

## **RENESOLA LTD**

### **PRODUCTION CAPACITY EXPANSION UPDATE**

ReneSola Ltd (“ReneSola” or the “Company”) (AIM: SOLA), a leading manufacturer of solar wafers for the photovoltaic industry, is pleased to announce a significant uplift to its planned 2007 production capacity expansion.

#### **2007 Production Capacity Expansion Revision**

On 10 October 2006 the Company announced that the planned production capacity for the end of 2007 had been increased from 125 MW to 180 MW through the addition of multicrystalline furnaces and wire saws.

Since that time, ReneSola has received letters of intent, primarily from existing customers, to purchase additional monocrystalline wafers that far exceed the existing monocrystalline wafer production capacity. In order to meet this demand, the Company has increased the planned 2007 capacity expansion with the addition of a further 85 MW of monocrystalline furnaces. Total production capacity by the end of 2007 is therefore now planned to be 265 MW.

ReneSola has commenced the negotiation of sales contracts with customers for the delivery of the anticipated output of approximately 50 MW of wafers during 2007 from the additional monocrystalline furnaces. The Directors expect that approximately 75 per cent. of these sales will be effected under tolling arrangements where the customer supplies the silicon feedstock to ReneSola for processing into solar wafers. This will significantly reduce the Company’s working capital requirement.

ReneSola has signed a contract and paid a deposit for the purchase of the first batch of 48 monocrystalline furnaces from Beijing Oriental Keyun Crystal Technologies Co. Ltd., which supplied all of the Company’s existing monocrystalline furnaces. These furnaces are expected to be delivered in February and March 2007. The remaining 48 furnaces are planned to be delivered during the second quarter of 2007.

In tandem with the planned addition of monocrystalline furnaces, the Company has signed a contract with NTC of Japan to purchase a further 25 wire saws, which are scheduled to be delivered during the first half of 2007.

The facility of 10,400m<sup>2</sup> currently under construction adjacent to existing facilities will be used to house the new monocrystalline furnaces and wire saws. The facility is expected to be finished in early February 2007. The new multicrystalline furnaces purchased from ALD Vacuum Technologies GmbH of Germany and the wire saws purchased from Meyer Burger AG of Switzerland will be located in the next phase of

facilities on which construction is expected to begin before the end of 2006.

The Company is currently in negotiations with a Chinese bank which has indicated that it will provide facilities consisting of a term loan to finance the instalment payments of the capital expenditure and a revolving credit line to finance the working capital requirements.

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