

THIS ANNOUNCEMENT AND THE INFORMATION CONTAINED HEREIN IS RESTRICTED AND IS NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, AUSTRALIA, CANADA, JAPAN OR SOUTH AFRICA OR ANY JURISDICTION IN WHICH SUCH PUBLICATION OR DISTRIBUTION IS UNLAWFUL

23 June 2009

**Drax Group plc
("Drax" or the "Company")**

Symbol: DRX

RESULTS OF PLACING

Drax is pleased to announce the successful completion of the placing announced earlier today (the "**Placing**") which was heavily oversubscribed.

A total of 25,454,922 new ordinary shares of 11^{16/29} pence each in Drax (the "**Placing Shares**") have been placed by Deutsche Bank AG, London Branch ("**Deutsche Bank**") at a placing price of 425 pence per share, raising gross proceeds of approximately £108.2 million. The Placing Shares being issued represent 7.5 per cent of Drax's issued ordinary share capital prior to the Placing.

The Placing Shares will, when issued, be credited as fully paid and will rank pari passu in all respects with the existing ordinary shares of the Company, including the right to receive all dividends and other distributions declared, made or paid in respect of such shares after the date of issue of the Placing Shares.

Application will be made for, and the Placing is conditional on, inter alia, admission of the Placing Shares to the Official List of the Financial Services Authority and admission of the Placing Shares to trading on the London Stock Exchange plc's main market for listed securities (together "**Admission**"). It is expected that Admission will take place, and that dealings in the Placing Shares will commence, at 8.00am on 26 June 2009.

For further information, please contact:

Drax

Chief Executive: Dorothy Thompson

Finance Director: Tony Quinlan

+44 (0) 1757 618 381

Investor Relations: Andrew Koss

+44 (0) 1757 612 333

Deutsche Bank AG, London Branch

Alan Brown

James Agnew

Ed Sankey

+44 (0) 20 7545 8000

Brunswick

Mike Harrison and Nick Claydon
+44 (0) 20 7404 5959

Website: www.draxgroup.plc.uk

This announcement (the “**Announcement**”) and the information contained herein is not for publication, release or distribution, in whole or in part, directly or indirectly, in or into the United States, Australia, Canada, Japan or South Africa or any other jurisdiction in which such publication or distribution would be unlawful. This Announcement is for information purposes only and does not constitute an offer to sell or issue or the solicitation of an offer to buy or acquire shares in the capital of the Company in the United States, Australia, Canada, Japan or South Africa or any other jurisdiction in which such an offer or solicitation is unlawful.

The shares in the Company referred to in this Announcement have not been and will not be registered under the United States Securities Act of 1933, as amended (“**Securities Act**”) and may not be offered, sold or transferred, directly or indirectly, within the United States except pursuant to an available exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and the securities laws of any state or other jurisdiction of the United States. There will be no public offer of securities of the Company in the United Kingdom, the United States or elsewhere.

This Announcement has been issued by, and is the sole responsibility of, the Company. No representation or warranty express or implied, is or will be made as to, or in relation to, and no responsibility or liability is or will be accepted by Deutsche Bank or by any of its affiliates or agents as to or in relation to the accuracy or completeness of this Announcement or any other written or oral information made available to or publicly available to any interested party or its advisers, and any liability therefore is expressly disclaimed.

Deutsche Bank is authorised under German Banking Law (competent authority: BaFin - Federal Financial Supervising Authority) and regulated by the Financial Services Authority for the conduct of UK business. Deutsche Bank is acting exclusively for the Company and no one else in connection with the Placing and the other matters referred to in this Announcement. Deutsche Bank will not be responsible to anyone other than the Company for providing the protections afforded to clients of Deutsche Bank nor for providing advice in connection with the Placing and the other matters referred to herein.

The distribution of this Announcement and the offering of the Placing Shares in certain jurisdictions may be restricted by law. No action has been taken by the Company or Deutsche Bank that would permit an offering of such shares or possession or distribution of this Announcement or any other offering or publicity material relating to such shares in any jurisdiction where action for that purpose is required. Persons into whose possession this Announcement comes are required by the Company and Deutsche Bank to inform themselves about, and to observe, such restrictions.

Certain statements in this Announcement are forward-looking statements which are based on the Company’s, expectations, intentions and projections regarding its future performance, anticipated events or trends and other matters that are not historical facts. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements. Given these risks and uncertainties, prospective investors are cautioned not to place undue reliance on forward-looking statements. Forward-looking statements speak only as of the

date of such statements and, except as required by applicable law, the Company undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise. The information contained in this Announcement is subject to change without notice and neither the Company nor Deutsche Bank assumes any responsibility or obligation to update publicly or review any of the forward-looking statements contained herein.

Any indication in this Announcement of the price at which ordinary shares have been bought or sold in the past cannot be relied upon as a guide to future performance. No statement in this Announcement is intended to be a profit forecast and no statement in this Announcement should be interpreted to mean that earnings per share of the Company for the current or future financial years would necessarily match or exceed the historical published earnings per share of the Company.

The price of shares and the income from them may go down as well as up and investors may not get back the full amount invested on disposal of the shares.

The Placing Shares to be issued or sold pursuant to the Placing will not be admitted to trading on any stock exchange other than the London Stock Exchange. Neither the content of the Company's website nor any website accessible by hyperlinks on the Company's website is incorporated in, or forms part of, this Announcement.

Deutsche Bank is acting as sole bookrunner in relation to the Placing. Barclays Bank PLC and RBS Hoare Govett Limited are acting as co-lead managers in respect of the Placing.

