

SUPPLEMENTARY PROSPECTUS



RENEWABLE ENERGY CORPORATION ASA

(A public limited liability company organized under the laws of Norway)

This supplementary prospectus (the **"Supplementary Prospectus"**) is a supplement to the prospectus (the **"Prospectus"**) issued by Renewable Energy Corporation ASA (**"REC"** or the **"Company"**) on July 27, 2012 in connection with (i) the listing (the **"Listing"**) on Oslo Børs, a stock exchange operated by Oslo Børs ASA (**"Oslo Børs"**), of 866,666,667 new shares, each with a nominal value of NOK 1.00, in the Company issued in connection with a private placement (the **"Private Placement"**), which was completed on July 31, 2012 at a subscription price of NOK 1.50 per new share and (ii) a subsequent offering (the **"Subsequent Offering"**) and listing on Oslo Børs of up to 250,000,000 offer shares (the **"Offer Shares"**), each with a nominal value of NOK 1.00, in the Company at a subscription price of NOK 1.50 per Offer Share.

The distribution of this Supplementary Prospectus may in certain jurisdictions be restricted by law. Accordingly, this Supplementary Prospectus may not be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. The Company and the Managers (as defined below) require persons in possession of this Supplementary Prospectus to inform themselves about, and to observe, any such restrictions.

This Supplementary Prospectus shall be governed by, and construed in accordance with, Norwegian law. The courts of Norway, with Oslo City Court as legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of, or in connection with the Private Placement, the Subsequent Offering, the Prospectus or this Supplementary Prospectus.

Investing in the Company and the shares in the Company (the "Shares") (including but not limited to the Offer Shares) involves material risk and uncertainties. See section 2 "Risk Factors" and section 4 "Cautionary Note Regarding Forward-Looking Statements" of the Prospectus.

Managers

Arctic Securities

DNB Markets

Nordea Markets

August 17, 2012

IMPORTANT INFORMATION

This Supplementary Prospectus has been prepared in accordance with Section 7-15 of the Norwegian Securities Trading Act in order to update the Prospectus dated July 27, 2012. The information set out in this Supplementary Prospectus shall be considered as part of the Prospectus, and any decision to participate in the Subsequent Offering must be made on the basis of the Prospectus as supplemented by this Supplementary Prospectus. This Supplementary Prospectus is to be read together with the Prospectus. Capitalized terms and expressions defined in the Prospectus shall have the same meaning when used in this Supplementary Prospectus, unless otherwise defined herein or the context otherwise requires. The Financial Supervisory Authority of Norway has reviewed and approved this Supplementary Prospectus. This Supplementary Prospectus has been prepared solely in the English language.

The Company has furnished the information in this Supplementary Prospectus. The Company has engaged Arctic Securities ASA (“**Arctic Securities**”) (Coordinator), DNB Markets, a part of DNB Bank ASA (“**DNB Markets**”) and Nordea Markets, a part of Nordea Bank Norge ASA (“**Nordea Markets**”, and together with Arctic Securities and DNB Markets, the “**Managers**”) as joint lead managers for the Private Placement, the Listing and the Subsequent Offering. Nordea Markets is not a US Securities and Exchange Commission (“**SEC**”) registered broker-dealer or a member of the United States Financial Industry Regulatory Authority and has only participated in the Private Placement and will only participate in the Subsequent Offering outside of the United States. Neither the Group nor any of the Managers has authorised any other person to provide investors with any other information related to the Listing, the Private Placement or the Subsequent Offering and neither the Group nor any of the Managers will assume any responsibility for any information other persons may provide.

Unless otherwise indicated, the information contained herein is current as of the date hereof and the information is subject to change, completion and amendment without notice. In accordance with Section 7-15 of the Norwegian Securities Trading Act, every significant new factor, material mistake or inaccuracy that is capable of affecting the assessment of the Shares arising after the time of approval of the Prospectus and this Supplementary Prospectus and before the date of listing of the Offer Shares on Oslo Børs will be published and announced promptly as a supplement to the Prospectus. Neither the publication nor distribution of the Prospectus and this Supplementary Prospectus shall under any circumstances create any implication that there has been no change in the Group’s affairs since their respective dates or that the information herein is correct as of any time since its date. The distribution of this Supplementary Prospectus may in certain jurisdictions be restricted by law. Accordingly, this Supplementary Prospectus may not be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. The Company and the Managers require persons in possession of this Supplementary Prospectus to inform themselves about, and to observe, any such restrictions.

An investment in REC involves inherent risks. Potential investors should carefully consider the risk factors set out in section 2 “Risk Factors” of the Prospectus in addition to the other information contained in the Prospectus and herein before making an investment decision. An investment in the Company is suitable only for investors who understand the risk factors associated with this type of investment and who can afford a loss of their entire investment. The contents of the Prospectus and this Supplementary Prospectus are not to be construed as legal, business or tax advice. Each prospective investor should consult with its own legal adviser, business adviser and tax adviser as to legal, business and tax advice.

In the ordinary course of their respective businesses, the Managers and certain of their respective affiliates have engaged, and will continue to engage, in investment and commercial banking transactions with the Group.

The Shares are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Investors should be aware that they may be required to bear the financial risks of an investment in the Shares for an indefinite period of time. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Without limiting the manner in which the Company may choose to make any public announcements, and subject to the Company’s obligations under applicable law, announcements relating to the matters described in the Prospectus and this Supplementary Prospectus will be considered to have been made once they have been received by Oslo Børs and distributed through its information system.

Information in the Prospectus will continue to apply unless and then only to the extent it has not been amended, supplemented or deleted by this Supplementary Prospectus.

The distribution of the Prospectus, this Supplementary Prospectus and the offering and sale of the Offer Shares may be restricted by law in certain jurisdictions. The Company and the Managers require persons in possession of the Prospectus, this Supplementary Prospectus, in possession of Subscription Rights or considering to subscribe for Offer Shares to inform themselves about, and to observe, any such restrictions. Neither the Prospectus nor this Supplementary Prospectus constitutes an offer of, or an invitation to subscribe or purchase, any of the Offer Shares in any jurisdiction in which such offer or subscription or purchase would be unlawful. No one has taken any action that would permit a public offering of the Shares, the Subscription Rights or the Offer Shares to occur outside of Norway. Furthermore, the restrictions and limitations listed and described in the Prospectus and herein are not exhaustive, and other restrictions and limitations in relation to the Private Placement, the Subsequent Offering, the Prospectus and/or the Supplementary Prospectus that are not known or identified by the Company and the Managers at the date of this Supplementary Prospectus may apply in various jurisdictions as they relate to the Prospectus and this Supplementary Prospectus.

For other selling and transfer restrictions, see section 19 “Restrictions on Sale and Transfer” of the Prospectus.

1. RESPONSIBILITY FOR THE SUPPLEMENTARY PROSPECTUS

This Supplementary Prospectus has been prepared as a supplement to the Prospectus dated July 27, 2012.

The Board of Directors of the Company hereby declare that, having taken all reasonable care to ensure that such is the case, the information contained in this Supplementary Prospectus is to the best of our knowledge in accordance with the facts and contains no omissions likely to affect its import.

August 17, 2012

Jens Ulltveit-Moe
Chairman

Peter Arne Ruzicka
Director

Heléne Margareta
Vibbleus Bergquist
Director

Odd Christopher Hansen
Director

Mimi Kristine Berdal
Director

Silje Johnsen
Director

2. SUPPLEMENTARY INFORMATION REGARDING THE COMPANY'S DECISION TO CEASE FURTHER FUNDING OF REC WAFER NORWAY AS

During 2011 and 2012 the production of REC Wafer Norway AS in Glomfjord and at Herøya was permanently closed down. See section 9.4.2 "Operating and Financial Review" of the Prospectus. Activities were initiated to wind-up REC Wafer Norway AS.

As of the end of July 2012, REC Wafer Norway AS' estimated carrying value of liabilities exceeded the estimated value of assets by about NOK 1.2 billion. Thus a solvent winding-up of the company would be dependent on continued funding from the Company, being the owner of 100% of the shares in REC Wafer Norway AS.

REC Wafer Norway AS has previously been released as a guarantor under the existing bonds (the Senior NOK bond 2009/2014, Senior NOK bond 2011/2016 and Senior NOK bond 2011/2018) and the convertible bond (the Convertible EUR bond 2009/2014) agreements of the Company. See section 9.5.1 "Financing Arrangements" of the Prospectus. REC Wafer Norway AS is not a guarantor under the New Bank Facility of the Company, which came into effect on August 10, 2012.

Taking into consideration the overall financial situation of the REC Group and the interests of its stakeholders, the Board of Directors of the Company has resolved to cease further funding of REC Wafer Norway AS. Consequently there is no basis for a solvent winding-up of REC Wafer Norway AS and the board of directors of REC Wafer Norway AS has resolved to file for bankruptcy.

In connection with the bankruptcy in REC Wafer Norway AS, the Company will incur additional costs and further losses related to certain guarantees, loans, and indemnity agreements currently estimated at approximately NOK 0.4 billion. These costs and losses will be covered by existing cash and credit facilities of the Company. The amount is subject to changes and it is partly dependent on the dividend in the bankruptcy of REC Wafer Norway AS which again is dependent on the ultimate, realizable values of assets and liabilities in REC Wafer Norway AS as well as other aspects of the bankruptcy proceedings. Except for the said amounts, the Company currently has not identified further funding obligations related to the bankruptcy in REC Wafer Norway AS.

The vast majority of the former employees of REC Wafer Norway AS have reached the end of their notice period and thus received their final salary settlements. The salaries and other benefits of the remaining employees are guaranteed by the Company to the extent such claims are not prioritized pursuant to law. Such guaranteed claims are included in the estimated funding obligation presented above.

The bankruptcy of REC Wafer Norway AS is not expected to have any effect on REC Solar and REC Silicon.

The information herein is based on the Company's current expectations and no assurance can be given that the Group will not incur any additional material losses and/or liabilities as a result of the bankruptcy of REC Wafer Norway AS, including but not limited to material losses/and or liabilities as a result of actions or claims made by, or behalf of, the bankruptcy estate for alleged voidable transactions or otherwise.

**Registered Office**

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Norway

Manager

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Haakon VII's gate 5
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N-0123 Oslo, Norway

Manager

DNB Markets
Stranden 21
N-0021 Oslo, Norway

Manager

Nordea Markets
Middelthunsgate 17
P.O. Box 1166 Sentrum
N-0107 Oslo, Norway

Financial Advisor to the Company

Arctic Securities ASA
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P.O. Box 1833 Vika
N-0123 Oslo, Norway

Legal Advisor to the Company

(as to Norwegian law)
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P.O. Box 2444 Solli
N-0201 Oslo, Norway

Legal Advisor to the Managers

(as to Norwegian law)
Advokatfirmaet Thommessen AS
Haakon VII's gate 10
P.O. Box 1484 Vika
N-0116 Oslo, Norway

Auditor

KPMG AS
Sørkedalsveien 6
P.O. Box 7000 Majorstuen
N-0306 Oslo, Norway

Registrar

DNB Bank ASA
Registrar Department
N-0021 Oslo, Norway