

23 October 2008

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

Symbol:DRX

Interim Management Statement

Drax today publishes its interim management statement for the period from 1 July 2008 to date.

Since publishing our Half Year Results on 5 August, trading conditions in the commodity markets in which we operate have continued to improve. We now anticipate that our full year results will be modestly higher than current market EBITDA consensus. This is primarily a consequence of low reserve margins in the UK electricity market for the last quarter of 2008 leading to improvements in dark green spreads. Our expectations for the year are based on our current contracted position as well as prevailing conditions in the commodity markets.

We are also pleased to report that we have successfully completed on schedule the turbine retrofit on the second of Drax's six units and that the unit is operating in line with expectations.

We have made a separate announcement today regarding the expansion of our biomass strategy. Other than the above, there have been no material events or transactions, nor any material change in the underlying financial position of the Group during the period.

We will issue a pre close statement on 16 December 2008 in which we will update the market on the Group's contracted positions for 2008, 2009 and 2010.

Enquiries:

Chief Executive: Dorothy Thompson
Finance Director: Tony Quinlan
+44 (0) 20 7353 4200 (on the day)
+44 (0) 1757 618381 (thereafter)

Drax Investor Relations: Andrew Koss
+44 (0) 20 7353 4200 (on the day)
+44 (0) 1757 612333 (thereafter)

Media:
Drax External Relations: Melanie Wedgbury
+44 (0) 20 7353 4200 (on the day)
+44 (0) 1757 612438 (thereafter)

Tulchan Communications
David Trenchard and Peter Hewer
+44 (0) 20 7353 4200

Website: www.draxgroup.plc.uk

END