

RENESOLA LTD

PRE-CLOSE TRADING UPDATE

ReneSola Ltd (“ReneSola” or the “Company”) (AIM: SOLA), a leading manufacturer of solar wafers for the photovoltaic industry, is pleased to provide an update to the market in advance of the publication of its results for the year ended 31 December 2006.

2006 Results

The Board is pleased to announce that Deloitte Touche Tohmatsu, which has extensive experience in the solar industry in China, has commenced work on the audit of the consolidated accounts for the year ended 31 December 2006. It is anticipated that the preliminary announcement of the results will be released by 16 April 2007.

Subject to completion of the audit, the Directors expect that total sales for 2006 will be approximately US\$86 million with a consolidated profit before and after tax in the range of US\$22-23 million.

The Directors are delighted with this achievement in the Company’s first full year of operations, during which ReneSola grew rapidly to become a major player in the global solar industry. Annualised production capacity increased from approximately 14 MW to 80 MW at the end of 2006 with the expansion set to accelerate substantially in 2007 to take advantage of the rising demand for wafers.

Implementation of 2007 Production Capacity Expansion

ReneSola is on track to grow annualised capacity to 265 MW by the end of 2007. As set out in the announcement on 30 November 2006, the accelerated plan involves the purchase of further monocrystalline furnaces and wire saws, the addition of multicrystalline furnaces and the construction of new facilities to house the new production capacity. Details of the progress made in each area of the Company’s expansion plan are set out below.

Monocrystalline Production Capacity Expansion

Construction of the 10,400 m² facility to house the new monocrystalline furnaces and wire saws is expected to be completed in time for the delivery of the first batch of 48 furnaces which are due to be delivered from Beijing Oriental Keyun Crystal Technologies Co. Ltd. by the end of February 2007.

ReneSola has also signed a contract and paid a deposit for the purchase of a second batch of 48 monocrystalline furnaces from the same supplier. The delivery is

planned for the beginning of the second quarter.

Following the installation of the 96 new monocrystalline furnaces, total monocrystalline ingot production capacity is expected to reach 165 MW on an annualised basis by the end of the second quarter.

The latest batch of 10 wire saws from NTC of Japan was delivered at the end of December 2006 and installed in January 2007. These wire saws are currently in trial production and are expected to be in full operation in March 2007, bringing the total number to 24. When these wire saws are fully operational, the Company will have the capability to slice all the ingot output from the existing monocrystalline furnaces. The Company expects that the full benefits of in-house slicing will be visible in the second quarter of 2007.

By the end of the fourth quarter of 2006, the Company had completed the installation of 14 wire saws which slice the ingot output of the furnaces into wafers. This in-house capability is designed to enhance gross margins, both through the elimination of third party costs and through the slicing of thinner wafers, thereby increasing wafer yield per ingot. The initial operation of the wire saws involved a learning curve for staff, which was made steeper by the planned reduction in wafer thickness. This resulted in a higher than expected level of wafers which did not pass ReneSola's quality control standards and therefore required reprocessing. The Directors strongly believe that rigorous product quality control is essential in building ReneSola's position in the market and are pleased to report that good progress has been made in resolving the issue.

In tandem with the planned addition of the 96 monocrystalline furnaces, the Company has signed a contract with, and paid a deposit to, NTC to purchase a further 25 wire saws, which are scheduled to be delivered during the course of the second quarter of 2007.

Multicrystalline Production Capacity

In addition to the first batch of 10 multicrystalline furnaces that are planned to be delivered in May and June 2007, the Company has signed a contract with the same supplier, ALD Vacuum Technologies GmbH of Germany, and paid a deposit for a further batch of 10 furnaces. The second batch is planned to be delivered in the third quarter of 2007.

With the full installation of these 20 furnaces, the total multicrystalline production capacity is expected to reach 100 MW on an annualised basis by the end of the third quarter of 2007.

The 24,000m² facility to house the planned multicrystalline furnaces and the wire

saws to slice multicrystalline bricks is currently being constructed with completion expected during April 2007.

Sales Contracts

ReneSola has signed sales contracts for approximately 80 MW of monocrystalline wafers for 2007 delivery. Customers include Suntech Power Co. Ltd. (20 MW), Motech Industries Inc. (19 MW), Jiangsu Linyang Solarfun Co. Ltd. (17 MW), JingAo Solar Co. Ltd. (5 MW) and four other Asia based solar companies (19 MW). In addition, the Company is in the final stages of negotiations with two international cell manufacturers for the supply of approximately 14 MW of monocrystalline wafers to be delivered in 2007. This would bring the total contracted sales of monocrystalline wafers in 2007 to 94 MW, representing approximately 85 per cent. of the planned 2007 monocrystalline wafer output.

ReneSola will commence sales contract negotiations for multicrystalline wafers with both existing and potential customers in the second quarter of 2007.

Feedstock Procurement

The silicon feedstock procurement programme for 2007 is well advanced with approximately 360 tonnes in stock, 800 tonnes to be delivered in 2007 under procurement contracts, a further amount to be provided by the Company's customers and ongoing monthly purchases of between 60 and 90 tonnes.

The total silicon feedstock required for the 2007 planned production output is anticipated to be approximately 1,600 tonnes.

Outlook of 2007 Production Output

With the expanded production capacity, signed sales contracts and raw materials secured, ReneSola expects that total production output in 2007 will be more than three times that of 2006, reaching approximately 150 MW.

US Subsidiary

As part of the Company's strategy to strengthen its global feedstock procurement capability, ReneSola has established ReneSola America Inc. a wholly-owned subsidiary which has been incorporated in Delaware, USA. The initial objectives of the new subsidiary include identifying potential feedstock suppliers, establishing direct links with the ultimate feedstock suppliers and enhancing sourcing efficiency.

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