

Laidlaw Energy Files \$10 Million Federal Lawsuit Against Town of Ellicottville, NY; Seeks Judgment to Operate Cogeneration Facility

New York, New York—(Business Wire)—January 9, 2008—Laidlaw Energy & Environmental, Inc., an affiliate of Laidlaw Energy Group, Inc. (Pink Sheets: LLEG) announced today that it has filed a lawsuit against the Town of Ellicottville, New York, with the U.S. District Court for the Western District of New York. The lawsuit seeks, among other relief, \$10 million in monetary damages, a declaratory judgment that Laidlaw is entitled to continue operating its Ellicottville cogeneration facility, an order declaring the Town's denial of Laidlaw's application for a Modified Site Plan Approval is unconstitutional and/or otherwise illegal and void, and directing the Town to approve said application, and an award of Laidlaw's attorney's fees and other costs incurred in prosecuting the lawsuit.

As detailed in the complaint, among other things, Laidlaw alleges that the town has violated Laidlaw's due process rights by rendering an arbitrary and capricious decision on its permit application and has also deprived Laidlaw of its Constitutional Equal Protection rights as a result of the town's improper and selective actions toward it.

The lawsuit comes after a more than three year process before the town where Laidlaw sought approval to modify the site plan for its cogeneration facility in order to modify the fuel source of its plant from natural gas to clean wood biomass. Laidlaw has received all necessary approvals from the state and Federal government to operate the facility, which is on an industrially zoned site next to other industrial businesses, and has existed at its current location and operated since 1991.

A copy of the complaint can be viewed on Laidlaw's web site at www.GreenEnergyFacts.com.

The Laidlaw Energy Ellicottville, NY facility is an innovative combined heat and power project that will generate electricity for export to the grid from clean wood chips and also generate heat and steam that will be used by Laidlaw's Quality Lumber Services affiliate to custom kiln dry hardwood lumber. Laidlaw has received a \$1 million grant from the New York State Energy Research & Development Authority due to the innovative nature of the project, as well as the environmental and economic benefits to the region. The project is expected to create 25 direct jobs and substantial indirect jobs associated with wood chip procurement and transportation.

About Laidlaw Energy Group

Laidlaw Energy Group (LLEG) is engaged in the development of independent power plants that generate electricity from renewable resources. LLEG's mission is to build and manage a profitable portfolio of renewable energy facilities through the development of new facilities and acquisition of existing facilities. LLEG is headquartered in New York, New York. For more information on LLEG, please visit our website at www.NYENRG.com.

This communication contains statements expressing expectations of future events and/or results which may include, without limitation, statements concerning anticipated financial performance, business prospects, technological developments, potential markets, new products, research and development activities and similar matters. Such statements constitute forward-looking

statements made pursuant to the Safe Harbor provision of the Private Securities Litigation Reform Act of 1995. All statements based on future expectations rather than historical facts are forward-looking statements that involve a number of risks and uncertainties, and LLEG cannot provide assurance that such statements will prove to be correct. LLEG undertakes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

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