine, or have reason to believe, that a single retail investor has submitted several orders, through one or more Underwriters, they may discard such orders.

Retail investors are invited to introduce their orders as soon as possible with the branches of the Underwriters. To be valid, such applications must be submitted, no later than 4.00 p.m. Brussels time on the final day of the Offering Period, unless it is closed earlier.

2.4.4.2 Institutional investors

Institutional investors must indicate in their orders the number of Shares Offered they commit to acquire, and the prices at which they are making such orders.

Only institutional investors can participate in the book-building procedure during the Offering Period.

2.4.5. Allocation of the Shares Offered and VVPR-strips

2.4.5.1 General

The exact number of Shares Offered (including the Over-allotment Shares) allotted to the retail investors and the institutional investors respectively will be determined at the end of the Offering Period by the Lead Manager in consultation with the Issuer. The allocation will furthermore depend on the respective demand of both retail and institutional investors and on the quantitative and, for institutional investors only, the qualitative analysis of the order book, and taking into account the expected 25% retail tranche and 75% institutional tranche in the base Offering described in Section 2.4.1 above, but without prejudice to the rules set forth below.

The proportion of Shares Offered allocated to retail investors may be increased and possibly substantially, if applications received from them exceed 25% of the Shares Offered effectively allocated or, conversely, such proportion may be reduced but not below 10% (unless sufficient retail demand would be lower than 10%) if the relative demand from institutional investors at or above the Offer Price significantly exceeds that of retail investors.

In case of over-subscription of the Shares Offered reserved for retail, the allocation to retail will be made on the basis of objective allocation criteria (such as the use of a relative or absolute amount of shares with respect to each subscription which may, but will not necessarily, be grouped in certain tranches and in which preferential treatment may be given to subscriptions via the Underwriters rather than through other financial intermediaries).

The results of the Offering, the allocation key for the retail investors and the Offer Price will be published in the Belgian financial press and on the website of the Issuer, which is expected to occur on or about 13 June 2008, subject to early closing of the Offering Period.

2.4.5.2 Allocation of New Shares and Existing Shares

a. Tax on stock exchange transactions

The purchase of Existing Shares will, unless an exemption applies, give rise to tax on stock exchange transactions (*taks op de beursverrichtingen*) at a rate of 0.17% per transaction and per party, subject to a cap of €500 per transaction and per party. The subscription to New Shares will not give rise to tax on stock exchange transactions. See also Section 2.12.4.

The Lead Manager will use reasonable efforts to ensure that the Shares Offered delivered to retail investors are New Shares.

b. VVPR strips

All New Shares will be issued together with VVPR strips, which entitle their holder to a reduced rate of Belgian withholding tax on dividends and will be separately tradable. See also Section 2.12.5.

In allocating the Shares Offered, the Lead Manager will use reasonable efforts to ensure that New Shares with VVPR strips are delivered to individual investors residing in Belgium and to investors subject to Belgian legal entities tax (*rechtspersonenbelasting*), in this order of priority.

VVPR strips will be separately tradable on Euronext Brussels as from the Listing Date, and investors who do not receive VVPR strips in the Offering may be able to purchase such instruments on the secondary market.

While it is expected that retail investors will be allotted only New Shares with a separate VVPR strip, neither the Selling Shareholder who has granted the Over-allotment Option, nor the Issuer or the Underwriters will have any liability to investors in connection with the allocation of Shares Offered, with or without a separate VVPR strip.

2.4.6. Payment, settlement and delivery of the Shares and the VVPR strips

The Offer Price must be paid up in full in Euro, together with any applicable stock exchange tax. For further information about applicable taxes, see Section 2.12.4 and 2.12.5. Payment for the Shares Offered will take place on the Closing Date.

The Closing Date, being the payment date, which is also the date on which the Shares Offered and the VVPR strips will be delivered to the investors, will be the third trading day after the Allocation Date, this being expected to be on or about 17 June 2008 unless the Offering Period is closed earlier.

All Shares Offered and VVPR strips will be delivered through the book-entry facilities of EB. All the Shares will be in dematerialized form. Holders of registered shares may request that their registered Shares be converted into dematerialized shares and vice versa at any time. Any costs incurred by the conversion of registered shares into dematerialized securities will be borne by the shareholder.

All of the Shares Offered will be fully paid up upon their delivery, and will be freely transferable.

2.4.7. Dividends

2.4.7.1 Entitlement to dividends

The Shares Offered will be entitled to a share in the profits as of 1 January 2008, if any, and are therefore entitled to the dividend for the financial year that will close on 31 December 2008 and the following financial years. For further information on the declaration and payment of dividends, see also Section 2.12.1.

2.4.7.2 Dividend policy

The Issuer has never declared or paid any dividends on its Shares. Following this Offering, the Issuer's dividend policy will be determined and may change from time to time by the Issuer's board of directors. Any issue of dividends will be based upon the Issuer's future earnings, financial condition, cash needs, capital adequacy, compliance with applicable statutory and regulatory requirements, general business conditions and other factors considered as important by the Issuer's board of directors. The board of directors expects to retain all earnings generated by the Issuer's operations for the development and growth of its business and does not anticipate paying any dividend to the shareholders for the coming years.

2.5. Listing and first trading

An application has been made for the admission to listing on Euronext Brussels of all Shares. The Shares are expected to be listed under the symbol ENIN and international code numbers BE0003888089. An application has also been made for the admission and trading on Euronext Brussels of all VVPR strips. The VVPR strips are expected to be listed under the symbol ENINS and international code numbers BE0005625968.

The Issuer expects trading to commence on the Listing Date, on or about 13 June 2008, unless early closing of the Offering Period occurs, and being the first trading day following the Allocation Date but no later than the Closing Date when the Shares Offered and VVPR strips are delivered to the investors. See also the underwriting agreement, referred to in Section 2.6.

Prior to the Closing Date and delivery of the shares and VVPR strips to the investors, the Shares and VVPR strips will be listed on an "as if-and-when-issued and/or delivered" basis. Investors who wish to enter into transactions in Shares or VVPR strips of the Issuer prior to the Closing Date on Euronext Brussels must be aware that the delivery of the Shares Offered and VVPR strips may not take place on expected Closing Date or at all if certain conditions or events referred to in the underwriting agreement are not satisfied or waived or do not occur on or prior to such date. Such conditions include the receipt of certificates and legal opinions and such events include the suspension of trading on Euronext Brussels or a material adverse change in the Issuer's financial condition or business affairs or in the financial markets. Euronext Brussels has indicated that they will annul all transactions effected on it if the Shares Offered hereby are not delivered on the Closing Date.

Prior to the Offering of the Shares, no public market existed for the Shares and VVPR strips.

2.6. Underwriting agreement

The Underwriters, the Issuer and the Selling Shareholder are expected to enter into an Underwriting Agreement no later than on the day of the determination of the Offer Price, currently expected to be 12 June 2008 subject to early closing of the Offering. The conclusion of this agreement is subject to the discretion of the parties and will be subject to many factors, including but not limited to market circumstances and the result of the bookbuilding procedure.

In the Underwriting Agreement, the Issuer and Selling Shareholder are expected to make certain representations and warranties and to agree to indemnify the Underwriters against certain liabilities.

It is anticipated that the Underwriting Agreement will provide — subject to the conditions and events that will be stipulated therein — that the Underwriters, severally but not jointly, agree to subscribe to and/or acquire the following percentages of the New Shares offered (excluding the Over-allotment Shares) and VVPR strips in the Offering with a view to immediately distributing these New Shares and VVPR strips to the investors concerned:

- KBC Securities: 70%
- Petercam: 30%

The Underwriters will distribute the Shares Offered and VVPR strips to investors, subject to prior issue or sale, when, as-and-if-issued-and/or-delivered to and accepted by them, subject to the satisfaction or waiver of the conditions that are expected to be contained in the Underwriting Agreement, such as the receipt by the Underwriters of officers' certificates and legal opinions.

The Underwriting Agreement is also expected to provide that upon occurrence of certain events, such as the suspension of trading on Euronext Brussels, or a material adverse change in or affecting the Issuer's financial condition or business affairs or in the financial markets, and certain other events, the Underwriters will have the right to withdraw from the Underwriting Agreement and Offering before the delivery of the Shares Offered and VVPR strips. In such event, the investors will be informed by publication in the Belgian financial press that no Shares Offered and VVPR strips can be delivered and that their acceptances are cancelled.

2.7. Over-allotment Option and stabilization

Within the context of the Offering, the Lead Manager can exercise the Over-allotment Option and, as of the Listing Date, until 30 days thereafter, execute transactions with a view to stabilise the market price of the Shares or maintain it at levels above those that could or might otherwise prevail in the open market. The possibility to over-allot shares in the Offering and to exercise the Over-allotment Option will exist whether or not the Offering is fully subscribed and irrespective of the amount of the Offering. These transactions, should they occur, may be executed on Euronext Brussels, in the over-the-counter market or in some other manner. There are no assurances that such stabilisation will be undertaken and, should this, indeed, be the case, such stabilisation may be discontinued at any given moment, which will happen in any event 30 days following the Listing Date.

In the event that the Lead Manager should create a short position in the Shares, it can reduce this short position by buying Shares in the open market or, as indicated below, through the whole or partial exercise of the Over-allotment Option. The purchase of Shares by the Lead Manager for the purpose of stabilising the share price may bring the market price of the Shares to a higher level than it would have in the absence of such purchases. Neither the Issuer nor the Lead Manager are hereby making any representation or prediction as to the direction or the magnitude with respect to any consequence which the transactions, as described above, could or might exert on the market price of the Shares.

Within a week from the end of the stabilisation period, and pursuant to Article 5 §2 of the Royal Decree of 17 May 2007, the following information will be published in accordance with Article 6 of said Royal Decree: (i) whether or not stabilisation action took place, (ii) the date on which the stabilisation action commenced, (iii) the date on which the last executed stabilisation action took place, and (iv) the price range within which the stabilisation took place for each and every date during which stabilisation transactions were executed.

The Lead Manager may choose to reduce any short position by a full or partial exercise of the Over-allotment Option. This Over-allotment Option can be exercised from time to time on or before the 30th day after the Listing Date. The Over-allotment Option consists of an option to purchase Shares from the Selling Shareholder, which option can only be exercised to cover over-allotments, if any. The possibility to over-allot Shares in the Offering and to subsequently exercise the Over-allotment Option shall exist irrespective of whether or not the Offering has been wholly subscribed for.

The Selling Shareholder granted to the Lead Manager the Over-allotment Option exercisable from time to time on or before the 30th day after the Listing Date, as well as a stock lending (*verbruiklening van effecten*) in relation to up to 15% of the aggregate number of New Shares sold in the Offering with the sole purpose for the Lead Manager to cover over-allotments (if any). These Existing Shares will not have a separate

VVPR strip. The number of Over-allotment Shares, together with the Offer Price, will be published in the financial press in Belgium and on the website of the Issuer.

2.8. Lock-up arrangements

2.8.1. Introduction

Within the framework of the Offering, the Issuer, the Founders and the Selling Shareholder, have entered into separate lock-up arrangements with the Lead Manager, the main terms of which are summarised hereinafter.

2.8.2. The Issuer

During a period of 1 year as of the Closing Date, the Issuer, except with the prior written consent of the Lead Manager (which shall not be unreasonably withheld or delayed), shall not (i) issue or sell, or attempt to dispose of, or solicit any offer to buy any shares, warrants or other equity-linked securities, or (ii) grant any options, convertible securities or other rights to subscribe for or purchase shares or enter into any contract (including derivative transactions) or commitment with like effect or (iii) purchase any of its securities or otherwise reduce its share capital except for the issuance of warrants in the framework of the Warrant Plan as described in Section 3.5.

2.8.3. The Founders

During a period of 1 year as of the Closing Date, the Founders, shall not, issue or sell, lend or pledge or attempt to dispose of, or solicit any offer to buy any shares, warrants or other equity linked securities or grant any options, exchangeable securities or other rights to subscribe for or purchase shares or enter into any contract (including derivative transactions) or commitment with like effect.

The lock-up of the Founders does not apply to the transfer of any of the aforementioned (i) in acceptance of a public take-over bid on the Issuer, or (ii) to one or more affiliated persons (within the meaning of section 11 of the Belgian Companies' Code) of any of the Founders, provided that any such affiliated person enters into similar lock-up arrangements with the Lead Manager.

2.8.4. Selling Shareholder

During a period of 1 year as of the Closing Date, the Selling Shareholder shall not, issue or sell, lend or pledge or attempt to dispose of, or solicit any offer to buy any shares, warrants or other equity linked securities or grant any options, exchangeable securities or other rights to subscribe for or purchase shares or enter into any contract (including derivative transactions) or commitment with like effect, provided, however, that during the second half of the one year lock-up period said transactions may be executed if the Shareholder obtains prior written consent of KBC Securities (which shall not be unreasonably withheld).

The lock-up of the Selling Shareholder does not apply to the transfer of any of the aforementioned securities (i) in acceptance of a public take-over bid on the Issuer, (ii) to one or more affiliated persons (within the meaning of section 11 of the Belgian Companies' Code) of the Selling Shareholder, provided that any such affiliated person enters into similar lock-up arrangements with the Lead Manager, or (iii) to the Lead Manager within the specific framework of the Over-allotment Option.

2.9. Costs and remunerations of intermediaries

The aggregate cost of the Offering are estimated to be approximately 6.2% of the gross proceeds of the Offering in case €22.0 million is raised, 5.9% in case €25.0 million is raised and 5.6% in case €28.75 million is raised assuming the Over-allotment Option is exercised in full in all cases. These costs include legal, administrative, audit and other costs (€450k), remuneration of the CBFA (€16k), legal publications and printing of the Prospectus (€85k), cost of advisors, management, underwriting and selling fees of the Underwriters (3% or €0.8 million in case €22.0 million is raised, €0.9 million in case €25 million is raised and €1.0 million if €28.75 million is raised not including a discretionary fee of up to 1% in all cases) and the fees payable to Euronext Brussels (€65k).

All cost will be borne by the Issuer except for the fees related to the sale of Existing Shares, which will be paid by the Selling Shareholder.

2.10. Financial service

The financial service for the shares of the Issuer will be provided in Belgium by KBC Bank NV. Should the Issuer alter its policy in this matter, this will be announced in the Belgian financial press and on the website of the Issuer.

2.11. Legislation and competent courts

The Offering is subject to Belgian law. The courts and tribunals of Brussels have sole jurisdiction should any dispute arise in relation to the Offering.

2.12. Taxation in Belgium

The following is a summary of certain Belgian income tax consequences of the acquisition, ownership and disposal of shares in the Issuer. It is based on the tax laws, treaties, regulations and administrative interpretations applicable in Belgium as presently in effect and is subject to changes thereto, including changes that could have a retroactive effect. The following summary does not take into account or discuss the tax laws of any country other than Belgium, nor does it take into account the individual circumstances of each investor. This summary is thus not intended to cover all tax consequences related to the acquisition, ownership and disposal of shares and does not take into account specific tax rules which may be applicable to certain specific categories of investors. Prospective investors should consult their own advisers as to the Belgian and foreign tax consequences of the acquisition, ownership and disposal of the shares.

For the purpose of this summary, a Belgian resident is (i) an individual subject to Belgian personal income tax (*i.e.* an individual who has his domicile in Belgium or has the seat of his assets in Belgium, or a person assimilated to a Belgian resident), (ii) a company subject to Belgian corporate income tax (*i.e.* a company that has its registered office, its main establishment, or its place of management in Belgium and is not exempt from corporate income tax) or (iii) a legal entity subject to the Belgian tax on legal entities (*i.e.* a legal entity other than a company subject to the corporate income tax, that has its registered office, its main establishment, or its place of management in Belgium as well as the Belgian State, the Flemish, Walloon and Brussels Regions and certain other government bodies). A non-resident is a person that is not a Belgian resident.

2.12.1. Dividends

For Belgian income tax purposes, the gross amount of all distributions made by the Issuer to its shareholders is generally taxed as a dividend, except for the repayment of effectively paid-up share capital carried out in accordance with the Belgian Company Code to the extent that the capital qualifies as “fiscal” capital. The gross amount paid by the Issuer to redeem its shares and the gross amount of distributions made by the Issuer to its shareholders as a result of the Issuer’s partial or complete liquidation is also generally considered as a dividend, to the extent that the payment exceeds the effectively fully paid-up “fiscal” capital of the Issuer (represented by the shares that are redeemed). In general, a 10% Belgian withholding tax is levied on such redemption and liquidation dividend distributions. For redemptions, the basis on which the 10% tax will be levied and the circumstances of the levy will depend on the final destination of the shares thus redeemed (e.g. cancellation or sale). No withholding tax will be due for redemptions of shares traded on the central market of Euronext or any other similar stock exchange market provided that the redemption is carried out on such market.

In general, a Belgian withholding tax of (currently) 25% is levied on dividends. Under certain circumstances, the 25% withholding tax rate is reduced to 15% with respect to certain qualifying shares (VVPR shares). Shares that are eligible for this reduced withholding tax rate can be issued together with or accompanied by a “VVPR strip”, which is a separate instrument representing the holder’s right to receive dividends at the reduced withholding tax rate of 15%. The New Shares that are issued in the Primary Offering will be accompanied by a VVPR strip. The shares covering the Over-allotment Option will not have a separate VVPR strip.

For investors who are Belgian resident individuals and who do not hold the shares for professional purposes and for legal entities subject to the Belgian (non resident) tax on legal entities, the Belgian withholding tax generally constitutes the final tax in Belgium on their dividend income. The amount that will be taxed is the amount of the dividend paid or attributed.

If a non professional Belgian resident individual elects to report the dividend income in his/her personal income tax return, he/she will be taxed on this income at the separate rate of 25% (or, if applicable, the reduced rate of 15%), or at the progressive personal income tax rates taking into account the taxpayer's other declared income, whichever is lower. In both cases, the amount of personal income tax payable is increased by the local surcharge and the withholding tax levied at source will be creditable against the total amount of tax due and is reimbursable should it exceed the tax payable, provided that the dividend distribution does not give rise to a reduction in value of or a capital loss on the shares. The latter condition is not applicable if the Belgian resident individual proves that he/she held the shares in full legal ownership during an uninterrupted period of twelve months prior to the attribution of the dividends.

For Belgian resident individuals who hold the shares for professional purposes, the dividends received will be taxed at the progressive personal income tax rates increased by the local surcharge. The withholding tax will be creditable against the personal income tax due and is reimbursable to the extent that it exceeds the tax payable, subject to two conditions: (i) the taxpayer must own the shares in full legal ownership at the time the dividends are attributed or made available for payment and (ii) the dividend distribution may not give rise to a reduction in the value of or a capital loss on the shares. The second condition is not applicable if the Belgian resident individual proves that he/she held the shares in full legal ownership during an uninterrupted period of twelve months prior to the attribution of the dividends.

For Belgian resident companies, the gross dividend income, including the withholding tax, must be added to their taxable income, which is, in principle, taxed at the general corporate income tax rate of (currently) 33.99%. In certain circumstances lower tax rates can apply. If a Belgian resident company holds, at the time the dividends are attributed or made available for payment, a share participation of at least 10% in the capital of the Issuer or a share participation with an acquisition value of at least €1.2 million, then 95% of the gross dividend received can in principle (although subject to certain limitations) be deducted from the taxable income ("dividend received deduction"), provided that the share participation in the Issuer qualifies as a "financial fixed asset" (under Belgian GAAP), provided that a one year minimum holding period in full legal ownership is met and provided that the taxation conditions with respect to the underlying distributed income as described in the Belgian Income Tax Code are met. For certain investment companies and for certain financial institutions and insurance companies, certain of the aforementioned conditions do not apply.

The withholding tax may, in principle, be credited against the corporate income tax and is reimbursable to the extent that it exceeds the corporate income tax payable, subject to two conditions: (i) the taxpayer must own the shares in full legal ownership at the time the dividends are attributed or made available for payment and (ii) the dividend distribution may not give rise to a reduction in the value of, or a capital loss on, the shares. The second condition is not applicable if the Belgian resident company proves that it held the shares in full legal ownership during an uninterrupted period of twelve months prior to the attribution of the dividends or if, during that period, the full legal ownership of the shares never belonged to a taxpayer who is not a Belgian resident company or a Belgian non-resident company that held, in an uninterrupted manner, the shares through a Belgian establishment.

No withholding tax will be due on dividends paid to a Belgian resident company provided this company owns, at the time of the attribution of the dividend, at least 15% of the share capital of the Issuer for an uninterrupted period of at least one year and, provided further, that the Belgian resident company provides the Issuer or its paying agent with a certificate as to its status as a Belgian resident company and as to the fact that it has owned a 15% shareholding for an uninterrupted period of one year. A Belgian resident company that holds an interest in the capital of the Issuer of 15% or more but that has not held such interest for the minimum one-year period at the time the dividends are attributed, may nevertheless benefit from the aforementioned exemption if it signs a certificate such as that described above but, further mentioning the date from which it has held its 15% or more interest. In the certificate, the shareholder must also undertake to continue holding the interest until the one-year period has expired and to notify the Issuer immediately if the one-year period has expired or if its shareholding falls below 15% before that time. The Issuer will retain the withholding tax until the end of the one-year holding period and then pay it to the shareholder or the Belgian Treasury, as appropriate. The 15% minimum participation requirement will be reduced to 10% for dividends attributed or made available for payment after 1 January 2009.

If the shares are held by a non-resident company or non resident individual in connection with a business through a Belgian establishment, the beneficiary must report any dividends received, which will be subject to the non-resident corporate or individual income tax. Withholding tax retained at source may, in principle, be offset against non-resident individual or corporate income tax and is reimbursable to the

extent that it exceeds the actual tax payable, subject to two conditions: (i) the taxpayer must own the shares in full legal ownership at the time the dividends are attributed or made available for payment and (ii) the dividend distribution may not give rise to a reduction in the value or a capital loss on the shares. The second condition is not applicable if: (a) the Belgian non-resident individual or the Belgian non-resident company proves that he/she/it held the shares in full legal ownership during an uninterrupted period of 12 months prior to the attribution of the dividends or (b) the Belgian non-resident company proves that during that period, the full legal ownership of the shares never belonged to a taxpayer who is not Belgian a resident company or a Belgian non-resident company that held, in an uninterrupted manner, the shares through a Belgian establishment.

If a non-resident company holding the shares through a Belgian establishment holds at the time the dividends are attributed or made available for payment a share participation of at least 10% in the capital of the Issuer or a shareholding with an acquisition value of at least €1.2 million, then 95% of the gross dividend received can in principle (although subject to certain limitations) be deducted from the taxable income (“dividend received deduction”), provided that the share participation in the Issuer qualifies as a “financial fixed asset” (under Belgian GAAP), provided that a one year minimum holding period in full legal ownership is met and provided that the taxation conditions with respect to the underlying distributed income as described in the Belgian Income Tax Code are met.

A non-resident shareholder, who does not hold shares of the Issuer through a Belgian establishment, will not be subject to any Belgian income tax other than the dividend withholding tax, which normally constitutes the final Belgian income tax. Belgian tax law provides for certain exemptions from withholding tax on Belgian source dividends distributed to non-resident investors. In the event there is no exemption applicable under Belgian domestic tax law, the Belgian dividend withholding tax can potentially be reduced pursuant to the treaties regarding the avoidance of double taxation (“tax treaties”) concluded between the State of Belgium and the state of residence of the non-resident shareholder.

Belgium has concluded tax treaties with multiple countries, reducing the dividend withholding tax rate to 15%, 10%, 5% or 0% for residents of those countries, generally depending on conditions related to the importance of the shareholding and certain identification formalities.

A non-resident shareholder who is entitled to a reduced withholding tax under an applicable tax treaty must generally follow the procedure below to obtain the benefit of such tax treaty.

Under the normal procedure, the Issuer or the paying agent must withhold the full Belgian withholding tax, and the tax treaty beneficiary may make a claim for reimbursement for amounts withheld in excess of the rate defined by the tax treaty. The reimbursement form (Form 276 Div-Aut.) may be obtained from the “*Centraal Taxatie Kantoor Brussel Buitenland*”/“*Bureau Central de Taxation Bruxelles Entranger*”, 33 Boulevard Albert II, North Galaxy Tower B7, B-1030 Brussels. The tax treaty beneficiary must complete the form in duplicate and send it to the tax authorities in his or her state of residence with a request to return one copy to him or her appropriately stamped. The treaty beneficiary may then obtain reimbursement from the “*Centraal Taxatie Kantoor*”/“*Bureau Central de Taxation*” at the same address, upon presentation of the stamped form and a document proving that the dividend has been cashed. The treaty beneficiary must file the request for reimbursement with the “*Centraal Taxatie Kantoor*”/“*Bureau Central de Taxation*” within three years from the end of the year in which the dividend was declared payable.

Tax treaty beneficiaries holding a substantial shareholding in the Issuer may, under certain conditions, be able to obtain an immediate reduction of the withholding tax at source if they deliver the respective form no later than 10 days after the date on which the dividend becomes payable. To benefit from this reduced rate, the qualifying tax treaty beneficiary should complete and forward a Form 276 Div.-Aut., appropriately stamped by the tax authorities competent in his/her state of residence, to the Issuer or the paying agent, confirming that the requirements for the reduction are satisfied. The Issuer or the paying agent will review and complete the form and file it, together with the withholding tax return, with the relevant Belgian tax administration.

Prospective investors should consult their own tax or financial advisors to determine whether they qualify for a reduction of the withholding tax rate upon payment of dividends and, if so, to determine the procedural requirements for obtaining such reduction upon the payment of dividends or making claims for reimbursement.

Companies that are resident in the European Union and that qualify under the EU Parent-Subsidiary Directive of 23 July 1990 (90/435/EEC) as amended by Directive 2003/123/EG of 22 December 2003 and

non-resident companies resident in a country which has concluded a tax treaty with Belgium providing for an exchange of information necessary to execute the provisions of treaty parties' domestic law are exempt from Belgian withholding tax if they own a participation of at least a 15% in the capital of the Issuer for an uninterrupted period of at least one year and provided that (i) they have a legal form listed in the annex to the EU Parent-Subsidiary Directive of 23 July 1990 (90/435/EEC) as amended by Directive 2003/123/EG of 22 December 2003 or a similar legal form in a state which has concluded a tax treaty with Belgium; (ii) they are according to the tax legislation of their state of residence and the tax treaties concluded by this state with third countries considered to have their tax residence in this state and (iii) are subject to corporate income tax or a similar tax regime without benefiting from a special tax regime. To benefit from this exemption, the qualifying shareholder must sign a certificate as to its status as a parent company as described above and as to it having held a participation of 15% or more for an uninterrupted period of at least one year. This certificate must then be forwarded to the Issuer or the paying agent. A Belgian non resident company that holds a participation in the capital of the Issuer of 15% or more but that has not held such participation for the minimum one-year period at the time the dividends are attributed, may benefit from the aforementioned exemption if it signs a certificate such as that described above, but, mentioning the date from which it has held its participation of 15% or more. In the certificate, the shareholder must also undertake to continue to hold the interest until the one-year period has expired and to notify the Issuer immediately if the one-year period has expired or if its shareholding falls below 15% before that time. The Issuer will retain the withholding tax until the end of the one-year holding period and then pay it to the shareholder or the Belgian Treasury, as appropriate. The 15% minimum participation requirement will be reduced to 10% for dividends attributed or made available for payment after 1 January 2009.

2.12.2. Capital gains and losses

Investors who are Belgian resident individuals who do not hold the shares for professional purposes are in principle not subject to Belgian income tax on capital gains realized upon the sale, exchange or other transfer of shares, unless either (i) the capital gain is the result of speculation or cannot be considered as the result of normal management of a private estate (in which case a 33% tax applies) or (ii) the gain is realized upon the transfer to certain non-resident legal entities of shares belonging to a substantial shareholding of 25% or more in the Issuer (in which case a 16.5% tax applies). However, the application of this 16.5% capital gain tax will not be due if the shares are transferred to a legal entity that has its registered office, main establishment or place of management in the European Economic Area. These taxes are subject to local surcharge.

Losses incurred by Belgian resident individuals who do not hold the shares for professional purposes upon the disposal of the shares are generally not tax deductible. However, losses on speculative transactions or transactions outside the scope of the normal management of a private estate are, under certain conditions, tax deductible from the income received pursuant to similar transactions.

Belgian resident individuals who hold the shares for professional purposes and non resident individuals who hold the shares for professional purpose through a Belgian establishment are taxed at the ordinary progressive income tax rates increased by the applicable local surcharge on any capital gains realized upon the disposal of the shares. If the shares were held for at least 5 years prior to such disposal, the capital gains tax will be levied at a reduced rate of 16.5%. Losses on shares realized by such an investor are in principle tax deductible.

Belgian resident legal entities are normally not subject to Belgian capital gains tax on the disposal of the shares, but they may be subject to the 16.5% tax described above if they hold a substantial participation (more than 25%). Losses incurred by Belgian resident legal entities upon disposal of the shares are generally not tax deductible.

Belgian resident and non-resident companies holding the shares through a Belgian establishment, will not be taxed in Belgium with respect to capital gains realized upon disposal of the shares provided that the taxation conditions with respect to the underlying distributed income as described in the Belgian Income Tax Code are met.

Any losses incurred by Belgian resident companies or non-resident companies holding their shares through a Belgian establishment with respect to the disposal of the shares will in principle not be tax deductible. In case of liquidation of the Issuer capital losses on the shares are, however, tax deductible up to the fiscal share capital of the Issuer represented by those shares.

Capital gains realized upon redemption of the shares by the Issuer or in the case of liquidation will generally be taxed as a dividend.

Non-resident shareholders, who do not hold the shares through a Belgian establishment, will generally not be subject to any Belgian income tax on capital gains realized upon the sale, exchange, redemption (except for the dividend withholding tax, see above) or other transfers of the shares. Non-resident individuals can in principle, under the same conditions as applicable to Belgian resident individuals be subject to a Belgian taxation on capital gains realized on shares if those capital gains are deemed to be speculative or otherwise realized outside the normal management of one's private estate in which case non resident personal income tax is levied through a 30.28% withholding tax. Also capital gains realized by Belgian non resident individuals on substantial shareholdings of 25% or more can be subject to Belgian non resident personal income tax upon a transfer to certain non resident legal entities. Belgium has, however, concluded tax treaties with over 80 countries which provide generally for an exemption of Belgian income tax for capital gains realized by individuals who are resident of such country and do not have a Belgian establishment through which the shares are held.

2.12.3. Tax reduction on the investment in the shares ("The Monory bis Law")

Cash payments up to a maximum of €640 for qualifying shares to which a Belgian resident has subscribed as an employee of the Issuer, or as an employee of certain qualifying subsidiaries of the Issuer, entitle the individual, subject to certain conditions described below, to a reduction of the personal income tax due.

Qualifying shares are new shares representing a fraction of the Issuer's share capital and subscribed for on the primary market, *i.e.* new shares subscribed for upon the incorporation of or a capital increase by the Issuer. Shares acquired on the secondary market, *i.e.* purchase of existing shares on the stock market, are not considered qualifying shares.

The tax reduction applicable to qualifying shares is limited to individuals who are, at the moment of subscription of qualifying shares, working for the Issuer or certain qualifying subsidiaries of the Issuer under an employment contract and who receive a remuneration as described in Articles 30, 1° and 31 of the Belgian Income Tax Code of 1992. Directors, even if they are working for the Issuer under an employment contract, are not eligible for this tax reduction, as they do not receive a remuneration described in the above mentioned Articles of the Belgian Income Tax Code of 1992.

A company will be considered as a qualifying subsidiary of the Issuer if the Issuer is irrefutably deemed to control such company. Such control is deemed to exist in those circumstances where the Issuer possesses: (i) the majority of voting rights in such company, either as a result of a shareholding or on the basis of an agreement; (ii) the right to appoint or remove the majority of the members of the board of directors of such company; (iii) the authority to control, by virtue of the company's Articles of Association or contracts concluded with such company, or (iv) joint control on such company.

The reduction applicable to qualifying shares must be claimed in the annual tax return and cannot be cumulated with the tax reduction for pension savings. The reduction is granted subject to the condition that the employee demonstrates, in his/her personal income tax return related to the taxable period in which the payment occurred, that the qualifying shares were acquired and that the qualifying shares were still held at the end of the applicable taxable period. The tax reduction will only be maintained if the employee proves that he/she has held the shares during the subsequent five taxable periods.

2.12.4. Tax on stock exchange transactions

The purchase and the sale and any other acquisition or transfer for consideration in Belgium, through a "professional intermediary", of Existing Shares (secondary market) is subject to the tax on stock exchange transactions, generally in the amount of 0.17% of the transfer price. The amount of tax on stock exchange transactions is capped at maximum €500 per transaction and per party. In any event, no tax on stock exchange transactions is payable by (i) professional intermediaries described in Articles 2, 9° and 10° of the Act of 2 August 2002 on the supervision of the financial sector and financial services, acting for their own account; (ii) insurance companies described in Article 2, §1 of the Insurance Supervision Act of 9 July 1975 acting for their own account, (iii) pension funds described in Article 2, 1° of the Insurance Supervision Act of 27 October 2006 acting for their own account; (iv) UCIT's, described in part II of the Act of 20 July 2004, acting for their own account, or (v) non-residents (upon delivery of a certificate of non-residence) acting for their own account.

Upon the issuance of New Shares (primary market), no tax on stock exchange transactions is due.

The Lead Manager will use reasonable efforts to ensure that the shares delivered to retail investors are New Shares. Should the total number of shares allocated to retail investors exceed the number of New Shares effectively allocated in the Offering, then the New Shares will be allocated among the retail investors on a pro rata basis.

2.12.5. VVPR strips

The New Shares offered pursuant to this Prospectus meet the conditions pursuant to which shares are entitled to a reduced withholding tax rate of 15% and are, therefore, eligible for the “*Verminderde voorheffing*” “*Précompte Réduit*” regime, and will consequently be issued with VVPR strips. The shares covering the Over-allotment Option will not have a VVPR entitlement. The Selling Shareholders, the Issuer and the Underwriters will use reasonable efforts to ensure that the Shares Offered with VVPR strips are delivered to retail investors and to investors subject to Belgian legal entities tax, in this order of priority. However, no guarantees can be given in this regard. Should the total number of shares allocated to the retail investors exceed the total number of VVPR strips thus available the VVPR strips will be allocated among the retail investors on a pro rata basis.

The coupons representing the right to receive dividends at the ordinary withholding tax rate, are attached to each share. In addition, some shares will be accompanied by a second sheet of coupon, which gives the holder the right to benefit from the reduced withholding tax rate of 15%. The coupons of the second sheet must bear the same sequential numbers as those of the ordinary coupons and must bear the legend “Strip-PR” or, in Dutch, “Strip-VV” (together “VVPR strips”). The VVPR strips will be listed on Eurolist by Euronext Brussels and may be traded separately. They are offered as part of the Offering. The reduced withholding tax rate of 15% can be obtained by delivery of both coupons with the same number to the Issuer or one of its paying agents at dividend payment before the end of the third year following the year in which the dividend was attributed.

Capital gains and losses

Belgian resident individuals holding the VVPR strips as a non professional investment are not subject to Belgian capital gains tax upon the disposal of the VVPR strips, and cannot deduct losses incurred as a result of such disposal. Belgian resident individuals can, however, be subject to a 33% tax (to be increased with a local surcharge) if the capital gain is deemed to be speculative or if the capital gain is otherwise realized outside the scope of the normal management of one’s private estate. Losses on speculative transactions or on transactions outside the scope of the normal management of a private estate are, in principle, deductible from the income realized pursuant to similar transactions.

Also non resident individuals who did not acquire the strips in the framework of a business conducted in Belgium through a Belgian establishment can be subject to Belgian personal income tax on capital gains realized on VVPR strips if such capital gain is deemed to be speculative or if the capital gain is otherwise realized outside the scope of the normal management of one’s private estate. In such case, the taxation is levied through a withholding tax of 30.28%. Belgium has, however, concluded tax treaties with over 80 countries which provide generally for an exemption of Belgian income tax for capital gains realized by individuals who are resident of such country and do not have Belgian establishment through which the VVPR strip is held.

Capital gains realized on VVPR strips by Belgian resident individuals holding the shares for professional purposes, Belgian resident companies, non resident individuals and companies, who acquired the strips in the framework of a business conducted in Belgium through a Belgian establishment, are taxable as ordinary income, and losses on VVPR strips are deductible.

Legal entities subject to the Belgian tax on legal entities are not subject to Belgian capital gains tax upon the disposal of the VVPR-strips and cannot deduct losses incurred as a result of such disposal.

3. GENERAL INFORMATION ABOUT 4ENERGY INVEST AND ITS SHARE CAPITAL

3.1. General information

This section summarizes the corporate purpose, share capital and corporate structure of the Issuer and the rights attached to its shares. It is based on the Issuer's articles of association, that have been amended by the Issuer's extraordinary shareholders' meeting held on 21 May 2008, some of which amendments will only become effective subject to and upon the Closing of the Offering. The description provided hereafter is a summary only and does not purport to give a complete overview of the Issuer's articles of association, nor of the relevant provisions of Belgian law; neither should it be considered as legal advice regarding these matters.

The Issuer is a limited liability company (*naamloze vennootschap/société anonyme*) and was incorporated under Belgian law on 28 September 2005 for an indefinite period of time under the name "4Energy Invest". The Issuer's registered office is located at Atrium Park, Koloniënstraat 11, 1000 Brussels and it is registered with the Belgian register for legal persons (*rechtspersonenregister/registre des personnes morales*) under the number 0876.488.436 (Brussels). The Issuer is actively looking for a new location within the Brussels region for its registered office. The publicly available documents related to the Issuer and quoted in this Prospectus can be reviewed and/or obtained at its registered office.

3.2. Corporate purpose

The corporate purpose of 4Energy Invest reads as follows: "The company has as its purpose, both in Belgium and abroad, both in its own name and for its own account as in the name or for the account of third parties, alone or in participation with third parties:

- By way of subscription, purchase, exchange, contribution, merger, cooperation, financial intermediation or otherwise, the acquisition of any interest, participation or shareholding in any existing or still to be incorporated company, business, activity, association or other person.
- The management, the valorization and the realization, in the broadest sense, of these interests, participations and shareholdings.
- The participation, directly or indirectly, in the management, the management bodies, the activities, the control and the liquidation of the companies, businesses, activities, associations and persons in which it holds an interest, participation or shareholding.
- Providing any kind of advice and assistance in any possible area related to the business activities to the management and the management bodies of the companies, businesses, activities, associations and persons in which it holds an interest, a participation or a shareholding, and more generally the performance of all acts which are inherent, as a whole or partially, directly or indirectly, to a holding activity, in the broadest sense.
- By way of purchase, exchange, contribution, merger or otherwise, the acquisition, construction, leasing, letting, exploitation, valorization, sale or realization in any other way of immovable property, both in Belgium and abroad.
- By way of purchase, exchange, contribution, merger or otherwise, the acquisition, management, exploitation, valorization, sale or realization in any other way of rights (in rem or not) relating to or in connection with immovable property, both in Belgium and abroad.
- The production, the exploitation, the management, the trade, the sale and the supply and/or distribution of energy sources, including (but not limited to) biomass and of energy, including (but not limited to) heat and electricity generated, made, produced or acquired from traditional or renewable sources of energy such as (but not limited to) biomass, water, geothermic heat, wind and sun, or of rights, values or assets relating thereto.
- The research, the identification, the development of concepts, the design, the elaboration, the development, the realization, the adaptation, the maintenance, the management, the use, the promotion, the buying, selling or otherwise acquiring or disposing of and more generally the exploitation of existing and new projects, activities, rights or assets which are, directly or indirectly, related to, connected with or derived from the production, exploitation, management and trade in energy (in the broadest sense) in general and in renewable (sources of) energy in particular (including (but not limited to) Green Certificates and CO₂ certificates).

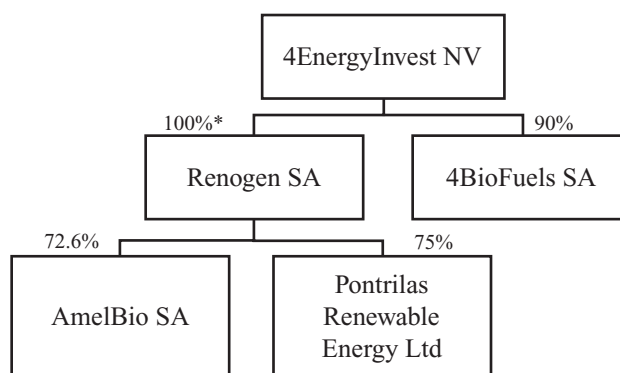
- The direct or indirect supply of services related to existing and new projects, activities, rights or assets that are directly or indirectly related to, connected with or derived from the production, exploitation, management and trade in energy (in the broadest sense) in general and in renewable (sources of) energy in particular, to intermediaries as well as to end-users, including individuals, governmental entities or bodies and companies.
- The development, the collection, the acquisition, the structuring, the management, the exploitation and the realization in the broadest sense of data, know how, licenses, patents or other (intellectual) tangible or intangible fixed assets or rights in connection with existing and new projects and activities that are, directly or indirectly, related to, connected with or derived from the production, exploitation, management and trade in energy (in the broadest sense) in general and in renewable (sources of) energy in particular.
- The granting of securities for other companies, businesses, activities, associations and persons or guaranteeing of obligations, the acting as agent or representative, the granting of advances, credits, loans or other forms of financing, and the granting of mortgages or other sureties.
- The execution of all technical, economic, social, intellectual, organizational, civil, commercial, industrial, financial, movable and immovable activities which are, directly or indirectly, related to (in the broadest sense) the aforementioned activities or that are of a nature to improve the realization thereof in whatever manner.

Except for, where appropriate, regulated activities for which the required authorizations or licenses have not been obtained.

The aforementioned summary is not exhaustive and should be interpreted in its broadest sense.”

3.3. Group structure

The current group structure of 4Energy Invest is as follows:



* of which one share is held by Enerpro

- Renogen presently owns the Amel I project in operation, the Amel II project in test phase and it presently pursues the Ham project in development and the green coal project in development.
- Pontrilas Renewable Energy Limited is the company that holds the planning consent for the cogeneration project in Pontrilas, United Kingdom. The remaining 25% of Pontrilas Renewable Energy is owned by Pontrilas Group Limited.
- 4BioFuels is a special purpose company that has been set up for a specific bioethanol related project which is presently no longer under development. The remaining 10% of 4BioFuels is owned by Conagro SA, controlled by Luc Geirnaert.
- Amel Bio is a special purpose company that purchases and prepares the biomass feedstock for the Amel I and Amel II operations. The remaining shares of Amel Bio are owned, directly or indirectly, by the local industrial partners, Delhez-Bois SA, Belwood Amel SA and BVG Niessen.

3.4. Issuer capital and shares

3.4.1. Share capital and Shares

On 21 May 2008, the Issuer's share capital amounts to €9,959,900 represented by 9,000,090 registered shares without par value, each representing an identical fraction of the Issuer's share capital. The capital is fully paid up. All the shares have the same rights.

3.4.2. Other outstanding financial instruments

Apart from the shares described in the above-mentioned Section 3.4.1 and the warrants described in Section 3.5, the Issuer has not issued and will not issue prior to Closing of the Offering any other securities, whether or not representing the Issuer's share capital.

3.4.3. Development of the capital

3.4.3.1 Development of the capital of the Issuer

The Issuer was incorporated on 28 September 2005 by way of contribution in cash by the Founders and the Selling Shareholder of €62k.

The table below provides an overview of the history of the Issuer's share capital since its incorporation in 2005. The overview should be read together with the notes set out below the table.

Date	Action	Shareholders	Shares	Price per share (Fractional Value)
28 September 2005	Incorporation	Enerpro SPRL controlled by Yves Crits	134	€100
28 September 2005	Incorporation	Nico Terry	134	€100
28 September 2005	Incorporation	Guido Schockaert	134	€100
28 September 2005	Incorporation	KBC Private Equity NV	218	€100
22 November 2005	Capital increase through contribution in kind of Renogen shares	Enerpro SPRL	21,533	€100
22 November 2005	Capital increase through contribution in kind of Renogen shares	Nico Terry	21,533	€100
22 November 2005	Capital increase through contribution in kind of Renogen shares	Guido Schockaert	21,533	€100
19 January 2006	Capital increase through contribution in cash	KBC Private Equity NV	34,782	€100
19 January 2006	Capital decrease with repayment to the Founders of their initial contribution in cash at incorporation (aggregate amount of €40,200)	N/A	N/A	€99.598
21 May 2008	Stock split	Existing shareholders	9,000,090 ⁽³⁾	€1.1067

(3) See also Section 3.6.1. for further information relating to the Existing shareholders at the date of the Prospectus.

3.4.4. Description of rights attached to the Shares

3.4.4.1 Voting rights

Each shareholder of the Issuer is entitled to one vote per share. Shareholders may vote by proxy.

For the Issuer's purpose, the shares are deemed to be indivisible. If several owners own one share, or the rights attached to a share are divided among several persons, the Issuer may suspend the exercise of rights attached to such share until one person is appointed as the owner of the share for the Issuer's purpose.

Voting rights can further be suspended, *inter alia*, (i) by a competent court, (ii) in the event that the shares were not fully paid-up notwithstanding a request thereto by the board of directors, and (iii) in respect of shares which entitle their holder to voting rights above the threshold of 3%, 5% or any multiple of 5% of the total number of voting rights attached to the outstanding financial instruments of the Issuer on the date of the relevant general shareholders' meeting, except where the shareholder has notified the Issuer and the CBFA at least 20 days prior to the relevant shareholders' meeting on which he wishes to vote. Voting rights attached to redeemed shares are also suspended, as long as the owner of the shares or a subsidiary thereof holds the shares concerned.

3.4.4.2 Right to attend and vote at shareholders' meetings

The annual shareholders' meeting is held on the fourth Thursday of May, or, if this date falls on a public holiday, the meeting will be held at the same time on the next business day at the registered office of the Issuer or at the place determined in the convening notice. In 2008, the annual general shareholders' meeting in derogation of the foregoing, exceptionally took place on 20 May 2008 instead of the fourth Thursday of May, which would have been 22 May. The next annual shareholders' meeting will be held on 28 May 2009. An extraordinary shareholders' meeting may be convened on request of the board of directors or the statutory auditor (or the liquidators, if appropriate) whenever the Issuer's interests so require and must be convened at the request of shareholders holding at least 20% of the Issuer's share capital.

a. Notices convening the shareholders' meeting

The notice of the shareholders' meeting must state the place, date, time of the meeting and must include an agenda indicating the items to be discussed.

In accordance with article 533 of the Belgian Company Code, the notice must be published in the Belgian Official Gazette (*Belgisch Staatsblad/Moniteur belge*) at least 24 days prior to the meeting or the registration date (if so specified in the convening notice). The notice must also be published in a national newspaper 24 days before the meeting or the registration date (if so specified in the convening notice), except if it concerns an annual shareholders' meeting held at the municipality, place, day and hour mentioned in the articles of association of the Issuer and whose agenda is limited to the examination and approval of the annual accounts, the board of directors' annual report, the statutory auditor's annual report and the vote on the discharge of the directors and the statutory auditor. The annual accounts, the board of directors' annual report and the statutory auditor's annual report are made available to the shareholders, holders of bonds, warrants and certificates issued with the co-operation of the Issuer at least 15 days prior to the annual shareholders' meeting. As from 1 September 2008, the board of directors' annual report is made public at the latest 15 days prior to the annual shareholders' meeting.

Convening notices will be sent 15 days prior to the meeting to holders of registered shares, holders of registered bonds, holders of registered warrants, holders of registered certificates issued with the co-operation of the Issuer, directors and statutory auditor of the Issuer. This communication is made by ordinary letter unless the addressees have individually and expressly accepted in writing to receive the notice by another form of communication, without having to give evidence of the fulfillment of such formality.

b. Formalities to attend the shareholders' meeting

All shareholders and holders of warrants and bonds (if any) issued by the Issuer and all holders of certificates issued with the co-operation of the Issuer (if any) are entitled to attend the shareholders' meeting, it being understood that only shareholders can vote at a shareholders' meeting.

If the board of directors so requests in the notice, the holders of registered instruments must be registered in the relevant register book and inform the board of directors of their intention to attend the shareholders' meeting at least 4 working days before the meeting in order to be admitted to the shareholders' meeting.

The holders of dematerialized shares must file a certificate of unavailability issued by a recognized account holder or by the institution of liquidation at least 4 working days before the meeting at the place specified in the notice.

In accordance with article 536 of the Belgian Company Code, the notice convening the shareholders' meeting may provide for a registration date. If this is the case, the shareholders shall only be entitled to participate in the shareholders' meeting and to exercise their voting rights with respect to the shares of which they are the holder at 12 p.m. on the registration date. The above applies irrespective of the number of shares held by each shareholder on the day the shareholders' meeting takes place. The registration date cannot be set earlier than the fifteenth day nor later than the fifth working day prior to the shareholders' meeting.

c. *Proxy*

Each shareholder has the right to attend and vote at the shareholders' meeting in person or through a proxy holder. The proxy holder does not need to be a shareholder. In the notice, the board of directors may specify the format that the power of attorney must take and require it to be deposited at least 4 working days prior to the shareholders' meeting at a place specified in the notice.

d. *Quorum and majorities*

There is no attendance quorum at the shareholders' meeting, except as provided by law in relation to decisions regarding certain matters.

Decisions are taken by a simple majority of the votes cast, except where the law or the articles of association of the Issuer provide for a special majority.

Matters involving special quorum and majority requirements include, among others, amendments to the articles of association, including amendments to the rights attached to the shares, the issue of new shares (save for capital increases and corresponding share issues which are decided by the board of directors within the framework of the authorized capital), the issue of convertible bonds or warrants and decisions regarding mergers and de-mergers, which require at least 50% of the share capital to be present or represented and the affirmative vote of the holders of at least 75% of the votes cast. Amendments to the corporate purpose of the Issuer require at least 50% of the share capital and 50% of the profit-sharing certificates (if any) to be present or represented and the affirmative vote of at least 80% of the votes cast at the shareholders' meeting.

If the quorum is not reached, a second meeting may be convened which can validly deliberate and resolve regardless of the quorum. The special majority requirements, however, remain applicable.

3.4.4.3 Dividends

All shares participate in the same manner in the Issuer's profits (if any). The Shares Offered carry the right to receive dividends (if any) payable with respect to the entire financial year ending on 31 December 2008 and each subsequent financial year.

Pursuant to a proposal of the board of directors, the balance of the net annual profit is presented to the general shareholders' meeting, which has the sole authority to resolve on its attribution by simple majority of the votes cast, and this within the restrictions established by articles 617 to 619 of the Belgian Company Code.

No dividend may be issued when the net assets as established in the annual accounts, at the close of the last financial year, pursuant to such distribution, are lower than or would fall below the amount of the paid-up capital or, if this amount is higher, of the called-on capital, increased with all reserves which may not be distributed in accordance with the law or the Issuer's articles of association.

The board of directors may, subject to compliance with the provisions of the Belgian Company Code, issue an advance payment on the annual dividend which must be deducted from the dividend issued on the

results of the entire financial year: it determines the amount of these advance payments and the payment date.

Dividends are paid at the date and on the location determined by the board of directors.

In principle, the distribution obligation of dividends on registered and dematerialized shares expires after five years in accordance with article 2277 of the Belgian Civil Code.

The Issuer has never declared or paid any dividends on its Shares. Following this Offering, the Issuer's dividend policy will be determined and may change from time to time by the Issuer's board of directors. Any issue of dividends will be based upon the Issuer's future earnings, financial condition, cash needs, capital adequacy, compliance with applicable statutory and regulatory requirements, general business conditions and other factors considered as important by the Issuer's board of directors. The board of directors expects to retain all earnings generated by the Issuer's operations for the development and growth of its business and does not anticipate paying any dividend to the shareholders for the coming years.

3.4.4.4 Rights regarding dissolution and liquidation

In accordance with article 633 of the Company Code, if, as a result of losses, the Issuer's net assets are less than 50% of its share capital, the directors must submit the question whether or not to dissolve the Issuer and any other possible steps to the shareholders' meeting for consideration. The board of directors must justify its proposals in a special report to the shareholders' meeting. If the board of directors proposes that the Issuer's activities be continued, it must detail the measures that it proposes taking to remedy the Issuer's financial situation. The directors must convene a shareholders' meeting within 2 months after the loss is noted, or should have been noted under legal or statutory provisions, with a view to discussing the continuation or the dissolution or not of the Issuer.

If, as a result of losses, the Issuer's net assets are less than 25% of the Issuer's share capital, the shareholders' meeting may approve the Issuer's dissolution. For such approval, 25% of the votes cast must be in favour of dissolution.

Furthermore, pursuant to article 634 of the Company Code, if the Issuer's net assets are less than the legal minimum share capital (i.e. €61,500), an interested party may ask the court to dissolve the Issuer. The court may grant the Issuer a grace period to allow it to remedy its situation.

In the event the Issuer is dissolved for any reason, the Issuer's shareholders, acting at the general shareholders' meeting, will appoint one or more liquidators and determine at the same time the liquidation method to be used. After settlement of all debts, charges and expenses relating to the liquidation, the net assets will be equally distributed amongst all the shareholders, after deduction of that portion, if any, of their shares that are not fully paid.

After Closing of the Offering, there will be no liquidation preferences for certain shares.

3.4.4.5 Changes to the share capital

a. Changes to the share capital decided by the shareholders

Pursuant to the Belgian Company Code, the Issuer may increase or decrease its share capital by decision of the Issuer's shareholders' meeting, taken with a majority of 75% of the votes cast, at a meeting where at least 50% of the share capital of the Issuer is present or represented. If the quorum is not reached at a first meeting, a second meeting can be convened with the same agenda but without quorum requirements.

b. Authorized capital

The shareholders' meeting of the Issuer may authorize the board of directors to increase the Issuer's share capital (the authorized capital) for a (renewable) period of maximum 5 years. The amount of the authorized capital cannot exceed the amount of the issued share capital of the Issuer.

On 21 May 2008 the extraordinary shareholders' meeting of the Issuer decided as of Closing of the Offering to grant an authorization to the board of directors to increase the Issuer's share capital in one or more transactions by a maximum amount equal to the Issuer's share capital as established at Closing of the Offering. The powers of the board of directors within the limits of the authorized capital that was granted on 21 May 2008 will be effective upon Closing of the Offering, and will be

valid for a period of five years as of the publication of the deed of capital increase in the annexes to the Belgian Official Gazette.

If the capital is increased within the limits of the authorized capital, the board of directors will be authorized to request payment of an issue premium. If the board of directors so resolves, this issue premium will be booked on a non-available account, which may only be decreased or disposed of by a resolution of a shareholders' meeting taken in accordance with the provisions governing an amendment of the articles of association.

This board of directors' authorization will be valid for capital increases subscribed for in cash or in kind, or made by capitalization of reserves, with or without issuing new shares. The board of directors is authorized to issue convertible bonds or warrants within the limits of the authorized capital.

The board of directors is authorized, within the limits of the authorized capital, to cancel or restrict the preferential subscription right of the shareholders in the interest of the Issuer and in accordance with article 596 et seq. of the Belgian Company Code. The board of directors is authorized to cancel or restrict the pre-emption right of the shareholders for the benefit of one or more persons, even if such persons are no members of the personnel of the Issuer or its subsidiaries.

The board of directors has been authorized to use the authorized capital in the event of public take over bid, within the limits provided by the Belgian Company Code.

3.4.4.6 Preferential subscription right

Belgian company law and the Issuer's articles of association give shareholders preferential subscription rights to subscribe on a *pro rata* basis to any issue of new shares subscribed for in cash, convertible bonds or warrants. These preferential subscription rights are transferable during the subscription period and within the limits of the transferability of the shares to which they relate. They can be exercised during a period determined by the shareholders' meeting, with a legal minimum of 15 days. The shareholders' meeting may restrict or cancel the preferential subscription rights, subject to the quorum and voting requirements required for any amendment to the articles of association, and subject to special reporting requirements. The shareholders' meeting may also authorize the board of directors to restrict or withdraw the preferential subscription rights when issuing securities within the framework of the Issuer's authorized capital (see Section 3.4.4.5 b).

The board of directors of the Issuer is authorized, within the limits of the authorized capital, to cancel or restrict the preferential subscription rights granted by law to the holders of existing shares in accordance with article 596 et seq. of the Belgian Company Code. The board of directors is authorized to cancel or restrict the preferential subscription rights in favour of one or more persons, even if such persons are not members of the personnel of the Issuer or its subsidiaries.

3.4.5. Form and transferability of the Shares

The shares are, by choice of the shareholder, registered or dematerialized shares. The Shares Offered will take the form of dematerialized shares.

Each shareholder may, at all times and at its own cost, ask for conversion of its dematerialized shares into registered shares or vice versa.

Without prejudice to the lock up agreement (see Section 2.8), the articles of association of the Issuer provide that the shares are freely transferable. The Issuer, the Founders and the Selling Shareholder have committed for a period of 1 year after the Listing Date, to observe a number of limitations to this free transferability (see Section 2.8). Such restrictions shall only apply to the shares held by the Issuer and the Selling Shareholder not offered in the Offering.

3.4.6. Purchase and sale of own shares

Under Belgian company law, a company may not acquire its own shares without prior shareholder authorization or in other limited circumstances and in any case subject to a maximum of 10% of the Issuer's share capital. In principle, the offer by a company to purchase its own shares must be extended to all shareholders unless the shares are purchased on the stock exchange. Within certain limits, the shareholders may in advance grant the board of directors an authorization to repurchase and/or transfer the Issuer's shares.

Such authorizations must be approved by an affirmative vote of the holders of 80% of the votes cast at a shareholders' meeting where the shares representing at least 50% of the Issuer's share capital and profit certificates (if any) are present or represented. If the quorum is not reached, a second meeting may be convened at which no quorum shall apply. The voting rights attached to shares held by the Issuer itself are suspended.

Subject to the Closing of the Offering, on 21 May 2008 the extraordinary shareholders' meeting of the Issuer authorized the board of directors of the Issuer to acquire a maximum number of own shares that in the aggregate represents no more than 10% of the issued capital, at a price which must not be lower than 80%, and not higher than 110% of the average closing price of the shares on the stock exchange during 30 calendar days preceding the day of acquisition. This authorization will be valid for 18 months from publication of the authorization in the annexes to the Belgian Official Gazette. The authorization is also valid for the acquisition of shares in the Issuer by one of its direct subsidiaries pursuant to article 627 of the Belgian Company Code.

The board of directors is authorized to sell all the Issuer's shares, at a price it determines, on a regulated stock exchange or in the framework of its remuneration policy to employees, directors or consultants of the company. This authorization is not limited in time. The authorization is also valid for the sale of the Issuer's shares by one of its direct subsidiaries, as defined in article 627 of the Belgian Company Code.

3.5. Warrant plan

On 21 May 2008, the extraordinary shareholders' meeting of the Issuer decided to issue up to 900,009 warrants. All warrants have been subscribed to by the Issuer with a view to allocating them at a later stage to the Founders (directly or indirectly), executive directors, employees and consultants of the Issuer (to be decided by the board of directors upon the advice of the nomination and remuneration committee). The warrants shall be allocated to the Founders at the time when the Offering Price will be set. The number of warrants to be allocated to the Founders amounts to 594,000 and the exercise price of the warrants allocated to the Founders shall be the Offering Price. The exercise price of the remaining warrants shall be determined by the board of directors of the Company.

Every warrant entitles its holder to subscribe to one ordinary share of the Issuer.

The warrants have a maturity of 10 years, to be counted as of the date of their issuance. At the end of the 10-year period, the warrants will lapse. The warrants granted to the Founders shall become progressively and conditionally exercisable, namely 34% as of the first anniversary date of the allotment, 67% as of the second anniversary date of the allotment, and 100% as of the third anniversary date of the allotment provided that, at such anniversary, the warrant holder concerned (or its management company) shall be a consultant of the Issuer. The Founders have further agreed that none of the shares to be issued upon exercise of these warrants may be transferred during a period of 3 calendar years as of the Closing Date. The warrants are not transferable *inter vivos*. The warrants can be exercised only when they have been acquired definitively and at the earliest as of 1 January following the third anniversary date of the allotment of the warrants to the warrant holders.

In the event of a change in the control of the Issuer, the board of directors shall have the authority to accelerate the vesting of the warrants.

Warrants that have not been allocated by 4Energy Invest at the time of receipt by the latter of an official announcement that a takeover bid is being launched on all outstanding financial instruments of the company, shall automatically expire.

3.6. Shareholders

3.6.1. Shareholders prior to the Offering

The Shares prior to the Closing of the Offering and after share split are held as follows:

Name	Address	Shares	%
Enerpro SPRL, controlled by Yves Crits	Chaussée d'Ophain 181 1420 Braine-l'Alleud	1,950,030	21.67%
Nico Terry	Vierscharestraat 29 8340 Damme	1,950,030	21.67%
Guido Schockaert	Prinsenmeers 20 9200 Dendermonde	1,950,030	21.67%
KBC Private Equity NV	Havenlaan 12 B-1080 Brussels	3,150,000	34.99%
Total		9,000,090	100%

3.6.2. Selling shareholder

The Selling Shareholder granted to the Lead Manager the Over-allotment Option in relation to up to 15% of the aggregate number of New Shares sold in the Offering with the sole purpose for the Lead Manager to cover over-allotments, if any (see also Section 2.7). The Shares held by the Selling Shareholder that are not sold in the Offering will be subject to the lock-up arrangement as further described in Section 2.8.

3.6.3. Shareholders after Closing of the Offering

The table below details the expected share ownership prior to and after Closing of the Offering, assuming full placement of respectively €22.0 million, €25.0 million and €28.75 million in New Shares assuming an Offer Price between €6.5 and €13. The table offers four scenarios, namely the shareholders structure prior to the Offering, following the Offering, prior to and following the exercise of the Over-allotment Option and on a fully diluted basis, i.e. after the exercise of the warrants that are allotted following the IPO (see also Section 3.5).

The shareholders have agreed that they will use all their voting rights as shareholders and/or as directors of 4Energy Invest to cause the latter to not approve a capital increase if the conditions thereof (in particular the combination of the proposed amount of New Shares to be issued and the proposed valuation thereof) are such that, as a result of the capital increase, the number of shares being held by any Founder immediately after such capital increase would represent less than 15.477% of all outstanding shares of 4Energy Invest (on a non diluted basis). In addition, in the event where the capital increase would result in the number of shares held by any Founder immediately after such capital increase becoming at least 15.477% but less than 16.7% of all outstanding shares of 4Energy Invest (on a non diluted basis), then the Selling Shareholder has agreed to transfer, free of charge, and prior to such capital increase (assuming that 4Energy Invest will be willing to approve such capital increase) to such Founder such number of Existing Shares that is required to bring the total number of shares held by such Founder after such capital increase to 16.7% of all outstanding shares of 4Energy Invest (on a non diluted basis). This implies that each of the Founders has, depending on the amount of New Shares issued and their valuation, the right to acquire, from the Selling Shareholder, up to 1.223% of Existing Shares for free from the Selling Shareholder.

In the framework of this agreement, there were 354,645 Shares (corresponding to 2.86% of the Shares before the Offering) transferred from KBC PE to the Founders (three times 118,215 Shares) in Scenario 1a, 448,239 Shares (corresponding to three times 149,413 Shares or 3.57% of the Shares before the Offering) in Scenario 2a and 459,423 Shares (corresponding to three times 153,141 Shares or 3.65% of the Shares before the Offering) in Scenario 3a. In Scenario 1b, 2b and 3b no shares will be transferred from KBC PE to the Founders.

The minimum price of the Offering amounts to €6.12 in case €22 million will be raised, €6.94 in case €25 million is raised and €7.99 in case €28.75 million is raised.

Scenario 1a: Assuming that €22.0 million in New Shares have been issued at an Offer Price of €6.5

Offer Price €6.5	Before the Offering and after stock split		After Offering, before exercise Over-allotment Option, before exercise warrants		After Offering, after exercise Over-allotment Option, before exercise warrants		After Offering, after exercise Over-allotment Option, after exercise warrants	
	# Shares	% of capital	# Shares	% of capital	# Shares	% of capital	# Shares	% of capital
Shareholder								
Yves Crits	1,950,030	21.7%	2,068,245	16.7%	2,068,245	16.7%	2,338,245	17.6%
Nico Terry	1,950,030	21.7%	2,068,245	16.7%	2,068,245	16.7%	2,230,245	16.8%
Guido Schockaert . .	1,950,030	21.7%	2,068,245	16.7%	2,068,245	16.7%	2,230,245	16.8%
KBC PE	3,150,000	35.0%	2,795,355	22.6%	2,287,663	18.5%	2,287,663	17.2%
Public	0	0.0%	3,384,615	27.3%	3,892,307	31.4%	3,892,307	29.3%
Warrantholders (other than Founders)	0	0.0%	0	0.0%	0	0.0%	306,009	2.3%
Total	9,000,090	100.0%	12,384,705	100.0%	12,384,705	100.0%	13,284,714	100.0%

Scenario 1b: Assuming that €22.0 million in New Shares have been issued at an Offer Price of €11

Offer Price €11.00	Before the Offering and after stock split		After Offering, before exercise Over-allotment Option, before exercise warrants		After Offering, after exercise Over-allotment Option, before exercise warrants		After Offering, after exercise Over-allotment Option, after exercise warrants	
	# Shares	% of capital	# Shares	% of capital	# Shares	% of capital	# Shares	% of capital
Shareholder								
Yves Crits	1,950,030	21.7%	1,950,030	17.7%	1,950,030	17.7%	2,220,030	18.7%
Nico Terry	1,950,030	21.7%	1,950,030	17.7%	1,950,030	17.7%	2,112,030	17.7%
Guido Schockaert . .	1,950,030	21.7%	1,950,030	17.7%	1,950,030	17.7%	2,112,030	17.7%
KBC PE	3,150,000	35.0%	3,150,000	28.6%	2,850,000	25.9%	2,850,000	23.9%
Public	0	0.0%	2,000,000	18.2%	2,300,000	20.9%	2,300,000	19.3%
Warrantholders (other than Founders)	0	0.0%	0	0.0%	0	0.0%	306,009	2.6%
Total	9,000,090	100.0%	11,000,090	100.0%	11,000,090	100.0%	11,900,099	100.0%

Scenario 2a: Assuming that €25.0 million in New Shares have been issued at an Offer Price of €7.0

Offer Price €7.0	Before the Offering and after stock split		After Offering, before exercise Over-allotment Option, before exercise warrants		After Offering, after exercise Over-allotment Option, before exercise warrants		After Offering, after exercise Over-allotment Option, after exercise warrants	
	# Shares	% of capital	# Shares	% of capital	# Shares	% of capital	# Shares	% of capital
Shareholder								
Yves Crits	1,950,030	21.7%	2,099,443	16.7%	2,099,443	16.7%	2,369,443	17.6%
Nico Terry	1,950,030	21.7%	2,099,443	16.7%	2,099,443	16.7%	2,261,443	16.8%
Guido Schockaert . .	1,950,030	21.7%	2,099,443	16.7%	2,099,443	16.7%	2,261,443	16.8%
KBC PE	3,150,000	35.0%	2,701,761	21.5%	2,166,047	17.2%	2,166,047	16.1%
Public	0	0.0%	3,571,428	28.4%	4,107,142	32.7%	4,107,142	30.5%
Warrantholders (other than Founders)	0	0.0%	0	0.0%	0	0.0%	306,009	2.3%
Total	9,000,090	100.0%	12,571,518	100.0%	12,571,518	100.0%	13,471,527	100.0%

Scenario 2b: Assuming that €25.0 million in New Shares have been issued at an Offer Price of €10.5

Offer Price €10.50	Before the Offering and after stock split		After Offering, before exercise Over-allotment Option, before exercise warrants		After Offering, after exercise Over-allotment Option, before exercise warrants		After Offering, after exercise Over-allotment Option, after exercise warrants	
	# Shares	% of capital	# Shares	% of capital	# Shares	% of capital	# Shares	% of capital
Shareholder								
Yves Crits	1,950,030	21.7%	1,950,030	17.1%	1,950,030	17.1%	2,220,030	18.1%
Nico Terry	1,950,030	21.7%	1,950,030	17.1%	1,950,030	17.1%	2,112,030	17.2%
Guido Schockaert . .	1,950,030	21.7%	1,950,030	17.1%	1,950,030	17.1%	2,112,030	17.2%
KBC PE	3,150,000	35.0%	3,150,000	27.7%	2,792,858	24.5%	2,792,858	22.7%
Public	0	0.0%	2,380,952	20.9%	2,738,094	24.1%	2,738,094	22.3%
Warrantholders (other)	0	0.00%	0	0.0%	0	0.0%	306,009	2.5%
Total	9,000,090	100.0%	11,381,042	100.0%	11,381,042	100.0%	12,281,051	100.0%

Scenario 3a: Assuming that €28.75 million in New Shares have been issued at an Offer Price of €8.0

Offer Price €8	Before the Offering and after stock split		After Offering, before exercise Over-allotment Option, before exercise warrants		After Offering, after exercise Over-allotment Option, before exercise warrants		After Offering, after exercise Over-allotment Option, after exercise warrants	
	# Shares	% of capital	# Shares	% of capital	# Shares	% of capital	# Shares	% of capital
Shareholder								
Yves Crits	1,950,030	21.7%	2,103,171	16.7%	2,103,171	16.7%	2,373,171	17.6%
Nico Terry	1,950,030	21.7%	2,103,171	16.7%	2,103,171	16.7%	2,265,171	16.8%
Guido Schockaert . .	1,950,030	21.7%	2,103,171	16.7%	2,103,171	16.7%	2,265,171	16.8%
KBC PE	3,150,000	35.0%	2,690,577	21.4%	2,151,515	17.1%	2,151,515	15.9%
Public	0	0.0%	3,593,750	28.5%	4,132,812	32.8%	4,132,812	30.6%
Warrantholders (other than Founders)	0	0.0%	0	0.0%	0	0.0%	306,009	2.3%
Total	9,000,090	100.0%	12,593,840	100.0%	12,593,840	100.0%	13,493,849	100.0%

Scenario 3b: Assuming that €28.75 million in New Shares have been issued at an Offer Price of €13.0

Offer Price €13	Before the Offering and after stock split		After Offering, before exercise Over-allotment Option, before exercise warrants		After Offering, after exercise Over-allotment Option, before exercise warrants		After Offering, after exercise Over-allotment Option, after exercise warrants	
	# Shares	% of capital	# Shares	% of capital	# Shares	% of capital	# Shares	% of capital
Shareholder								
Yves Crits	1,950,030	21.7%	1,950,030	17.5%	1,950,030	17.5%	2,220,030	18.4%
Nico Terry	1,950,030	21.7%	1,950,030	17.5%	1,950,030	17.5%	2,112,030	17.5%
Guido Schockaert . .	1,950,030	21.7%	1,950,030	17.5%	1,950,030	17.5%	2,112,030	17.5%
KBC PE	3,150,000	35.0%	3,150,000	28.2%	2,826,924	25.3%	2,826,924	23.5%
Public	0	0.0%	2,153,846	19.3%	2,476,922	22.2%	2,476,922	20.5%
Warrantholders (other than Founders)	0	0.0%	0	0.0%	0	0.0%	306,009	2.5%
Total	9,000,090	100.0%	11,153,936	100.0%	11,153,936	100.0%	12,053,945	100.0%

3.7. Notification of important participations

Belgian law, in conjunction with the Issuer's articles of association, imposes disclosure requirements on any individual or entity acquiring or transferring voting securities, as soon as, following such acquisitions or transfer, the total number of voting rights directly or indirectly held by such individual or entity, alone or in concert with others, exceeds or falls below a threshold of 3%, 5%, or any multiple of 5% of the total number of voting rights attached to the Issuer's securities.

A shareholder whose shareholding exceeds or falls below any such thresholds must, each time, disclose this fact to the CBFA and to the Issuer within two business days following the event giving rise to the notification. The documents pursuant to which the transaction was effected must be submitted to the CBFA. When the participation of a shareholder reaches 20%, the notification must indicate in which

strategy the acquisition or transfer concerned fits, as well as the number of securities acquired during a period of 12 months before the notification and in which manner such securities were acquired. Such notification is also required if an individual or an entity acquires or transfers control (either direct or indirect, either *de iure* or *de facto*) on a company that possesses 3% of the voting rights of the Issuer.

The Issuer is required to publicly disclose any notifications received regarding increases or decreases in a shareholder's ownership of the Issuer's securities on the next business day, and must mention these notifications in the notes to its annual accounts. Euronext Brussels will publish details of the notifications.

Violation of the disclosure requirements may result in the suspension of voting rights, a court order to sell the securities to a third party and/or criminal liability. Articles 516, 534 and 545 of the Belgian Company Code are applicable (as included in the articles of association).

As from the entry into force on 1 September 2008 of the Belgian Act on the notification of important participations (*Wet op de openbaarmaking van belangrijke deelnemingen*) of 2 May 2007 and its implementing Royal Decree of 14 February 2008, certain new rules on the notification of important participations will apply, e.g.:

- when the participation of a shareholder reaches 20%, the notification must no longer indicate in which strategy the acquisition or transfer concerned fits nor the number of securities acquired during a period of 12 months before the notification and in which manner such securities were acquired;
- a notification is also required when, as a result of events changing the breakdown of voting rights, the percentage of the voting rights attached to the voting right securities reaches, exceeds or falls below the thresholds provided for above, even when no acquisition or disposal of securities has occurred;
- a notification is also required when individuals or entities enter into an agreement of action in concert, when as a result thereof, the percentage of the voting rights subject to the action in concert or the percentage of the voting rights of one of the parties to the action in concert reaches, exceeds or falls below the thresholds mentioned above;
- the notifications must be addressed to the CBFA and to the board of directors of the Issuer within four trading days following the day on which (i) the individual or entity learns of the acquisition or the disposal or the possibility of exercising voting rights, or, having regard to the circumstances, should have learned of it, regardless of the date on which the acquisition, disposal or possibility of exercising voting rights takes effect, (ii) the shares are admitted for the first time to trading on a regulated market, (iii) the individual or entity is informed of the event changing the breakdown of voting rights, (iv) an agreement of action in concert is entered into, modified or terminated; or (v) the inheritance is accepted by the heir, where applicable under reservation for inventory, for securities acquired by inheritance;
- the Issuer is required to publicly disclose any notifications received regarding increases or decreases in a shareholder's ownership of the Issuer's securities at the latest three trading days following the receipt of the notification;
- the CBFA has certain supervisory powers; it can, among others, order an Issuer to make a notification or to disclose the required information; it can, on location, perform inspections and expertise; moreover, in case of suspicion of violation of the disclosure requirements, the CBFA can temporarily suspend trading on a Belgian regulated market or prohibit trading on a Belgian regulated market; the CBFA can further impose a penalty (*dwangsom*) on any person that does not comply with its orders within the given term.

3.8. Public takeover bids

Belgium has implemented the Thirteenth Company Law Directive (European Directive 2004/25/EC of 21 April 2004) by way of the Belgian Act on public takeover bids (*Wet op de openbare overnamebiedingen*) of 1 April 2007 and the Royal Decree of 27 April 2007 on public takeover bids. The Belgian Act on public takeover bids provides that a mandatory bid will be triggered if a person, as a result of his own acquisition or the acquisition by persons acting in concert with him or by persons acting for their account, directly or indirectly holds more than 30% of the voting securities in a company having its registered office in Belgium and of which at least part of the voting securities are being traded on a regulated market or on a multilateral trading facility designated by Royal Decree. The mere fact of exceeding the relevant threshold will give rise to a mandatory bid, irrespective of whether or not the price paid in the relevant transaction exceeds the current market price.

There are several provisions of Belgian company law and certain other provisions of Belgian law, such as the obligation to disclose important shareholdings and merger control, that may apply to the Issuer and which may make an unfriendly tender offer, merger, change in management or other change in control, more difficult. These provisions could discourage potential takeover attempts that other shareholders may consider to be in their best interest and could adversely affect the market price of the Shares. These provisions may also have the effect of depriving the shareholders of the opportunity to sell their Shares at a premium.

Normally, the authorisation of the board of directors to increase the share capital of the Issuer through contributions in cash with cancellation or limitation of the preferential right of the existing shareholders is suspended as of the notification to the Issuer by the CBFA of a public takeover bid on the securities of the Issuer. The shareholders' meeting can, however, authorise the board of directors to increase the share capital by issuing Shares in an amount of not more than 10% of the existing Shares at the time of such a public takeover bid. Such authorisation has been granted to the board of directors of the Issuer by the extraordinary shareholders' meeting of 21 May 2008, subject to the Closing of the Offering.

In accordance with the applicable legislation, if, after a public bid, a bidder owns 95% of the shares of a listed company, each shareholder can request the purchase of its shares for a "fair price" for a period of three months after completion of the public bid.

3.9. Squeeze-out and sell-out

Pursuant to Article 513 of the Belgian Company Code and the Royal Decree of 27 April 2007 on public squeeze-out bids, a person or entity, acting alone or in concert, who owns 95% of the securities conferring voting rights in a public company, can acquire the totality of the securities conferring voting rights or giving access to voting rights in that company following a squeeze-out offer. The Shares that are not voluntarily tendered in response to such offer are deemed to be automatically transferred to the bidder at the end of the procedure. At the end of the offer, the company is no longer deemed a public company, unless bonds issued by the company are still spread among the public. The consideration for the securities must be in cash and must represent the fair value as to safeguard the interests of the transferring shareholders.

As from the entry into force on 1 September 2007 of the Belgian Act on public takeover bids (*Wet op de openbare overnamebiedingen*) of 1 April 2007 and its implementing Royal Decree, certain new rules on the squeeze out by majority shareholders of the minority shareholders and on the selling out right of the minority shareholders apply. If, as a result of a (re-opened) takeover bid, a bidder (or any person acting in concert with the bidder) holds 95% or more of the shares of the target company, and provided that the bidder acquired at least 90% of the shares under the takeover bid, then the bidder can proceed with a simplified squeeze-out in accordance with Article 42 of the aforementioned Decree, provided that all conditions for such squeeze-out are met, to acquire the shares not yet acquired by the bidder (or any other person then deemed to act in concert with the bidder). Also, if, as a result of such a (re-opened) takeover bid, a bidder (or any person acting in concert with the bidder) holds 95% or more of the shares of the target company, and provided that the bidder acquired at least 90% of the shares under the takeover bid, each security holder has the right to make the bidder take over its securities against the offer price in accordance with Article 44 of the aforementioned Decree (the so-called "sell-out").

4. CORPORATE GOVERNANCE

4.1. General

This Section summarises the rules and principles by which the corporate governance of the Issuer is organised pursuant to Belgian company law, the Issuer's articles of association and the Issuer's corporate governance. It is based on the Issuer's articles of association and on the Issuer's corporate governance charter, and is subject to Closing of the Offering.

The Issuer's corporate governance charter has been adopted in accordance with the recommendations set out in the Belgian Code for Corporate Governance issued on 9 December 2004 by the Belgian Corporate Governance Committee. Corporate governance has been defined in the Code as a set of rules and behaviours according to which companies are managed and controlled. The Code is based on a "comply or explain" system: Belgian listed companies should follow the Code, but may deviate from its provisions and guidelines (though not from the principles) provided they disclose the justification for such deviation.

The Issuer's board of directors intends to comply with the Belgian Code for Corporate Governance but believes that the following deviation from its provisions is justified in view of the Issuer's particular situation: given the size of the Issuer, no internal audit function exists at this time.

The board of directors of the Issuer has adopted its corporate governance charter and will review it from time to time and make such changes, as it deems necessary and appropriate. The charter will be made available free of charge on the Issuer's website (www.4energyinvest.com) and at the registered office of the Issuer after Closing of the Offering. In its annual report for the financial year ending on 31 December 2008, to be published in 2009, the board of directors will also devote a specific chapter to corporate governance, describing the Issuer's corporate governance practices during 2008 and including explanations, if applicable, on any deviations from the Code, in accordance with the requirement to "comply or explain".

4.2. Board of directors

4.2.1. General provisions

The board of directors of the Issuer may perform all acts necessary or useful for achieving the Issuer's corporate purpose, with the exception of those acts that are by law or the Issuer's articles of association expressly reserved to the shareholders' meeting.

The board of directors of the Issuer is composed of minimum 6 and maximum 10 members. At least half of the members will be non-executive directors. Upon Closing of the Offering 3 directors will be independent directors within the meaning of Article 524 of the Belgian Company Code (see Section 4.2.3).

All directors are elected at a shareholders' meeting for a renewable term of in principle, 4 years. If a directorship becomes vacant before the expiry of its term, the remaining directors will have the right to temporarily appoint a new director to fill the vacancy until the shareholders resolve at a shareholders' meeting to appoint a new director. This item must be put on the agenda of the next shareholders' meeting.

A meeting of the board of directors is validly constituted if there is a quorum, consisting of at least half of the members present in person or represented at the meeting. If this quorum is not present, a new board meeting may be convened to deliberate and decide on the matters on the agenda of the board meeting for which a quorum was not present. In any event, the board of directors may only validly proceed if at least two directors are present or represented. Meetings of the board of directors are convened by the chairman of the board or by at least two directors whenever the interests of the Issuer so require.

4.2.2. Chairman

The board of directors appoints one of its non-executive members as chairman of the board.

The chairman is responsible for the leadership of the board of directors and for the efficiency of the board of directors in all its aspects. The chairman must take the necessary measures to develop a climate of trust within the board of directors, which promotes open discussion, constructive dissent and support for the board's decisions.

The chairman must stimulate a factual interaction between the board of directors and the executive management. He must maintain a close relationship with the Chief Executive Officer and support and advise the Chief Executive Officer in his executing responsibilities.

Within the board of directors, the chairman is primarily responsible for:

- setting the agenda of the meetings of the board of directors, as the case may be, after consultation with the Chief Executive Officer;
- ensuring that procedures relating to preparatory work, deliberations, passing of resolutions and implementation of decisions are properly followed;
- ensuring that the directors receive accurate, timely and clear information before the meetings and, where necessary, between meetings, and that all directors receive the same information;
- chairing the meetings of the board of directors and ensuring that the board operates and takes decisions as a collegial body;
- ensuring a regular review of the corporate structure and the corporate governance of the Issuer and assessing whether their operation is satisfactory;
- leading the nomination process of directors, in consultation with the nomination committee, and ensuring that the board of directors appoints committee members and chairmen;
- the induction of new directors;
- leading the evaluation of the board of directors; and
- being accessible to the directors, the members of the executive management and the head of the internal audit function (if any) to discuss issues relating to the management of the Issuer.

The board of directors may decide to entrust the chairman with additional responsibilities.

With regard to shareholders and third parties, the chairman is mainly responsible for:

- chairing the shareholders' meeting and ensuring that relevant questions from shareholders are answered; and
- representing the Issuer at meetings with professional organisations, socio-economic groups, the government, etc. The chairman may however delegate these responsibilities to the Chief Executive Officer.

2D Multimedia, with permanent representative Daniel Deroux, has been appointed as first chairman of the board of directors of the Issuer.

4.2.3. Independent directors

Directors can only be considered an independent director if they meet the criteria set out in Article 524 of the Belgian Company Code, which can be summarised as follows:

- independent directors may not have held a position as a director, a member of the executive management or a higher management position in the Issuer or an affiliate during the two-year period preceding their election to the board of directors;
- independent directors may not own Shares representing 10% or more of the total share capital of the Issuer or of a particular class of Shares. If they own less than 10%: (i) such Shares, together with other Shares held by companies controlled by the director concerned may not equal or exceed 10% or (ii) the disposal of such Shares or the exercise of the rights attached thereto may not be subject to any contractual arrangement or unilateral undertaking from the independent directors;
- independent directors may not have a close family member, meaning a spouse or partner or relative up to the second degree, holding a key position or a financial interest as described above within the Issuer; and
- independent directors may not maintain any relationship with a company which would jeopardise their independent judgment.

In considering a director's independence, the criteria set out in the Belgian Code of Corporate Governance will also be taken into consideration. The board of directors will disclose in its annual report which directors it considers to be independent directors. If a director does not meet the criteria set out in the Belgian Code of Corporate Governance, the board of directors will set out its reasons for nevertheless considering this director to be an independent director. An independent director who ceases to satisfy the requirements of independence must immediately inform the board of directors.

Upon Closing of the Offering, the independent directors of the Issuer will be 2D Multimedia SPRL, with permanent representative Daniel Deroux, Hamaco BVBA with permanent representative Henri Meyers, and Ferdinand Chaffart.

4.2.4. Composition of the board of directors

On 21 May 2008, the board of directors of the Issuer consists of 5 members: Enerpro SPRL, with permanent representative Yves Crits, 2D Multimedia SPRL, with permanent representative Daniel Deroux, Filip Lesaffer, Nico Terry BVBA, with permanent representative Nico Terry and Enermoza BVBA, with permanent representative Guido Schockaert.

Upon Closing of the Offering, the board of directors will consist of 7 members. These members are:

<u>Name and position</u>	<u>Term</u>	<u>Professional address</u>
Enerpro SPRL, with permanent representative Yves Crits (CEO)	4 years	Chaussée d'Ophain 181, B-1420 Braine-l'Alleud
Nico Terry BVBA, with permanent representative Nico Terry (CFO)	4 years	Vierscharestraat 29, 8430 Damme
Enermoza BVBA, with permanent representative Guido Schockaert (COO)	4 years	Prinsenmeers 20, 9200 Dendermonde
Filip Lesaffer (director)	4 years	Havenlaan 12, B-1000 Brussels
2D Multimedia SPRL, with permanent representative Daniel Deroux (independent director and chairman)	4 years	Baisy-Thy, Drève du Marechal Davoust 7, B-1470 Genappe
Hamaco BVBA with permanent representative Henri Meyers (independent director)	4 years	Konijnenhoekstraat 15, B-3053 Oud-Heverlee
Ferdinand Chaffart (independent director)	4 years	Breynissemberg 18, B-3300 Tienen

Subject to the Closing of the Offering, the Selling Shareholder and the Founders have agreed that they will vote for the appointment of one director from a list of candidates proposed by the Selling Shareholders, provided and as long as the Selling Shareholder holds at least 10% of the outstanding shares of 4 Energy Invest. Mr. Filip Lesaffer has been appointed upon proposal by the Selling Shareholder, for a term of four years. Should Mr. Filip Lesaffer resign or should his mandate be terminated during said term, then a new director shall be appointed from a list submitted by the Selling Shareholder for the remainder of said term.

2D Multimedia SPRL, with permanent representative Daniel Deroux, Hamaco BVBA with permanent representative Henri Meyers and Ferdinand Chaffart are considered to be independent directors, Enerpro SPRL, with permanent representative Yves Crits, Nico Terry BVBA, with permanent representative Nico Terry and Enermoza BVBA, with permanent representative Guido Schockaert are executive directors and Filip Lesaffer is a representative of the Selling Shareholder. 2D Multimedia SPRL, with permanent representative Daniel Deroux, shall be appointed as chairman of the board of directors of the Issuer.

The curricula vitae of the members of the board of directors are given below:

Yves Crits (°1962): Yves Crits is Chief Executive Officer and co-founder of the Issuer. He spent almost more than 20 years in the energy sector working for Tractebel, Turbowinds, Nuon, SPE and MESA. Mr. Crits holds a degree of civil and commercial engineering at the University of Liege and at Cooremans Institute respectively. Mr. Crits is manager of his management company Enerpro SPRL and is currently a member of the board of directors of: Renogen, 4BioFuels, Amel Bio, Pontrilas Renewable Energy and EDORA ASBL. Mr. Crits is currently managing director of Proméole SA., which is a “dormant company” with no current activity. Mr. Crits was managing director of Molinee Energie SA (abbreviated MESA SA) until July 2006 and director of MESA SA until September 2006. Mr. Crits is further manager of a patrimonial company. Please refer to Section 6.2.5 for a more complete description.

Nico Terry (°1973): Nico Terry is Chief Financial Officer and co-founder of the Issuer. He has previous experience with, among others, Tractebel, Dynegy and Nuon. He started his career at Tractebel. Mr. Terry holds a degree in applied economics at the University of KU Leuven and an MBA at Solvay Business School. He is manager of his management company Nico Terry BVBA and of Immo Terry BVBA and (as

natural person or through his management company Nico Terry BVBA) is currently a member of the board of directors of: Apotheek Van Damme NV, Renogen, 4BioFuels, Pontrilas Renewable Energy and managing director of Intervinos NV, Alco Invest NV and Amel Bio. Mr. Terry was managing director of Vlaamse Ecologie-, Energie- en Milieuonderneming NV until July 2006. Please refer to Section 6.2.5 for a more complete description.

Guido Schockaert (°1964): Guido Schockaert is Chief Operating Officer and co-founder of the Issuer. He has previous experience with, among others, Destructo, Dalkia, Nuon and Indaver. He started his career as assistant manager for 'Region France Outremer' controlling forestry and exploitation. Mr. Schockaert holds a master's degree in industrial engineering from the 'Industriële Hoge School van het Rijk CTL' of Aalst and Ghent and a postgraduate degree in economics from the 'Economische Hoge School' of Dendermonde. Mr. Schockaert is manager of his management company ENERMOZA BVBA and is currently member of the board of directors of Renogen (where he is COO) and Amel Bio. Mr. Schockaert is technology manager of 4BioFuels SA. Please refer to Section 6.2.5 for a more complete description.

Daniel Deroux (°1936): Daniel Deroux is director and chairman of the board of directors of the Issuer through 2D Multimedia SPRL. Mr. Deroux has previous experience, among others, as CEO of Tractebel Electricity and Gas International (1992-1999) and he was a professor at the University of Brussels, lecturing engineering, constructing and operating of thermal power plants (1973-2001). Mr. Deroux holds two degrees from the University of Brussels: a degree in mechanical and electrical engineering (1959) and a degree in applied nuclear physics (1959). He also holds an MBA at Solvay Business School. Mr. Deroux is manager of 2D Multimedia SPRL, a company active in development of embarked communication systems.

Filip Lesaffer (°1974): Mr. Lesaffer started his career at the Boston Consulting Group. Mr. Lesaffer holds a master's degree in commercial engineering from the KU Leuven. Mr. Lesaffer currently holds mandates in: KBC Private Equity NV, 4Energy Invest, 4BioFuels, Dynaco Group NV, Gasco Group NV, Mitico NV, Technum NV, Top Brands NV, Atempo Inc. and Atempo SA. During the last five years, Mr. Lesaffer held a mandate in Verhaert Consultancies NV, Balmain SA, Sun Beverages Company NV, and Pharma Groupe SA.

Henri Meyers (°1944): Mr. Meyers holds a masters' degree in electro-technical and mechanical engineering from the KU Leuven. He started his career at Kernkraftwerk Kalkar in Germany. Mr. Meyers has previous experience, amongst others, as Executive Vice President Business Development Oversight at Suez Energy International and Executive Vice President of Suez Energy International. During the last five years, Mr. Meyers, in the framework of his function at the Suez group, held mandates in amongst others: Al Ezzel Power Company (Bahrain); Baymina Enerji AS (Turkey); Central Termoeléctrica Andina S.A., Central Térmica Barrancones S.A., Edelnor S.A., Electroandina S.A., Gasoducto Nor Andino S.A., Suez Energy Andino Investments S.A. and Suez Energy Andino S.A. (Chile); Egasur S.A., Enersur S.A., Gas Natural De Lima y Callao S.A. and Suez Energy Perú S.A. (Peru); Gasoducto Nor Andino S.A. (Argentina); Hanjin City Gas Company (South Korea); Sujana Power (Gangikondan) Ltd. And Sujana Power (Tuticorin) Ltd. (Singapore); Suez Energy Development N.A., Suez Energy North America (before merger into Tractebel Inc.), Suez Energy North America (Consolidated), Tractebel Power Inc. and Trigen Energy Corporation (USA); Suez Energy India Private Limited (former Tractebel Energy South Asia) (India); Tractebel Energy Services Mauritius and Tractebel Mauritius (Mauritius); Tractebel Korea Co. Ltd. (South Korea) and Powercontracting SA. Mr. Meyers is manager of his management company Hamaco BVBA.

Ferdinand Chaffart (°1936): Mr. Chaffart graduated in applied economic sciences in Antwerp (Belgium) and also studied in the United States (Delaware and Stanford California). During his international career he was active in various sectors, including consumables (P&G), consulting (Glendenning, Cegos), industry (sugar and cement industry) and the financial sector (IPPA, Generale Bank). Mr. Chaffart was CEO for the Tiense Suikerraffinaderij, CBR Cement and Generale Bank. The Belgian government made him responsible for dealing with the dioxin crisis in 1999 and in 2001 he became Chairman of the Board of Directors of Sabena. In the past he was also Chairman of the Universiteit Antwerpen Management School and of the European League for Economic Cooperation. Mr. Chaffart currently is chairman of Finances et Industries SA, vice-chairman and director of Corelio NV and director of Icos Vision Systems NV, Icos Vision Systems Corporation NV, Spadel SA (in his capacity of permanent representative of Finance et Industries SA), Chaffart NV and Fonds voor Wetenschappelijk Onderzoek. During the last five years, Mr. Chaffart was director of Agfa-Gevaert NV, Gebema NV, Hottlet Sugar Trading NV, Tiense

Suikerraffinaderij NV, Antwerps Innovatie Centrum NV, Finspa SA, Sabena NV, Xeikon NV and R.Z. H. Hart Tienen VZW.

4.2.5. Litigation statement concerning directors

On the date of this Prospectus, none of the directors of the Issuer for at least the previous five years:

- has any convictions in relation to fraudulent offences;
- has held an executive function in the form of a senior manager or a member of the administrative, management or supervisory bodies of any company at the time of or preceding any bankruptcy, receivership or liquidation, except for Filip Lesaffer, who has held an executive function in Pharma Groupe SA, a company existing under the laws of Luxembourg which is currently in liquidation and Ferdinand Chaffart, who has held a non-executive function in Xeikon NV and Sabena NV preceding or at the time of bankruptcy of such companies; or has been subject to any official public incrimination and/or sanction by any statutory or regulatory authority (including any designated professional body); or
- has ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company.

4.2.6. Holding of Shares by Directors

4.2.6.1 Shares and warrants held by the non-executive directors

No share or warrant issued by the Company is held by directors who are not members of the executive management.

4.2.6.2 Shares and warrants held by the executive management

The table below provides an overview of the shares and warrants held directly or indirectly by the executive management prior to the Closing Date, but taking into account the stock split.

<u>Name</u>	<u>Number of Shares</u>
Enerpro SPRL, controlled by Yves Crits	1,950,030
Nico Terry ⁽¹⁾	1,950,030
Guido Schockaert ⁽²⁾	1,950,030

(1) Mr. Nico Terry controls Nico Terry BVBA.

(2) Mr. Guido Schockaert controls Enermoza BVBA.

<u>Name</u>	<u>Number of warrants</u>
Enerpro SPRL, controlled by Yves Crits	270,000
Nico Terry BVBA, controlled by Nico Terry	162,000
Enermoza BVBA, controlled by Guido Schockaert	162,000

4.3. Committees within the board of directors

4.3.1. General

The board of directors of the Issuer will set up specialised committees to analyse specific issues and advise the board of directors on those issues. These committees merely have an advisory role and the actual decision-making remains the responsibility of the board of directors. The board of directors determines the terms of reference of each committee with respect to the organisation, procedures, policies and activities of the committee. The role, duties and composition of these committees have been established in internal charters which have been approved by the board of directors of the Issuer.

The board of directors has established an audit committee, a nomination and remuneration committee and an advisory committee.

4.3.2. Audit committee

4.3.2.1 The role of the audit committee

The audit committee assists the board of directors in fulfilling its monitoring responsibilities in respect of control in the broadest sense. The audit committee will report regularly (at least once a year) to the board of directors on the exercise of its duties and on any matters in respect of which the audit committee considers that action or improvement is needed, and may make recommendations as to the necessary steps to be taken.

4.3.2.2 The duties of the audit committee

The audit committee has the following duties:

Financial reporting

- monitor the integrity of the financial information provided by the Issuer, i.e. by assessing the correctness, completeness, adequacy and consistency of financial information and by reviewing the relevance and consistency of the accounting standards used by the Issuer and its subsidiaries. This includes the criteria for the consolidation of the accounts of companies within the group. This review should cover periodic information before it is made public and should be based on an audit program adopted by the committee;
- review changes to the Issuer's auditing and accounting principles and practices as can be suggested by the management, the statutory auditor or the internal auditors if any;
- review and reassess periodically, at least every two years, the adequacy of the Issuer's related party transactions policy, which applies to the Issuer's directors and executive management, and recommend any proposed changes to the board of directors for approval; and
- discuss any significant financial reporting issue with both executive management and the external auditor;

Internal control and risk management

- review, at least once a year, the internal control and risk management systems which have been set up by the executive management, bearing in mind that the main risks (including risks regarding compliance with applicable legislation and regulations) must be properly identified, managed and disclosed;
- review, with the executive management, the statements on internal control and risk management in the annual report of the Issuer; and
- review the specific arrangements made in confidence and raise concerns about possible improprieties in financial reporting or other matters. If necessary, arrangements should be made for proportionate and independent investigation of such matters and for appropriate follow-up actions;

Internal audit process

- given the current size of the Issuer, no internal audit function has been appointed at this time. The need for an internal audit function will be reviewed at least annually by the Audit Committee.

External audit process

- make recommendations to the board of directors on the selection, (re)appointment or termination of the external auditor and the terms of her or his engagement. In accordance with the Belgian Company Code, this proposal should be submitted to the shareholders for approval;
- monitor the external auditor's independence, in particular in respect of the provisions of the Belgian Company Code and the Royal Decree of 4 April 2003. The committee should obtain a report from the external auditor which describes all relationships between the independent auditor and the Issuer and its subsidiaries ;
- set and apply a formal policy specifying the types of non-audit services which are excluded, permissible after review by the committee and permissible without referral to the committee, taking into account the specific requirements under the Belgian Company Code;

- be informed of the external auditor's work program and obtain timely information about any issues arising from the audit;
- review the effectiveness of the external audit process and the responsiveness of management to the recommendations made in the external auditor's management report; and
- investigate the issues giving rise to the resignation of the external auditor and make recommendations as to any required actions.

4.3.2.3 Composition of the audit committee

The audit committee consists of at least 3 members, appointed by the board of directors, all of which are non-executive directors and at least the majority of which are independent directors. Only if the board of directors establishes that there are specific and justified reasons, the composition of the audit committee may deviate from this principle.

The chairman of the audit committee is appointed from among the members of the audit committee by the board of directors of the Issuer (on the recommendation of the nomination and remuneration committee) and may not combine this position with the chairmanship of the board of directors. The chairman of the audit committee, as the case may be, supported by the chairman of the board of directors and/or the CEO and/or the CFO, shall procure that the audit committee at all times (i) understands its role and duties, (ii) disposes of all information for it to duly perform its internal and external duties, and (iii) performs its duties in accordance with the internal charter of the audit committee.

The appointment of the members of the audit committee shall be based on (i) their specific competences and experience, and (ii) the condition that the audit committee as a group must have the competence and experience required to perform its tasks.

The audit committee shall decide whether, and, is so, when, the CEO, the CFO (or senior employees responsible for finance, accounting and treasury matters), the internal auditor, if any, and the external auditor will be invited to attend its meetings.

In addition, the audit committee may invite any third party to attend its meetings.

Upon and subject to Closing of the Offering, the members of the audit committee will be:

- Hamaco BVBA, with permanent representative Henri Meyers (chairman of the audit committee)
- 2D Multimedia SPRL, with permanent representative Daniel Deroux
- Ferdinand Chaffart

4.3.3. Nomination and remuneration committee

4.3.3.1 The role of the nomination and remuneration committee

The nomination and remuneration committee

- makes recommendations to the board of directors with regards to the appointment of directors and members of the executive management;
- makes recommendations to the board of directors with regard to the remuneration of directors, members of the executive management and key managers; and
- reviews and periodically updates an overall remuneration policy for the company personnel and directors.

4.3.3.2 The duties of the nomination and remuneration committee

The nomination and remuneration committee must ensure that the appointment and re-election process of the members of the board of directors and of the executive management is organised objectively and professionally and, in particular, has the following duties:

- drafting appointment procedures for the board members;
- selecting and nominating, for approval by the board of directors, candidates for any board vacancies;
- making proposals for reappointments;

- periodically assessing the size and composition of the board of directors and its committees and, if applicable, making recommendations with regard to any changes;
- analysing the aspects relating to the succession of directors;
- advising on proposals (e.g., of the management or of the shareholders) for appointment and removal of directors and members of the executive management; and
- advising the CEO on the appointment and removal of members of the executive management; evaluating potential candidates for a function within the executive management and recommending the appointment or removal of the executive management. In respect of the appointment or removal of the CEO, the nomination and remuneration committee will base its recommendation on a motivated proposal of the board of directors. In respect of the appointment or removal of the other members of the executive management, the nomination and remuneration committee will base its recommendation on a motivated proposal jointly established by the CEO and the chairman of the board of directors.

The nomination and remuneration committee has the following duties with respect to the remuneration of directors, members of the executive management team and key managers:

- making and evaluating proposals to the board of directors on the remuneration policy for non-executive directors as well as the proposals to be submitted to the shareholders;
- making and evaluating proposals to the board of directors on the remuneration policy for the chairman of the board of directors as well as the proposals to be submitted to the shareholders;
- making and evaluating proposals to the board of directors on the remuneration policy for the executive management, as a whole (excluding the CEO) at least with regard to:
 - the main contractual terms, including the main characteristics of the pension schemes;
 - termination arrangements;
 - the key elements of the remuneration, including (i) the relative importance of each component of the remuneration, (ii) the performance criteria applicable to the variable elements and (iii) the fringe benefits;
- making and evaluation proposals to the board of directors on the remuneration policy for the CEO at least with regard to:
 - the main contractual terms, including the main characteristics of the pension schemes;
 - termination arrangements;
 - the key elements of the remuneration, including (i) the relative importance of each component of the remuneration, (ii) the performance criteria applicable to the variable elements and (iii) the fringe benefits;
- making recommendations on the individual remuneration of directors and of the members of the executive management, including, depending on the situation, on bonuses and long-term incentives in the form of stock options or other financial instruments, or otherwise. If there are specific and justified reasons, the board of directors may deviate from this principle;
- making recommendations on the performance targets of the CEO and the other members of the executive management;
- making guidelines for motivation or departing schemes for key managers;
- discussing at least once a year with the CEO the functioning and the achievements of the executive management. The CEO may not be present at the occasion of his or her own evaluation.

4.3.3.3 Composition of the nomination and remuneration committee

The nomination and remuneration committee consists of at least 3 non-executive directors, appointed by the board of directors, of which a majority are independent directors. Only if the board of directors establishes that there are specific and justified reasons, the composition of the nomination and remuneration committee may deviate from this principle.

The chairman of the board of directors or a non-executive director shall be chairman of the nomination and remuneration committee. The chairman of the board of directors or a non-executive director cannot chair the nomination and remuneration committee if his or her succession or remuneration is an agenda item.

The appointment of the members of the nomination and remuneration committee shall be based on (i) their specific competences and experience, and (ii) the condition that the nomination and remuneration committee as a group must have the competence and experience required to perform its tasks.

Upon and subject to Closing of the Offering, the members of the nomination and remuneration committee will be:

- Hamaco BVBA, with permanent representative Henri Meyers (chairman of the nomination and remuneration committee)
- 2D Multimedia SPRL, with permanent representative Daniel Deroux
- Ferdinand Chaffart
- Filip Lesaffer

4.3.4. Advisory committee

The board of directors has established an advisory committee, consisting of 2D Multimedia SPRL, with permanent representative Daniel Deroux (chairman of the advisory committee), Hamaco BVBA, with permanent representative Henri Meyers, Enerpro SPRL with permanent representative Yves Crits and Filip Lesaffer.

The advisory committee will assist the Chief Executive Officer, in any matters, which may arise with respect to investment decisions with respect to projects in development, in construction or in operation.

The purpose of the advisory committee is also to hold an in-depth operational discussion on opportunities or issues that may arise in preparation of the board meeting that will eventually decide on these matters.

The advisory committee will not have decisive powers on these matters, which will remain entirely with the board of directors or the CEO within the powers of daily management.

4.3.5. Chief Executive Officer

The Chief Executive Officer of the Issuer (CEO) is appointed and can be dismissed by the board of directors of the Issuer. The CEO of the Issuer is Enerpro SPRL, with permanent representative Yves Crits.

4.3.6. Composition of the executive management team

The executive management team is composed of several persons, which may or may not be directors.

Upon and subject to Closing of the Offering, the members of the executive management will be:

<u>Name and position</u>	<u>Term</u>	<u>Professional address</u>
Enerpro SPRL ,with permanent representative Yves Crits — CEO	indefinite	Chaussée d'Ophain 181, B-1420 Braine-l'Alleud
Nico Terry BVBA, with permanent representative Nico Terry — CFO	indefinite	Vierscharestraat 29, B-8430 Damme
Enermoza BVBA, with permanent representative Guido Schockaert — COO	indefinite	Prinsenmeers 20, B-9200 Dendermonde

The curricula vitae of the members of the executive management are included in Section 4.2.4.

4.3.7. Litigation statement concerning members of the executive management

On the date of this Prospectus, none of the members of the executive management for at least the previous five years:

- had any convictions in relation to fraudulent offences;

- has held an executive function in the form of a senior manager or a member of the administrative, management or supervisory bodies of any company at the time of, or preceding, any bankruptcy, receivership or liquidation; or has been subject to any official public incrimination and/or sanction by any statutory or regulatory authority (including any designated professional body); or
- has been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company.

4.4. Remuneration of members of the board of directors and the executive management for the year 2008

In 2007, the remuneration of the CEO consisted of a fixed annual amount of €142,805.83 (see services agreement with the Issuer in the fourth paragraph below). The remuneration of the CEO will be possibly increased with a (one time) bonus of €125k, which will only become payable in the event where the loan facility granted by the Selling Shareholder has been fully redeemed. Subject to the Closing of the Offering, the annual remuneration of the CEO will amount to €385k, consisting of a fixed amount of €231k to be paid in 12 equal parts, and a variable part calculated based upon a set of measurable criteria and appraisal(s). The variable part will be paid within 30 days after the approval of the annual accounts.

In 2007, the aggregate yearly remuneration of the other members of the executive management amounted to €285,611.66, indexed annually (see services agreements with the Issuer in the fourth paragraph below). The remuneration of the other members of the executive management will be possibly increased with a (one time) aggregate bonus of €250k that is subject to the same condition as the bonus of the CEO. Subject to the Closing of the Offering, the aggregate yearly remuneration of the other members of the executive management will amount to €495k, consisting of a fixed aggregate amount of €297k, to be paid in 12 equal parts, and a variable part calculated based upon a set of measurable criteria and appraisal(s). The variable part will be paid within 30 days after the approval of the annual accounts.

As of incorporation until 2007, the mandates of the members of the board of directors were not remunerated. Subject to Closing of the Offering, the chairman of the board of directors will receive a yearly remuneration of €20,000. The other non-executive members of the board of directors will receive a yearly remuneration of €15,000. A non-executive independent director who is chairman of a committee of the board of directors will receive an additional yearly remuneration of €4,000 per committee to which he is appointed chairman. A non-executive director who is a member of a committee of the board of directors will receive an additional yearly remuneration of €1,500 per committee to which he is appointed. The chairman of the board of directors will receive an attendance fee of €2,000 for each attendance to a meeting of the board of directors. Each other non-executive director will receive an attendance fee of €1,500 for each attendance to a meeting of the board of directors. In addition, the chairman of a committee of the board of directors will receive an attendance fee of €2,000 for each attendance to a meeting of the committee. Each other non-executive director who is a member of a committee of the board of directors will receive an attendance fee of €1,250 for each attendance to a meeting of the committee. For the first year, ending 12 months after Listing, for each independent director the sum will be made of the aforementioned yearly remuneration and attendance fees, and such sum will be increased by 20%.

None of the members of the board of directors or the executive management has entered into an employment agreement with the Issuer or any of its subsidiaries.

The Issuer has entered into a services agreement dated 22 November 2005 with Mr. Yves Crits and Enerpro SPRL (i.e. the personal services company of Mr. Yves Crits) for the performance of the daily management by Mr. Yves Crits in the framework of his appointment as CEO of the Issuer and specific services in relation to the Renogen project and other energy projects by Enerpro SPRL. The services agreement is entered into for a limited term of 10 years. The annual compensation of Enerpro SPRL is fixed at €140k, adjusted annually with the health index. The services agreement contains an explicit non-compete and non-solicitation clause for Enerpro SPRL and Mr. Yves Crits both during the term of and for a period of 12 months following the termination of the agreement, with the exception of Enerpro SPRL's share participation in Proméole SA. The Issuer can immediately terminate the services agreement at all times subject to a prior notice and payment of an indemnity equal to $\frac{1}{2}$ of Enerpro SPRL's annual fee. Following a minimum period of 5 years, Enerpro SPRL can terminate the services agreement subject to a prior notice of 6 months by registered mail. The Issuer furthermore may immediately terminate the services agreement without prior notice or indemnity in case of change of control of Enerpro SPRL or

change of representation of Enerpro SPRL or in the event of dissolution, liquidation or bankruptcy of Enerpro SPRL. Each party can immediately terminate without prior notice in case of serious fault, serious omission or fraud by the other party.

The Issuer has entered into similar services agreement with Enermoza BVBA and Nico Terry BVBA, except for the non-compete and non-solicitation clause which is not included. These three service agreements will be amended subject to the Closing of the Offering (see first paragraph).

2D Multimedia SPRL, with permanent representative Daniel Deroux, has been remunerated for the performance of consultant services rendered to the Issuer, which for the year 2007 amounted to €9,955.06.

The Issuer has no obligations to pay any pension retirements or similar benefits to the members of the executive management team.

4.5. The statutory auditor

The statutory auditor of the Issuer is VGD Bedrijfsrevisoren CVBA, a company organised and existing under Belgian law, having its registered office at Greenland, Burgemeester Etienne Demunterlaan 5, 1090 Jette (Brussel), Belgium, represented by Jurgen Lelie. VGD Bedrijfsrevisoren has been elected as statutory auditor of the Issuer on 22 November 2005 for a term of three financial years.

VGD Bedrijfsrevisoren CVBA will receive an annual fee of €38,955.4 for the audit of the whole group, including the audit of the consolidated financial statements and the limited review of the interim financial statements.

For 2007, VGD Bedrijfsrevisoren CVBA received as statutory auditor of the Issuer a fixed audit fee of €14,686.46 (excluding VAT). The fees for the VGD Group relating to studies and assistance, notably on taxation matters, amounted to €1,563.51 in 2007.

4.6. Conflicts of interest of members of the board of directors and the executive management and transactions with affiliates

4.6.1. Conflicts of interest of directors and executive management

Article 523 of the Belgian Group Company contains special provisions, which must be complied with whenever a director has a direct or indirect conflicting interest of a patrimonial nature in a decision or transaction within the authority of the board of directors.

According to Article 523 § 1 of the Belgian Company Code, directors having a direct or indirect conflicting interest of a patrimonial nature shall notify the other directors thereof prior to a decision of the board of directors relating to such conflicting interest. Their statement and the grounds justifying the aforementioned conflict of interest must be recorded in the minutes of the board of directors meeting at which such decision is taken.

With a view to its publication in the annual report, the board of directors must describe in the minutes the nature of the contemplated decision or the transaction and shall account for the decision taken. The minutes shall also mention the patrimonial consequences thereof for the Issuer. The annual report of the board must contain the aforementioned minutes in their entirety.

If the Issuer has appointed one or more statutory auditors, the directors concerned shall also inform such auditor of their conflicting interest. The report of the statutory auditors must contain a separate description of the patrimonial consequences for the Issuer of the decisions of the board of directors in respect of which there is a conflicting interest.

As from and subject to the Closing of the Offering, the Issuer will be considered as a company that makes or has made a public offering. In such companies, as will be the Issuer as from the Closing of the Offering, a director who was a conflicting interest with respect to a matter which is up for decision by the board of directors may not participate in the deliberation or the voting of the board of directors on such matter. In case of non-compliance with the foregoing, the Issuer may request the annulment of the decision or the transactions which have taken place in breach of these provisions if the counterparty to the decision or the transaction was, or should have been, aware of such breach (Article 523. § 2 Belgian Company Code).

Article 523 § 1 of the Belgian Company Code does not apply:

- if the decision or transaction within the authority of the board of directors relates to decisions or transactions between companies of which one holds, directly or indirectly, at least 95% of the voting

securities issued by the other or between companies of which at least 95% of the voting securities issued by each of them are held by another company (Article 523. § 3. al. 1 Belgian Company Code); or

- if the decision of the board of directors relates to customary transactions which take place on conditions and with collateral customary for similar market transactions (Article 523. § 3. al. 2 Belgian Company Code).

Currently, the directors have no conflicts of interest that have not been disclosed to the board of directors. Article 523 of the Belgian Company Code has been applied with respect to the grant of warrants to the directors and with respect to the signing of an IPO insurance.

Presently, the Issuer is not aware of any conflicts of interest that may in the future result in a conflict between the Issuer on the one hand and the related parties on the other hand, other than the services agreements (please refer to section 4.4).

4.6.2. Transactions with affiliates

Article 524 of the Belgian Company Code, which will apply to the Issuer following Closing of the Offering, provides for a special procedure to be followed when the Issuer's decisions or transactions concern relationships between the Issuer, on the one hand, and any of its affiliated companies within the meaning of Article 6 of the Belgian Company Code (other than subsidiaries) of the Issuer, on the other hand. The procedure contained in Article 524 of the Belgian Company Code must also be followed for decisions or transactions that concern relationships between the Issuer's subsidiaries and affiliated companies of such subsidiaries within the meaning of Article 6 of the Belgian Company Code (other than subsidiaries of the subsidiaries). Such a procedure does not apply to decisions or transactions that are entered into in the ordinary course of business at usual market conditions or for decisions and transactions whose value does not exceed 1% of the Issuer's consolidated net assets.

Prior to a decision or transaction to which Article 524 applies, a committee of three independent members of the board of directors, assisted by one or more independent experts, must give an assessment thereof, describing the nature of the decision or operation, identifying advantages and disadvantages for the Issuer and its shareholders and its financial impact, and determining whether or not the decision or transaction is manifestly detrimental in light of the Issuer's policies. The committee's assessment must be submitted in writing to the board of directors, which then makes a decision in light of the committee's recommendation. The board of directors may deviate from the committee's recommendation, but, if it does, it must justify the reasons for such a deviation. The committee's assessment must be published, together with an excerpt of the minutes of the board of directors' conclusions, in the Issuer's annual report.

4.7. Relations with affiliated companies

On 15 April 2007 a subordinated loan agreement has been entered into between Renogen and 4Energy Invest, pursuant to which the latter has lent Renogen a loan for a total amount of €2.0 million with an interest rate of 8.5%.

4.8. Relations with significant shareholders

Current business and commercial dealings between the shareholders on the one hand and the Issuer and its subsidiaries on the other hand include the following:

- In the past, a yearly fee of €15,000 has been granted to KBC Private Equity NV in connection with its participation in the Issuer. Such fee will no longer be payable in the event of a successful Offering.
- A loan facility of €4,170k with an interest rate of 8.5% concluded on 27 February 2008 by the Issuer with the Selling Shareholder, pursuant to which the latter has drawn out the entire amount by the date of this Prospectus.
- Enerpro SPRL, with permanent representative Yves Crits, the CEO of the Company, is remunerated through a services agreement between Enerpro SPRL and the Company. Enerpro SPRL is also a major shareholder of the Issuer. For more details on the remuneration, see Section 4.4.
- Nico Terry, the shareholder and permanent representative of Nico Terry BVBA, the CFO and director of the Company, is remunerated through a services agreement with the Company. Nico Terry is a major shareholder of the Issuer. For more details on the remuneration, see Section 4.4.
- Guido Schockaert, the shareholder and permanent representative of Enermoza BVBA, the COO and director of the Company, is remunerated through a services agreement with the Company. Guido Schockaert is a major shareholder of the Issuer. For more details on the remuneration, see Section 4.4.

5. MARKET DESCRIPTION

5.1. The energy market in general: a growth market

It is generally recognized that access to and the cost of energy have a decisive influence over a nation's ability to maintain or grow its prosperity. As the worldwide population has grown and is expected to continue to grow (the population compound annual growth rate between 2004–2030 is expected to be 0.9%⁽⁴⁾), the demand for energy has steadily grown in developed countries throughout their industrialization process, and new emerging nations have started to consume an increasing amount of energy, global competition for limited energy resources has become increasingly fierce. This competition has, inter alia, resulted in rising prices for traditional sources of prime fossil energy.

There are 3 main categories of energy sources: (i) the traditional exhaustible fossil sources (oil, gas and coal), (ii) nuclear energy and (iii) renewable natural sources such as water, sun, wind and biomass.

The International Energy Agency (“IEA”) expects global primary energy consumption to increase by 50% between 2004 and 2030, what corresponds to a compound annual growth rate of 1.4%. More than three quarters of this increase is expected to be accounted for by combined non-OECD countries. This implies that non-OECD countries are likely to virtually double their energy consumption over a period of 25 years and may eventually consume about 30% more energy than the OECD countries.

The expected structural increase in energy demand can only be met by further expanding the production of energy from traditional sources, in particular from natural gas and nuclear fission. The IEA expects, however, that the contribution of energy derived from renewable sources to the worldwide demand for energy will also steadily grow in the next few decades. While only 13% of the worldwide energy supply came from renewable sources in 2004, the IEA forecasts in its alternative policy scenario that the contribution by renewable energy will increase to 19% by 2030, which corresponds to a compound annual growth rate of 2.8%.

5.2. Renewable energy

5.2.1. What is renewable energy?

Renewable energy is derived from natural sources which, contrary to traditional fossil fuels that are exhaustible and subject to certain conditions, replenish themselves over relatively short periods of time. Renewable energy can be used to generate electricity as well as for other applications.

5.2.1.1 Sources of renewable energy

The renewable energy sources are often categorized into fatal and non-fatal sources. Fatal energy sources (like the sun, the wind, geothermal heat, the ocean and certain forms of hydro) must be converted immediately into energy (at the risk of otherwise being lost). Non-fatal energy sources (like storage based hydro and biomass) can be captured, stored and used on demand. Fatal energy sources are likely to lead to a variable and less reliable production of energy. Non-fatal sources, provided that their storage and supply is well managed, can be used to produce an invariable, predictable and reliable stream of energy.

One of the biggest challenges which might limit wind energy of reaching the expected target is the difficulty to upgrade the power grid in order to accommodate this level of wind energy penetration. Biomass may consist more in smaller production units producing reliable, stable and predictable electricity on a decentralized basis.

5.2.1.2 Applications of renewable energy

Renewable energy sources have three main applications: they can be converted (i) into electricity, (ii) into heat (or cooling) and (iii) into transportable solid or liquid fuels (so called biofuels, such as green coal or bioethanol, which can, in turn, be converted into electricity or heat). Different types of renewable energy

(4) Source: IEA

sources may be used for different applications but not all are suitable for every application as can be seen in the table below.

Figure 1: Uses of different types of renewable energy

	Electricity	Heat	Transport fuel
Fatal			
<input type="checkbox"/> Ocean (wave and tidal)	✓		
<input type="checkbox"/> Hydropower (river)	✓		
<input type="checkbox"/> Wind	✓		
<input type="checkbox"/> Geothermal	✓	✓	
<input type="checkbox"/> Solar	✓	✓	
Non-Fatal			
<input type="checkbox"/> Hydropower (dam)	✓		
<input type="checkbox"/> Biomass	✓	✓	✓

Source: Directorate-General for Energy and Transport, Renewable make the difference, Office for Official Publications of the European Communities, 2007, p.5

5.2.2. Benefits and characteristics of renewable energy

Renewable energy sources distinguish themselves from traditional energy sources, inter alia in terms of their environmental impact, the security of their supply and their medium and long-term economic viability.

Environmental impact

A recent study of the International Panel on Climate Change⁽⁵⁾ suggests that there is a 90% probability that recently observed global warming was caused by human activity, including the use of fossil fuels to generate energy. While nuclear energy may, in this respect, offer an alternative, the health and safety concerns with respect to the operation of nuclear plants and the storage of nuclear waste are still the object of fierce debates and often result in resistance by large parts of the population against the establishment of nuclear power plants or nuclear waste storage facilities in their neighbourhood.

While it appears that the use of fossil fuels (especially natural gas) and nuclear fission will remain absolutely necessary to meet the steep increase of the worldwide demand for energy in the coming decades, the use of renewable energy has the distinct advantage that it does not only help in meeting the increased demand for energy, in general, but that it does so, in particular, without emitting additional greenhouse gases and without causing additional health or safety concerns. Compared to traditional fossil energy sources, renewable sources are also beneficial in terms of emission of traditional pollutants such as nitrogen and sulphur oxides.

Security of supply

As traditional energy sources such as oil and gas are becoming increasingly scarce, policy makers are concerned about the availability of these commodities. Moreover, large oil and gas reserves are located in countries with allegedly or potentially unstable political regimes. Both the natural and political restraints on the availability of traditional energy sources are bound to have an increasing effect on their price. Therefore, the security of energy supply has become a high priority on the political agenda. Sourcing energy internally helps to decrease the dependency on the international market and to reduce major fluctuations in energy prices. The availability of renewable energy sources is currently not an issue and, because they are sourced internally or locally, their availability can, politically, be better managed and controlled. This enhances the security of their supply and should reduce the risk of major fluctuations in the generation (and pricing) of heat or electricity.

Economic viability

As a result of the current economic (including the cost of emission rights), regulatory and technological context, the use of certain renewable energy sources has become more economically viable. The cost of renewable energy is continuously decreasing due to the technical progress of renewable energy power

(5) IPCC Assessment Report 4, 2007

plants, the growing regulatory incentives and the increased confidence from investors. Simultaneously, the cost of fossil fuels has steadily increased and the balance between the cost of renewable energy and of fossil fuels is gradually changing. In addition, the local character of renewable energy is likely to encourage local and regional employment and development. The European renewable energy sector currently employs about 350,000 people and generated a turnover of €30.0 billion⁽⁶⁾.

5.2.3. Targets and drivers of the European renewable energy market

The objective to reduce greenhouse gas emissions and the fact that, despite technical evolutions and increasing fossil fuel prices, the production of green energy is still arguably more expensive than the generation of energy from fossil or nuclear sources have driven numerous policy makers, particularly within the European Union, to support and stimulate the use of renewable energy sources through various regulatory and incentive schemes.

The European renewable energy industry benefits from a supportive regulatory framework (see Section 5.4) and is, as a result, becoming more competitive. The European Union is currently world leader in the renewable energy sector⁽⁷⁾.

Several European countries are pro-active supporters of renewable energy and are leading the industry. The leading European regions include, on the one hand, Scandinavia and the Baltic countries, which have a large forestry asset base, sizeable hydraulic potential and significant wind resources, and, on the other hand, Germany and Spain which have extensively developed their on-shore wind potential.

The European Union has set, and continues to set, a number of key targets to promote the use of renewable sources in the generation of energy.

In 2003, the European Trading Scheme directive⁽⁸⁾ established regulation for a EU CO₂ quota trading platform from 1 January 2005 onwards. A CO₂ quota means the entitlement to emit a ton of carbon dioxide. These rights are in place for energy and a few industrial sectors that account for 40% of the total greenhouse gas emissions of the European Union.

In 2004⁽⁹⁾, the European Commission provided a framework for the promotion of cogeneration power plants in order to overcome the still remaining barriers, to advance the penetration of this technology in the liberalized energy markets and to help mobilizing unused potential. No specific targets were included, however.

In 2005⁽¹⁰⁾, the European Commission set the aim to increase the use of biomass from 69 million toe in 2004 to around 150 million toe by 2010. The Commission identified three sectors in which biomass use should be prioritized, namely heat production, electricity production and transport.

In 2006⁽¹¹⁾, the Commission proposed a target of 20% of total energy consumption that must be originated from renewable sources by 2020. The Commission also proposed a target of 10% of transport fuel consumption that should consist of biofuels. The graph below shows the projected evolution of renewable energy put forward by the European Commission.

In January 2008⁽¹²⁾, the EU committed to reduce its overall greenhouse gas emissions by 2020 to at least 20% below the levels of 1990, and added that the EU was ready to scale up this reduction to as much as 30% under a new global climate change agreement provided that other leading countries (US, China) make comparable efforts.

These ambitious targets were translated into four European measures:

- (1) For the sectors that qualify for the Emission Trading Scheme, CO₂ emission rights will no longer be allocated free of charge. As an exception to this rule, companies from energy intensive industries that are subject to international competition (such as steel, chemistry, minerals) will still receive a proportion of their emission rights for free (33% – 40%) but this proportion will decrease and disappear completely by 2020.

(6) Source: European Union, *Memo on the Renewable Energy and Climate Change Package* (MEMO/08/33), 23 January 2008, Brussels

(7) Source : European Union, *Memo on the Renewable Energy and Climate Change Package* (MEMO/08/33), 23 January 2008, Brussels

(8) Emission Trading Scheme (2003/87)

(9) Directive 2004/8

(10) Biomass Action Plan (COM(2005)628)

(11) Renewable Energy Roadmap (COM(2006)848)

(12) Climate action and renewable energy package, 23 January 2008

- (2) General steps were taken for sectors that did not qualify for Emission Trading Scheme. Every member state has received a CO₂ reduction target (Belgium: 15%) that should lead to an overall reduction of 20% by 2020. Member states can determine themselves how they will achieve these targets. Additionally, the transport sector should source 10% of its fuels from sustainable sources.
- (3) The EU calculated the required effort per member state for achieving the 20% renewable energy target by 2020. The effort per member state consists of a fixed proportion for all member states (5.75%) and a variable proportion, depending on the GNP per capita. Additionally, a system of transferability of standardized guarantee of origin certificates (certifying the renewable origin of electricity and heat) will be put in place so that member states already meeting their targets may transfer extra certificates of guarantee of origin to other member states. The table below shows the historical and estimated future evolution of the share of renewable energy in the total energy consumption for every European country;
- (4) A set of administrative reforms are announced, all with a view to reducing the administrative and regulatory barriers to the growth of renewable energy.

It appears from the graph below that countries such as Belgium and The United Kingdom, will have to make substantial efforts in the coming years to meet the renewable energy targets set by the European Union.

Figure 2: Gap between renewable energy targets by 2020 and the levels in 2005



Source: European Commission; The Guardian (UK), 23 January 2008

5.3. Introduction to biomass

5.3.1. What is biomass?

Biomass is defined as the “biodegradable fraction of waste, residues from agriculture (including vegetal and animal substances), forestry and related industries, as well as the biodegradable fraction of industry and municipal waste⁽¹³⁾.”

Biomass is any organic matter, typically plant-based, that is available on a renewable and/or recurring basis. Biomass resources include forest and mill residues, agricultural crops and wastes, wood and wood wastes, animal wastes, livestock operation residues, aquatic plants, fast-growing trees and plants and municipal as well as industrial wastes.

Biomass can be used (i), directly, by converting it into energy in its solid or gasified form, for heating and/or power generation purposes, or (ii), indirectly, by converting it into solid, liquid or gaseous fuels (such as green coal or bioethanol).

The various types of biomass resources can be classified in function of their origin.

Supply sector	Type	Example
Forestry . . .	Dedicated forestry	Short rotation plantations (e.g. willow, poplar, eucalyptus)
	Forestry by-products	Wood blocks, wood chips from thinning (dead trees, ...)
Agriculture .	Dry lignocellulosic energy crops	Herbaceous crops (e.g. miscanthus, ...)
	Oil, sugar and starch energy crops	Oil seeds for methylesters (e.g. rape seed, sunflower) Sugar crops for ethanol (e.g. sugar cane, sweet sorghum) Starch crops for ethanol (e.g. maize, wheat)
	Agricultural residues	Straw, prunings from vineyards and fruit trees
	Livestock waste	Wet and dry manure
Industry . . .	Industrial residues	Industrial waste wood, sawdust from sawmills Fibrous vegetable waste from paper industries
Waste	Dry lignocellulosic	Residues from parks and gardens (e.g. prunings, grass)
	Contaminated waste	Demolition wood Organic fraction of municipal solid waste Biodegradable landfill waste, landfill gas Sewage sludge

5.3.2. Characteristics of biomass

In certain instances biomass feedstock can be seen as a “commodity” with standardized characteristics. This is, in principle, the case for palm oil, sawdust pellets, refined animal fat, wood chips and green coal pellets. When biomass is a commodity, it can become subject to forward contracting, to trading on an exchange and eventually to product speculation.

Other biomass products hardly ever appear in the same form, e.g. because they have variable physical characteristics (such as moisture content). These products include log waste and sawmill waste (which cannot be valorized into sawn products or raw product for, e.g., the paper industry), wood construction and demolition waste, pallets, wood packaging, forest residues (underbrush, dead trees, ...), composting process wastes and sewage sludge. The pricing of these products will typically vary in function of their specific characteristics at the time of delivery, as these may affect the power generation capacity or so called heat content of the feedstock. Green biomass for instance, which includes wood and wood waste, is, as a rule, not a commodity. Wood can contain a significant amount of water by weight (up to 60% or more). This water does not contribute to the heat content of the product. The pricing of woody biomass may, as a result, be in function of, inter alia, its moisture content.

Other important characteristics of biomass that need to be considered in any biomass valorization project are:

- the type of biomass (the different types of biomass are described in Section 5.3.4 above);

(13) Source: European Commission, Proposal for a directive on the promotion of the use of energy from renewable sources, version 15.4., 23 January 2008

- the physical form of the biomass, which can be such that the product is immediately ready to be used for power/heat generation purposes or which may require a specific preparatory process;
- the moisture content of the biomass, which has an impact on its inherent energy content;
- the seasonality of the resource, which may require a certain storage capacity to secure a reliable production of energy;
- the proximity of the biomass source to the project site, which has a direct impact on transportation requirements and related costs;
- the possible alternative uses of the biomass, which may affect future availability and/or price;
- the range of chemical or physical properties of the biomass; and
- weather related issues.

The graph below shows the energy content per volume of certain biomass energy sources.

Figure 3: Overview of energy content per tonne

Fuel	Energy content (in GJ/tonne)
Oil	41.9
Coal	25
Green Coal	22
Wood Pellets (8%*)	17.5
Soft Wood (20%*)	15.2
Soft Wood (50%*)	9.5

* moisture content

Source: 4Energy Invest

See also the risk factor related to the sourcing and availability of biomass for a non-exhaustive number of factors which could negatively affect the availability and price of biomass beyond the control of 4Energy Invest.

5.3.3. Benefits of biomass

The main benefits and characteristics of biomass, in general, and of wood and its derivatives, in particular, are the following:

Biomass is CO₂ neutral

Biomass is a so-called CO₂ neutral feedstock. Biomass can be viewed as a stored source of solar energy that has been initially collected by plants during the process of photosynthesis, whereby carbon dioxide was captured and converted into plant materials. During the energy generation process (through, e.g. combustion), the initially captured CO₂ is again released. As a result, the CO₂ that the biomass absorbed during its life is, to a large extent, set off against the CO₂ that is emitted during the process of creating energy. This so-called carbon neutral cycle is pictured here below.

Figure 4: CO₂ cycle



Source: Department of natural resources Canada, 2004; Pacific BioEnergy Corporation

Biomass is sustainable

If crop renewal cycles are respected (meaning, with respect to wood for example, that sustainable forest management is implemented whereby cut trees are gradually replaced), biomass is a reasonably sustainable feedstock.

Biomass based technology is well established and cost competitive

Biomass can be used in such a way that it is one of the more cost competitive sources of renewable energy, since the technology that is required to convert the biomass into energy is fairly well established, meaning that it has overcome most technical challenges. As a result, there is less risk that a significant investment in a specific technology becomes, as a result of new and more efficient technological innovations, obsolete after a relatively short period of time.

Biomass is non-fatal and predictable

Unlike other (fatal) renewable energy sources, such as the wind or the sun (which are by definition variable and can only be captured when the opportunity presents itself), biomass can be fed to the renewable energy plant in a fairly steady and predictable manner, provided that the project is managed in such a way that a certain volume of biomass is sourced from, or stored in, the immediate vicinity of the power plant and/or that the remaining required volumes of biomass are supplied from other sources in a regular and reliable manner. As a result well managed renewable energy plants that use biomass can produce a predictable, reliable and steady flow of power and or heat, which is crucial to the users/customers of heat and/or electricity.

Biomass is environmentally friendly

Biomass products, in general, and wood related biomass, in particular, are non-toxic, non-allergenic and respectful of the users' health. When (clean) biomass biodegrades or is converted into energy, the residues of its transformation present a low risk for water or soil pollution. In certain instances, the residues of biomass conversion can be recovered and used for other purposes. Bottom ashes from the combustion of non contaminated wood or residues of biogas plants (assuming that clean materials are used) can be applied, for instance, as (pseudo) soil fertilizers.

Biomass is generally widely available

As a rule, anywhere there is human activity, there is biomass. With respect to wood, for instance, human activity leads inevitably to wood waste. The wide availability of the resource is a key factor for the future growth of power plants that rely on it.

In addition, many forms of biomass are presently considered and treated as waste, which represents a significant cost. The relatively high cost of waste management is likely to encourage the producers thereof to sell their “waste” to renewable energy producers at a relatively low margin rather than continue to treat them as waste at an additional cost.

Other renewable energy sources, such as large hydro or sun, are only available in certain specific regions. As a result, the sites that are best suited for the construction of renewable energy plants that use these specific renewable sources have already been taken or are likely to be brought on the market at relatively high prices.

Local availability of biomass asks for decentralized plants

While, generally speaking, the availability of forest wood in Europe is significant, these resources are not equally spread over the entire region. In addition, and more importantly, the wood biomass (which will consist, in many instances, of wood waste) is not available where the forests are located, but at the places where the raw wood materials are being turned into finished or semi-finished products (and where wood waste is created in the manufacturing process). A sustainable usage of wood waste as a renewable energy source will therefore in many instances require that the power generation plants are located in the vicinity of the wood waste rather than the forests.

Due to the relatively high transportation costs of biomass, biomass is typically converted into energy at small decentralized power plants instead of at one single large power plant (that needs to source its biomass from many different places at relatively high transportation costs).

The need to focus on smaller decentralized plants creates a niche market for a limited number of players who have the experience and expertise to design, construct and operate such a plant. With a low cost structure, these players can operate small to mid-size projects profitably.

5.3.4. Main conversion processes of biomass

There are generally two main processes to convert biomass into energy, each of which has different applications: (i) thermo-chemical conversion technologies and (ii) biochemical conversion processes.

a. Biomass applications based on thermo-chemical conversion

Thermo-chemical conversion processes convert biomass and its residues into fuels, chemicals or power. There are several types of thermo-chemical processes but they all have in common that the process takes place by adding heat to the feedstock.

There are four applications of the thermo-chemical conversion process:

Combustion

Cogeneration by combustion (also known as “combined heat and power” (CHP) or cogeneration) is the most common way of converting biomass into energy. The combustion process simultaneously produces heat (usually in the form of hot water and/or steam) and electricity and uses one primary fuel. Compared to the other thermo-chemical conversion technologies, it is the most developed and best established process. Biomass combustion systems can, because of the relative simplicity of the technology, easily be integrated with other existing infrastructures.

Primary fuels that are commonly used in cogeneration include natural gas, oil, diesel fuel, propane, coal, wood, wood-waste. Usually these primary fuels are used to make electricity and a secondary output such as heat. Depending on the technology that is applied (engine, steam turbine, ...), the efficiency of the production of energy as a whole (consisting for example of electricity and heat) can increase significantly compared to technologies that only produce electricity.

The cogeneration of electricity and heat can be obtained with the use of several kinds of equipment:

- A diesel or gas engine.

The diesel engine process uses an internal combustion engine and an alternator that produces electricity. Heat is recovered at several levels along the process.

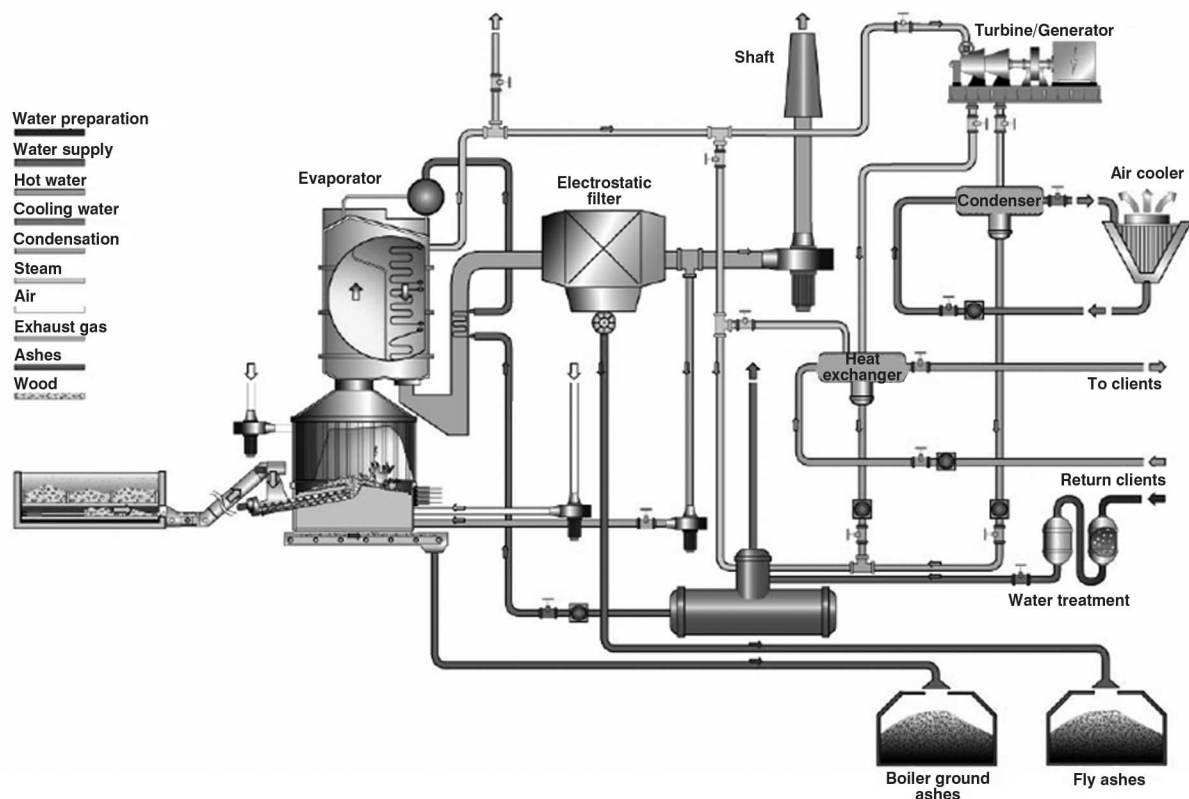
- A gas turbine.

A gas turbine extracts energy from a flow of hot gas produced by combustion of gas or fuel oil in a stream of compressed air. It has an upstream air compressor mechanically coupled to a downstream turbine and has a combustion chamber in between.

- A steam turbine.

A steam turbine extracts thermal energy from pressurized steam, and converts it into mechanical work (which is subsequently converted into electricity). The steam is generated in a conventional boiler, which is heated by using fuel. Heat may then be recovered at the outflow of the turbine in the form of steam.

Figure 5: Flowchart of cogeneration by combustion with a steam turbine

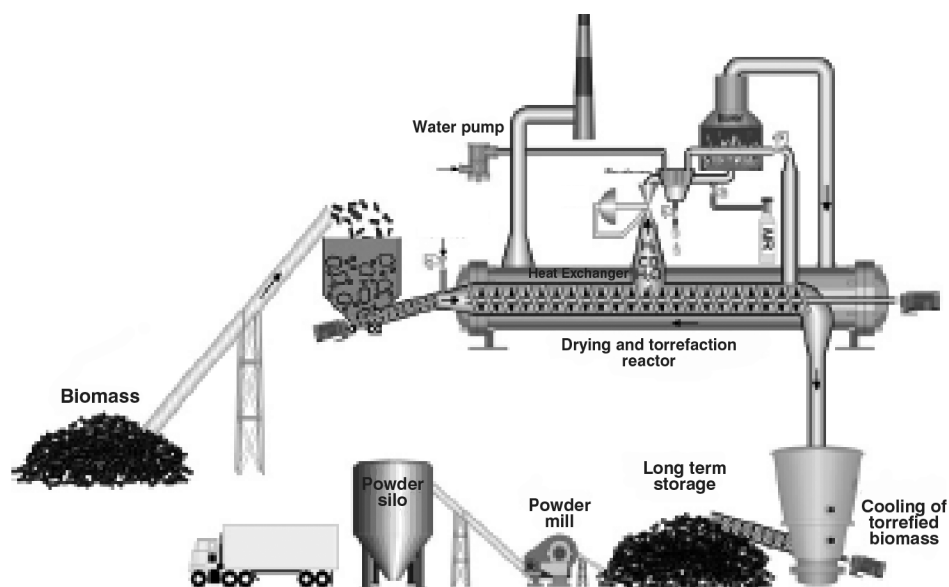


Source: 4Energy Invest

Torrefaction

Torrefaction is a thermo-chemical treatment in which biomass is heated to 200–300°C in absence of air and under atmospheric conditions. Torrefaction is actually a pre-treatment technology that makes biomass more suitable for co-firing applications. The final product, green coal (also known as “bio-coal”), is a sophisticated form of solid biomass which has similar features as coal with regard to energy content per mass unit, physical properties and hydrophobic but which is neutral from a CO₂ perspective. Green Coal is thus a renewable fuel that can act as a substitute for coal in existing coal fired plants. The average market price of green coal is based on its energy content plus the value of the emissions credits for avoiding sulfur and CO₂ emissions.

Figure 6: Flowchart of a green coal production unit



Source: 4Energy Invest

Pyrolysis

Pyrolysis is a process in which organic materials are rapidly heated to 450–600°C in the absence of air. Under these conditions, organic vapours, pyrolysis gases and charcoal are produced. The vapours are subsequently condensed into biofuels. Typically 70–75% of the feedstock is converted into oil.

Gasification

Gasification consists of the thermal decomposition of solid materials in the presence of a reactive gas such as air, to obtain a gaseous fuel. The advantage of this technology is that it delivers high energy performance and can convert a wide variety of biomass resources into energy.

b. Biomass applications based on bio-chemical conversion

Biochemical conversion processes transform feedstock into fuels, chemicals, or power. The processes take place as a result of chemical reactions in living organisms.

There are two applications of the bio-chemical conversion process.

Anaerobic fermentation

Anaerobic fermentation is fermentation conducted in the absence of fresh air, e.g. in a fermentation bottle, jug or carboy fitted with a fermentation trap. The biogas obtained can be used either to produce heat and electricity or as a gaseous fuel for, e.g., buses and trucks.

Open air fermentation

Ethanol can be produced through fermentation of biomass. Bioethanol is defined as the “ethanol produced from biomass and/or the biodegradable fraction of waste, to be used as biofuel⁽¹⁴⁾” where biofuel is defined as the “liquid or gaseous fuel for transport produced from biomass”. Biofuels can be used in engines, in order to replace, partially or totally, the diesel or petrol.

One way to produce bioethanol is with a wet milling process which separates the wheat during the process into bran, vital wheat gluten and starch. This process takes advantage of almost every component of the biomass at the very upstream which allows a better valorization of the biomass with lower energy consumption than the dry milling process.

(14) Source : Directive 2003/30 of the European Parliament and of the Council

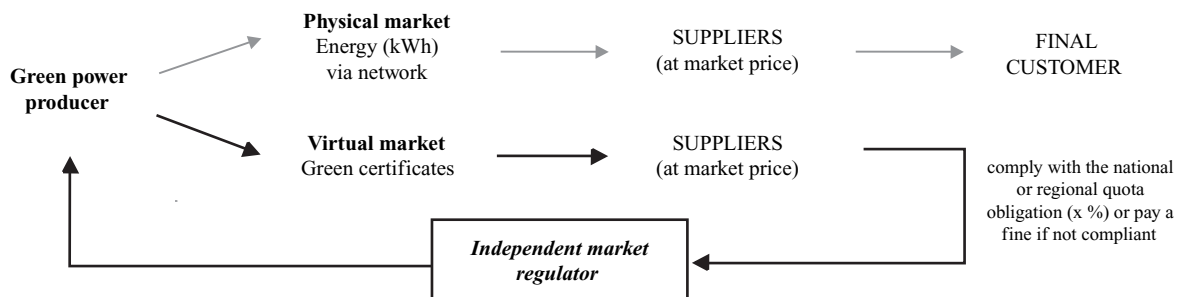
5.4. Regulatory framework

Because the production of energy on the basis of renewable sources is, in strict financial terms, still more expensive than the generation of energy through the use of traditional fossil sources, incentive schemes have been put in place to support the emergence and growth of renewable energy. In Europe, mainly two instruments are used to promote the use of renewable energy sources: feed-in tariffs and quota obligations associated with tradable Green Certificates.

- A **feed-in tariff** is the minimum guaranteed price per unit of electricity that a designated party must pay to benefit from renewable electricity that has been fed into the grid by private generators. The local government regulates the tariff rate depending on the envisaged proportion of renewable energy. Feed-in tariffs may be calculated on the basis of the so-called 'avoided costs' of non-renewable power producers or on the basis of the electricity price charged to the end-user, increased by a premium that reflects the social or environment benefits of renewable electricity. Alternatively, feed-in tariffs may also be fixed at a certain level without any direct relation to the costs or prices of non-renewable power production. Feed-in tariffs are often differentiated depending on the renewable technology used (wind, solar, biomass ...) or other variables.
- The **quota obligation** is an obligation imposed by governments on electricity suppliers or producers, to source or produce a certain percentage (depending on the national regulation) of their electricity sales or production from renewable energy. This obligation is facilitated by Tradable Green Certificates (TGC) which are official records proving that a specified amount of green electricity has been generated. Green Certificates represent the environmental value of renewable energy production. Accordingly, the green electricity producers sell electricity at market price, but can also sell Green Certificates to third parties that are not capable of reaching the quota obligations by means of their own resources. Green Certificates are local support mechanisms that are not transferable between European member states or regions (except between Brussels and Wallonia, see Section 5.4.1.1 and 5.4.1.3) mainly because of granting and recognition problems.

The feed-in tariff system is a price-based market instrument while the quota obligation (and Green Certificate system) is a quantity-based market instrument.

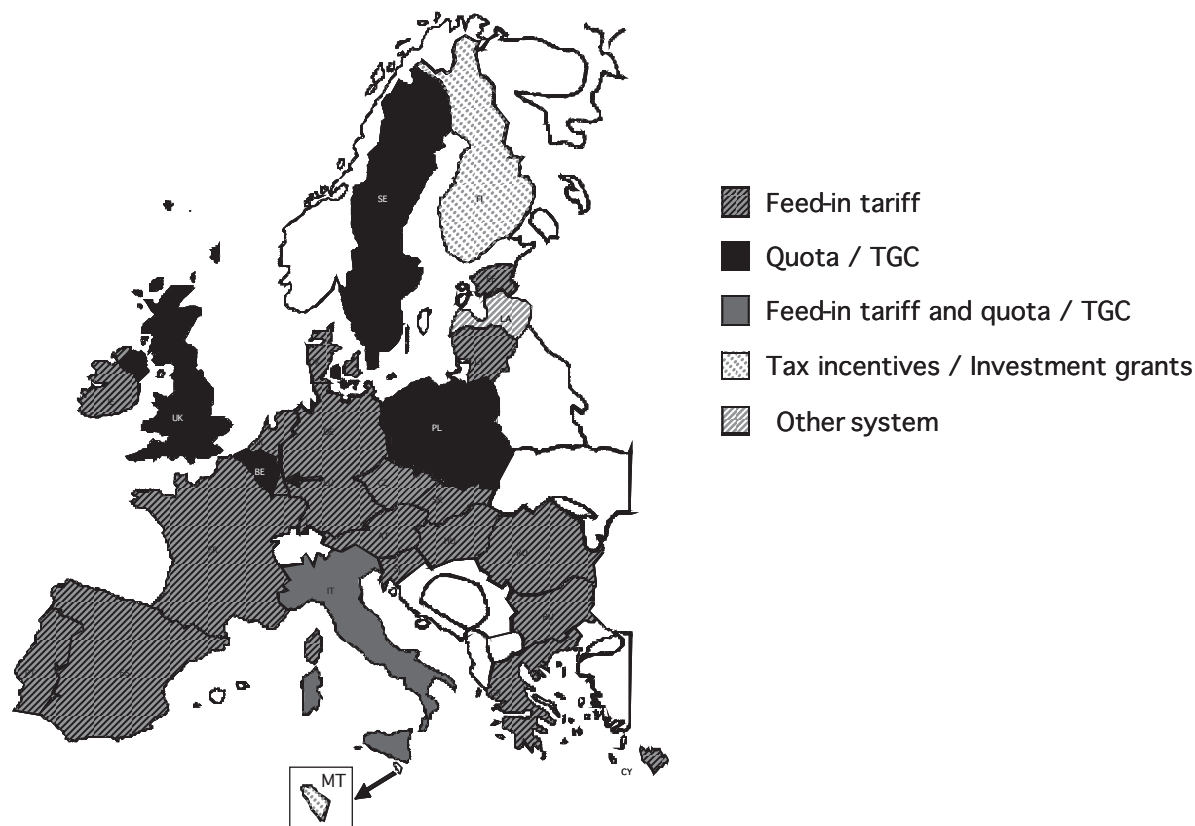
Figure 7: Overview of the green certificate system



Source: CWaPE and 4Energy Invest

While the vast majority of EU countries have opted for feed-in tariffs, Belgium has implemented an incentive scheme based on Green Certificates. An overview of the European incentive schemes is provided in the map below.

Figure 8: Overview of the European incentive schemes



Source: Fraunhofer Institute Systems and Innovation Research, June 2007

5.4.1. Belgium

Belgium uses the system with Green Certificates. In 1997, Belgium was one of the poorest performers in the European Union with only 1.1% of the total electricity production coming from renewable energy sources. The peculiarity of Belgium is that renewable energy and its promotion are a competence of each of the three regions: Wallonia, Flanders and the Brussels Capital Region. Consequently, there are three different regulatory frameworks in place in Belgium.

5.4.1.1 The energy market and regulatory framework in Wallonia

The Walloon electricity market has been completely liberalized since 1 January 2007. The Walloon independent energy regulator is the CWaPE (*Commission Wallonne pour l'Energie*) whose mission is to advise the public authority about the organization and operation of regional markets and to monitor and check the adequacy with the current legislative framework.

The regional government of Wallonia has decided to use the **system of Green Certificates** as main incentive scheme to support and promote the use of green energy⁽¹⁵⁾. The principle of this system, as briefly described supra, is that the green power producer, whose green power generation has first been certified by a certificate of guarantee of origin from an independent organization, receives a certain number of Green Certificates depending on and proportional to the generated green electricity and to the amount of CO₂ the installation avoided to produce compared to a reference installation plant. Practically, in Wallonia, a green certificate is allocated for every 456 kg of avoided CO₂, which corresponds to the generation of about 1 MWh. Depending on the CO₂ avoided, a biomass installation running in CHP mode can generate between minimum 1 and maximum 2 Green Certificates per MWh produced with a

(15) The principles, the details and the measures to promote the use of green certificates in the Walloon Region are described in respectively the Walloon Governmental Decree of 30 November 2006 which has been amended by the Walloon Governmental Decree of 20 of December 2007.

maximum of 5 MW. The exact number of Green Certificates received will be dependent on the exact heat (expressed in MWhth) produced per quarter (which affects the CO₂ avoided).

Next to this basis system, all energy suppliers are obliged to deliver a minimum volume of Green Certificates. In case a supplier cannot meet this obligatory quota, he will have to pay a fine for each missing green certificate. The amount of the fine has been set equal to €100 by the Walloon government.

In order to meet this quota obligation, a market of Green Certificates is put in place where certificates are sold by producers to suppliers at the market price (during the fourth semester of 2007, the average Walloon green certificate price was €88.16⁽¹⁶⁾). Thanks to the green certificate system green energy producers have the possibility to either consume their own generated electricity or to sell their generated electricity at market price and, in both instances, also to sell the Green Certificates they received.

At 1 January 2008, the green certificate quota is set at 8%, meaning that, for every 100 MWh a supplier sells, 8 Green Certificates have to be provided to the regulating authority. This quota will increase with 1% annually over the coming years up to 12% in 2012⁽¹⁷⁾. The Green Certificates are allocated on an immaterial basis and they are stored in a database which is managed by the CWaPE. The minimum market price of Green Certificates that the Walloon government guarantees for a period of 15 years amounts to €65 per Green Certificate⁽¹⁸⁾.

5.4.1.2 The energy market and regulatory framework in Flanders

The Flemish electricity market has been completely liberalized since 1 July 2003. The Flemish regulator is the VREG (*Vlaamse Reguleringsinstantie voor Electriciteits- en Gasmarkt*) which has to regulate, monitor and promote the market transparency in the Flemish Region.

Contrary to the regulatory framework in Wallonia, the Flemish regulatory framework has a separate incentive scheme of cogeneration certificates next to the Green Certificates incentive scheme to support and promote the production of renewable energy.

Green Certificate System

The Flemish Green Certificate System is similar to the one in Wallonia. In 2006, the average price of a green certificate (without guarantee of origin) in Flanders amounted to approximately €109.07 whereas in 2007 it was €108.88⁽¹⁹⁾. For January and February 2008, the average price of a green certificate (without guarantee of origin) was €108.78. On 31 March 2008, the minimum quota for Green Certificates in Flanders amounted to 3.75% of the supplier's deliveries to end users. This quota will increase to 4.5% in 2009, 5.25% in 2010 and 6% in 2011⁽²⁰⁾. If a supplier does not submit sufficient Green Certificates, he will have to pay an administrative fine of €125.00 per missing certificate. The minimum market price of Green Certificates that the Flemish government guarantees for a period of 10 years amounts to €80 per Green Certificate from biomass⁽²¹⁾.

Cogeneration or Combined Heat and Power (CHP) Certificate System

This certificate system promotes primary energy savings through the use of qualitative Combined Heat and Power-facilities for the generation of electricity and heat. Each electricity supplier is obliged to demonstrate that a specific quantity of its primary energy has been generated with cogeneration. For 2008, the minimum quota of cogeneration certificates amounts to 2.96%. This quota will yearly increase towards 3.73% in 2009, 4.49% in 2010, 4.90% in 2011, 5.2% in 2012 and 5.23% in 2013⁽²²⁾. The certificates are issued and recorded by the VREG. If an electricity supplier does not submit sufficient CHP-certificates, he has to pay an administrative fine of €45.00 per missing CHP-certificate.

One CHP-certificate shows that one MWh primary energy was saved in a qualitative CHP-facility compared to a situation in which the same quantity of electricity and/or mechanical energy and heat are generated separately. Like Green Certificates, producers can sell the CHP-certificates to electricity suppliers who still have to meet their quota obligation of CHP certificate.

(16) Source: CWaPE, 2007

(17) Decree of the Walloon Government dated 30 November 2006 on the promotion of electricity produced from renewable energy sources, Art.25, par.3

(18) Website CWaPE

(19) Source: VREG, 2008

(20) Decree of the Flemish Government dated 17 July 2000 on the organization of the regional electricity market, Art.23

(21) Source: website of VREG

(22) Decree of the Flemish Government dated 7 June 2006 on the CHP certificate system, Art. 11

5.4.1.3 The energy market and the regulatory framework in the Brussels Region

The Brussels electricity market has been completely liberalized since 1 January 2007. The Brugel Commission (*Commission Bruxelles gaz et électricité*) is the regional regulator whose role is to advise the authority and to check and monitor the market.

The Brussels' supporting scheme system is more or less similar to the Walloon green certificate system except for some granting conditions⁽²³⁾. Each green power producer (which was first certified by a certificate of guarantee of origin) having a power plant that reduces the CO₂ emissions with at least 5% compared to a reference plant, i.e. for every 217kg of avoided CO₂, a green certificate is obtained. Like in Wallonia and Flanders, the Brussels electricity supplier is obliged to obtain annually its green certificate quota which is proportional to the electricity volume he has sold to end users in the Brussels Region. For 2008 and 2009, the Brussels quota for Green Certificates amounts to 2.5%; this quota will further increase to 2.75% in 2010, 3% in 2011 and 3.25% in 2012⁽²⁴⁾. During the year 2006, about 105,000 Green Certificates were sold on the market at the average price of €69⁽²⁵⁾ whereas in 2007, about 138,000 certificates were sold at the average price of €92. If a Brussels supplier does not meet his quota obligation, he has to pay an administrative fine. In 2006 and 2007 the amount of the fine was €75 and €100 respectively per missing certificate. There is no minimum price guaranteed by the government of the Brussels Region.

A production unit can receive maximum 2 Green Certificates per net produced MWh of electricity if the total electrical power is beyond 1 MW.

Due to a current lack of Green Certificates on the Brussels market, an interchangeability mechanism was put in place with the Walloon green certificate market.

5.4.2. United Kingdom

5.4.2.1 Renewables Obligation

The Renewables Obligation (RO) was introduced in 2002 to stimulate growth of electricity generation from renewable sources. The support currently provided under the RO does not differentiate between renewable technologies. It is the main policy measure for supporting the development of renewable electricity across Great Britain and Northern Ireland.

The RO requires licensed electricity suppliers to source an annually increasing proportion of the electricity they supply from certain eligible renewable sources. The current level is 7.9% for 2007/08 rising to 15.4% by 2015/16.

To demonstrate that they have met their share of the RO, suppliers must obtain Renewable Obligation Certificates or "ROCs" for the renewable power supplied. ROCs are issued to generators on the basis of one ROC for every 1 MWh of metered eligible renewable energy generated. Generators must register their station so that it can be included within the RO.

The ROCs may be sold to any supplier, with or without electricity. To demonstrate compliance with the RO, suppliers must redeem ROCs with the Gas and Electricity Markets Regulator ("Ofgem") at the end of each 12-month obligation period.

As an alternative to providing ROCs, electricity suppliers may discharge their renewables obligations (either fully or partially) by making buy-out payments to Ofgem (penalty equivalent to £34.30/1MWh in 2007/08 and rising each year with the retail price index)⁽²⁶⁾. The current unbalance between demand and supply of ROCs makes it necessary for some suppliers to pay the buy-out price for at least some of their obligations.

Payments made into the buy-out fund are redistributed at the end of the obligation period to suppliers who have produced ROCs, on a pro-rata basis. The redistribution of the buy-out fund in this way is intended to further promote competition between suppliers in supplying more electricity from renewable sources, and therefore to promote further investments in renewable energy generation. In 2008, the recycle price per ROC amounted to £16.04.

(23) The regulatory framework of renewable energy in the Brussels Region is described in the Decree of 6 May 2004 which has been amended by the Decree dated 19 July 2007.

(24) Brussels Capital Region Decree dated 19 March 2007 on the quota for Green Certificates

(25) As published on the website of Leefmilieu Brussel, www.ibgebim.be

(26) Source : Renewables Obligation : Annual report 2006/2007, Ofgem, 4 March 2008

The UK Government is currently considering various reforms to the RO for England and Wales, which are designed to bring forward more renewables generation by increasing the effectiveness of the RO. These may include banding the RO to provide differentiated levels of support for different technologies. For example, good quality CHP plant using dedicated biomass and running in CHP mode would be granted 2 ROCs per MWh. These reforms will not be introduced until by April 2009 at the earliest.

6. ACTIVITIES OF 4ENERGY INVEST

6.1. Introduction

4Energy Invest is a Belgian based renewable energy company, that aims at creating and managing a European portfolio of small to mid-sized locally embedded projects that valorize biomass, directly or indirectly, into energy. 4Energy Invest identifies potential biomass projects, performs a feasibility study and eventually takes responsibility for developing, financing, constructing and operating the project, in close cooperation with carefully selected suppliers and partners.

Currently, 4Energy Invest (through its fully owned subsidiary Renogen) has a cogeneration project, located in Amel (Wallonia, Belgium) that is fully operational since November 2007. The total investment for this project amounted to €25.0 million. 4Energy Invest has constructed an expansion of the Amel cogeneration plant which will almost double the capacity of the site and which is currently in test phase and expected to be operational before end 2008 (estimated investment of €13.4 million). 4Energy Invest has further identified a number of sites that offer opportunities to build and operate similar cogeneration projects to Amel I, in Belgium as well as elsewhere in Europe. Presently, the project in Ham (Flanders, Belgium) and in Pontrilas (England, UK) are in development phase.

The cogeneration project of Amel is built around sustainability and follows a project approach in which win-win situations are created for all stakeholders: 4Energy Invest sources a large part of the biomass feedstock for its power plant from the waste (non contaminated wood) of local industrial partners, sells the produced energy to said industrial partner(s) and sells the produced electricity fed into the distribution grid. As a result of the on-site energy production, the industrial partner turns its waste disposal into a profitable feedstock and simultaneously reduces its energy costs (through the purchase of heat) whereas 4Energy Invest secures its access to a substantial volume of sustainable biomass.

Revenues of cogeneration projects are generated through the sale of energy and of Green Certificates. 4Energy Invest sells energy in the form of heat (MWth) to its local industrial partners that are intensive energy users thereof, and in the form of electricity (MWe) to energy suppliers, by feeding it directly into the distribution grid. In addition, 4Energy Invest sells its Green Certificates to energy suppliers.

Exploiting the in-depth cogeneration expertise that it has gained throughout the process of designing, financing, constructing and operating the Amel plant, 4Energy Invest presently pursues other similar cogeneration projects either on a stand alone basis or in combination with other applications that convert biomass into solid fuel (green coal). All these projects are still in development phase (permits application, negotiation of land use rights and of contracts with partners). The probability of these projects materializing into operations, such as Amel I, will increase significantly once, if ever, these projects move into the construction phase.

By the end of 2007, 4Energy Invest employed 5 persons and generated €5.8 million of revenues with a corresponding Ebit of €1.4 million.

6.2. Competitive strengths

4Energy Invest believes that certain key factors differentiate it from other players in the (renewable) energy market and may provide competitive advantages.

6.2.1. Proven track record of developing, building and operating a profitable cogeneration plant

The successful implementation of the Amel I project provides 4Energy Invest a strategic presence in the market for cogeneration from biomass. 4Energy Invest can rightfully claim that it has become an integrated player active in the identification, structuring and development, design, financing, construction, operation and maintenance of cogeneration projects. This proven track record is key to convince local authorities, industrial partners and key suppliers to enter into a partnership with 4Energy Invest for the development of similar projects.

6.2.2. Focus on customized and sustainable projects offering a win-win for all stakeholders

During the process of assessing and selecting projects, 4Energy Invest pays a lot of attention to the long-term sustainability and the intrinsic quality of a project. With regard to the sustainability, a project should, as a rule of thumb, be able to run in an environmentally friendly and economically viable way for a period of at least 15 years. In order to assess the intrinsic value of a project, management makes a thorough risk-return analysis. For every project that 4Energy Invest moves into the development phase,

approximately 5 to 8 projects are thoroughly scrutinized and eventually not withheld. 4Energy Invest currently considers, or has recently examined, 7 to 10 projects in origination phase. 4Energy Invest has a clear preference for projects with a strong local industrial base as this offers a strong guarantee for long-term supply of biomass and a long-term energy demand. By reducing the long-term energy, waste disposal and biomass transport costs for industrial players and by securing a large part of the biomass supply for 4Energy Invest, the project offers long-term win-win opportunities for all parties involved. Depending on the key project characteristics, 4Energy Invest offers customized and sustainable solutions which satisfy entrepreneurial customers.

6.2.3. Long-term sustainable projects result in highly predictable cash flows

4Energy Invest has adopted a growth strategy that focuses on projects with (i) a strong local industrial base securing the supply of biomass for the long term, (ii) a high degree of reliability through the cooperation with renowned manufacturers (who may also take some responsibility for essential parts of the operations and maintenance of the plant) and through the installation of well thought and flexible back-up installations and, where possible (iii) long-term sales contracts for Green Certificates and/or heat and electricity. To the extent that the sale of Green Certificates and energy are not covered by such long-term contracts, cash flows will depend on price fluctuations of electricity and Green Certificates. By developing projects which comply with all or most of the abovementioned requirements, the cash flows of the projects, once they are in operation, are likely to have a high degree of predictability.

6.2.4. Focused biomass player

At present, 4Energy Invest is a focused biomass player active in the cogeneration of wood biomass into energy. 4Energy Invest currently only operates (Amel I) and tests (Amel II) biomass cogeneration projects, but seriously considers expanding its business beyond biomass cogeneration into other methods of valorisation of biomass.

6.2.5. Experienced and multi-disciplinary management team

Before the creation of 4Energy Invest in 2005, the three Founders each have developed a strong track record in the energy sector. They have built up in-depth knowledge in developing, financing, constructing, managing and operating national and international projects for highly recognised multinationals such as Tractebel, Nuon, SPE, Dynegy and Indaver.

4Energy Invest's CEO, Yves Crits, spent almost his entire career (more than 20 years) in the energy sector working for Tractebel Engineering, Tractebel Electricity and Gas International, Turbowinds, Nuon, SPE and Mesa. He worked 13 years as business development manager of Tractebel EGI in a multitude of countries such as Thailand, Kazakhstan, Syria, Lebanon and the United Arab Emirates during which he was responsible for setting up and negotiating more than 30 project agreements. As Vice President of Tractebel's Business Development, he defined and implemented the general strategy for Tractebel's investments in the gas and power sectors in South Korea. Before he joined Nuon, he worked 2.5 year as vice president business development manager at Turbowinds, where he negotiated and developed the creation of a joint venture in Les Vents de France SAS and as general manager of Global Wind Energy Ventures, where he was responsible for the development of several windfarms in Costa Rica and France. At Nuon, Yves Crits assisted in the negotiations and development of a wind park in the harbour of Antwerp and in the contractual structuring of a 200 and 800 MW CHP plant. In addition, he worked as consultant for SPE in regulatory affairs in Wallonia and the Brussels Region and was managing director of Mesa, which is a 22 MW wind farm project in Wallonia.

4Energy Invest's CFO, Nico Terry, spent his entire career (about 10 years) in the international utility sector working for Tractebel SA, Dynegy UK Ltd and Nuon NV. He started in 1996 in the Corporate and Project Finance Department of Tractebel in Brussels where he advised for Tractebel's international development companies EGI (electricity & gas) and EDS (waste management). He moved early 1999 to South-America to become corporate development manager involved in the set-up, management and corporate restructuring of Tractebel's activities in Chili, Argentina and Peru. During his stay in South-America he held various Board positions in the regional affiliates of the Tractebel Group. Early 2001 he moved to London to become part of Dynegy's UK Ltd European project Development team focusing on the long-term investment possibilities and cross-border trading opportunities within the European electricity and gas markets. From mid 2003 to June 2006 he consulted to Nuon on its project development activities in Flanders.

4Energy Invest's COO, Guido Schockaert, has over ten years of experience as project and business development manager at Indaver, Dalkia and Nuon. In that capacity, he has been instrumental in biomass product development and development of (biomass) and cogeneration plants. Mr. Schockaert has been responsible as Chief Operating Officer for the construction of the Biomass cogeneration plant in Amel which has been developed within budget.

The multi-disciplinary management team of 4Energy Invest and their proficient employees and consultants, have proven to be successful in developing tailor-made projects which try to optimize the local regulatory framework, the local fuel supply chain, the technical constraints, specific operating conditions and local financing possibilities. The relative limited number of highly skilled persons involved, results in a very efficient and fast decision-making process.

6.3. Strategy

Banking on the multi-disciplinary experience and expertise of its management team and the fully operational plant of Amel, 4Energy Invest intends to continue to identify, design, develop, construct and operate, together with carefully selected partners, similar small to mid-sized cogeneration projects throughout Europe. Such projects should ideally be strongly embedded with local industrial players from whom the biomass feedstock could be sourced and who would be the first takers of heat and, in the longer run, other value added products.

4Energy Invest believes that it is well positioned to win and secure such projects, firstly because of its proven track record and secondly because it has experienced that the projects it focuses on are often too small to fall within the scope of interest of the larger energy producers and too complex to be handled directly by the industrial players themselves. 4Energy Invest's key strategies to help achieve these goals are summarized below.

6.3.1. Generate power and environmental value

4Energy Invest aims to build a portfolio of projects that valorise biomass into energy. This strategy inherently creates value in two main forms: power value (by generating and selling electricity and heat) and environmental value (which can be financially valorised by selling Green Certificates).

Regulatory systems that allow to financially capture the environmental value of biomass projects vary from country to country and sometimes even from region to region. 4Energy Invest's strategy is based on the development of industrial projects that take into account the regulatory framework to maximize the power and environmental value thereof.

While regulatory systems are inherently uncertain and often subject to change, 4Energy Invest believes it can benefit from the current trend towards stronger policies for protecting the environment and promoting green energy.

6.3.2. Focus on locally embedded sustainability

4Energy Invest has developed a strong focus on sustainability for the sourcing and development of projects. 4Energy Invest believes that it is key to focus on small and mid-sized decentralized power units that use local biomass resources with a view to, inter alia, limiting the cost and the harmful impact of transport on the environment. Furthermore, local biomass plants significantly reduce the energy, disposal and transport cost of industrial clients. As their industrial processes rely heavily on heat, 4Energy Invest helps them to enhance their competitive position. 4Energy Invest strives to create a sustainable win-win situation for all stakeholders.

6.3.3. Manage risks and control costs

4Energy Invest intends to continue its policy of controlling and managing carefully the risks, costs and timing associated with project development. By following a standard approach which has proven its success, 4Energy Invest strives to control to a maximum extent the risks inherent to project development. Therefore, 4Energy Invest follows a modular approach in which only the best available and appropriate technology will be used for projects. As the number of projects in which 4Energy Invest intends to engage increases, 4Energy Invest expects to be able to benefit from economies of scale enabling e.g. pooling of spare parts and performance benchmarking. The creation of a portfolio of renewable biomass projects should further improve the operational efficiency of the projects (by cross selling expertise among the various projects) and enhance the total profitability of 4Energy Invest.

6.3.4. Master in development, construction and commercial operations

4Energy Invest wants to maintain and strengthen its presence across the entire value chain for the generation of energy from biomass as a developer, owner/investor and operator and to leverage on the synergies made possible by mastering all phases of project development and implementation. By combining the roles of developer and owner/investor, 4Energy Invest believes that it is best placed to retain the value created during the development and construction phase without neglecting the quality and the long-term sustainability of the power plant facilities.

6.3.5. Enhance shareholder value by optimizing external financing

4Energy Invest intends to optimise the financing of each project by using long-term financing, grants and tax advantages for renewable energy facilities. The equity to debt ratio will always be in function of the full contractual package of the transaction and is likely to vary from project to project, from region to region and over time. 4Energy Invest currently believes that cogeneration projects can be leveraged with debt for approximately 75% of the total financing cost. The entire Amel project is to a large extent financed with long-term debt facilities (see Section 7.4.2).

6.3.6. Geographical expansion through selective international development

The international diversification of 4Energy Invest's business should enable it to create additional sources of growth and to manage more effectively the risks associated with geographical, environmental, political, technological, regulatory and economical conditions.

4Energy Invest intends to implement its strategy on an international scale but wants to maintain a local and specific approach in each of the countries in which it operates. 4Energy Invest wants to develop projects in countries and regions that offer both natural potential and a favourable regulatory environment based on either an attractive system of green certificates or either feed-in tariffs. Today 4Energy Invest focuses on the Belgian regions and the United Kingdom. In the medium to long term 4Energy Invest will also look at opportunities in Germany and Eastern European countries. 4Energy Invest believes that its current business model can also be applied in those jurisdictions. In the longer term, it may consider moving into other markets that offer potential for green energy production from biomass.

6.3.7. Develop additional sources of growth

4Energy Invest is looking to expand its current activities of cogeneration towards other biomass applications that are expected to mature and achieve similar or superior levels of growth in the medium term.

4Energy Invest has filed an application for a modification of its current single permit to allow for the creation of a plant, on a new site within the Amel industrial zone, that converts biomass (wood) into solid fuel, i.e. green coal. Production of green coal is an application that fits within 4Energy Invest's present strategy, in general, and within its current activities in Amel, in particular because it can further optimize the use of the heat generated by Amel I and II. By adding a production process of green coal to the site of Amel I and, in the near future, Amel II, 4Energy Invest intends to valorise all products of cogeneration to a maximum extent. Another alternative application could consist of the conversion of biomass into liquid fuel, i.e. bioethanol. A conversion unit for the production of bioethanol could be integrated with (i) a cogeneration plant that may convert biomass into heat and electricity and (ii) a second unit that separates starch and gluten from wheat, and subsequently dries and conditions the gluten into high value human food additives (vitalgluten).

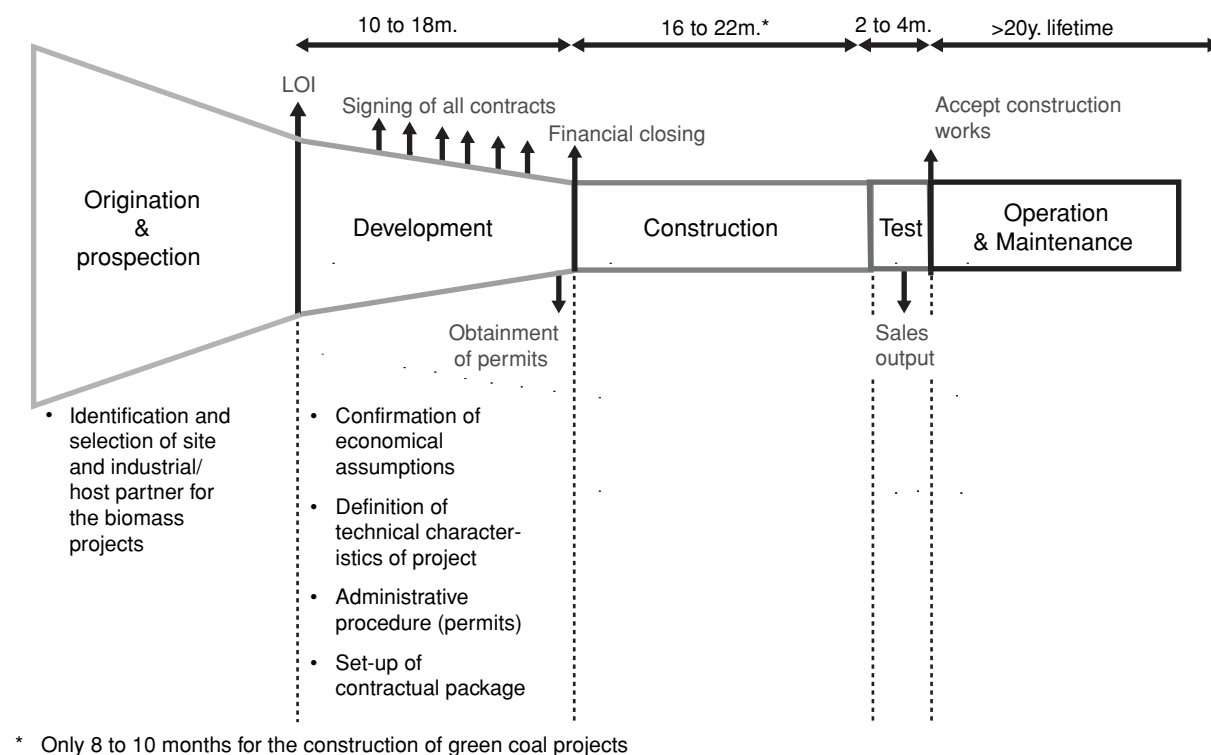
Projects of this nature, which 4Energy Invest will continue to monitor closely, may give 4Energy Invest, in the future, an even more diversified presence in almost all the energy applications of biomass.

6.4. Overview of business operations and projects

As a project development company, 4Energy Invest has a number of projects in different stages of development. The lifetime of a biomass project and more specifically, a cogeneration project, can be split in five different phases: (i) origination, (ii) development, (iii) construction, (iv) test and (v) commercial operation and maintenance. Figure 9 provides an overview of the different phases in the life cycle of a biomass project. In practice, certain steps that are categorized in one phase may be moved forward or may be delayed, in function of the dynamics of the project concerned. The timelines provided below are indicative and may vary from project to project.

4Energy Invest has one project in operation, one project in test phase and two projects in development phase that relate to biomass cogeneration (see Section 6.4.1 below) and has one project in development phase that relates to conversion of biomass into solid fuels (see Section 6.4.2 below). 4Energy Invest currently considers, or has recently examined, 7 to 10 projects in origination phase.

Figure 9: Typical project phases and timing of a Biomass project



Source: 4Energy Invest

6.4.1. Biomass cogeneration projects

At the date of the Prospectus, 4Energy Invest has one biomass cogeneration project in operation, one in test phase and two under development.

6.4.1.1 Project in operation: Amel I

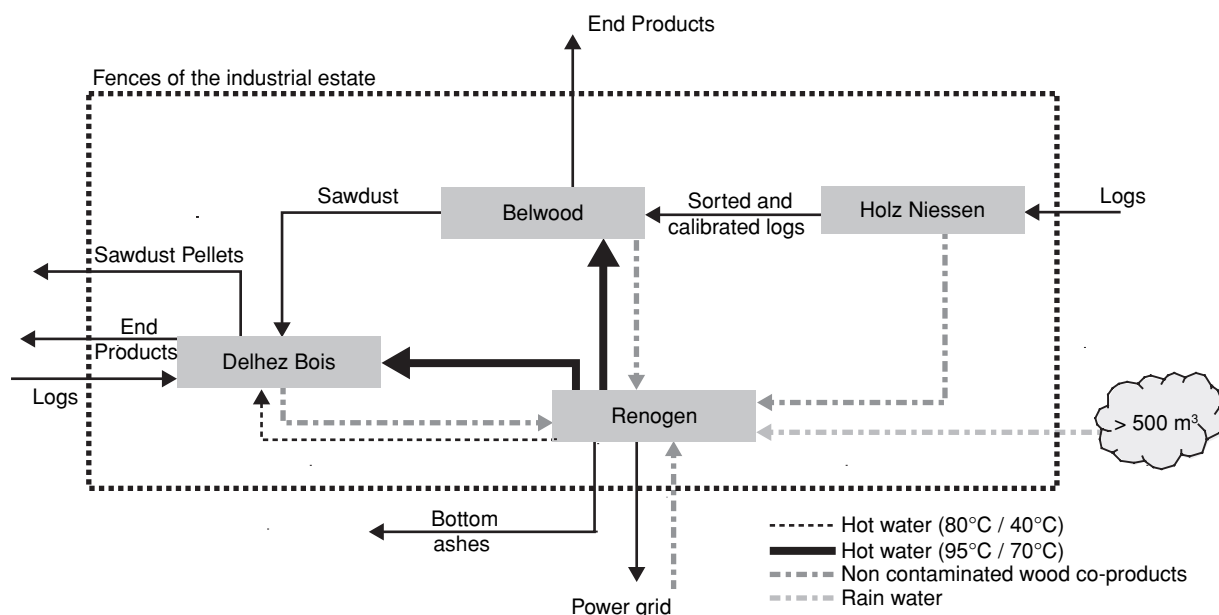
Through its fully owned subsidiary Renogen, 4Energy Invest owns a parcel of land (of approximately 1.4 hectares) at the industrial zone of Kaiserbaracke in Amel (Wallonia, Belgium), which is located right next to the highway E42 and is exclusively destined for wood and food related activities. The industrial zoning presently houses three wood processing companies and offers potential for the extension of the operations of these companies as well as the establishment of new companies. On this zoning, 4Energy Invest (through its fully owned subsidiary Renogen) developed a biomass cogeneration plant in cooperation with the three industrial parties, Belwood Amel, Holz Niessen and Delhez-Bois. Figure 10 shows the concept of the cogeneration project in Amel I. Belwood Amel, Holz Niessen and Delhez-Bois, who produce finished or half-finished wood products for different industrial purposes, contracted to supply non-contaminated wood waste to 4Energy Invest corresponding to between 40 and 45%⁽²⁷⁾ of the total biomass supply. This supply, for which 4Energy Invest pays (through Amel Bio⁽²⁸⁾, which is owned for 72.6% by Renogen and for the remaining part by the three other project parties) at a transparently set price, implies a considerable cost saving for the companies concerned. Before the project, this biomass, had to be transported and disposed of at an extra cost. Belwood Amel and Delhez-Bois need significant heat in their production process to dry their finished (or half-finished) wood products. 4Energy Invest uses the wood waste it purchases from these companies (through Amel Bio) as fuel and sells energy mainly in

⁽²⁷⁾ The remaining part of the biomass will be sourced in the surrounding area.

⁽²⁸⁾ Amel Bio, which is controlled by Renogen negotiates and purchases the local biomass at the prevailing market price. The participation of the three partners in Amel Bio is only destined to provide transparency to these three partners.

the form of heat to them. The pricing mechanism agreed with the industrial partners allows 4Energy Invest to pass through any increase in the price of biomass into the price of heat. The produced electricity is sold to energy suppliers and fed into the distribution grid.

Figure 10: The concept of an integrated sustainable cogeneration project



Source: 4Energy Invest

On 1 July 2005, 4Energy Invest (through its fully owned subsidiary Renogen) obtained a single permit covering the following environmentally sensitive and regulated activities: an installation for the production and distribution of electricity, an installation for the production of an electricity plant or combustion plant, an installation for the production and distribution of heat and steam, a waste incineration plant with a capacity under the 100 t/day waste, silos for storing cereals, grains and other foodstuff, the storage of flammable or combustible fluids (except certain hydrocarbons) and the storage of dangerous goods. The single permit provides for particular obligations or commitments to be respected, including with regard to the nature of the fuels that may be used, the volumes of fuel that may be burnt, the storage of wood and fire prevention measures.

The project in Amel (“Amel I”) includes two kinds of cogeneration systems: a wood fired boiler with a steam turbine and a diesel engine which can operate separately or together. An additional back-up oil fired boiler allows 4Energy Invest to guarantee a continuous supply of energy to the industrial wood processors.

The key characteristics of both engines are briefly described below:

The wood fired cogeneration

Technology	Moving grate boiler with steam turbine allowing controlled extraction of heat.
Process	Wood fired boiler and steam turbine with controlled extraction of heat. The required heat is extracted and the rest of the steam is used to produce electricity.
Main Supplier	Wärtsilä Biopower, Finland

Fuel	<p>Non-contaminated wood which can have up to 65% moisture content. A dedicated fuel preparation unit has been built in order to accept and select any kind of non-contaminated wood waste such as waste bark and rotted logs, which significantly reduces the dependence on a certain type of woodstock and allows 4Energy Invest to negotiate the best price of the purchased wood materials.</p> <p>Fuel consumption is around 7.5 tonnes per hour at full load production with a wood at 50% moisture content.</p>
Gross Output	Maximum gross output of the steam turbine: 5.5 MW electrical
Yearly running hours	On average 8,000 hours per year ⁽²⁹⁾
Net Performance	<p>If no MW thermal is extracted, the net electricity production amounts to 4.6 MWe</p> <p>If 6 MW thermal is extracted, the net electricity production amounts to 3.8 MWe</p>
Estimated annual production	<p>In normal operation, annual production is estimated at around:</p> <p>— 30,400 MWh electrical</p> <p>To calculate the theoretical electricity sales capacity of Amel I, one could multiply 30,400 MWh per annum with the average electricity price. Assuming an average electricity price of €50/MWhe, the theoretical sales capacity of the Amel I plant would amount to €1.5m of electricity sales. Assuming an average electricity price of €60/MWhe, the theoretical sales capacity of the Amel I plant would amount to €1.8m of electricity sales.</p> <p>— 48,000 MWh thermal</p> <p>To calculate the theoretical heat sales capacity of Amel I, one could multiply 48,000 MWh per annum with the average heat price. Assuming an average heat price of €10/MWth, the theoretical sales capacity of the Amel I plant would amount to €0.5m of heat sales.</p> <p>In addition, the majority of the sales would come from the sale of Green Certificates granted by the Walloon government see also Section 5.4.1.1.</p>
Theoretical capacity of produced Green Certificates	<p>If no MW thermal is extracted, the theoretical maximum capacity of produced Green Certificates of Amel I should amount to 36,800.</p> <p>If 6 MW thermal is extracted, the theoretical maximum capacity of produced Green Certificates of Amel I should amount to 60,800.</p>
Start of Commercial Operation	November 2007 ⁽³⁰⁾ (with test phase starting in February 2007)
Additional operational feature	The plant can be operated unmanned during nights, weekends and holidays and can be remotely controlled via Internet

The diesel engine

Technology	Diesel engine
Process	The engine produces first electricity. Fatal heat is recovered from exhaust gas and is distributed to local customers.

⁽²⁹⁾ A full year consists of 8,760 hour. Besides 8,000 production hours, there are two scheduled maintenance stops, each taking on average 11 days and unscheduled stops of on average 9 days.

⁽³⁰⁾ Test phase started in February 2007

Main Supplier	Anglo Belgian Corporation (ABC), Belgium
Fuel	Biofuels
Gross Output	3 MWe
Yearly running hours	Up to 8,000 hours per year depending on the availability of fuel at attractive market prices
Net Performance	Up to 4 MW thermal can be recovered when generating 3 MW electrical
Start of Commercial Operation	February 2007
Additional operational feature	The engine can be controlled remotely via Internet. The engine runs only when generating value. The diesel engine can operate as a back-up for the wood fired boiler with steam turbine, but can also operate independently in the event where the low cost of biofuels and/or the high price of electricity make the production and sale to the grid of electricity by the diesel engine economically viable. Accessorily, fatal heat is recovered from the exhaust gas of the diesel engine. This recovered heat is injected into the hot water network that delivers heat to the local consumers.

6.4.1.2 Project in test phase: Amel II

4Energy Invest (through its fully owned subsidiary Renogen) has constructed and is currently testing a second project in Amel ("Amel II"), which is an extension of Amel I located on the same site owned by 4Energy Invest. The extension consists of a second wood fired boiler and a second steam turbine which will allow 4Energy Invest (i) to deliver heat to new industries or extensions of the existing industries on the (extended) industrial zoning in Amel and (ii) to supply electricity to the grid. The pricing mechanism agreed with the industrial partners allows 4Energy Invest to pass through any increase in the price of biomass into the price of heat. 4Energy Invest expects to sell the electricity and Green Certificates to the same partners at the same conditions as applied for Amel I.

For Amel II, on 8 February 2007, 4Energy Invest (through its fully owned subsidiary Renogen) obtained a modification of the single permit dated 1 July 2005 whereby the following environmentally sensitive and regulated activities were added to the single permit: plants for the treatment of harmless waste (except for certain plants) and a unit for the recycling of the ashes. The modification of the single permit provides for particular obligations or commitments to be respected, including with regard to the nature of the fuels that may be used, the volumes of fuel that may be burnt, the storage of waste, the quantity of ashes and waste prevention measures.

The key characteristics of this project in test phase are the following:

Technology	Moving grate boiler with steam turbine allowing controlled extraction of heat
Main Supplier	Wärtsilä Finland, Finland
Fuel	Non-contaminated wood which can have up to 65% moisture content. A dedicated fuel preparation unit has been built in Amel I project with enough capacity to cover also Amel II needs. Fuel consumption will be around 7.5 tonnes per hour at full load production with wood at 50% moisture content.
Gross Output	The maximum gross output of the steam turbine is expected to be approx. 5.7 MW electrical
Yearly running hours	On average 8,000 hours per year ⁽³¹⁾

(31) A full year consists of 8,760 hour. Besides 8,000 production hours, there are two scheduled maintenance stops (in 2008 these stops are scheduled in Q1 and Q3), each taking on average 11 days and unscheduled stops of on average 9 days.

Net Performance	<p>If zero MW thermal is extracted, the net electricity production amounts to 4.8 MWe</p> <p>If 6 MW thermal is extracted, the net electricity production amounts to 4.15 MWe</p>
Estimated additional annual production	<p>In normal operation, additional annual production is estimated at around:</p> <ul style="list-style-type: none"> — 33,200 MWh electrical <p>To calculate the theoretical electricity sales capacity of Amel I, one could multiply 33,200 MWh per annum with the average electricity price. Assuming an average electricity price of €50/MWhe, the theoretical sales capacity of the Amel II plant would amount to €1.7m of electricity sales. Assuming an average electricity price of €60/MWhe, the theoretical sales capacity of the Amel I plant would amount to €2.0m of electricity sales.</p> <ul style="list-style-type: none"> — 48,000 MWh thermal <p>To calculate the theoretical heat sales capacity of Amel II, one could multiply 48,000 MWh per annum with the average heat price. Assuming an average heat price of €10/MWth, the theoretical sales capacity of the Amel I plant would amount to €0.5m of heat sales.</p> <p>In addition, the majority of the sales would come from the sale of Green Certificates granted by the Walloon government see also Section 5.4.1.1.</p>
Theoretical capacity of produced Green Certificates	<p>According to law, the wood fired cogeneration facility of Amel I and Amel II are considered as one entity for purposes of calculating the 5MW ceiling in relation to the Green Certificates.</p> <p>If no MW thermal is extracted, the theoretical maximum capacity of produced Green Certificates of Amel I and II should amount to 68,000.</p> <p>Assuming an optimal use of heat of Amel I and Amel II, the theoretical maximum capacity of produced Green Certificates of Amel I should amount to 108,000.</p>
Start of Commercial Operation	Scheduled before end 2008
Additional operational feature	The plant can be operated unmanned during nights, weekends and holidays and can be remotely controlled via Internet.

6.4.1.3 Projects in stage of development

4Energy Invest constantly seeks and often receives, especially since Amel I has become fully operational, new project opportunities. Only few projects survive the scrutiny and strict requirements set by the 4Energy Invest management team and board of directors. The projects that do survive the first (origination) phase are brought into the next (development) phase. This means that 4Energy Invest will dedicate more management time and resources and make more investments in the project but this does not guarantee that the project will eventually materialise. The likelihood that these projects will effectively materialise will increase significantly once they are moved, if ever, into the construction phase (which will depend, inter alia, on the availability of permits, the access to land, the availability of debt financing and the negotiation of partnership and construction agreements in terms acceptable to 4Energy Invest).

The projects in development phase are listed below.

a. Ham Cogeneration Project

In October 2007, 4Energy Invest (through its subsidiary Renogen), signed a Letter of Intent to cooperate with an industrial partner (Agricon NV) that produces by-products of wood (decorative bark) on an industrial zoning at Ham (Flanders, Belgium).

The Ham project is designed in such a way that 4Energy Invest's industrial partner is expected to supply approximately half of the biomass (from its on site activities) required for running a cogeneration plant on the site and that the other half of the biomass feedstock will be delivered by other biomass supplier(s). 4Energy Invest will grant its industrial partner mainly with heat (1.5 MWth). Besides, 4Energy Invest is expected to be capable to feed the electricity produced into the distribution grid and to sell the corresponding Green Certificates.

The Letter of Intent provides that Renogen may eventually acquire a building and planting right ("*recht van opstal*") on the site on which the cogeneration would be built, from the owner of the land, Coverco NV.

The preparation of an environmental impact study (MER) has started in November 2007. Typically it takes 6 to 8 months to complete such study. After the receipt of the MER, the environmental permit application will be introduced. It takes, on average, 5 to 6 months to obtain an environmental permit (assuming that no specific issues arise).

The application for the building permit or construction permit for the Ham plant has been submitted to the local municipality in March 2008. It typically takes 5 to 6 months to obtain a construction permit.

Below is a summary of the key characteristics of the Ham project under development:

Technology	Moving grate boiler with steam turbine with allowing controlled extraction of heat.
Fuel	<p>Non-contaminated wood which can have up to 35% moisture content. A dedicated fuel preparation unit has been planned in order to process any type of non-contaminated wood waste as biomass (barks, rotted logs, etc.).</p> <p>Fuel consumption will be around 7.5 tonnes per hour at full load production with a wood at 35% moisture content.</p>
Gross Output	The maximum gross output of the steam turbine will be in the range of 6 to 7.5 MWe.
Estimated annual production	<p>In normal operating conditions, the estimated annual production is:</p> <ul style="list-style-type: none">— 12,000 MWh thermal— 50,000 MWh electrical
Yearly running hours	On average 8,000 hours per year
Start of Commercial Operation	Subject to a timely receipt of the permits and the equipment delivery time, commercial operations would start in the second half of 2010.

b. Pontrilas Renewable Energy Ltd

On 12 March 2008, 4Energy Invest (through its fully owned subsidiary Renogen) acquired 75% of the shares in Pontrilas Renewable Energy Ltd ("Pontrilas"). The remaining 25% of the shares are held by Pontrilas Group Limited ("PGL"), the future partner of Pontrilas. Pontrilas holds a conditional planning consent, issued on 29 January 2007 and expiring on 29 January 2012 for the construction of a clean renewable energy biomass power generation plant consisting of two Biomass fired boilers with two steam turbines. Pontrilas Timber and Builders' Merchants Ltd ("PTBM"), an affiliate of PGL, should be capable of supplying approximately two thirds of the biomass required annually to run the cogeneration plant, sourced from its on-site sawmill operations. The project is located in Pontrilas, Herefordshire, United Kingdom. Comparable to the Amel project, the cogeneration plant would supply heat to the sawmill, feed electricity into the distribution grid and sell the corresponding green benefits.

On the same date, Renogen entered into a shareholders' agreement with PGL and Pontrilas, which provides that in the event that PGL and Renogen have not signed a memorandum confirming that they have put into place a firm financial package for the project by 30 April 2009 (the "end date"), PGL has the right, but not the obligation, to call Renogen's shares in Pontrilas during the three month period following the date that is three months after 30 April 2009. If the prerequisites for signing the memorandum have not been achieved by the end date, Renogen and PGL may agree in writing to extend the end date by up to a maximum of three calendar months. PGL and Renogen shall meet in January 2009 to review the end date. By way of protection for Renogen, if PGL exercises its call option it agrees that it will not sell those shares to any third party for a period of two years following completion. If PGL does not exercise its call option within this three month period, the parties agree to take the steps necessary to liquidate Pontrilas.

Pontrilas intends to lease on a long-term basis the land and rights of way necessary to build and operate the cogeneration plant. The cogeneration plant is expected to run with the qualification of a good CHP.

While a planning consent has already been obtained, a number of other permits, including but not limited to the environmental permit, the pollution prevention and health and safety permits and the connection to the grid, still need to be applied for. Also the right to use the land concerned still needs to be negotiated. It is presently expected that the application for the various permits and the negotiation of the connection to the grid will commence as of Q2 2008. Once the applications have been made, it generally takes approximately 6 to 9 months to obtain them.

On 12 March 2008, Renogen entered into a service agreement with an experienced manager who will mainly be working on the project located in Pontrilas. Renogen will only be able to charge all development costs relating to the project development (including manager costs) to Pontrilas as of the financial closing of the project.

The key characteristics of the Pontrilas project are the following:

Technology	2 moving grate boiler with 2 steam turbines, allowing controlled extraction of heat.
Fuel	Non-contaminated wood, which can have up to 35% moisture content. A dedicated fuel preparation unit is planned to be built in order to process any type of non-contaminated wood waste as biomass (barks, rotted logs, etc.). Fuel consumption will be around 7.5 tonnes per hour at full load production with a wood at 35% moisture content.
Gross Output	The maximum gross output of each of the two steam turbines will be in the range of 6 to 7.5 MWe.
Yearly running hours	On average 8,000 hours per year.
Estimated annual production	In normal operating conditions, the estimated annual production is: — 45,000 MWh thermal — 100,000 MWh electrical
Start of Commercial Operation	Subject to a timely receipt of the permits and the equipment delivery time, commercial operations would start by end 2010.

6.4.2. Biomass conversion project

6.4.2.1. Conversion into solid Fuel

At the date of the Prospectus, 4Energy Invest, through its fully owned subsidiary Renogen, is in the final stage of negotiating the purchase of additional land at the Amel industrial zoning (next to the Amel I site) from the local industrial developer 4Energy Invest intends to build and operate, on this new site, a torrefaction unit that converts biomass into solid fuel (green coal). 4Energy Invest currently intends to produce approximately 40,000 tons of green coal per year from 80,000 tons of biomass with an average moisture content of 50%. The cogeneration plants from the Amel I and Amel II projects could supply heat (presently estimated at 3 to 4 MWth per annum) and electricity to the torrefaction unit.

In April 2008, 4Energy Invest applied for a modification of its existing single permit (construction permit and environmental permit) for Amel I and II, which is currently in progress with local authorities. The modification covers, inter alia, the construction and operation of the torrefaction unit. Typically such permit procedure takes approximately 7 to 8 months. Construction time for a torrefaction facility is, depending equipment delivery time, estimated at approximately 8 to 10 months.

Green coal has similar characteristics as ordinary coal except that it is CO₂ neutral, 4Energy Invest is planning to market this green coal mainly towards utilities operating coal power plants in Belgium, in Germany and/or in the Netherlands and towards wholesalers of charcoal for barbecue use.

6.5. Competition

4Energy Invest mainly faces competition in terms of availability of industrial sites and to some extent on the supply side. The latter is more specifically in terms of the availability of biomass feedstock to supplement the biomass not available on-site.

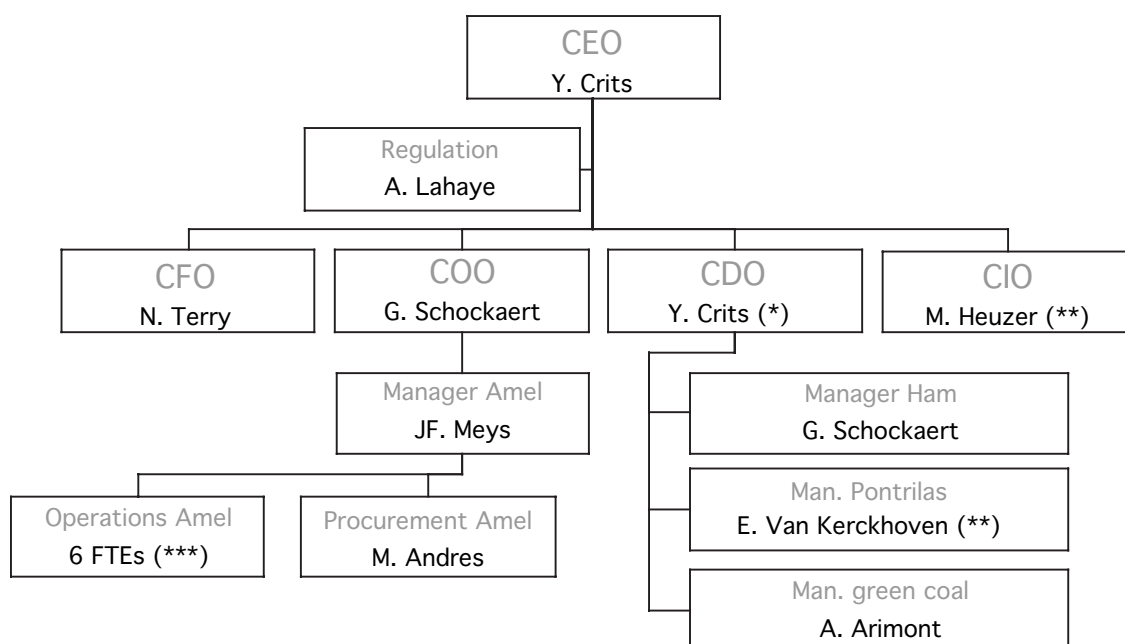
In addition, within the green energy industry, potential competitors to 4Energy Invest are:

- **Utilities:** Large utilities are potential competitors for the development of local green energy projects; so far, 4Energy Invest has experienced that, in most cases the size of the local projects that 4Energy Invest is focusing on, appears to be too small and thus generally out of the scope of the larger utility companies.
- **Independent green power producers:** 4Energy Invest also competes with other renewable energy producers for the development of projects. 4Energy Invest believes, however, that entry barriers in the biomass market are relatively high because the construction and the operation of a biomass cogeneration plant requires multi-disciplinary expertise and process know-how that are crucial to the success of the project.
- **Industrial players** (particularly in the wood sector), whose production process relies heavily on heat and electricity, and, possibly also, suppliers of biomass, are more often seeking ways to produce their own green energy in order to increase efficiency and decrease operating costs. These companies are not pure competitors, as they are not actively looking further for projects in renewable energy, but to the extent that they decide to set up their own cogeneration facility, they might be considered a lost opportunity for companies such as 4Energy Invest.

6.6. 4Energy Invest's management and board of directors

For an overview of the curricula vitae of the management team and the members of the board of directors, reference is made to respectively Sections 6.2.5 and 4.2.4.

6.7. Organizational structure



* temporary

** consultants

*** 6 FTEs include 4 employees of Wärtsilä

6.8. Human resources

At the date of the prospectus, 4Energy Invest employed 6 employees. All of 4Energy Invest's employees are working in Belgium. In 2008, 4Energy Invest (through Renogen) entered into an agreement with a consultant for the Pontrilas project.

In addition, in 2007, 4Energy Invest called on 4 outsourced FTEs, mainly for the maintenance and operational activities of Amel I.

6.9. Litigation

4Energy Invest (through its subsidiary Renogen) is involved in one important litigation, as plaintiff, against an insurance company relating to damage resulting from delays in the delivery of Amel I, in excess of the damage compensated by the contractors. The outcome of the proceedings could have a positive impact on the results of 4Energy Invest. The claim is for a total amount of approximately €1.4 million. The proceeds of this claim will partially be applied for the repayment of the first and second postponed repayments of the credit facility of Amel I (see also Section 8.1.7.18).

7. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

The following discussions and analysis should be read in conjunction with (i) the section entitled “Selected key financials” and (ii) the Issuer’s audited consolidated financial statements, including the notes to those financial statements, included in this Prospectus. Certain statements in this section are “forward-looking” statements and should be read in conjunction with the disclaimer “Forward-Looking information”.

The operating and financial review presented below is based on the consolidated financial statements, of 4Energy Invest which comprise the audited consolidated balance sheets at 31 December 2007, 31 December 2006 and 31 December 2005, the audited consolidated income statements and the audited consolidated cash flow statements for the years then ended. The statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU.

The consolidated figures for 2005 consist of the figures for Renogen SA for twelve months and the figures of 4Energy Invest NV for three months, starting from the incorporation of the company on 28 September 2005.

Between September 2005 and November 2005, the Issuer and Renogen SA have been working under common control of the Founders. For this period the principles of combined consolidation (consortium) have been applied. From November 2005 onward, the Issuer acquired direct control over Renogen SA, as a result, the financial statements of the Group are presented as consolidated financial statements.

7.1. General

4Energy Invest is a Belgian based renewable energy company that aims at creating and managing a European portfolio of small to midsize locally embedded projects that valorize biomass, directly or indirectly, into energy. 4Energy Invest identifies potential biomass projects, performs a feasibility study and eventually takes responsibility for developing, financing, constructing and operating the project, in close cooperation with carefully selected suppliers and partners.

Currently, 4Energy Invest (through its fully owned subsidiary Renogen) has a cogeneration project, located in Amel (Wallonia, Belgium), that is fully operational since November 2007. The total investment for this project amounted to €25.0 million. 4Energy Invest has constructed an expansion of the Amel cogeneration plant which will almost double the capacity of the site and which is currently in test phase and expected to be operational before end 2008 (estimated investment of €13.4 million). 4Energy Invest has further identified a number of sites that offer opportunities to build and operate similar cogeneration projects to Amel I, in Belgium as well as elsewhere in Europe. Presently, the project in Ham (Flanders, Belgium) and in Pontrilas (England, UK) are in development phase.

The cogeneration project of Amel is built around sustainability and follows a project approach in which win-win situations are created for all stakeholders: 4Energy Invest sources a large part of the biomass feedstock for its power plant from the waste (non contaminated wood) of local industrial partners and sells the produced energy to said industrial partner(s), sells the produced electricity fed into the distribution grid. As a result of the on-site energy production, the industrial partner turns its waste disposal into a profitable feedstock and simultaneously reduces its energy costs (through the purchase of heat) whereas 4Energy Invest secures its access to a substantial volume of sustainable biomass.

Revenues of cogeneration projects are generated through the sale of energy and of Green Certificates. 4Energy Invest sells energy in the form of heat (MWth) to its local industrial partners that are intensive energy users thereof, and in the form of electricity (MWe) to energy suppliers, by feeding it directly into the distribution grid. In addition, 4Energy Invest sells its Green Certificates to energy suppliers.

Exploiting the in-depth cogeneration expertise that it has gained throughout the process of designing, financing, constructing and operating the Amel plant, 4Energy Invest presently pursues other similar cogeneration projects either on a stand alone basis or in combination with other applications that converts biomass into solid fuel (green coal). All these projects are still in development phase (permits application, negotiation of land use rights and of contracts with partners). The probability of these projects materializing into operations, such as Amel I will increase significantly once, if ever, these projects move into the construction phase.

By the end of 2007, 4Energy Invest employed 5 persons and generated €5.8 million of revenues with a corresponding Ebit of €1.4 million.

7.2. Project driven results

As a project development Company, 4Energy Invest has a number of projects at different stages of development. As explained in Section 6.4. of this prospectus, the lifetime of a project can be split into five different phases: (i) origination, (ii) development, (iii) construction, (iv) test and (v) commercial operation.

The timings of the different phases of each investment project of 4Energy Invest has a significant impact on the evolution of the consolidated financial statements of the Group. 4Energy Invest activates all directly attributable project expenses incurred on a particular project until either the project enters into commercial operation, or it has become clear that the project will not materialize. From that moment onwards, the incurred project expenses are taken to the consolidated income statement. General and administrative expenses with regard to the operation of 4Energy Invest and its affiliates are not activated and immediately booked as expenses.

4Energy Invest has one project in operation, one project in testing and two projects in development phase that relate to biomass cogeneration (see Section 6.4.1 above) and has one project in development that relate to conversion of biomass into solid fuels (see Section 6.4.2 above).

7.3. Consolidated Income statement

	2007	2006	2005
	€'000	€'000	€'000
Sales	4,356	0	0
Other operating income	1,452	0	0
Revenues	5,808	0	0
Operating expenses			
Cost of sales	(2,652)	0	0
Personnel costs	(181)	(3)	0
Other operating expenses	(841)	(267)	(23)
Operating cash flow (EBITDA)	2,134	(270)	(23)
Depreciation, amortisation and provisions	(352)	(8)	0
Impairment of property, plant and equipment	(376)	0	0
Operating result (EBIT)	1,405	(278)	(23)
Financial income	2	2	0
Financial costs	(207)	(3)	0
Net financial costs	(205)	(1)	0
Result before tax	1,200	(278)	(23)
Income tax expense	26	869	77
Result of the period	1,226	591	54
Attributable to:			
Equity holders of 4 Energy Invest	1,260	594	54
Minority interests	(34)	(3)	0

7.3.1. Sales

The commercial operation of the first project of 4Energy Invest, Amel I, started albeit partially, in February 2007 (see also Section 6.4.1.1). This cogeneration project consists of two kinds of cogeneration systems: a wood fired boiler with a steam turbine and a diesel engine. The diesel engine was brought into commercial operation in February 2007. As of then, the diesel engine related costs were expensed. The wood fired boiler with a steam turbine was in test phase as of February 2007 and became commercially operational as of November 2007. Because the wood fired boiler created a positive gross margin as from January 2007 (as a result of sales generated during the test phase), the boiler related operating costs incurred during the test phase were expensed as of January 2007 and all other directly attributable costs (e.g. the financing costs) were activated until November 2007 and brought into expenses thereafter. Due to an exceptional long period of testing, the 2007 figures can not be seen as representative for the coming years.

The revenues increased to €5.8 million in 2007 from €0.0 million in 2005 and 2006 because Amel I only became operational in 2007.

The sales in 2007 are mainly composed of the sale of energy (heat and electricity for €1.2 million) and the sale of Green Certificates €3.0 million. The sale of all produced energy of Amel I is contracted under 10-year off-take agreements with the industrial customers Belwood-Amel, Delhez Bois and SPE respectively. The sale of electricity is close to the market price. The vast majority of the produced of Green Certificates of Amel I is contracted under a 10-year off-take agreement with SPE at a fixed price close to the current market price.

The other operating income in 2007 mainly includes delay damages amounting to an aggregate of €1.3 million that were paid by certain contractors to Renogen under the term of the Engineering Procurement Construction (EPC) contracts signed with Wärtsilä Biopower for the construction of Amel I.

The projects described in Chapter 6 as being in test phase (Amel II) or in stage of development (Ham project, Pontrilas project and the Amel green coal project) have not created any revenues or sales over the year 2007.

7.3.2. Cost of sales, personnel and other operating expense

Cost of Sales

Total cost of sales rose to €2.7 million in 2007 from €0.0 million in 2005 and 2006. The increase in cost of sales is explained by the gradual start of the commercial operation of Amel I over the course of 2007. The cost of sales of €2.7 million mainly consists of the purchases of biomass (€2.0 million), operating and maintenance expenses (€0.4 million) and other expenses (€0.3 million).

The purchases of biomass can be further split into the wood used as fuel for the wood cogeneration facility (€1.2 million corresponding to 43,858 tonnes) and the biofuels used as fuel for the diesel engine (€0.8 million). The diesel engine serves as back-up solution to supply industrial clients but can also be used as trading tool provided that electricity prices in the market are sufficiently high or biofuels are sufficiently economic to justify an economically viable operation. Due to the delay of the commercial operation of the wood fired boiler, the diesel engine served as back-up solution for an unusually long period in 2007.

The operating and maintenance expenses reflect operating and maintenance fees and related expenses that are owed to the commercial partners of Renogen under their respective 10-year operating and maintenance agreements (which provide for certain availability guarantees over the course of the agreements). 44% of these fees are fixed (i.e. €176k); the diesel engine related fees are variable. In the future the diesel engine will serve more as back-up solution resulting in a higher percentage of fixed operating and maintenance expenses. The other expenses mainly relates to the fuel purchased to operate the fuel handling system and the expenses incurred in removing the bottom ashes from the wood cogeneration plant.

Personnel

In 2005 and 2006, 4Energy Invest has put in place a team that is responsible for the day-to-day management of the activities in Amel. The expenses of this team have been activated until the end of 2006 as the entire team had been involved in the construction of the Amel I facilities. In 2007, the year when Amel I became operational, these expenses were no longer activated but directly taken into expense. In addition, the staff of 4Energy Invest increased from 3 persons at the end of 2006 to 5 persons at the end of 2007.

Other operating expenses

The total other operating expenses increased to €0.8 million in 2007 from €0.3 million in 2006 and €0.0 million in 2005.

This increase mainly relates to management expenses allocated to Amel I, the costs of third party advisors involved in the operation of Amel I, insurance costs, rental expenses and general and administrative expenses. In 2006, this amount included the management expenses allocated to projects that did not materialize, rental expenses and general administrative expenses.

7.3.3. Ebitda

Ebitda increased from €0.0 million in 2005 and (€0.3) million in 2006 to €2.1 million in 2007. In 2005 and 2006 the Ebitda was mainly influenced by the general and administrative expenses and by the development expenses of projects that were not pursued. In 2007 the Ebitda did not reflect the results of a full operational year of Amel I. The Ebitda amounted to 36.7% of revenues in 2007.

7.3.4. Depreciation and Amortization

The property, plant and equipment of Amel I is being depreciated as of November 2007, except for the diesel engine on which the depreciation started as of February 2007. The depreciation period for the installations, machinery and equipment ranges between 10 to 14 years whereas the building itself is depreciated over 14 years.

The assets under construction of Amel II and the activated costs of the projects under development have not been depreciated in 2007.

Furthermore, 4Energy Invest has impaired the development costs (€0.4m) related to a Brussels integrated bioethanol project which will currently no longer be developed.

7.3.5. Ebit

4Energy Invest reported an Ebit of €1.4 million in 2007 compared to (€0.3) in 2006 and €0.0 in 2005. In 2007, the Ebit amounted to 24.2% of revenues.

7.3.6. Financial result

Interest costs on the financing facilities (including leasing debts and cash credits) structured for Amel I (€18.8 million) were activated until November 2007. The financial expenses of €0.2 million relate to the interest expenses incurred during the last two months of 2007 only.

Interest costs on the financing facilities (including leasing debts and cash credits) structured for Amel II (end 2007 amounting to €5.6 million LT financial debt and €2.0 million loan agreements) were fully activated in 2007 and will be expensed as of the start of its operation.

Financial costs incurred on the financing facility for the projects under development (€0.5 million) were activated in 2007.

7.3.7. Taxes

The income tax on the profit or loss for the year comprises current and deferred taxes. None of the Group's companies have paid current taxes over the period 2005 to 2007 due to their start-up losses and the application of the increased investment deduction.

The deferred tax assets and liabilities have been offset on the balance sheet per Group entity taking into account that there is no tax consolidation.

7.3.8. Net Profit

4Energy Invest reported a net profit of €1.2 million in 2007 compared to €0.6 million in 2006 and €0.1 million in 2005. In 2007, the net profit represents a margin 21.1% of revenues.

7.4. Consolidated balance sheet

	2007	2006	2005
	€'000	€'000	€'000
Non current assets			
Property, plant and equipment	30,834	19,828	1,943
Land and buildings	3,374	57	57
Installations, machinery and equipment	20,339	0	0
Furniture and vehicles	68	80	13
Leasing and similar rights	234	238	0
Assets under construction	6,819	19,453	1,873
Deferred tax assets	1,236	1,097	117
Other long term receivables	463	0	0
Current assets			
Inventories	120	86	0
Trade receivables	2,635	65	1
Other receivables	237	183	452
Cash and cash equivalents	73	982	59
Total assets	35,599	22,241	2,570
Equity			
Share capital	3,588	3,588	212
Retained earnings	1,866	606	12
Equity attributable to equity holders	5,454	4,194	224
Minority interests	8	42	0
Total equity	5,461	4,236	224
Non current liabilities			
Interest bearing loans and borrowings	24,523	12,692	2,043
Deferred tax liability	248	135	24
Current liabilities			
Interest bearing loans and borrowings	2,606	1,163	11
Trade payables	2,504	3,988	268
Other payables	256	28	1
Total equity and liabilities	35,599	22,241	2,570

7.4.1. Assets

The consolidated balance sheet of 4Energy Invest reflects the dynamics of a project development company whereby a specific contractual package is structured for each individual investment project in order to allow the investment project to benefit from long-term project financing.

The fixed assets mainly consist of “Property, Plant and Equipment” and are primarily made up of the projects in operation. As long as a project is not yet in commercial operation, the project is booked as “Assets under Construction”. In this respect the Amel I project became operational in 2007 and was therefore taken out of “Assets under Construction” in 2007. End of 2007, the Amel II project was still under construction and was therefore booked together with the development expenses of the different projects under development, under “Assets under Construction”.

The deferred tax assets have evolved from €0.1 million in 2005, to €1.1 million in 2006 and to €1.2 million in 2007.

The other long-term receivables increased from €0.0 million in 2005 and 2006 to almost €0.5 million in 2007. This increase was the result of the connection investments that have been invoiced to the industrial clients in 2007 with regard to the Amel I project and that are to be repaid over a five year period.

4Energy Invest’s total current assets have increased significantly between 2005 and 2007. This increase is mainly due to an increase of the trade receivables which went up to €2.6 million in 2007 from €0.1 million in 2006. This increase reflects the start of the commercial operation of phase I of the Amel project in 2007

and is particularly influenced by the fact that half of the Green Certificates received for each quarter can only be invoiced to SPE to the extent that the Green certificates are transferred by the CWaPE. The CWaPE currently considers two months beyond the end of each quarter to do this transfer what obviously increases the working capital requirements. On 14 February 2008, 4Energy Invest through its subsidiary Renogen has signed a working capital facility for €1.0 million to absorb this particular funding need for the Amel project.

7.4.2. Liabilities

The equity of 4Energy Invest increased from €0.2 million in 2005 to €5.5 million in 2007 resulting from a capital increase of €3.4 million in the beginning of 2006 and an increase in retained earnings.

4Energy Invest's interest bearing loans and borrowings increased from €2.1 million in 2005 to €27.1 million in 2007. This substantial financial debt reflects the specific financing structure that 4Energy Invest applied to the development of its Amel projects whereby each project is to a large extent financed with long-term financing. Over 75% of the Amel I project (total investment of €25.0 million including interest costs) was financed with interest bearing loans and long-term bank loans whereas the entire Amel II project (total investment of €13.4 million) is financed with interest bearing loans and borrowings (€13.4 million, including a €2.0 million facility granted by the Selling Shareholder).

The trade payables increased from €0.3 million in 2005 to €4.0 million in 2006 and decreased again to €2.5 million in 2007. This decrease from 2006 to 2007 is due to the fact that most of the investments of Amel I were paid in 2006 and the first semester of 2007 which resulted in decreasing outstanding invoices by the end of 2007. The payment (and resulting decrease) of the trade payables with bank debts resulted in an increase of bank loans. The Engineering Procurement and Construction contract with Wärtsilä Finland covers most of the investment amount of Amel II. As most payments to Wärtsilä Finland are covered by a Letter of Credit facility, there is no timing difference between the receipt of the invoices and the increase in net proceeds from interest bearing loans and borrowings.

7.5. Consolidated cash flow statement

	2007	2006	2005
	€'000	€'000	€'000
<i>Cash flows from operating activities</i>			
Net profit after taxes	1,226	591	54
<i>Adjustment for non-cash or non operating items:</i>			
Deferred taxes	(26)	(869)	(77)
Depreciation	352	8	0
Impairment of property, plant and equipment	376	0	0
Unrealised loss on financial instruments	19	0	0
Financial result	205	1	0
Cash flow from operating activities before changes in working capital and provisions	2,152	(269)	(23)
Decrease/(Increase) in other long term receivables	(463)	0	0
Decrease/(Increase) in inventories	(34)	(86)	0
Decrease/(Increase) in trade receivables	(2,570)	(64)	1
Decrease/(Increase) in other receivables	(55)	269	(451)
(Decrease)/Increase in trade payables	(1,484)	3,720	261
(Decrease)/Increase in other payables	209	26	1
Net cash from operating activities	(2,244)	3,596	(211)
<i>Cash flow from investing activities</i>			
Net investment in property, plant and equipment	(11,734)	(17,893)	(1,943)
Net cash from investing activities	(11,734)	(17,893)	(1,943)
<i>Cash flow from financing activities</i>			
Net proceeds from the issue of share capital	0	3,376	137
Net proceeds from loans	13,274	11,801	2,054
Financial result	(205)	(1)	0
Minority interests in new subsidiaries	0	44	0
Net cash from financing activities	13,069	15,220	2,191
Net increase/decrease in cash and cash equivalents	(909)	923	37
Net cash and cash equivalents at 1 January	982	59	22
Net cash and cash equivalents at 31 December	73	982	59

The cash flow from operating activities before change in working capital increased from €0.0 million in 2005 to €2.2 million in 2007.

Working capital needs were mainly influenced by a decrease of trade payables (see Section 7.4.2) and increase in trade receivables from Green Certificates (see Section 7.4.1).

The net cash flow from operating activities has decreased from €3.6 million in 2006 to (€2.2) million in 2007 due to the negative change in working capital in 2007.

The net cash flow from investment activities is primarily determined by the investments for the Amel I and Amel II projects. Reference is made to 7.6.1 for further detail on the investment program executed by 4Energy Invest.

The net cash flow from financing activities increased from €2.2 million in 2005 to €13.1 million in 2007 demonstrating the highly leveraged funding structure that has been implemented for the financing of Amel I and Amel II.

The net cash position of 4Energy Invest increased from €0.1 million in 2005 to €1.0 million in 2006 and decreased to €0.1 million in 2007.

7.6. Investments

7.6.1. Investments to date

In 2007, 4Energy Invest realized a total investment of €11.7 million compared to €17.9 million in 2006 and €1.9 million in 2005. The breakdown of the investments over the different projects of 4Energy Invest is presented in the table below.

Table 1: Split of total investments over the years 2005, 2006 and 2007 per investment project (in €'000)

		2007	2006	2005
Amel I (incl. fuel handling Amel Bio)	100%	4,572	17,860	1,943
Amel II	100%	6,667	0,006	0,000
Integrated bioethanol project	90%	0,349	0,027	0,000
Other	100%	0,146	0,000	0,000

4Energy Invest mainly realized these investments through the affiliates Renogen, 4BioFuels and Amel Bio.

Renogen finalized the investment of Amel I in 2007 after it had started the construction in the last quarter of 2005. The total investment for Amel I, including interest during construction, amounted to €25.0 million. This total investment amount includes the pre-financing of €0.9 million with regard to the Vecoplan fuel handling system and a pre-financing of €0.6 million related to the connections with the industrial clients for the supply of energy. In 2008 the Vecoplan fuel handling system was sold to KBC Lease who leased it back to Amel Bio. The connection investments have been invoiced to the industrial clients and need to be paid back to Renogen over a 5 year period. The corresponding net receivable, booked at amortized cost, is expressed in the accounts as long-term receivable for €0.5 million and as current receivable for €0.2 million.

The construction of Amel II started in 2007. The total investment budget for Amel II amounts to €13.4 million of which €6.7 million has already been invested by end 2007.

The Brussels bioethanol project is currently no longer under development. The related investment has been impaired in 2007.

7.6.2. Expected investments in 2008

4Energy Invest expects to finalize the investment of Amel II through Renogen in 2008. The remaining investment amounts to approximately €6.7 million.

Mid March 2008, 4Energy Invest acquired 75% of the shares of Pontrilas Renewable Energy Ltd through Renogen for which it paid a consideration of €0.3 million. 4Energy Invest expects to invest another €0.4 million to further pursue the development of Pontrilas Renewable Energy.

Furthermore, 4Energy Invest expects to continue the development of its Ham project for which it foresees a development budget of €0.1 million.

In addition, 4Energy Invest is in final negotiations to the purchase of additional land adjacent to its site in Amel. 4Energy Invest foresees to invest €0.4 million to acquire the land and to make the necessary permit modification application for the green coal project (see Section 6.4.2) which it contemplates to develop on that land.

7.7. Long-term financial liabilities

In general, 4Energy Invest finances the cost of each project under development until the respective project reaches financial closing. From then onwards, a long-term funding structure is put in place including equity and long-term bank financing.

The long-term funding of Amel I was structured through a capital increase of €3.4 million and a long-term debt facility of €18.7 million (including financial leases) of KBC Bank.

The long-term funding of Amel II was structured through a long-term debt facility of €11.4 million of KBC Bank and a debt facility of €2.0 million with KBC Private Equity. €5.6 million of the credit facility for Amel II was used at the end of 2007.

The costs of the other projects under development were funded through a debt facility with KBC Private Equity for €0.5 million.

The delay in the commercial operation of the wood cogeneration facility of Amel I obliged 4Energy Invest to amend the redemption schemes of the credit facilities structured for Amel I. The credit redemptions foreseen for respectively 18 August 2007 and 18 November 2007 were delayed under the credit contract. Payment of those two redemptions for an aggregate amount of €940k becomes due when and only at the date that Renogen receives payment from an insurance company under its Advanced Loss Of Profit (ALOP) insurance policy it contracted for Amel I (see Section 6.9). First redemption under the credit facilities for Amel I and first installment (€0.35 million) of the required debt service reserve account facility for a total amount of €1.4 million was provisioned in February 2008.

7.8. The consolidated income statement and balance sheet of the first quarter of 2008

The results of 2007 are not representative for the results of the Issuer, in general, and of Amel I, in particular because the diesel engine of Amel I only became commercially operational as of February 2007 and the wood fired boiler with steam turbine, which entered into its test phase as of February, became fully commercially operational as of November 2007. This section contains therefore the consolidated income statement and balance sheet for the first quarter of 2008 of 4Energy Invest. Subject to the qualifications set forth hereafter, 4Energy Invest believes that these figures are more representative for the Amel I project than the 2007 figures.

The consolidated income statement and balance sheet of the first quarter of 2008 have been prepared in accordance with the reporting standards adopted when preparing the consolidated financial statements at 31 December 2007, 31 December 2006 and 31 December 2005. The consolidated income statement and balance sheet of the first quarter of 2008 have only been submitted to a limited review and do not contain a comparison with the figures of the same period of 2007 because the wood fired boiler of Amel I had not yet entered commercial operation in the first quarter of 2007.

The consolidated income statement and balance sheet of the first quarter of 2008 reflect the following status of the investment projects discussed in detail in 6.4.:

- Amel I: in commercial operation (see Section 6.4.1.1)
- Amel II: in test phase (see Section 6.4.1.2)
- Ham cogeneration project: under development (6.4.1.3 a)
- Pontrilas cogeneration project: under development (6.4.1.3 b)
- Biomass conversion project: under development (see Section 6.4.2)

7.8.1. Consolidated income statement of Q1 2008

	Limited Review 31 March 2008	Audited 2007
	€'000	€'000
Sales	1,925	4,356
Other operating income	5	1,452
Revenues	1,930	5,808
Operating expenses		
Cost of sales	(847)	(2,652)
Personnel costs	(68)	(181)
Other operating expenses	(227)	(841)
Operating cash flow (EBITDA)	789	2,134
Depreciation, amortisation and provisions	(417)	(352)
Impairment of property, plant and equipment	0	(376)
Operating result (EBIT)	372	1,405
Financial income	0	2
Financial costs	(495)	(207)
Net financial costs	(495)	(205)
Result before tax	(123)	1,200
Income tax expense	169	26
Result of the period	46	1,226
Attributable to:		
Equity holders of 4 Energy Invest	43	
Minority interests	3	
Number of shares ⁽¹⁾	100,001	
Number of shares incl Convertible loan KBC PE (1)	125,924	
Earnings/Share	0.43	
Diluted earnings/share	0.34	

(1) Number of shares before stock split prior to IPO

The sales of the first quarter 2008 of €1.9 million are mainly composed of the sale of Green Certificates (€1.3 million) and the sale of energy (heat for €0.1 million and electricity for €0.4 million). The sales of the first quarter were impacted by a scheduled maintenance of the wood fired cogeneration facility of Amel I during 11 days in February 2008 and by a series of exceptional unscheduled stops that impacted the performance of the Amel I wood fired cogeneration facility. Those unscheduled stops were mainly due to the construction works for Amel II and due to an exceptionally high wood moisture content resulting from significant snow and rainfall during the first quarter. The Amel I wood fired cogeneration facility generated 88% of total electricity sold. The remaining part of 12% was produced by the Amel I diesel engine, which operated mainly during the scheduled maintenance program of the Amel I wood fired cogeneration facility.

The cost of sales in the first quarter amounted to €0.9 million and consisted of purchases of biomass (€0.6 million), operating and maintenance expenses (€0.2 million) and other expenses (€0.1 million). The purchases of biomass can be split into the wood used for the Amel I wood fired cogeneration facility (€0.5 million corresponding to 18,256 tonnes) and biofuels (€0.1 million) used for the Amel I diesel engine.

The personnel costs amounted to €0.1 million and other operating expenses amounted to €0.2 million.

The resulting Ebitda margin for the first quarter of 2008 amounted to 40.8% of revenues. As explained before, this margin is negatively impacted by the scheduled maintenance program and unscheduled stops of the Amel I wood fired cogeneration facility which decreased the average electricity sales price realised over the first quarter 2008.

The property, plant and equipment of Amel I was depreciated for €0.4 million during the first quarter 2008. The assets under construction of Amel II and the projects under development have not been depreciated during the first quarter of 2008. The resulting Ebit margin for the first quarter of 2008 amounted to 19.3% of revenues, and was also negatively impacted by the scheduled maintenance program on the wood fired cogeneration facility.

The financial costs amounting to €0.5 million relate to the interest expenses incurred on the financing facilities of Amel I and the financing facilities used for the development of the Brussels integrated bio-ethanol project which is currently no longer developed. The €0.5m includes an unrealized loss of €131k as a result of the revaluation of the Interest Rate Swap per 31 March 2008 (according to IAS 39).

The loss before tax amounted to (€0.1) million. The income tax (€0.2 million) on the loss of the first quarter comprised deferred taxes. The net profit for this period equalled €0.0 million.

7.8.2. Consolidated balance sheet of Q1 2008

	Limited Review 31 March 2008 €'000	Audited 2007 €'000
Assets		
Non current assets		
Land and buildings	3,314	3,374
Installations, machinery and equipment	19,095	20,339
Furniture and vehicles	62	68
Leasing and similar rights	1,109	234
Assets under construction	10,420	6,819
Goodwill	335	0
Deferred tax assets	1,344	1,236
Long term other receivables	428	463
Current assets		
Inventories	132	120
Trade receivables	2,293	2,635
Other receivables	300	237
Cash and cash equivalents	444	73
Total	39,274	35,599
Equity and liabilities		
Equity		
Share capital	3,588	3,588
Retained earnings	1,909	1,866
Equity attributable to equity holders	5,497	5,454
Minority interests	10	8
Total equity	5,507	5,462
Non current liabilities		
Interest bearing loans and borrowings	27,299	24,523
Deferred tax liability	187	248
Current liabilities		
Interest bearing loans and borrowings	3,940	2,606
Trade payables	1,993	2,504
Other payables	349	256
Total	39,274	35,599

The major changes in the consolidated balance sheet as of 31 March 2008 reflect the progress which has been made during the first quarter of 2008.

Assets

Compared to end 2007, the Property, Plant and Equipment decreased with €0.4 million to €23.6 million due to the depreciations on the Amel I facilities in commercial operation. The increase in the Assets under Construction from €6.8 million to €10.4 million mainly reflects the progress in construction of Amel II. The creation of goodwill of €0.3 million reflects the acquisition of 75% of the shares of Pontrilas Renewable Energy Limited by 4Energy Invest in March 2008. In the event of a timely closing of the Pontrilas project, an additional purchase price of a similar amount may become due.

The cash and cash equivalents includes €0.4 million that was contributed during the first quarter of 2008 in the Debt Service Reserve Account established in favour of KBC Bank.

Liabilities

The equity attributable to the equity holders of 4Energy Invest increased slightly to €5.5 million thanks to the small positive result in the first quarter of 2008.

The net increase in interest bearing loans and borrowings from €27.1 million to €31.2 million reflects the use of (i) additional credit facilities for a total amount of €3.2 million for the construction of Amel II, (ii) additional credit facilities for a total amount of €0.4 million for the development of the Pontrilas project, (iii) the working capital facility for a total amount of €1.0 million of which €980k was already used at 31 March 2008 and (iv) the repayment of €0.5 million under the credit facilities structured for Amel I.

7.8.3. Report on Review of Interim Financial Information

We have reviewed the accompanying condensed consolidated balance sheet of 4 Energy Invest as of 31 March 2008 and the related condensed consolidated income statement for the three-month period then ended.

For the purpose of the Initial Public Offering, management of the Issuer has prepared a consolidated balance sheet and a consolidated income statement of the Issuer in order to present the consolidated financial position and consolidated results of the Issuer for the three month period ended 31 March 2008. The basis of the consolidation is set out in section 8.1.5.4. Management is responsible for the preparation and presentation of this interim financial information in accordance with the International Financial Reporting Standards as adapted by the European Union. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Financial Information Performed by the Independent Auditor of the Entity.” A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with the International Financial Reporting Standards as adapted by the European Union.

Our review did not relate to the conformity of the condensed interim financial statement with International Accounting Standard 34 (Interim Financial Reporting).

20 May 2008

VGD Bedrijfsrevisoren
Statutory Auditor

Represented by
Jurgen Lelie

7.9. Outlook for 2008

The total revenues of 2008 should reflect the outcome of the first fully operational year for the Amel I project and may also reflect sales of Amel II which is currently in test phase and is expected to come into commercial operation before end 2008. Subject to the qualifications set forth in section 7.8, 4Energy Invest believes that the figures of the first quarter 2008 are more representative for the Amel I project. The results of the first quarter of 2008 have been negatively impacted by the (wet) weather conditions over that period (resulting in biomass with a high humidity factor) and by interruptions caused by the construction works of Amel II. 4Energy Invest believes that the results of the following quarters of 2008 are likely to be less impacted by these factors.

The figures of 2008 will be influenced by the interest expenses of Amel I which were activated until November 2007, but which will be expensed for a full year as of 2008.

8. FINANCIAL INFORMATION

8.1. Audited consolidated financial accounts for the period 2005–2007

The consolidated figures for 2005 consist of the figures for Renogen SA for twelve months and the figures of 4Energy Invest NV for three months, starting from the incorporation of the company on 28 September 2005.

Between September 2005 and November 2005, the Issuer and Renogen SA have been working under common control of the Founders. For this period the principles of combined consolidation (consortium) have been applied. From November 2005 onward, the Issuer acquired direct control over Renogen SA, as a result, the financial statements of the Group are presented as consolidated financial statements.

8.1.1. Audited consolidated Profit and loss accounts

	Note	2007	2006	2005
		€000	€000	€000
Sales	8.1.7.1	4,356	0	0
Other operating income	8.1.7.2	1,452	0	0
Revenues		5,808	0	0
Operating expenses				
Cost of sales	8.1.7.3	(2,652)	0	0
Personnel costs	8.1.7.21	(181)	(3)	0
Other operating expenses	8.1.7.4	(841)	(267)	(23)
Operating cash flow (EBITDA)		2,134	(270)	(23)
Depreciation, amortisation and provisions		(352)	(8)	0
Impairment of property, plant and equipment		(376)	0	0
Operating result (EBIT)		1,405	(278)	(23)
Financial income	8.1.7.5	2	2	0
Financial costs	8.1.7.5	(207)	(3)	0
Net financial costs		(205)	(1)	0
Result before tax		1,200	(278)	(23)
Income tax expense	8.1.7.6	26	869	77
Result of the period		1,226	591	54
Attributable to:				
Equity holders of 4 Energy Invest		1,260	594	54
Minority Interests		(34)	(3)	0
		2007	2006	2005
		€000	€000	€000
Result of the period		1,226	591	54
Number of shares ⁽¹⁾		100,001	98,286	27,422
Number of shares incl Convertible loan KBC PE ⁽¹⁾		119,864		
Earnings/Share		12.6	6.44	1.97
Diluted earnings/share		10.65		

(1) Number of shares before stock split prior to IPO

The loan agreement with KBC PE foresees in the right of KBC PE to convert the loan into capital based on an equity value of €10 million if the loan will not be repaid on the respective due date. In the event of an IPO, however, all conversion rights of KBC PE automatically expire. In addition, at IPO, the loan becomes partially immediately payable for an amount of €1,670,000.

8.1.2. Audited consolidated Balance sheet

	<u>Note</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
		€'000	€'000	€'000
Non current assets				
Land and buildings	8.1.7.7	3,374	57	57
Installations, machinery and equipment	8.1.7.8	20,339	0	0
Furniture and vehicles	8.1.7.9	68	80	13
Leasing and similar rights	8.1.7.10	234	238	0
Assets under construction	8.1.7.11	6,819	19,453	1,873
Deferred tax assets	8.1.7.12	1,236	1,097	117
Other long term receivables	8.7.1.13	463	0	0
Current assets				
Inventories	8.1.7.14	120	86	0
Trade receivables	8.1.7.15	2,635	65	1
Other receivables	8.1.7.15	237	183	452
Cash and cash equivalents	8.1.7.16	73	982	59
Total assets		35,599	22,241	2,570
	<u>Note</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
		€'000	€'000	€'000
Equity				
Share capital		3,588	3,588	212
Retained earnings		1,866	606	12
Equity attributable to equity holders		5,454	4,194	224
Minority interests		8	42	0
Total equity		5,461	4,236	224
Non current liabilities				
Interest bearing loans and borrowings	8.1.7.18	24,523	12,692	2,043
Deferred tax liability	8.1.7.12	248	135	24
Current liabilities				
Interest bearing loans and borrowings	8.1.7.18	2,606	1,163	11
Trade payables	8.1.7.19	2,504	3,988	268
Other payables	8.1.7.19	256	28	1
Total equity and liabilities		35,599	22,241	2,570

8.1.3. Audited consolidated Cash flow statement

	2007	2006	2005
	€'000	€'000	€'000
<i>Cash flows from operating activities</i>			
Net profit after taxes	1,226	591	54
<i>Adjustment for non-cash or non operating items:</i>			
Deferred taxes	(26)	(869)	(77)
Depreciation	352	8	0
Impairment of property, plant and equipment	376	0	0
Unrealised loss on financial instruments	19	0	0
Financial result	205	1	0
Cash flow from operating activities before changes in working capital and provisions	2,152	(269)	(23)
Decrease/(Increase) in other long term receivables	(463)	0	0
Decrease/(Increase) in inventories	(34)	(86)	0
Decrease/(Increase) in trade receivables	(2,570)	(64)	1
Decrease/(Increase) in other receivables	(55)	269	(451)
(Decrease)/Increase in trade payables	(1,484)	3,720	261
(Decrease)/Increase in other payables	209	26	1
Net cash from operating activities	(2,244)	3,596	(211)
<i>Cash flow from investing activities</i>			
Net investment in property, plant and equipment	(11,734)	(17,893)	(1,943)
Net cash from investing activities	(11,734)	(17,893)	(1,943)
<i>Cash flow from financing activities</i>			
Net proceeds from the issue of share capital	0	3,376	137
Net proceeds from loans	13,274	11,801	2,054
Financial result	(205)	(1)	0
Minority interests in new subsidiaries	0	44	0
Net cash from financing activities	13,069	15,220	2,191
Net increase/decrease in cash and cash equivalents	(909)	923	37
Net cash and cash equivalents at 1 January	982	59	22
Net cash and cash equivalents at 31 December	73	982	59

8.1.4. Audited consolidated statement of changes in equity

	2007	2006	2005
	€'000	€'000	€'000
Capital	3,588	3,588	212
Share capital increase	0	3,478	62
Share capital decrease	0	(40)	0
Costs attributable to capital increase	0	(62)	0
Capital called up	0	0	75
Retained earnings	1,866	606	12
Result of the period	1,260	594	54
Total equity attributable to equity holders	5,453	4,194	224
Minority interest	8	42	0
Increase in minority interest in subsidiaries	0	45	0
Result of the period	(34)	(3)	0
Total equity	5,461	4,236	224

8.1.5. Notes to the audited consolidated accounts

8.1.5.1 General information

4Energy Invest is a limited liability company (*naamloze vennootschap/société anonyme*) and was incorporated under Belgian law on 28 September 2005 for an indefinite period of time with its registered office located at Atrium Park, Koloniënstraat 11, 1000 Brussels and it is registered with the Belgian register for legal persons (*rechtspersonenregister/registre des personnes morales*) under the number 0876.488.436 (Brussels). The Issuer and its subsidiaries (The Group or 4Energy Invest) form a Belgian renewable energy group that aims at creating and managing a European portfolio of small to midsize locally embedded projects that valorize biomass, directly or indirectly, into energy. 4Energy Invest identifies potential biomass projects, performs a feasibility study and eventually takes responsibility for developing, constructing and operating the project, in close cooperation with carefully selected suppliers and partners.

Prior to the establishment of the Issuer, the Founders and members of the current executive management team (Yves Crits, Guido Schockaert and Nico Terry), were active in the biomass industry through Renogen NV, a limited liability company (*naamloze vennootschap/société anonyme*). In November 2005 the shares of Renogen NV, which were owned for 100% by the Management were contributed into the share capital of 4Energy Invest. Between September 2005 and November 2005, the Issuer and Renogen have been working under common control of the Founders.

In June 2006, Amel Bio a limited liability company (*naamloze vennootschap/société anonyme*) has been established, a purchasing company that is owned for 72.6% by Renogen. In August 2006, The Issuer founded 4BioFuels, a limited liability company. 4BioFuels is a special purpose company that has been set up for a specific bioethanol related project in the port of Brussels which will currently no longer be developed.

These consolidated financial statements for the years ending 2007, 2006, 2005 have been prepared only for the purpose of illustration in relation to the Prospectus issued in the context of the IPO (Initial Public Offering) of the Issuer and serves to inform the reader about the financial position and results of operations of the Group. Apart from the context of the IPO, the Issuer was not obliged under Belgian law to publish consolidated financial statements and has therefore not published any in the past. From 2008 onwards, the Issuer will be obliged to publish consolidated financial statements on the basis of the International Financial Reporting Standards (IFRSs).

The consolidated financial statements were approved by the Board of Directors on 5 May 2008.

8.1.5.2 Statement of compliance

The financial statements of the Group are prepared in accordance with the requirements of International Financial Reporting Standards (IFRS) as adopted by the EU, as issued by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Interpretations Committee of the IASB.

The Group adopted the amended versions of IFRS that are effective for accounting periods beginning on 1 January 2007. The figures as at 31 December 2006 and 2005 are adjusted to conform to changes in presentation of the consolidated financial statements as at 31 December 2007 as required by the amended IFRS.

The consolidated financial statements are prepared on a historic cost basis, with the exception of financial derivatives which are stated at fair value. All figures are in thousands of Euros, unless stated otherwise. Minor rounding differences might occur.

A number of new standards, amendments to standards and interpretation are not yet effective for the year ended 31 December 2007, and have not been applied in the preparation of the consolidated financial statements:

IFRS 8 *Operating Segments* (effective from 1 January 2009): The Standard requires segment disclosure based on the components of the entity that management monitors in making decisions about operating matters.

Operating segments are components of an entity about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. The Group does not expect the new Standard to significantly alter the

presentation and disclosure of its operating segments in the consolidated financial statements. If this changes in the future management will evaluate to report operating segments in accordance with IFRS 8.

Revised IAS 23 *Borrowing Costs* (effective from 1 January 2009): The revised Standard will require the capitalization of borrowing costs that relate to assets that take a substantial period of time to get ready for use or sale. The Group policy is to capitalise borrowing costs (accounting policy 2(c)).

IFRIC 12 *Service Concession Arrangements* (effective from 1 January 2008): The Interpretation provides guidance to private sector entities on certain recognition and measurement issues that arise in accounting for public-to-private service concession arrangements. IFRIC 12 is not relevant to the Group's operations as none of the Group entities have entered into any service concession arrangements.

IFRIC 13 *Customer Loyalty Programmes* (effective for annual periods beginning on or after 1 July 2008): The Interpretation explains how entities that grant loyalty award credits to customers who buy other goods or services should account for their obligations to provide free or discounted goods or services ('awards') to customers who redeem those award credits. Such entities are required to allocate some of the proceeds of the initial sale to the award credits and recognize these proceeds as revenue only when they have fulfilled their obligations. The Group does not expect the Interpretation to have any impact on the consolidated financial statements.

IFRIC 14 IAS 19 — *The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their interactions* (effective for annual periods beginning on or after 1 January 2008): The interpretation addresses 1) when refunds or reductions in future contributions should be regarded as available in accordance with paragraph 58 of IAS 19; 2) how a MFR might affect the availability of reductions in future contributions; and 3) when a MFR might give rise to a liability. No additional liability need be recognized by the employer under IFRIC 14 unless the contributions that are payable under the minimum funding requirement cannot be returned to the company. The Group does not operate defined benefit schemes.

8.1.5.3 Foreign currency

The Group's presentation currency is the Euro. Currently the Group has no foreign operations.

Foreign currency transactions are recognized initially at exchange rates prevailing at the date of the transactions. Subsequently to closing, monetary assets and liabilities denominated in foreign currencies are translated at the balance sheet currency rate. Gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement.

8.1.5.4 Basis of consolidation

Subsidiaries

Subsidiaries are entities over which the Issuer exercises control, which generally means that the Issuer holds, directly or indirectly more than 50% of the voting rights attached to the entity's share capital and is able to govern its financial and operating policies so as to obtain benefits from its activities.

As described under Section 8.1.5.1, between September 2005 and November 2005, the Issuer and Renogen have been working under common control of the Founders.

As a result IFRS 3 'Business Combinations' has not been applied on the contribution in kind of the shares of Renogen into the share capital of 4Energy Invest which implies that the contribution in kind had no effect on the consolidated equity of The Group.

The consolidated figures for 2005 consist of the figures for Renogen SA for twelve months and the figures of 4Energy Invest NV for three months, starting from the incorporation of the company on 28 September 2005.

Between September 2005 and November 2005, the Issuer and Renogen SA have been working under common control of the Founders. For this period the principles of combined consolidation (consortium) have been applied. From November 2005 onward, the Issuer acquired direct control over Renogen SA, as a result, the financial statements of the Group are presented as consolidated financial statements.

When accounting for business combinations, IFRS 3 will be applied. The acquirer's identifiable assets and liabilities that meet the conditions for recognition under IFRS 3 are recognized at their fair value at the date of acquisition, except for non-current assets (or disposal groups) that are classified as held for sale in

accordance with IFRS 5 'Non-Current Assets Held for Sale and Discontinued Operations' which are valued at fair value less cost to sell. The financial statements of subsidiaries are included in the consolidated financial statements from the date when the Group acquires control until the date when control is relinquished.

Intra-group balances and any gains and losses or income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Equity and net result attributable to minority shareholders are shown separately in the balance sheet and income statement respectively.

8.1.5.5 Use of estimates and judgments

The preparation of consolidated financial statements in compliance with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. The actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both the current and future periods.

8.1.6. Significant accounting policies

8.1.6.1 Property, plant and equipment

An item of property, plant and equipment is recognized as an asset if it is probable that future economic benefits associated with the item will flow to the Group and its cost can be measured reliably.

This recognition principle is applied to the costs incurred initially to acquire an item of property, plant and equipment but also to costs incurred subsequently to add to, replace part of, or service it.

The cost of self-constructed assets includes any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Examples of directly attributable costs are:

- costs of site preparation;
- installation and assembly costs;
- professional and management fees;
- all risk worksite insurance;
- borrowing costs (in accordance with IAS 23)

The recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in a manner intended by management. In principle the recognitions of costs incurred ceases upon the signing of the 'Take-over certificate' with the respective contractors.

The construction cost might include some intangible fixed assets, however, as the intangible component is rather insignificant in the total capital expenditure, both tangible and intangible assets are included under 'property plant and equipment'.

The Group has a maintenance contract for ten years with the constructor of the wood boiler and turbine for regular inspections and day to day maintenance. These costs are taken annually in P&L.

Borrowing costs are expensed as incurred, except to the extent that they are capitalized. Borrowing costs incurred for the construction of any qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale.

An item of property, plant and equipment is stated at historical cost less depreciation.

Depreciation is charged to the consolidated income statement on a straight-line basis over the estimated useful life of an item of property, plant and equipment. Land is not depreciated. Useful life and depreciation method are reviewed annually.

The estimated useful lives are as follows:

<u>Assets</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Building	14 years	14 years	14 years
Installations, machinery and equipment:			
Cogeneration and accessories	5–14 years	5–14 years	5–14 years
Office equipment and furniture	3–5 years	3–5 years	3–5 years
Motor vehicles	5 years	5 years	5 years

8.1.6.2 Leases

Leases under which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Items of property, plant and equipment acquired by way of finance lease are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses. The depreciation policy for leased assets is consistent with that for depreciable assets which are owned.

Leases under which a substantial part of the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases.

All payments or receipts under operating lease are recognized as an operating expense respectively income in the profit and loss statement using the straight-line method. (Schedule of obligations under operating lease agreements see Section 8.1.7.4).

8.1.6.3 Inventories

Inventories are valued at the lower of cost and net realizable value. Cost is determined by the first-in, first-out (FIFO) method and comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.

8.1.6.4 Trade and other receivables

Trade and other receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

8.1.6.5 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the consolidated cash-flow statement.

8.1.6.6 Minority interests

Minority interests represent the shares of minority shareholders in the equity of subsidiaries which are not fully owned by the Group.

8.1.6.7 Provisions

A provision is recognised in the consolidated balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

8.1.6.8 Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any

difference between cost and redemption value being recognised in the consolidated income statement over the period of the borrowings on an effective interest basis.

The Group classifies as a current portion any part of long-term loans that is due to be settled within one year from the balance sheet date.

At the date of the preparation of the consolidated financial statements, the nominal value of interest-bearing borrowings are increased by unpaid interest.

8.1.6.9 Trade and other payables

Trade and other payables are stated at their nominal value.

8.1.6.10 Derivative financial instruments

A derivative is a financial instrument or other contract which fulfils the following conditions:

- (a) its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract;
- (b) it requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors; and
- (c) it is settled at a future date.

Hedging derivatives are defined as derivatives that comply with the company's risk management strategy, the hedging relationship is formally documented and the hedge is effective, that is, at inception and throughout the period, changes in the fair value or cash flows of the hedged and hedging items are almost fully offset and the results are within a range of 80% to 125%.

Derivative financial instruments that are not designated as hedging instruments are classified as held-for-trading and carried at fair value, with changes in fair value included in net profit or loss of the period in which they arise.

Fair values are obtained from quoted market prices or discounted cash-flow models, as appropriate. All non-hedge derivatives are carried as current assets when their fair value is positive and as current liabilities when their fair value is negative.

8.1.6.11 Impairment

The carrying amounts of the Group's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the consolidated income statement.

An asset's cash-generating unit is the smallest group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Identification of an asset's cash generating unit involves judgement.

Impairment losses recognised in respect of cash-generating units reduce the carrying amount of the assets in the unit (group of units) on a pro-rata basis.

Impairment losses of receivables are determined based on an analysis of the credit status of customers and the period for which the receivable has been overdue.

8.1.6.12 Reversals of impairment

An impairment loss is reversed in the consolidated income statement if there has been a change in the estimates used to determine the recoverable amount to the extent it reverses an impairment loss of the same asset that was recognised previously as an expense.

8.1.6.13 Revenues

(1) *Sale of Green certificates*

Income from the sale of Green Certificates is recognised on a quarterly basis on the basis of provisional amounts. This quarterly provision is calculated based on a formula prescribed by the CWaPE, of which the parameters have to be provided by Renogen to the CWaPE. After the confirmation of the number of Green Certificates by the CWaPE, Renogen issues a final invoice to its clients. Given the predefined formula by the CWaPE and the objective parameters derived from the operational system of Renogen, no discrepancies between the provisional amount and the final amount of Green Certificates should occur.

(2) *Sale of electricity*

Electricity is invoiced monthly based on the readings of the metering system installed at the take off point to the electricity network. The meter readings are carried out independently by the distribution grid manager.

(3) *Sale of heat*

Heat is invoiced on a monthly basis based on an objective metering system installed.

8.1.6.14 Employee benefit obligations

The Group did not enter into any defined-benefit or defined-contribution plans. No other long-term employee benefits are granted.

8.1.6.15 Net financing costs

Net financing costs comprise interest payable on borrowings calculated using the effective interest rate method net of interest capitalised, interest receivable on funds invested, foreign exchange gains and losses that are recognised in the consolidated income statement.

8.1.6.16 Income taxes

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the consolidated income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

8.1.6.17 Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic area (geographic segment) and which is subject to risks and rewards that are different from those of other segments. The business activity of the Group is considered to be one segment as all assets of the Group are geographically located in Belgium and relate principally to investments in cogeneration plants. If this changes in the future, management will evaluate to report in different segments.

8.1.6.18 Events after the balance sheet date

Up to the date of their approval, the figures in the consolidated financial statements were adjusted to reflect events that influenced the circumstances as they existed at the balance sheet dates (adjusting

events). Events influencing such circumstances arising after the balance sheet dates are disclosed if they are of a material nature.

8.1.7. Supporting notes to the consolidated financial statements

8.1.7.1 Sales

	2007	2006	2005
	€000	€000	€000
Sale of green certificates	3,020	0	0
Sale of electricity production	973	0	0
Sale of heat production	245	0	0
Other sales	117		
Total	4,356	0	0

The sale of both energy (electricity and heat) and Green Certificates of Amel I is contracted under 10-year off-take agreements with the industrial customers Belwood-Amel, Delhez Bois and SPE.

8.1.7.2 Other operating income

	2007	2006	2005
	€000	€000	€000
Proceeds from liquidated damages for delay received from contractors	1,307	0	0
Other	145	0	0
Total	1,452	0	0

8.1.7.3 Cost of sales

	2007	2006	2005
	€000	€000	€000
Purchases biomass	(1,971)	0	0
Repair and maintenance	(391)	0	0
Other	(290)	0	0
Total	(2,652)	0	0

8.1.7.4 Other operating expenses

	2007	2006	2005
	€000	€000	€000
Consultancy fees (lawyers, management and other)	(468)	(144)	(13)
Insurance	(77)	(5)	0
Rent and rental charges	(20)	(12)	(2)
Loss on disposal of fixed assets	(101)	0	0
Other administrative expenses	(175)	(106)	(8)
Total	(841)	(267)	(23)

Obligations under rental agreements

	2007	2006	2005
	€000	€000	€000
Not longer than 1 year	7	6	6
Longer than 1 year and not longer than 5 years	2	5	11
Longer than 5 years	0	0	0
Total	9	11	17

4Energy Invest concluded a rental agreement with ‘De Federale Verzekeringen — Gemeenschappelijke Kas voor Verzekering tegen Arbeidsongevallen’ concerning the rent of office space and parking lots in the building ‘Keppekouter’ — Clintonpark, Ninovesteenweg 198, 9320 Erembodegem. The annual rent is set at €6k and the agreement started on 1 December 2005 for nine consecutive years with end date of 30 November 2014. 4Energy Invest has the right to terminate the agreement every three years on 30 November.

In the course of 2007, Renogen signed a rental agreement with CIT Group Belgium SA for the rent of Dell computer equipment for a period of three years. The annual fee amounts €2k. After three years Renogen has the option to further rent the equipment as an annual fee of €0.1k.

8.1.7.5 Net financial costs

	2007	2006	2005
	€'000	€'000	€'000
Bank interest income	0	4	0
Interest income from related parties	2	0	0
Interest capitalised into assets under construction	0	(3)	0
Other interest income	0	1	0
Financial income	2	2	0
Bank interest expense	(1,305)	(414)	(99)
Interest paid to related parties	(141)	0	0
Decrease in fair value on financial instruments	(19)	0	0
Interest capitalised into assets under construction	1,275	412	99
Bank charges	(17)	(1)	0
Financial costs	(207)	(3)	0
Net financial costs	(205)	(1)	0

8.1.7.6 Taxation

(a) Income tax expense recognized in the consolidated income statement

	2007	2006	2005
	€'000	€'000	€'000
Current tax	0	0	0
Deferred tax	26	869	77
Total	26	869	77

(b) Reconciliation of effective tax rate

	2007	2006	2005
	€'000	€'000	€'000
Profit before tax	1,200	(278)	(23)
Income tax using the domestic corporate tax rate	(408)	94	8
Disallowed expenses	(14)	(10)	(1)
Investment deduction/Notional interest deduction	447	764	70
Other	0	20	0
Total	26	869	77
Effective tax rate	N/A	N/A	N/A

8.1.7.7 Land and buildings

	2007	2006	2005
	€'000	€'000	€'000
Cost			
Balance at 1 January	57	57	0
Acquisitions	486	0	57
Transfer from assets under construction	2,894	0	0
Disposals	0	0	0
Balance at 31 December	3,437	57	57
Depreciation			
Balance at 1 January	0	0	0
Depreciation charge of the year	(63)	0	0
Disposals	0	0	0
Balance at 31 December	(63)	0	0
Carrying amounts			
At 1 January	57	57	0
At 31 December	3,374	57	57

8.1.7.8 Installations, machinery and equipment

	2007	2006	2005
	€'000	€'000	€'000
Cost			
Balance at 1 January	0	0	0
Acquisitions	4,079	0	0
Transfer from assets under construction	16,524	0	0
Disposals	0	0	0
Balance at 31 December	20,602	0	0
Depreciation			
Balance at 1 January	0	0	0
Depreciation charge of the year	(263)	0	0
Disposals	0	0	0
Balance at 31 December	(263)	0	0
Carrying amounts			
At 1 January	0	0	0
At 31 December	20,339	0	0

8.1.7.9 Furniture and vehicles

	2007	2006	2005
	€'000	€'000	€'000
Cost			
Balance at 1 January	88	13	0
Acquisitions	9	75	13
Disposals	0	0	0
Balance at 31 January	97	88	13
Depreciation			
Balance at 1 January	(8)	0	0
Depreciation charge of the year	(22)	(7)	0
Disposals	0	0	0
Balance at 31 December	(30)	(8)	0
Carrying amounts			
At 1 January	80	13	0
At 31 December	68	80	13

8.1.7.10 Leasing and similar rights

	2007	2006	2005
	€'000	€'000	€'000
Cost			
Balance at 1 January	238	0	0
Acquisitions	0	238	0
Disposals	0	0	0
Depreciation			
Balance at 1 January	0	0	0
Depreciation charge of the year	(4)	0	0
Disposals	0	0	0
Balance at 31 December	(4)	0	0
Carrying amounts			
At 1 January	238	0	0
At 31 December	234	238	0

Finance lease relate to manufacturing equipment with lease terms of 5 years. The Group has options to purchase the equipment for a nominal amount at the conclusion of the lease agreements. The Group's obligations under finance leases are secured by the lessors' title to the leased assets.

8.1.7.11 Assets under construction

	2007	2006	2005
	€'000	€'000	€'000
Cost			
Balance at 1 January	19,453	1,873	0
Acquisitions	7,160	17,580	1,873
Transfer to lands & buildings	(2,894)	0	0
Transfer to installations, machinery and equipment	(16,524)	0	0
Impairment loss	(376)	0	0
Disposals	0	0	0
Balance at 31 December	6,819	19,453	1,873
Carrying amounts			
At 1 January	19,453	1,873	0
At 31 December	6,819	19,453	1,873
Assets under construction per project:			
	2007	2006	2005
	€'000	€'000	€'000
Cogen Amel phase 1	0	16,525	1,873
Buildings Amel	0	2,895	0
Cogen Amel phase 2	6,673	6	0
4BioFuels	0	27	0
Other projects	146	0	0
Total	6,819	19,453	1,873

The Group expects to finalize the investment of Amel II over the course of the year 2008. Total investment budget for Amel II equals €13,400k.

The integrated bioethanol production process in the port of Brussels will currently no longer be developed due to the fact that no construction permit was granted by the competent authorities. It was decided to impair the capitalised costs per 31 December 2007 for an amount of €376k.

The following interest expenses were capitalized during the construction period of Amel I for €1,059k in 2007, €409k in 2006 and €99k in 2005 and Amel II for €203k in 2007. Funds are borrowed specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs eligible for capitalization on a particular project/asset is determined as the actual borrowing cost incurred on that borrowing during the period. Capitalization of borrowing costs ceases when a substantial part of the activities necessary to prepare the qualifying asset for its intended use are completed.

8.1.7.12 Deferred tax assets and liabilities

	Assets		
	2007	2006	2005
	€000	€000	€000
Tax losses carried-forward	1,170	842	145
Investment deduction	1,224	796	70
Notional interest deduction	56	38	0
Capitalised costs	0	0	0
Capitalised interests	0	0	0
Difference between tax value and	0	0	0
book value of property, plant and equipment			
Interest rate swap	0	0	0
Net tax assets/(liabilities)	2,450	1,676	215

	Liabilities		
	2007	2006	2005
	€000	€000	€000
Tax losses carried-forward	0	0	0
Investment deduction	0	0	0
Notional interest deduction	0	0	0
Capitalised costs	(786)	(541)	(122)
Capitalised interests	(597)	(173)	(34)
Difference between tax value and	(86)	0	0
book value of property, plant and equipment			
Interest rate swap	7	0	0
Net tax assets/(liabilities)	(1,463)	(714)	(156)

	Net		
	2007	2006	2005
	€000	€000	€000
Tax losses carried-forward	1,170	842	145
Investment deduction	1,224	796	70
Notional interest deduction	56	38	0
Capitalised costs	(786)	(541)	(122)
Capitalised interests	(597)	(173)	0
Difference between tax value and	(86)	0	0
book value of property, plant and equipment			
Interest rate swap	7	0	0
Net tax assets/(liabilities)	988	962	93

Deferred tax asset and liabilities have been offset on the balance sheet per company, considering the fact that they are levied by the taxing authority on a net basis per entity:

	2007	2006	2005
	€000	€000	€000
Deferred tax asset	1,236	1,097	117
Deferred tax liability	(248)	(135)	(24)
Total	988	962	93

8.1.7.13 Other long-term receivables

31 December 2007	<1 year	>1 year <5 year
	179	462
Total	179	462

8.1.7.14 Inventories

	2007	2006	2005
	€'000	€'000	€'000
Raw Materials and consumables	120	86	0
Total	120	86	0

The mutation of stock in the profit and loss account amounted to €34k in 2007 and €86k in 2006.

8.1.7.15 Trade and other receivables

	2007	2006	2005
	€'000	€'000	€'000
Trade receivables	2,635	65	1
Receivables due from related parties	23	22	0
Tax receivables-VAT	156	120	125
Deferred expenses	58	38	325
Other receivables	1	3	2
Total	2,872	247	453

8.1.7.16 Cash and cash equivalents

The Group's cash and cash equivalents comprise cash deposits held at Belgian banks.

8.1.7.17 Share capital

Date	Action	Shareholders	Shares	Price per share (Fractional Value)
28 September 2005 . . .	Incorporation	Enerpro SPRL controlled by Yves Crits	134	€100
28 September 2005 . . .	Incorporation	Nico Terry	134	€100
28 September 2005 . . .	Incorporation	Guido Schockaert	134	€100
28 September 2005 . . .	Incorporation	KBC Private Equity NV	218	€100
22 November 2005 . . .	Capital increase through contribution in kind of Renogen shares	Enerpro SPRL	21,533	€100
22 November 2005 . . .	Capital increase through contribution in kind of Renogen shares	Nico Terry	21,533	€100
22 November 2005 . . .	Capital increase through contribution in kind of Renogen shares	Guido Schockaert	21,533	€100
19 January 2006	Capital increase through contribution in cash	KBC Private Equity NV	34,782	€100
19 January 2006	Capital decrease with repayment to the Founders of their initial contribution in cash at incorporation (aggregate amount of €40,200)	N/A	N/A	€99.6

8.1.7.18 Interest-bearing loans and borrowings

	2007	2006	2005
	€'000	€'000	€'000
Non current			
Loans from related party KBC PE	2,500	0	0
Bank loans	21,885	12,508	2,043
Leasing debts	138	184	0
Total non current loans and borrowings	24,523	12,692	2,043
Current			
Bank loans	2,560	1,118	11
Leasing debts	46	46	0
Total current loans and borrowings	2,606	1,163	11
Total	27,129	13,855	2,054
Situation per 31 December 2007	Amount as at 31 December 2007	Payable in 1-5 years	Payable after 5 years
	€'000	€'000	€'000
Loans from related party KBC PE	2,500	2,500	0
Leasing debts	184	184	0
Bank loans	24,089	15,163	8,926
Accrued interest expenses	189	189	0
Cash credit	167	0	167
Total	27,129	18,036	9,094

The loans were provided by KBC bank under the following conditions:

	Interest rate	Credit facility	Outstanding end 2007	Final repayment date
		€'000	€'000	€'000
<i>Amel I</i>				
Line roll-over credit (727-8621683-91) . .	Euribor 3 m. + 2.5%	16,292	16,292	18/11/2017
Line roll-over credit (727-8621642-50) . .	Euribor 3 m. + 3.25%	2,172	2,172	18/11/2012
<i>Amel II</i>				
Line roll-over credit (725-0215256-17) . .	Euribor 3 m. + 1.25%	11,400	5,625	15/07/2018
<i>Amel I and II</i>				
Cash credit	EONIA + 2%	200	167	—
Accrued interest expenses			189	
Total		30,064	24,445	

The roll-over credit 727-8621642-50 included in the bank loans, which is repayable within 5 years per 31 December 2007, will decrease with €915k in the beginning of 2008, due to a sale and lease back transaction of the Vecoplan installation with KBC Bank. The roll-over credit facility will be replaced with a leasing debt repayable within 10 years.

The loan of €2,500k, granted to the Group by KBC Private Equity is replaced after the balance sheet date by a bridge loan of €4,170k of which the capital needs to be reimbursed on 31 October 2009 (see also 8.1.7.24). Interest is paid annually at a rate of 8.5%.

Secured bank loans

In order to secure the obligations under the roll-over credits with KBC Bank, Renogen NV has created:

- A mortgage of €1,846k in principal on the cogeneration plant in first rank, located at the Kaiserbaracke industrial area in Amel;
- A pledge of the business in the amount of €250k in principal (including receivables and 50% of stocks) in first rank on the business located at the Kaiserbaracke industrial area in Amel;

- The power of attorney to create a mortgage of €16,368k in principal on the cogeneration plant, located at the Kaiserbaracke industrial area in Amel, together with a prohibition against alienating or mortgaging the real property or granting power of attorney to that end with the exception of the above mentioned mortgage of €1,846k in favour of the bank.
- The power of attorney to establish a pledge of the business in the amount of €16,368k in principal (including receivables and 50% of stocks) on the business located at the Kaiserbaracke industrial area in Amel, together with prohibition against alienating or pledging the business or granting power of attorney to that end with the exception of the above mentioned pledge of the business in the amount of €250k in principal in favour of the bank.
- The power of attorney to create a mortgage and the power of attorney to create a pledge of the business may be realized together for an amount of €16,368k in principal.
- An acceptable property insurance policy relating to the cogeneration plant with the bank as direct beneficiary. In consequence, the bank will at all times be entitled to pay the insurance premium instead of the policyholder. In such case, the insurance premiums and expenses paid by the bank will be recovered from the borrowers. The bank will be entitled to take all initiatives vis-à-vis the insurers to protect its rights in general as lender, including requiring of the insurers that :
 - all damages will be paid or through the intermediary of the bank;
 - the Insurance cover may not be suspended, reduced, annulled, cancelled or in any other way terminated without the bank being given advance notice thereof.
- The power of attorney (mandate) to create a mortgage in the amount of €11,400k in principal, on an industrial building located at 4770 Amel, Gewerbezone Kaiserbaracke, belonging to Renogen NV granted on 13 April 2007, together with a prohibition against alienating or mortgaging the real property or granting power of attorney to that end.
- The power of attorney (mandate) to establish a pledge of the business (floating charge) in the amount of €11,400k in principal, on the business at 1420 Braine-L'alleud, Chaussée d'Ophain 181 and 4770 Amel, Gewerbezone Kaiserbaracke, granted on 9 March 2007, together with a prohibition against alienating or pledging the business or granting power of attorney to that end.
- The power of attorney to create a mortgage and the power of attorney to create a pledge of the business may be realized together for an amount of €11,400k in principal.
- The pledge from the borrowers of all present and future cash into the following Debt Service Reserve Account: 733-0287158-68.
- An amount of €1,462k (= 6 months of principal repayments and interest of the 2 abovementioned lines of roll-over credit with reference number 727-8621683-91 and 727-8621642-50 at their initial amounts) has to be present on the account on 18 November 2008 and has to be built up with 4 quarterly amounts of €366k, the first on 18 February 2008. From 18 November 2008 on the amount of €1,462k may decrease as long as 6 months of principal repayments and interest regarding the outstanding of the 2 abovementioned lines of roll-over credit is maintained.

The following has been agreed for all the borrowers' commitments towards the bank:

- The borrowers undertake not to alienate, mortgage or pledge their assets, or establish a lien thereon or grant a power of attorney to this end without the bank's prior consent in writing.
- The borrowers will not pay any dividends to their shareholders as long as:
 - the Solvency Ratio of Renogen S.A. (excl. subordinated loan) has not achieved 20% (based on half yearly results);

This solvency ratio is the ratio of shareholders' equity to total assets, both after elimination of the carrying value of formation expenses, intangible fixed assets, and any own shares that have been purchased. Shareholders' equity comprises capital and reserves as per the annual accounts, less the carrying value of formation expenses, intangible fixed assets and any own shares that have been repurchased.

 - the construction of the 'Centrale bioénergétique Renogen' is not completely finalised;
 - the amount of the abovementioned pledged Debt Service Reserve Account has not reached €1,462k.

- The borrowers should try to reach as soon as possible a solvency ratio (as defined above) of at least 25%.
- The subordinated loan of €2.0 million, granted by 4Energy Invest NV to Renogen S.A., may only be repaid in case the shareholder's equity of Renogen S.A. excluding the subordinated loan of €2.0 million, has reached and remains at any time minimum 20% of the balance total.
- Every six months management accounts and a balance sheet have to be submitted within 45 days after the preceding six months. A yearly report, approved by the board of directors, has to be submitted within six months after the closing of the accounts.
- All payments must be done through KBC accounts and ADD should have the possibility to submit an offer for the insurance of the project.
- The Debt service ratio (Ebitda/debt service) has to be at least 1 over fiscal year 2007 and at least 1.2 over fiscal year 2008 and the following fiscal years, which will be tested each year by yearly report approved by the board of directors at the latest on June 30.

The debt service comprises all capital and interest reimbursements on the short and long-term financial liabilities, subordinated loan included.

- No amendments can be made to the PPA (Power Purchase Agreement) or the plans for the project, without the consent of the bank.
- The bank reserves itself the right to terminate the credit facility if control of Renogen S.A. is changed not according to the following conditions: at least 50% of the shares have to belong to Nico Terry, Yves Crits and Guido Schockaert individually and/or collectively to a company of which they own more than 50% of the shares).
- The borrowers will prepay the 3 aforementioned roll-over credits yearly (one after another), at the latest on June 30 of each year with 30% of the Free Cash Flow, this prepayment will first apply on the roll-over credit line of €2,172k and secondly on the roll-over credit line of €16,292k.

Free Cash Flow means:

Net Earnings after taxes before dividends (code 70/67),

- plus any depreciation and amortization (code 630, 631/4, 635/7 and 651)
- minus extraordinary income (code 76)
- plus extraordinary expenses (code 66)
- minus principal instalments and interest on any financial indebtedness of the borrowers falling due or accrued during the relevant period (whether or not paid)
- minus funding Debt Service Reserve Account

The first prepayment has to be made in 2008 with at least 30% of the Free Cash Flow over fiscal year 2007, stated by a year report approved by the board of directors at the latest on 30 June 2008.

However, as long as the repayment of the second postponed repayment is not fulfilled, at least 100% of free cash flow is applicable in the aforementioned prepayment.

- All cost overruns have to be paid by the borrowers of their shareholders.
- The proceeds from the claim with an insurance company for an aggregate amount of €1.4 million (see also Section 6.9) will be applied for the repayment of KBC Bank for a total amount of €940k corresponding to the first and second postponed repayments of the credit facility of Amel I.

A line of commitment credit in the amount of €158k with reference number 479-0034907-16, was granted by KBC. Renogen NV may use this line of commitment credit in the form of abstract guarantees and/or secondary guarantees and/or bonds issued or to be issued by the bank in favour of the Walloon Region. On 30 November 2007 a bank guarantee of €150k has been deposited to the Walloon Government for possible environmental damages or cleaning costs.

In order to secure the obligations under the cash credit with KBC, Amel Bio NV has created:

- the power of attorney to establish a pledge of the business in the amount of €200k in principal, together with a prohibition against alienating or pledging the business.
- a letter of intent by Renogen.

The management of the Group confirms that no bank covenants were breached during the past three years.

8.1.7.19 Trade and other payables

	2007	2006	2005
	€000	€000	€000
Trade payables	2,504	3,988	268
Accrued expenses	256	28	1
Total	2,760	4,016	269

8.1.7.20 Management of risks arising from financial instruments

Exposure to credit, market and liquidity risks arises in the normal course of the Group's business.

a. Credit risk

The Issuer has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed for all customers requiring credit over a certain amount. The Group does not require collateral in respect of financial assets.

At the balance sheet date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

Included in the Group's trade receivable balance at 31 December 2007 are the debtors with a carrying amount of €1,663k (2006: none) which are past due at the reporting date. The Group has not booked a provision for these trade receivables as there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral over these balances.

Ageing of past due but not impaired

	2007	2006	2005
	€000	€000	€000
less than 30 days	1,303	0	0
30–60 days	203	0	0
60–90 days	25	0	0
90–120 days	132	0	0
Total	1,663	0	0

b. Market risk

Market risk is the risk that the fair value of financial instruments will fluctuate because of changes in market prices. The market risk mainly comprises the currency and interest rate risk.

Foreign currency risk

The Group is currently not exposed to foreign currency risk as all transactions are in Euro.

Interest Rate risk

The Group contracted all of its bank and leasing debts with KBC Bank in Euro at a floating rate.

In the course of 2007, the board of directors decided to structure an interest rate swap for 50% of the interest rate risk inherent in the existing credit facilities for Phase 1 of the Amel project (727-8621683-93 and 727-8621642-50).

The financial instruments (interest rate swaps) concluded in 2007 do not meet the conditions for hedge accounting and are accounted for at fair value with changes in fair value recognised immediately as a component of net profit.

4Energy Invest has agreed on the following Interest Rate Swaps:

(in €'000)	Interest rate	Date of swap contract signature	Credit amount hedged	Fair value as at 31/12/07	Hedged until
Amel Phase 1	4.4745%	20/08/2007	1,086	(1)	20/08/2012
Amel Phase 1	4.5096%	20/08/2007	8,146	(18)	18/08/2017
Total			9,232	(19)	

Sensitivity Analysis

An increase/decrease of 100 basis points in the interest rates on our floating rate debt at the reporting date, with all variables held constant, would have resulted in approximately a € 15,000 lower/higher profit before taxes for the year 2007. The impact reflects the fact that we only started to take into result the financial costs of Amel I as of November 2007. This does not take into account the impact on the evolution in fair value of the contracted Interest Rate Swaps as detailed below.

(in €'000)	Interest rate	Date of swap contract signature	Credit amount hedged	Interest rate flux.	Fair value change as at 31/12/07	Hedged until
Amel Phase 1	4.4745%	20/08/2007	1.086	+1%	+19	20/08/2012
				-1%	-23	
Amel Phase 1	4.5096%	20/08/2007	8.146	+1%	+285	18/08/2017
				-1%	-343	
Total			9.232	+1%	+304	
				-1%	-366	

An increase/decrease of 100 basis points in the interest rates on our floating rate debt as at 31 December 2006, with all variables held constant, would have resulted in a zero euro lower/higher profit for 2006.

Liquidity Risk

The liquidity risk relates to the risk that the Group could encounter difficulty in meeting obligations associated with financial liabilities.

In this respect, the Group's financing policy is based on:

- diversifying sources of financing between credit institutions (KBC Bank), its shareholders (i.e. KBC PE) and the capital markets (planned IPO);
- achieving a balanced repayment profile of its financial debts.

The Group's confirmed credit facilities are appropriate with the scale of its operations and with the timing of the contractual debt repayments.

The Group's outstanding contractual payments as per 31 December 2007 on outstanding borrowings by maturity date are disclosed in note 8.1.7.18 as well as the credit facilities granted by KBC Bank.

8.1.7.21 Personnel

The average number of employees and remuneration paid for the years ended 31 December 2007, 31 December 2006 and 31 December 2005 are as follows:

	2007	2006	2005
	€'000	€'000	€'000
Average numbers of employees	4.6	1.2	0
Wages and salaries	110	2	50
Social security and health insurance expenses	31	1	0
Other social expenses	40	0	0
Total	181	3	50

8.1.7.22 Commitments

Renogen NV has the commitment towards Ecoson BV to buy specified amounts of 'Refined Pork Fat' during 2008 as stipulated in the agreement between parties of 23 December 2007. For the period January/March 2008, the price is set at €630 per tonne and for the period April/June 2008 at €650 per tonne excl. VAT and taxes. Considering the fact that no active market is available for the product and taking into account that the contract date is near year-end closing, the Group management is convinced that the market value of this contract is represented by the contract price.

Contingent assets

4Energy Invest (through its subsidiary Renogen) is involved in one important litigation, as plaintiff, against an insurance company relating to damage resulting from delays in the delivery of Amel I, in excess of the damage compensated by the constructors. The outcome of the proceedings could have a positive impact on the results of 4Energy Invest. The claim is for a total amount of approximately €1,500k.

8.1.7.23 Related parties

(a) Identification of related parties

The Group has a related party relationship with its Founders, KBC Private Equity and its industrial partners Belwood Amel, Delhez Bois (through Clean Box) and Holz Niessen.

The industrial partners Belwood-Amel, Delhez Bois and Holz Niessen hold a minority stake in Amel Bio NV.

KBC Private Equity has a participation of 35% in the share capital of 4Energy Invest NV.

Key management persons are Yves Crits, Nico Terry and Guido Schockaert.

	2007	2006	2005
	€'000	€'000	€'000
Remuneration and benefits to key management			
(a) short term employee benefits	928	791	124
(b) post-employment benefits	0	0	0
(c) other long-term benefits	0	0	0
(d) termination benefits	0	0	0
(e) share based payment	0	0	0
Total	928	791	124

(b) Transactions with related parties

		2007	2006	2005
		€'000	€'000	€'000
Key management				
Yves Crits	Outstanding Loans granted by the Group(1)	23	22	0
	Interests to the Group	1	0	0
	Outstanding Trade receivables from the Group	0	8	0
Enerpro SPRL	Outstanding Trade payables by the Group(2)	178	18	23
	Management fees/costs to the Group	314	272	43
Nico Terry BVBA	Outstanding Trade payables by the Group(2)	175	32	23
	Management fees/costs to the Group	297	248	40
Enermoza BVBA	Outstanding Trade payables by the Group	180	18	23
	Management fees/costs to the Group	316	271	41
Other related parties				
KBC PE	Outstanding Loans granted to the Group(3)	2,500	0	0
	Fees to the Group	15	50	0
	Interests to the Group	141	0	0
Belwood Amel	Outstanding Trade receivables from the Group	118	0	0
	Outstanding Other long term receivables <1 yr	52	0	0
	Outstanding Other long term rec. >1 yr <5 yrs	134	0	0
	Outstanding Trade payables by the Group	29	4	0
	Services provided by the Group	482	0	0
	Goods purchased by the Group	205	4	0
Delhez Bois	Outstanding Trade receivables from the Group	242	0	0
	Outstanding Other long term receivables <1 yr	127	0	0
	Outstanding Other long term rec. >1 yr <5 yrs	328	0	0
	Outstanding Trade payables by the Group	31	0	0
	Services provided by the Group	577	0	0
	Goods purchased by the Group	29	0	0
Holz Niessen	Outstanding Trade payables by the Group	57	11	0
	Outstanding Goods purchased by the Group	177	10	0

(1) Current account, non secured. Interest rate 2007 applied of 6.75%

(2) The trade payable balances to Enerpro SPRL, Nico Terry BVBA and Enermoza BVBA relate to the unpaid invoices of the management fees invoiced to the Group.

(3) The KBC PE loan, granted at 16 March 2007 for €2,500k has been concluded at an annual interest rate of 8.5%. No securities are granted to KBC PE. The loan has been replaced post balance sheet date (see 8.1.7.24)

The terms and conditions for the services rendered by Enerpro SPRL, Nico Terry BVBA, Enermoza BVBA; the goods sold to Belwood Amel, Delhez Bois and Holz Niessen (industrial partners) as well as the services rendered to the industrial partners are at arm's length and as such in accordance with normal terms of trade applicable in the market for this type of services or delivery of goods. The outstanding balances are payable or to be received on their respective maturity dates in cash. In respect of the transactions made with these parties, no guarantees were granted.

8.1.7.24 Subsequent events

In March 2008, 4Energy Invest (through its fully owned subsidiary Renogen) acquired 75% of the shares in Pontrilas Renewable Energy Ltd. Pontrilas holds a conditional planning, expiring in January 2012 for the construction of a clean renewable energy Biomass power generation plant. The project is located in Pontrilas, Herefordshire, United Kingdom. Comparable to the Amel project, the cogeneration plant will supply heat and feed electricity into the distribution grid.

The bridge loan agreement of 16 March 2007 in the amount of €2,500k between 4Energy Invest and KBC Private Equity, which is replaced by the bridge loan agreement of 27 February 2008 for a total amount of €4,170k and amended on 19 May 2008, stipulates that the loan will become immediately repayable on initial public offering for an amount of €1,670k. In the event of an IPO, the conversion rights which KBC PE has in the event where the Issuer defaults, automatically expire.

On 12 March 2008, 4Energy Invest applied for a building permit to install an envisaged biomass unity in the industrial zone of Kwaadmechelen. The MER procedure has already been launched beginning 2008.

On 14 April 2008, 4Energy Invest has applied for a unique building permit for the extension of his activities in Amel, with amongst others a charcoal production unit and an additional covered storage area for wood. In this regard, 4Energy Invest negotiates with the SPI+ (the zoning restriction developer) to purchase the necessary land to execute their plans for expansion.

8.1.7.25 Explanation of the transition to IFRSs

As stated in note 1(b), these are the Group's first consolidated financial statements prepared in accordance with IFRSs.

The accounting policies set out in note 2 have been applied in preparing the consolidated financial statements for the years ended 31 December 2007, 31 December 2006 and 31 December 2005.

In preparing its opening IFRS balance sheet, the Group has adjusted amounts reported previously in financial statements prepared in accordance with its local basis of accounting (Belgian Accounting Standards). An explanation of how the transition from previous GAAP to IFRSs has affected the Group's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables.

Impact to equity

	2007	2006	2005	01 January 2005
	€'000	€'000	€'000	€'000
Net equity according to Belgian GAAP	158	1,180	(221)	18
Capitalized costs/interests	4,124	2,155	353	0
Capitalized costs deducted from equity	(62)	(62)	0	0
Difference between tax value and book value of property, plant and equipment	254	0	0	0
Change in deferred tax	988	962	93	15
Net equity according to IFRS	5,461	4,235	224	33

Impact to P&L account

	2007	2006	2005
	€'000	€'000	€'000
Net profit according to Belgian GAAP	(1,022)	(2,080)	(376)
Capitalized costs/interests	1,969	1,802	353
Difference between tax value and book value of property, plant and equipment	254	0	0
Change in deferred tax	26	869	77
Net profit according to IFRS	1,266	591	54

8.2. Audit report

We have audited the accompanying consolidated financial statements, which comprise the consolidated balance sheets as at 31 December 2007, 31 December 2006 and 31 December 2005, the consolidated income statements, the consolidated statement of changes in equity and the consolidated cash flows for the years then ended, and a summary of significant accounting policies and other explanatory notes, of 4Energy Invest, referred to as the "Group".

Basis of preparation

For the purposes of the Initial Public Offering, management of the Group has prepared the consolidated financial statements of the Group, for the purpose of presenting the consolidated financial position, consolidated results of operations and consolidated cash flows of the Group. The basis of consolidation is set out in Section 8.1.5.4 to the consolidated financial statements.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and the fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the EU. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and the fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with the applicable ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The audit procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the companies' preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the companies' internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2007, 31 December 2006 and 31 December 2005, and of its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Dendermonde, 20 May 2008

VGD Bedrijfsrevisoren
represented by

Jurgen Lelie
Audit Partner

9. DEFINITIONS

Biomass

Biomass is the biodegradable fraction of waste, residues from agriculture (including vegetal and animal substances), forestry and related industries, as well as the biodegradable fraction of industry and municipal waste.

Green Certificates

Tradable commodity proving that certain electricity is generated using renewable energy sources. Typically one certificate represents generation of 1 Megawatthour of electricity. What is defined as “renewable” varies from certificate trading scheme to trading scheme. Green certificates represent the environmental value of renewable energy generated and can be traded separately from the energy produced and are issued by local regulators such as CWaPE, VREG ... or ROC issued by Ofgem.

RO or Renewables Obligation

The RO is an incentive of the government in Great Britain and Northern Ireland to stimulate growth of electricity generated from renewable sources

ROC or Renewable Obligation Certificates

Certificate that suppliers receive when they obtain their renewable obligation

10. BUSINESS GLOSSARY

Biofuels	Vegetable oils, bio diesel and animal fat.
Boiler	Any device used to burn biomass fuel to heat water as to generate steam.
Bottom ash	Non-combustible ash that is left after solid fuel has been burned.
Capacity	The maximum power that a machine or system can produce safely carry. It also means the maximum instantaneous output of a resource under specified conditions. The capacity of generating equipment is generally expressed in kilowatts or megawatts.
CO₂ or Carbon Dioxide	Odourless gas which is harmful to the environment.
Cogeneration	Simultaneous production of thermal energy and electrical or mechanical energy at high efficiency rates (in general 80 to 90%). Cogeneration is part of the most efficient energy techniques for the use of fossil or renewable energy. Cogeneration aims for a high accrued yield through the use of primary thermal energy, either in an industrial process, or either in a grate; the cogeneration of electricity is not the main goal in this case but a consequence, improving the economic balance of the equipment. In cogeneration equipment, the electrical energy is either being consumed automatically, or reinjected in the public transport or distribution grid.
CWaPE	Commission Wallonne pour l'Energie, Energy market regulator in the Walloon Region, Belgium.
Debt service reserve account	A debt service reserve account is often used in project finance. A DSRA works as an additional security measure for the lender as it ensures that the borrower will always have funds deposited for the next \times months of debt service. Commonly the DSRA target is defined as six or twelve months of debt service.
Diesel Engine	A compression-ignition piston engine in which fuel is ignited by injecting it into air that has been heated (unlike a spark-ignition engine).
EU25	The 25 member states of the European Union.
Fossil Fuel	Solid, liquid, or gaseous fuels formed in the ground after millions of years by chemical and physical changes in plant and animal residues under high temperature and pressure. Oil, natural gas, and coal are fossil fuels.
Fuel	Any material that can be converted into energy.
G	Giga = 1,000 mega.
GW or Giga Watt	The electrical unit of power that equals one billion Watts (1,000 MW).
GWh or Giga Watt Hour	A measure of energy equivalent to the expenditure of one Gigawatt for one hour.
Grid	An electric utility's system for distributing power.
Hydrophobic	Material which does not anymore absorb water.
J	Joule, unit of electric work.
K or Kilo	Measure of weight equal to 1,000 gr.
kW or Kilowatt	A measure of electrical power equal to 1,000 Watts.

kWk or Kilowatt hour	A measure of energy equivalent to the expenditure of one kilowatt for one hour. For example, 1 kWh will light a 100-watt light bulb for 10 hours.
M	Mega = 1,000 kilo.
Moisture content	The weight of the water contained in wood, usually as a percentage of weight, either oven-dry or as received.
Mtoe	Mtoe is the abbreviation of million tons of oil equivalents. One Mtoe has an energy content of the combustion energy of one tonne of crude oil which corresponds to approximately 11.6 TWh.
MW or Megawatt	The electrical unit of power that equals one million Watts (1,000 kW).
MWe	Megawatt electrical is one Megawatt of electrical power. Megawatt electrical expresses the electricity production capacity of a power plant. To calculate the theoretical electricity sales capacity of a power plant, one could multiply the plant's electrical capacity (in MWe) with the production hours and the average electricity price. Hence, a power plant with a capacity of 5MWe that operates 8,000 hours and an average electricity price of €60/MWh has a theoretical capacity of €2.4 million of electricity sales.
MWh or Megawatt hour	A measure of energy equivalent to the expenditure of one Megawatt for one hour.
MWth	Mega Watt thermal is one Megawatt of thermal power. Megawatt thermal expresses the heat production capacity of a power plant. To calculate the theoretical heat sales capacity of a power plant, one could multiply the plant's thermal capacity (in MWth) with the production hours and the average heat price. Hence, a power plant with a capacity of 5MWth that operates 8,000 hours and an average heat price of €10/MWh has a theoretical capacity of €0.4 million of sales.
Ofgem	Office of Gas and Electricity Markets, Energy Market regulator in the United Kingdom.
Steam turbine	A device for converting energy of high-pressure steam (produced in a boiler) into mechanical power which can then be used to generate electricity.
Primary Energy	<p>Primary Energy is energy that has not been subjected to any conversion or transformation process. Primary energy is energy contained in raw fuels and any other forms of energy received by a system as input to the system. The concept is used especially in energy statistics in the course of compilation of energy balances.</p> <p>Primary energy includes resource energy and renewable energy and is the counterpart of secondary energy. Primary energies are transformed in energy conversion processes to more convenient forms of energy, such as electrical energy and cleaner fuels. In energy statistics these forms are called secondary energy.</p>
VREG	Vlaamse Reguleringsinstantie voor Electriciteits- en Gasmarkt, Energy market regulator in the Flemish Region, Belgium.
W or Watt	Unit of measure for mechanical or electrical power corresponding to the transmission of 1 Joule of energy for one second. Power plant capacity is expressed in millions of watts (MW).

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