

## **Extraordinary Announcement of the CEO of Genesis Energy Investment Plc.**

The panic on the Stock Exchange in connection with the share price of Genesis Energy cannot be reasoned by any new fact or event. Genesis Energy announced for the public all available but not confidential information according to the legal requirements.

Hereby, based on the numerous inquiries received by the Company, in order to protect the interest of the shareholders we summarize again the facts and their consequences related to the Cogenco deal and other events of the company in order to help the investors to evaluate the situation.

On August 11<sup>th</sup>, 2009 Cogenco International, Inc. ("Cogenco") entered into a Stock Purchase Agreement (the "SPA") with Genesis Energy Investments Plc. ("Genesis Energy") to acquire the 100% ownership of Genesis Solar España, S.L. ("GSE"), Genesis Solar Singapore Pte. Ltd. ("GSS") and the third subsidiary Genesis Solar Hungary Kft. ("GSH"). In consideration for acquiring the shares of the Acquired Companies Cogenco has agreed to issue Genesis Energy 8,700,000 shares of its common stock and one share of a series of its Series A preferred stock providing management rights that will be created to effect the transaction.

The SPA defines several other conditions that should be met by the Parties prior to closing the transaction. One of the most important conditions is that at the last fiscal period prior to the closing of the transaction Cogenco should have a book value calculated in accordance with US GAAP of at least USD 50 Million. This can be reached via issuing shares to a third party at a price of minimum USD 10 per share.

The SPA states that after closing Cogenco will use its best efforts to list the shares of Cogenco on one of the following Stock Exchanges registered under Section 17 of the Securities Exchange Act (NYSE, AMEX, Nasdaq Global Select Market, Nasdaq Global Market, Nasdaq Capital Market).

As it was previously announced, the Spanish subsidiary of Genesis Energy received a soft loan of EUR 4.5 Million to further finance the project and the capital increase of at least EUR 1.7 Million at a price of EUR 3 in Genesis Energy is still in progress.

As after closing the Cogenco deal the entire assets of Genesis Energy will consists of shares of Cogenco, cash, know-how and potential receivables, therefore the major

shareholder Genesis Investment Funds (GIF) made various suggestions in order to cut the running costs and protect the shareholders' value:

GIF initiated to decrease the number of Board members and proposed for the Board to enter into agreements for ceasing the management contract of one of the leading officials with common consent in the near future. After selling the 3 subsidiaries, the expenses of the holding should be cut back, however the company should meet the conditions of lawful operation and trading regulations of the stock exchange. The major shareholder is going to keep the shares of the company in trade on the Budapest and the German stock exchanges.

When the Cogenco shares acquired after the closing are listed and traded on one of the above mentioned stock exchanges, then further trade of Genesis shares on the Budapest Stock Exchange is not reasonable any more. GIF suggested scheduling the wind up of the company the way that the then shareholders of Genesis Energy receive the liquid Cogenco shares at the end of the asset distribution process. Consequently, the continuity of the trade of the shares held by Genesis shareholders shall not be broken.

In order to provide direct ownership of Genesis Energy shareholders in Cogenco, Genesis Energy has to be wind up and the Cogenco shares will be distributed among the shareholders. The asset distribution is fixed in the ratio of shareholdings, but as of today the number of how many Cogenco shares will be swapped for a Genesis Energy share is not foreseeable.

The proposals announced and suggested by the major shareholder serve the purpose of shifting towards a more practical and cost effective operation, simplified decision-making process and future strategic direction. Based on the above there is no reason why the reaction of the stock exchange was so hectic due to publishing the word "wind-up".

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