

8 June 2015

DRAX GROUP PLC
(Symbol: DRX)

Trading Update

Drax today publishes a trading update for the period from 1 January 2015 to date.

Trading and Operational Performance

Since publishing our preliminary results on 24 February, trading conditions in the markets in which we operate have remained challenging, with weak gas markets resulting in the continuation of weak power prices. However, we continue to benefit from a strong contracted position and the good operational performance of our generating units.

These factors underpin our expectations for the full year, which remain unchanged.

Power Sales Contracted for 2015 and 2016

We have extended our contracted position, including additional power sales of 3.4TWh and 2.7TWh for 2015 and 2016 respectively, compared to the position reported in February.

As at 1 June 2015, the power sales contracted for 2015 and 2016 were as follows:

| | 2015 | 2016 |
|--|------------------|------------------|
| Power sales (TWh) comprising: | 23.8 | 12.1 |
| – Fixed price power sales (TWh) at an average achieved price (per MWh) ⁽¹⁾ | 22.3 at £49.9 | 10.4 at £48.8 |
| – Fixed margin and structured power sales (TWh) ⁽²⁾ | 1.5 | 1.7 |

Biomass Update

Our first two converted biomass units continue to perform in line with expectations.

The third biomass unit conversion was awarded an Investment Contract⁽³⁾, which remains subject to EU State aid clearance.

Both US pellet plants, which are being commissioned, have produced pellets which have been successfully processed at Drax.

Other Matters

We will announce our half year results for the six months ending 30 June on 28 July 2015.

Notes:

- (1) Fixed price power sales include approximately 1.1TWh supplied to Centrica in the period 1 January 2015 to 1 June 2015 under the five year 300MW baseload contract which commenced on 1 October 2010.
- (2) Fixed margin and structured power sales (and equivalents) include approximately 0.9TWh in 2015 in connection with the above contract. Under this contract the Group will supply power on terms which include Centrica paying for coal, based on international coal prices, and delivering matching CO₂ emissions allowances amounting in aggregate to approximately 1.8 million tonnes in 2015. The contract provides the Group with a series of fixed dark green spreads agreed in October 2009.
- (3) The Government is introducing Contracts for Difference (CfDs), which are long-term contracts, to support the development of low carbon electricity generation. To avoid an investment hiatus in the renewables sector before the 'enduring' CfDs become available, the Government introduced a scheme for Investment Contracts under the Final Investment Decision Enabling ("FID Enabling") mechanism. These are 'early' CfDs intended to provide greater confidence for investors in advance of the enduring CfD.

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