31 March 2016

REACT Energy plc
(“**REACT**”, “**Company**” or the “**Group**”)

Interim results
for the six months ended 31 December 2015

REACT Energy plc (AIM:REAC), the energy infrastructure developer and operator which focuses on the production of clean energy in the UK and Ireland, announces its unaudited interim results for the six months ended 31 December 2015.

Highlights

- Successful exit from Examinership after the Scheme of Arrangement with creditors, loan notes holders and contingent guarantee creditors was approved by the High Court in July 2015
- Newry Biomass Limited (“**NBL**”), a 50.01% subsidiary of the Company, entered into an agreement with EBIOSS Energy AD (“**EBIOSS**”) to purchase its gasification power Plant equipment to repower the Newry biomass gasification project (“**Newry Project**”)
- Equipment purchased from EBIOSS will form part of an Engineer, Procure and Construct (“**EPC**”) contract to be signed between NBL and EQTEC Iberia (“**EQTEC**”), a subsidiary of EBIOSS, in respect of the Newry Project
- NBL applied and received confirmation from Ofgem that they have been granted an extension to 31 March 2018 for the ROCs registration of the Newry Project

Financial Summary

- Group revenue of €0.13 million (H1 2014: €0.15 million)
- Administrative costs of €0.25 million (H1 2014: €0.61 million)
- Loss for the period from continuing operations of €0.4 million (H1 2014: Loss for period €1.3 million)
- Entered into a £1,000,000 secured loan facility (“**SLF**”) with EcoFinance GLI Limited (“**EcoFinance**”) to fund on-going working capital requirements including the continued development of its project pipeline
- Refinanced Altair Group Investment Limited’s (“**Altair**”) existing secured debt, comprising a 9% secured loan note of £1.5 million and the Examinership financing facility of €500,000, with a new two year 7.5% £2.0 million convertible secured loan note (“CSLN”) with Altair
- As part of the Examinership, liabilities reduced by €5.7 million following a debt for equity swap resulting in the issue of, in aggregate, 37,470,972 ordinary shares

Post-period end events

- Secured a €750,000 loan facility from EBIOSS (the “**EBIOSS Facility**”), for continuing investment in its portfolio of biomass gasification projects in the UK. Subsequently amended so that the proceeds from the second tranche, amounting to, in aggregate, €250,000, can now be drawn down for working capital needs of the Company as well as for project development costs. To date €400,000 has been drawn down
- React has granted EQTEC exclusivity to provide gasification technology as part of EPC contracts for its biomass gasification project pipeline in the UK

The Chairman and Chief Executive's Statement and the unaudited interim results for the six months ended 31 December 2015, which are contained below and form part of this announcement, include further important information and disclosures. The announcement should be read in its entirety.

- Ends -

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About REACT:

REACT Energy plc is committed to operating clean electricity and heat generation plants in the UK and Ireland. The Company seeks to identify, build, own and operate renewable projects and possesses significant knowledge of energy markets, clean technologies, fuel sources, project development, project finance and project delivery. REACT currently has an interest in four operational clean energy plants generating revenue from the sale of electricity and heat. The generation of clean electricity and heat from sustainable sources has the potential to address the key energy challenges of energy security and carbon commitment and provide strong returns on capital employed.

The Company is quoted on AIM and trades as REAC. Further information on the Company can be found at www.reactenergyplc.com.

Chairman’s and Chief Executive’s Report

The Group’s objectives during the period were very clear:

- Obtain Court approval for a Scheme of Arrangement and complete the Examinership process;
- Complete the financing facility with EcoFinance;
- Restore trading in the Company’s shares on AIM; and
- Select a commercially viable gasification technology for the Newry Project.

Having achieved these objectives the Group’s business strategy remains one of focusing the Group’s resources on delivering projects to financial closure and managing the implementation and operation of those projects. The intention is to retain a long-term income stream linked to profits generated by projects in addition to receiving a development fee from third parties in exchange for project equity. The Group has projects at various stages of development, and, subject to funding, will look to bring them into operation.

EXAMINERSHIP

On 27 July 2015, the Group announced the restoration of its shares to trading on AIM following the successful exit of the Company from an examinership process (the procedure under Irish Law introduced to provide a mechanism for the rescue and return to health of ailing, but potentially viable, companies) (the “**Examinership**”). As part of the Examinership process the Company:

- Reduced liabilities by €5.7 million through a debt for equity swap resulting in the issue of, in aggregate, 37,470,972 ordinary shares to relevant creditors;
- Raised £1.0 million (before expenses) by way of the SLF with EcoFinance. The SLF, to be utilised for corporate development and general working capital purposes, is for a term of five years at a 15% per annum fixed rate of interest, payable monthly in arrears;
- Refinanced Altair’s existing secured debt, comprising a 9% secured loan note of £1.5 million and the Examinership financing facility of €500,000, with a new two year 7.5% £2.0 million CSLN with Altair; and
- Issued, in aggregate, 38,450,000 warrants to certain parties related to EcoFinance and Altair, which are exercisable at a price of 10 pence per share.

Further details on the Examinesrhip are set out in the Company’s Annual Report and Accounts for the year ended 30 June 2015 and in the circular to shareholders dated 22 September 2015.

STRATEGY AND PROSPECTS

The Group is a renewable energy project developer and operator. The Group seeks to take projects from “Greenfield” (greenfield land) stage to “Shovel Ready” stage (projects where planning and development is advanced enough that, given sufficient funding, construction can begin within a very short time frame) with turnkey construction contracts and financial packages in place. Debt and equity partners are sought to fund the construction phase in return for a share of the project equity.

The political and regulatory environment within the UK has continued to be challenging, with a lack of direction and continued changes to the long term support mechanisms available for renewable energy projects developed under the Electricity Market Review (EMR), with the recent introduction of Contracts for Difference (CfD) in place of the Renewables Obligation Certificate (ROC) regime.

The Group welcomes the recent announcement made in the recent UK budget, 16 March 2016, the key relevant points of which are:

- The UK Government has confirmed that, in aggregate, £730 million, for the 15 year contracts of support, has been allocated to the next set of CfD auctions to be held this Parliament.
  - The technologies covered by this support are offshore and other less established technologies (including Advanced Conversion Technologies which the Group is in the process of deploying).
- £290 million, for the 15 year contracts of support, will be made available for this year's CfD round, expected to be in late 2016.

CURRENT PORTFOLIO

The Group's business is broken down into Biomass Combined Heat and Power (CHP) projects in the UK, Biomass Heat Projects in the UK and Wind Turbine projects in Ireland.

Biomass Combined Heat and Power (CHP)

Newry
NBL, a 50.01% subsidiary of the Company, which owns the Newry Project, has entered into an agreement with Spanish MAB-listed EBIOSS to purchase its EQTEC Integrated Biomass Gasification Power Plant, with a power output of 4MW, which NBL will use in the repowering of the Newry biomass gasification project.

The gasification equipment purchased from EBIOSS will cost €4.963 million, fully payable in cash. It has been contractually agreed between NBL and EBIOSS that the equipment purchased will form part of an EPC contract to be signed between EQTEC Iberia, a subsidiary company of EBIOSS or a company designated by EQTEC Iberia, and NBL. The equipment has been delivered and is currently on site in Newry. The credit terms obtained under the purchase and sale agreement with EBIOSS provide for full payment by NBL not later than 30 June 2016. The Company and NBL are currently in discussions with a number of parties with regards to securing the necessary financing to repower the Newry Project and it is the intention to reach a conclusion on such discussions before the end of Q2 2016.

Once financial close on repowering the Newry Project is achieved, the Company expects that the plant will be able to again export electricity to the grid within 15 months.

NBL applied and received confirmation from Ofgem that they have granted an extension to 31 March 2018 for the ROCs registration of the Newry Project, at which point the Newry Project will need to have been repowered and commissioned.

Clay Cross
In Derbyshire, the Group, together with its partner Larkfleet Energy, is seeking approval to construct and operate a 12MW biomass conversion power plant. The planning and permit application have been made. A decision on planning is expected by mid-2016.

Biomass Heat

The Company owns 30% of a special purpose vehicle ("**SPV**") set up with Equitix ESI Finance Limited ("**Equitix**") and receives development and on-going management fees from it. The SPV currently operates three biomass heat projects.

RHI (Renewable Heat Incentive) is the primary incentive scheme in operation for these projects. The digression in RHI tariffs for boilers below 200kw range is impeding progress on projects within our pipeline and represents a continuing challenge to completion of project financing.

Wind Electricity Generation

In Ireland, the Group is currently operating a cash generating 800kW wind turbine in Pluckanes, County Cork. This project, which has a 15 year power purchase agreement with Viridian Energy Limited, was part financed by AIB Bank plc with the turbine supplied by Enercon. The project has exceeded management expectations since commissioning and continues to perform well.

It is the Group's intention to finance a number of small-scale projects together, thereby creating a small-scale wind portfolio. The Group is also working on creating a master supply agreement with a turbine manufacturer arising from wind measurement and site analysis. Altilow and Moneygorm will be the first of such portfolios into which further projects can be added.

The Altilow 500kW wind turbine project in County Donegal has applied and received confirmation of REFIT2 (Renewable Energy Feed in Tariff 2 in Ireland) support. The Moneygorm 500kW wind turbine project in County Cork, applied for REFIT2 support before the December 2015 deadline and we are awaiting confirmation that it has been accepted. On receipt of the confirmation, the Company will be seeking to advance these projects subject to securing the necessary funding.

The Irish Government is developing a new support scheme for renewable electricity to be available from 2016. We await publication and approval of this scheme for the other consented single wind turbine projects in our pipeline.

FINANCIAL POSITION

Key financial highlights

Income statement

	6 Months 2015 €'000	6 Months 2014 €'000
Revenue from operating projects	131	154
Cost of sales	-	(10)
Administrative expenses	(251)	(611)
Foreign currency (losses)/gains	3	(100)
Impairment of project costs	-	(536)
Net finance costs	(294)	(198)
Loss for the six month period before tax from continuing operations	(411)	(1,301)

Analysis of debt position

	As at 31 December 2015 €'000s	As at 30 June 2015 €'000s
Non-current liabilities		
EcoFinance 15% SLF	1,357	-
Altair 7.5% CSLN	2,810	-
Senior bank loan in respect of wind turbine*	1,073	1,116
BES Shares	105	105
Total non-current liabilities	5,345	1,221
Current liabilities		
Trade and other payables re EBIOSS equipment	4,964	-
Other Trade and other payables including professional fees	325	344
Trade and other payables cleared on Examinership	-	3,954
Trade and other payables – Examinership and related fees	-	143
Senior bank loan in respect of wind turbine	50	15
FBD 5% CLN	-	1,742
Altair 9% SLN	-	2,298
9% Loan Note	-	352
12% Loan Note	-	100
15% Shareholders' loan	-	173
Total current liabilities	5,339	10,342

** The proportion of the senior bank loan in respect of the wind turbine not due for repayment within one year, has been included in non-current liabilities.*

The debt analysis at 31 December 2015 shows the results of its restructuring agreed as part of the Examinership Scheme of Arrangement.

The increase in trade payables is represented by gasification equipment purchased from EBIOSS to repower the Newry Project.

Following the period end, REACT secured the €750,000 EBIOSS Facility to fund the development costs associated with the Company's identified biomass gasification projects in the UK in January 2016. The parties subsequently agreed that the proceeds from the second tranche, amounting to, in aggregate, €250,000, could be used for the working capital needs of the Company as well as for project development costs, at the sole discretion of the Company. To date the Company has drawn down €400,000 and accordingly, a further €350,000 is available pursuant to the EBIOSS Facility, of which €100,000 can be used at the sole discretion of the Company and €250,000 can be used for project development costs, and the parties have agreed that all subsequent drawdowns will be made as and when required to minimise finance costs.

The Directors believe that the EBIOSS Facility will provide the Company with adequate resources in the short term as it seeks to secure the necessary financing for the repowering of the Group's principal asset, the Newry Project, which is required to be finalised before the end of June 2016 in accordance with the agreement entered into between NBL and EBIOSS. Discussions are ongoing in this regard and to securing additional working capital and we will keep shareholders updated on future developments.

OUTLOOK

The immediate focus of the Group is on securing the necessary financing required to repower the Newry Project and discussions are ongoing in this regard.

The Group will also seek to continue to develop and review its project pipeline, the development of which will be dependent on, *inter alia*, government support for such schemes and the availability of funding. In this regard the Company will continue to monitor government policies relating to subsidies to the renewables sector, and seek to maintain its existing strong relationships with its funding partners to assist in its development programme. In addition, the Group is focused on utilising EQTEC's proven commercial gasification technology as part of the EPC contracts for its biomass and waste to energy project pipeline in the UK.

Dermot O'Connell	**Gerry Madden**
Chairman	**Chief Executive**

REACT Energy plc
Unaudited Condensed Consolidated Income Statement
for the six months ended 31 December 2015

	Notes	6 months ended 31 Dec 2015	6 months ended 31 Dec 2014
Continuing operations:		€	€
Revenue	6	131,031	153,985
Cost of sales		-	(9,772)
Gross profit		131,031	144,213
Operating expenses			
Administrative expenses		(251,257)	(610,648)
Impairment of property, plant and equipment		-	(506,390)
Impairment of financial assets		-	(29,806)
Gains/(Losses) on foreign exchange		2,533	(100,275)
Operating (loss)		(117,693)	(1,102,906)
Finance costs		(294,105)	(198,030)
Finance income		4	-
Loss before taxation	6	(411,794)	(1,300,936)
Income tax expense	7	-	-
Loss for the period from continuing operations		(411,794)	(1,300,936)
Discontinued operations			
Profit for the period from discontinued operations		-	120,761
Profit recognised on de-recognition of subsidiaries		-	5,307,258
Profit for the period from discontinued operations		-	5,428,019
(Loss)/Profit for the period		(411,794)	4,127,083
(Loss)/Profit attributable to:			
Owners of the Company		(410,718)	4,127,083
Non-controlling interest		(1,076)	-
		(411,794)	4,127,083

		6 months ended 31 Dec 2015 € per share	6 months ended 31 Dec 2014 € per share
Basic earnings/(loss) per share:			
From continuing and discontinued operations	8	(0.006)	0.135
From continuing operations	8	(0.006)	(0.042)
Diluted earnings/(loss) per share:			
From continuing and discontinued operations	8	(0.006)	0.135
From continuing operations	8	(0.006)	(0.042)

REACT Energy plc
Unaudited Condensed Consolidated Statement of Comprehensive Income
for the six months ended 31 December 2015

	6 months ended 31 Dec 2015 €	6 months ended 31 Dec 2014 €
(Loss)/Profit for the period	(411,794)	4,127,083
Other comprehensive income and expense		
Exchange differences arising on retranslation of foreign operations	(25,032)	(240,147)
Total comprehensive income and expense for the period	(436,826)	3,886,936
Attributable to:		
Owners of the company	(332,774)	3,886,936
Non-controlling interests	(104,052)	-
	(436,826)	3,886,936

REACT Energy plc
Unaudited Condensed Consolidated Statement of Financial Position
As at 31 December 2015

	Notes	As at 31 Dec 2015	As at 30 June 2015
ASSETS		€	€
Non-current assets			
Property, plant and equipment	10	11,923,051	7,201,844
Financial assets	9	-	-
Total non-current assets		11,923,051	7,201,844
Current assets			
Amounts due from customers under construction contracts		150,847	150,847
Trade and other receivables		712,488	141,799
Cash and cash equivalents		421,446	211,346
Total current assets		1,284,781	503,992
Total assets		**13,207,832**	**7,705,836**
EQUITY AND LIABILITIES			
Equity			
Share capital	11	17,453,246	13,006,149
Share premium		21,863,190	20,713,637
Retained earnings – deficit		(39,144,223)	(38,811,449)
Total equity/(deficit) attributable to equity holders of the parent		172,213	(5,091,663)
Non-controlling interests		2,351,515	2,455,567
		2,523,728	(2,636,096)
Non-current liabilities			
Borrowings	12	4,271,481	-
Total non-current liabilities		4,271,481	-
Current liabilities			
Trade and other payables	13	5,288,619	4,440,615
Borrowings	12	1,124,004	5,901,317
Total current liabilities		6,412,623	10,341,932
Total equity and liabilities		**13,207,832**	**7,705,836**

REACT Energy plc
Unaudited Condensed Consolidated Statement of Changes in Equity
for the six months ended 31 December 2015 and the six months ended 31 December 2014

	Share capital €	Share premium €	Retained earnings €	Attributable to equity holders of the parent €	Non-controlling interests €	Total €
Balance at 1 July 2014	13,006,149	20,713,637	(43,404,358)	(9,684,572)	-	(9,684,572)
Profit for the financial period	-	-	4,127,083	4,127,083	-	4,127,083
Unrealised foreign exchange loss	-	-	(240,147)	(240,147)	-	(240,147)
Balance at 31 December 2014	13,006,149	20,713,637	(39,517,422)	(5,797,636)	-	(5,797,636)
Balance at 1 July 2015	13,006,149	20,713,637	(38,811,449)	(5,091,663)	2,455,567	(2,636,096)
Conversion of debt into equity under examinership settlement	3,747,097	1,977,634	-	5,724,731	-	5,724,731
Issue of equity under rights of equity kicker	700,000	(700,000)	-	-	-	-
Share issue costs	-	(128,081)	-	(128,081)	-	(128,081)
Loss for the financial period	-	-	(410,718)	(410,718)	(1,076)	(411,794)
Unrealised foreign exchange (loss)/gain	-	-	77,944	77,944	(102,976)	(25,032)
Balance at 31 December 2015	17,453,246	21,863,190	(39,144,223)	172,213	2,351,515	2,523,728

REACT Energy plc
Unaudited Condensed Consolidated Statement of Cash Flows
for the six months ended 31 December 2015

	Notes	6 months ended 31 Dec 2015	6 months ended 31 Dec 2014
Cash flows from operating activities		€	€
(Loss)/Profit before taxation		(411,794)	4,127,083
Adjustments for:			
Depreciation of property, plant and equipment		36,401	42,262
Impairment of property, plant and equipment		-	506,390
Impairment of financial assets		-	29,806
Impairment of amounts due from customers under construction contracts		-	6,301
Profit on disposal of property, plant and equipment		-	(10,601)
Gain recognised on de-recognition of subsidiaries on liquidation		-	(5,307,258)
Unrealised foreign exchange gain		(629,453)	(166,140)
Share of losses of jointly controlled entities after tax		-	-
Interest expense		294,105	198,030
Interest income		(4)	-
Operating cash flows before working capital changes		(710,745)	(574,127)
Decrease/(increase) in:			
Amounts due from customers under construction contracts		-	(35,487)
Trade and other receivables		24,283	(4,932)
(Decrease)/increase in:			
Amounts due to customers under construction contracts		-	(129,197)
Trade and other payables		176,426	683,711
		(510,036)	(60,032)
Income taxes paid		(2)	-
Net cash used in operating activities		**(510,038)**	**(60,032)**
Cash flows from investing activities			
Payments for property, plant and equipment		(40,274)	(592,855)
Proceeds from sale of property, plant and equipment		-	282,699
Net cash inflow on de-recognition of subsidiaries on liquidation		-	165,991
Interest income received		4	-
Net cash used in investing activities		**(40,270)**	**(144,165)**
Cash flows from financing activities			
Proceeds from borrowings		1,526,631	-
Repayments of borrowings		(7,500)	(11,250)
Payments for share issue costs		(128,081)	-
Payment for loan issue costs		(521,133)	-
Interest paid		(109,758)	(52,609)
Net cash from/(used in) financing activities		**760,159**	**(63,859)**
Net increase/(decrease) in cash and cash equivalents		**209,851**	**(268,056)**
Cash and cash equivalents at the beginning of the financial period		211,341	567,511
Cash and cash equivalents at the end of the financial period		**421,192**	**299,455**

1. GENERAL INFORMATION

REACT Energy plc ("the Company") was incorporated in Ireland on 2 October 2008. The address of its registered office and principal place of business is Building 1000, City Gate, Mahon, Cork, Ireland. The Company's shares are quoted on the AIM market of the London Stock Exchange plc.

The principal activity of the Company and its subsidiaries (together the "Group") is to identify, develop, build, own and operate renewable energy electricity and heat generating power plants in the UK and Ireland. The Group focuses on both large and small scale projects, providing flexibility to maximise existing land positions while diversifying development and technology risks.

2. BASIS OF PREPARATION

The interim condensed consolidated financial statements are for the six months ended 31 December 2015 and are presented in Euro, which is the functional currency of the parent company. They have been prepared in accordance with International Accounting Standard (IAS) 34 *Interim Financial Reporting*. They do not include all the information and disclosures required in the annual financial statements in accordance with International Financial Reporting Standards (IFRSs), and should be read in conjunction with the Group's annual financial statements for the year ended 30 June 2015.

The Group incurred a loss on continuing operations of €411,794 (6 months ended 31 December 2014: €1,300,936) during the period ended 31 December 2015, and it had net current liabilities of €5,127,842 (30 June 2015: €9,837,940) and net assets of €2,523,728 (30 June 2015: net liabilities of €2,636,096) at 31 December 2015.

On 8 January 2016 REACT announced that it had secured a €750,000 loan facility (the "Facility") from EBIOSS Energy AD ("EBIOSS"). The terms of the Facility stated that the Company would use the proceeds solely to fund the development costs associated with the Company's identified biomass gasification projects in the UK and to date the Company has drawn down €250,000. However, the parties to the Facility agreed to amend the terms of the Facility in March 2016 such that the proceeds from the second tranche, amounting to, in aggregate, €250,000, to be drawn down by the Company can now be used for the working capital needs of the Company as well as for project development costs, at the sole discretion of the Company.

The Directors believe that the Facility will provide the Company with adequate resources in the short term as it seeks to secure the necessary funding for the repowering of the Group's principal asset, the Newry Project, which is required to be finalised before the end of June 2016 in accordance with the agreement entered into between NBL and EBIOSS.

The Directors have given careful consideration to the appropriateness of the going concern basis in the preparation of the interim financial statements. The validity of the going concern basis is dependent upon additional financing being obtained for the development of, and revenue generation from, the principal assets of the Company and to provide general working capital. As no definite funding has been concluded on a number of developments of the Group, a material uncertainty exists in relation to the Company and the Group's ability to continue as a going concern.

The Directors believe that progress towards securing finance has been made. The Directors have a reasonable expectation that the Company will source the necessary financing and that the Group will have adequate resources to continue in operational existence for the foreseeable future. For these reasons the Directors continue to adopt the going concern basis of accounting in preparing the interim financial statements. The financial statements do not include any adjustments that would result if the Group was unable to continue as a going concern.

The Group continues to seek to develop its renewable energy projects. The nature of the Group's development programme means that the timing of funds generated from developments is difficult to predict. Management have prepared financial forecasts to estimate the likely cash requirements of the Group over the next 12 months. The forecasts include certain assumptions with regard to the costs of ongoing development projects, overheads and the timing and amount of any funds generated from developments. The forecasts indicate that during this period the Group will require additional funds to continue with its activities and its planned development program.

Whilst the strategy is to build, own and operate plants, once a site has been secured and planning and permitting obtained the Group would be in a position, if it so chose, to monetise the value of the project.

The interim financial information for both the six months ended 31 December 2015 and the comparative six months ended 31 December 2014 are unaudited and have not been reviewed by the auditors. The financial information for the year ended 30 June 2015 represents an abbreviated version of the Group's financial statements for that year. Those financial statements contained an unqualified audit report, with an emphasis of matter paragraph on going concern. The interim condensed consolidated financial statements has neither been audited nor reviewed pursuant to guidance issued by the Auditing Practices Board.

3. BASIS OF CONSOLIDATION

The interim condensed consolidated financial statements include the financial statements of the Group and all subsidiaries. The financial period ends of all entities in the Group are coterminous.

4. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies used in preparing the interim condensed consolidated financial information are unchanged from those disclosed in the Annual Report and Accounts of REACT Energy plc for the year ended 30 June 2015.

5. ESTIMATES

The preparation of the interim condensed consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of certain assets, liabilities, revenues and expenses together with disclosure of contingent assets and liabilities. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions of accounting estimates are recognised in the period in which the estimate is revised.

The judgements, estimations and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty, were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2015.

6. SEGMENT REPORTING

Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance focuses on the products sold to customers. The Group's reportable segments under IFRS8 *Operating Segments* are as follows:

Power Generation: Being the development and operation of renewable energy electricity and heat generation plants; and

The Chief Operating Decision maker is defined as the Board of Directors.

Information regarding the Group's reportable segments is presented below.

The following is an analysis of the Group's revenue and results from continuing operations by reportable segment:

	Segment Revenue 6 months ended		Segment (Loss)/Profit 6 months ended	
	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
	€	€	€	€
Power Generation	131,031	153,985	48,485	(129,953)
Total from continuing operations	131,031	153,985	48,485	(129,953)
Central administration costs and directors' salaries			(166,178)	(436,757)
Impairment of property, plant and equipment			-	(506,390)
Impairment of financial assets			-	(29,806)
Interest income			4	-
Interest costs			(294,105)	(198,030)
Loss before taxation (continuing operations)			(411,794)	(1,300,936)

Revenue reported above represents revenue generated from external customers. Inter-segment sales for the six months ended 31 December 2015 amounted to €Nil (2014: €Nil). Included in revenues arising from sales in the Power Generation segment is €106,944 (2014: €81,273) arising from the sale of electricity; €23,887 (2014: €43,916) arising from sales to an associated undertaking, GG Eco Energy Limited; and €200 (2014: €28,796) with respect to the generation of heat.

Segment profit or loss represents the profit or loss earned by each segment without allocation of central administration costs and directors' salaries, other operating income, share of losses of jointly controlled entities, investment revenue and finance costs. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

Other segment information:

	Depreciation and amortisation 6 months ended		Additions to non-current assets 6 months ended	
	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
	€	€	€	€
Power Generation	36,401	42,262	5,004,267	592,855

In addition to the depreciation and amortisation reported above, impairment losses of €Nil (2014: €506,390) were recognised in respect of property, plant and equipment. These impairment losses were attributable in full to the Power Generation segment.

The Group operates in two principal geographical areas: Republic of Ireland (country of domicile), and the United Kingdom. The Group's revenue from continuing operations from external customers and information about its non-current assets* by geographical location are detailed below:

	Revenue from Jointly Controlled Entities and External Customers		Non-current assets*	
	6 months to 31 Dec 2015	6 months to 31 Dec 2014	As at 31 Dec 2015	As at 30 Jun 2015
	€	€	€	€
Republic of Ireland	106,944	81,273	1,308,369	1,344,713
United Kingdom	24,087	72,712	10,614,682	5,857,131
	131,031	153,985	11,923,051	7,201,844

** Non-current assets excluding financial instruments and investment in jointly controlled entities.*

The management information provided to the chief operating decision maker does not include an analysis by reportable segment of assets and liabilities and accordingly no analysis by reportable segment of total assets or total liabilities is disclosed.

7. INCOME TAX EXPENSE

	6 months ended 31 Dec 2015	6 months ended 31 Dec 2014
Income tax expense comprises:	€	€
Current tax	-	-
Deferred tax	-	-
Income tax expense recognised in profit or loss	-	-

An income tax charge does not arise for the six months ended 31 December 2015 or 31 December 2014 as the effective tax rate applicable to expected total annual earnings is Nil as the Group has sufficient tax losses coming forward to offset against any taxable profits. A deferred tax asset has not been recognised for the losses coming forward.

8. LOSS/(EARNINGS) PER SHARE

	6 months ended 31 Dec 2015 €	6 months ended 31 Dec 2014 €
Basic and diluted (loss)/earnings per share		
From continuing operations	(0.006)	(0.042)
From discontinued operations	-	0.177
Total basic earnings/(loss) per share	(0.006)	0.135

The loss and weighted average number of ordinary shares used in the calculation of the basic and diluted (loss)/earnings per share are as follows:

	6 months ended 31 Dec 2015 €	6 months ended 31 Dec 2014 €
(Loss)/profit for period attributable to equity holders of the parent	(410,718)	4,127,083
Profit for period from discontinued operations used in the calculation of basic earnings per share from discontinued operations	-	5,428,019
Losses used in the calculation of basic loss per share from continuing operations	(410,718)	(1,300,936)
Weighted average number of ordinary shares for the purposes of basic (loss)/earnings per share	64,228,665	30,669,522

Anti-dilutive Potential Ordinary Shares

The following potential ordinary shares are anti-dilutive and are therefore excluded from the weighted average number of ordinary shares for the purpose of diluted loss per share:

	6 months ended 31 Dec 2015	6 months ended 31 Dec 2014
Share warrants in issue	38,450,000	1,142,248
Convertible loans in issue	10,000,000	13,239,683

9. INVESTMENT IN ASSOCIATE UNDERTAKINGS

Details of the Group's interests in associated undertakings at 31 December 2015 are as follows:

Name of jointly controlled entity	*Country of incorporation*	*Shareholding*	*Principal activity*
GG Eco Energy Limited	England	30%	Operator of biomass heat generating projects

Summarised financial information in respect of the group's interests in associate undertakings is as follows:

	31 Dec 2015	30 Jun 2015
	€	€
Non-current assets	1,734,793	1,826,626
Current Assets	218,002	310,867
Non-current liabilities	(1,916,091)	(2,034,546)
Current liabilities	(447,615)	(435,914)
Net liabilities	(410,911)	(332,967)
Group's share of net assets of associated undertakings	-	-

	6 months ended	
	31 Dec 2015	31 Dec 2014
	€	€
Total revenue	307,373	235,341
Total expenses	(240,626)	(175,653)
Total operating profit for the period	66,747	59,688
Finance costs	(158,654)	(124,612)
Total loss for the period	(91,907)	(64,924)
Group's share of losses of jointly controlled entities	-	-

The investment in GG Eco Energy Limited is accounted for using the equity method in accordance with IAS 28.

10. PROPERTY, PLANT AND EQUIPMENT

During the six month period ended 31 December 2015, the group incurred expenditure of €5,004,267 with respect to costs incurred in the development of various projects. Included in this is a transaction of €4,963,993 related to the purchase of biomass gasifier equipment for the Newry Biomass project.

11. SHARE CAPITAL

On 24 July 2015, as part of the Scheme of Arrangement approved by the High Court in Dublin, the Company issued 37,470,972 new Ordinary Shares to creditors of the Company and its related companies to the value of €5,724,732 (giving an effective price per share of £0.11) through a debt for equity exchange.

On 21 October 2015, as part of an equity kicker attached to the Ecofinance loan (see note 12 below), the Concert Party exercised its right to be issued shares as part of the Equity Kicker, and the maximum number of shares, 7,000,000 new Ordinary Shares, was issued as a result.

12. BORROWINGS

		31 Dec 2015	30 June 2015
Non-current liabilities *at amortised cost*		€	€
7.5% convertible secured loan note	c	2,809,260	-
15% secured loan facility	b	1,357,221	-
		4,166,481	-
Financial liabilities carried at FVTPL			
Business Expansion Scheme Shares		105,000	-
		4,271,481	-
Current liabilities *at amortised cost*			
Bank overdrafts		254	5
Convertible shareholder loan	a	-	1,742,027
Secured loan note	c	-	2,298,377
9% Loan Note	c	-	351,445
12% Loan note	a	-	100,098
15% Shareholder loans	a	-	173,115
Bank borrowings	d	1,123,750	1,131,250
		1,124,004	5,796,317
Financial liabilities carried at FVTPL			
Business Expansion Scheme Shares		-	105,0C
		1,124,004	5,901,31

Borrowings at amortised cost

(a) Borrowings of, in aggregate, €2,015,240 at 30 June 2015 were converted to equity on 24 July 2015 as part of the Scheme of Arrangement announced on 14 July 2015 (see Note 11 above).

(b) On 15 July 2015, the Board of REACT announces that it has raised £1,000,000 (before expenses) through a Secured Loan Facility ("SLF"). EcoFinance, a group which sources finance for renewable energy projects, has provided the SLF. The SLF is at a fixed rate of 15% per annum, the interest on which will be paid monthly in arrears. The SLF is for a five-year term and the principal together with any accrued interest will be repayable by a bullet repayment at the end of the term. The SLF is secured by mortgage debentures, cross guarantees and share pledges over REACT and its subsidiary companies.

(c) On 24 July 2015, as part of the Scheme of Arrangement announced on 14 July 2015 as approved by the High Court in Dublin, the existing secured debt held by Altair Group Investment Limited ("Altair" or "the Secured Creditor"), comprising the 9% Secured Loan Note of £1.5 million issued in 2014 and the Examinership financing facility of €500,000, was refinanced by way of a new two-year 7.5% £2 million Convertible Secured Loan Note ("CSLN"), repayable in July 2017, and is secured by the same security package granted in favour of EcoFinance. This is governed by an inter-creditor deed under which the SLF security plus interest and costs shall rank in priority to the CSLN security plus interest and costs. Under the terms of the CSLN, the Secured Creditor has the right to convert up to £1 million into new Ordinary Shares at £0.10.

(d) Bank borrowings amounting to €1,123,750 at the balance sheet date are secured by a charge over the shares and assets of Pluckanes Windfarm Limited, a subsidiary of the Group. Current interest rates are variable and average 4.0% per annum, including the Bank's margin. All amounts due with respect to this facility are repayable on demand by the bank at any time at its absolute discretion. However, without prejudice to the Bank's right to demand immediate payment, the facility is to be repaid by way of 60 quarterly instalments. The repayment schedule of these instalments is as follows:

	31 Dec 2015	30 June 2015
Payable by instalments	€	€
Due less than one year	50,500	15,000
Due between one and five years	344,000	344,000
Due more than five years	729,250	772,250
	1,123,750	1,131,250

The Directors consider the carrying amount of the borrowings approximates to their fair value.

13. TRADE AND OTHER PAYABLES

Included in trade and other payables at 31 December 2015 is a liability of €4,963,993 related to the purchase of biomass gasifier equipment for the Newry biomass project (see note 10).

14. COMMITMENTS AND CONTINGENCIES

There have been no other changes in commitments and contingent liabilities since the end of the previous reporting period, 30 June 2015.

15. RELATED PARTY TRANSACTIONS

During the period ended 31 December 2015, the Group realised €23,887 (2014: €43,916) from its associated undertaking, GG Eco Energy Limited, on consultancy fees associated with the generation of heat. Included in trade and other receivables at 31 December 2015 is €Nil due from GG Eco Energy Limited (30 June 2015: €Nil).

During the period ended 31 December 2015, the group accrued interest on loan facilities received from Farmer Business Developments plc ("FBD"), its 23.15% shareholder totalling €40,972 (6 months to 31 December 2014: €40,972). As part of the Scheme of Arrangement to exit the Examinership process, FBD loan facilities totalling €1,742,027 were converted into 11,402,360 ordinary shares on 24 July 2015 (see note 12). At 31 December 2015, the balances due to FBD with respect to the loan facilities, including rolled up interest, totalled €Nil (30 June 2015: €1,742,027).

16. FAIR VALUES

For financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: valuation techniques for which the lowest level of inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: valuation techniques for which the lowest level of inputs that have a significant effect on the recorded fair value are not based on observable market data.

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date. The following table shows the Levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis at period-end.

	Level 1	Level 2	Level 3	Total
31 December 2015	€	€	€	€
Financial assets				
Amounts due from customers under construction contracts	-	150,847	-	150,847
Trade and other receivables	-	712,488	-	712,488
Cash and cash equivalents	421,446	-	-	421,446
Financial liabilities				
Trade and other payables	-	(5,288,619)	-	(5,288,619)
Investor loans	-	(4,166,481)	-	(4,166,481)
BES Shares	-	(105,000)	-	(105,000)
Bank overdrafts	(254)	-	-	(254)
Bank loans	-	(1,123,750)	-	(1,123,750)
	421,192	(9,820,515)	-	(9,399,323)

	Level 1	Level 2	Level 3	Total
30 June 2015	€	€	€	€
Financial assets				
Amounts due from customers under construction contracts	-	150,847	-	150,847
Trade and other receivables	-	141,799	-	141,799
Cash and cash equivalents	211,346	-	-	211,346
Financial liabilities				
Trade and other payables	-	(4,440,615)	-	(4,440,615)
Investor loans	-	(4,665,062)	-	(4,665,062)
BES Shares	-	(105,000)	-	(105,000)
Bank overdrafts	(5)	-	-	(5)
Bank loans	-	(1,131,250)	-	(1,131,250)
	211,341	(10,049,28	-	(9,837,940)

The carrying amount of the following financial assets and liabilities is considered a reasonable approximation of fair value:

- Amounts due from customers under construction contracts;
- trade and other receivables;

- cash and cash equivalents;
- trade and other payables; and
- borrowings.

17. EVENTS AFTER THE REPORTING DATE

On 8 January 2016, (subsequently amended in March 2016), the Company announced that it had secured a €750,000 Facility from EBIOSS. The Company may use the proceeds from the Facility for the continuing investment in its portfolio of biomass gasification projects in the UK, and for working capital for the Group.

The key terms of the Facility are as follows:

- quantum of €750,000, which may be drawn down in three equal monthly instalments of €250,000;
- interest rate of 8% per annum on outstanding capital balances, which will accrue and be repaid in full on repayment of the Facility;
- proceeds from the Facility, which is unsecured, will be, other than in respect of the second tranche of €250,000, used solely to fund development costs associated with the Company's identified biomass gasification projects in the UK;
- drawdown of the Facility will be subject to the agreement of the Company and EBIOSS; and
- from 7 January 2017, EBIOSS may, at any time, demand that the Company repays the drawn down proportion of the Facility plus accrued interest. The Company may, at any time, elect to repay the Facility plus accrued interest.

€400,000 has been drawn down since 31 December 2015 with respect to the above facility.

On 8 January 2016, the Company also announced that it had granted EQTEC Iberia, a subsidiary of EBIOSS, exclusivity to provide gasification technology as part of Engineer Procure and Construct ("EPC") contracts for its biomass gasification project pipeline in the UK.

18. APPROVAL OF FINANCIAL STATEMENTS

The condensed consolidated financial statements for the six months ended 31 December 2015, which comply with IAS 34, were approved by the Board of Directors on 30 March 2016.