



Laidlaw Energy Group Closes Financing for New York Renewable Energy Project

New York, NY (Via PRNewswire - Firstcall) June 5, 2006 --- Laidlaw Energy Group, Inc. (Ticker Symbol: "LLEG") announced today that it has closed on a significant round of growth financing that will be used to fully fund the development of its Western, New York Biomass Energy Project. The Project involves the conversion of an existing natural gas fired power plant to exclusively use clean wood biomass fuel. In addition to nearly 7 megawatts of gross capacity that will be sold pursuant to a long-term power purchase agreement, the Project will also supply electricity and process heat to a hardwood lumber drying business under common ownership. The New York State Energy Research and Development Authority (NYSERDA) has also provided LLEG with \$1 million of grant funding for the Project.

The investors in the financing are comprised of a group of experienced energy developers and investors, with significant generation holdings in Latin America and the Caribbean. In addition to the financing transaction, LLEG has entered into a strategic relationship with the investors, whereby they receive a right of first offer to invest in other biomass energy projects developed by LLEG. Chatsworth Securities of Greenwich, Connecticut has also taken an equity position in the Project and acted as investment banker to LLEG in connection with the financing transaction.

Commenting on the financing, LLEG President and CEO Michael Bartoszek stated: "This is a good deal for both parties. In addition to obtaining the financing we require to complete our Western New York Project, the relationship we have established has laid the groundwork for the financing of other projects that we have under development. The relationship provides these investors with the opportunity to make equity investments in certain projects that we have in pipeline, which in turn will allow them to expand their holdings in the U.S. renewable energy marketplace. Having access to a non-commercial source of significant capital such as this will also allow us to move expeditiously on future opportunities that require financing."

Separately, LLEG announced today that it has entered into a memorandum of understanding, along with its joint venture partner, EcoPower, LLC, to acquire a 16 megawatt biomass energy facility located in New Hampshire. LLEG and EcoPower are currently engaged in due diligence on the acquisition and expect to make further announcements in the future as the project develops.

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 development, acquisition, conversion of existing facilities and through partnering with manufactures that have significant electric and thermal needs. LLEG is headquartered in New York, New York. For more information on LLEG, please visit our website at 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.

Corporate Contact:

Michael B. Bartoszek
President & CEO
Tel. 212-480-9884
www.nyenrg.com