

1 Information on the occurrence of trends and events in the market environment of the issuer, which in the issuer's opinion may have important consequences in the future for financial condition and results of the issuer

The key trends and events in the area of biogas stations:

During 2009 all major technological solutions suppliers for biogas production have entered the Czech market. Predominant are German suppliers, as Germany is the worldwide leader in biogas technological solutions. All major European suppliers of biogas technology assess the local legislative and economical conditions positively for future development of biogas market.

Biogas sector depends on the agriculture sector. The agriculture segment went down in 2009 because all prices of agriculture commodities went down therefore there is the increase of demand for biogas technology between agriculture producers that are looking for alternative placement of their products. The main competitive advantage in the area of biogas technology is currently the ability to offer the complete solutions including all necessary licences, financing, etc for the successful realization of projects. BGS group is well positioned in this regard. Based on high competition there is no problem with delivery terms which came down to 3 months in comparison with past which was over 6 months. This might be a signal that mainly German producers don't have sufficient demand in their local markets and are looking for sales within Eastern Europe or the USA.

Realization of biogas plants in the Czech Republic depends on financing being provided by the Ministry of Agriculture. There were roughly 30 applications for the investment subsidy last year with almost 100% effectiveness. It is estimated that during 2010 close to 100 application for investment subsidy will be presented. The Ministry has resources to positively consider about 60% of applications. The owners of the remaining projects will be looking for alternative financing, eg. financing by banking debt or by third party investors.

Problems with the grid connection of new biogas plants:

Due to the extreme development of photovoltaic (PV) plants there is currently low capacity in the electricity supply system. For example during the period of 11/09 – 1/10 only circa 20% of application for the grid connection were successful. It doesn't mean the decrease of new biogas plants in 2010 but it can have the influence for new plants in years 2011 and 2012. It strongly depends if the blocked capacity for PV projects will be eased which is expected by experts as the price of electricity from PV sources will go down at the beginning of 2011 for new PV sources. Therefore it is expected that the biogas development will continue without any significant problem.

Other diversification of the biogas use is expected in a near future as it will be possible to sell biogas directly to the network of natural gas. Legislation already now allows to transfer biogas through the pipeline and to consume biogas in a different location than was produced. It is expected that the system of granted prices of biogas will be established. Consequently it will be possible to use the biogas together with the natural gas.

Orders of UTS Biogas

UTS Biogas is preparing to place 12 application for its EPC customers. Within the following weeks BGS Group will start engineering work for clients who already were granted EU subsidies. Work on the remaining projects will wait for the assigning of new subsidies.

2 Summary of all information published by the issuer under the current report for the period covered by the report

In the period covered by this report, the following current reports were published in EBI system:

Current report No 1/2010 published on 12-01-2010: The Management Board of BGS Energy Plus a.s. announces the introduction of an employee share purchase programme

Current report No 2/2010 published on 21-01-2010: Dates for transmission of reports in 2010

In the period covered by this report, there were no reports published in ESPI system.

3 Information how the money from private placement was used:

20.1.2010 -80 000,00 Kč salary tax

20.1.2010 -1 000 000,00 Kč VAT Energy produkt

25.1.2010 -260 000,00 Kč company VAT

4 Investor's calendar

On 12.02.2010r. publication of Q4'2009 report.

Until 14.03.2010r. publication of monthly report for February 2010.

Legal basis: Par. 16 of Annex 1 to Resolution No 795/2008 Warsaw Stock Exchange Management Board dated 31.10.2008 " Good Practices of Companies Listed on NewConnect"