REC Silicon – Nordic Energy Summit 2016

Oslo, 17 March 2016

Jens Ulltveit-Moe, Chairman of the Board

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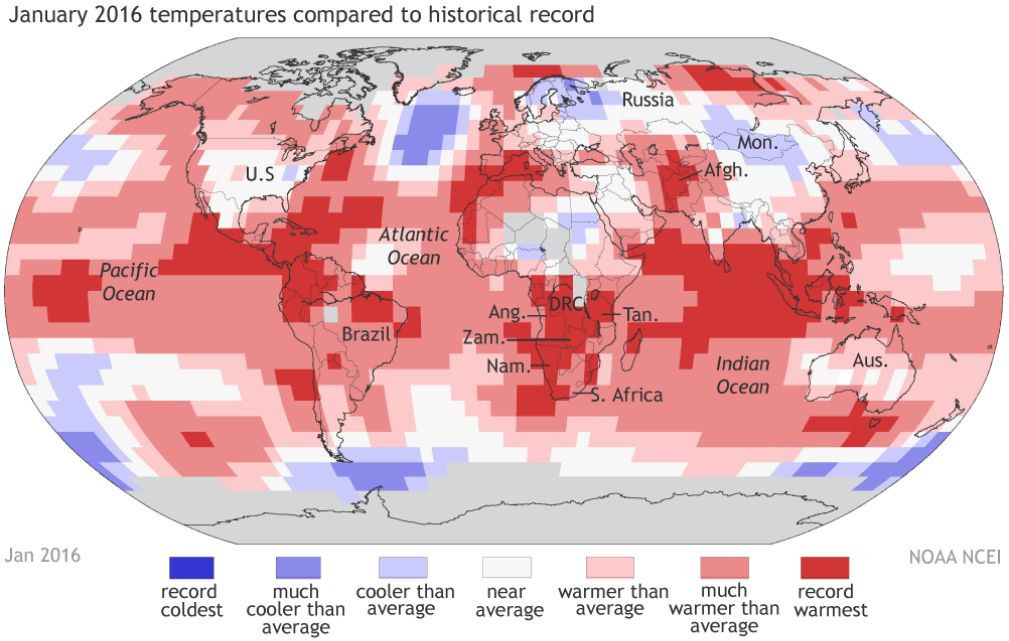
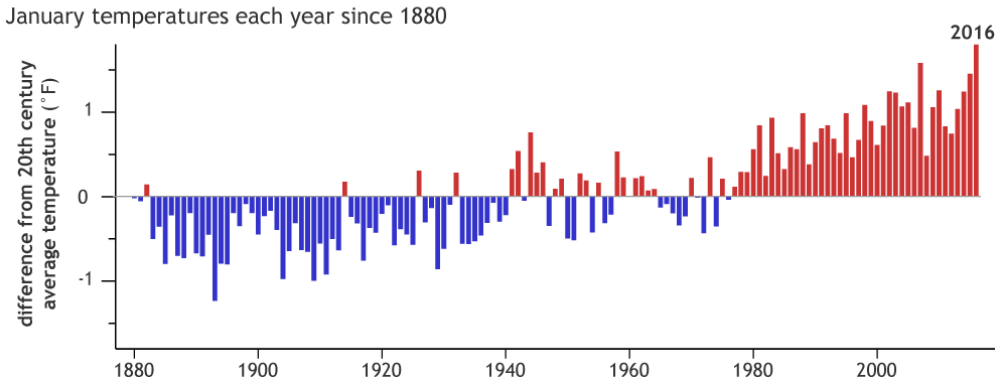
15 of the 16 Warmest Years on Record Occurring Since 2001

- Carbon Dioxide and Global Temperature Levels continue to increase
- By burning fossil fuels for energy, human activities have increased the concentration of carbon dioxide in the atmosphere by more than 40%
- Most warming occurred in the past 35 years

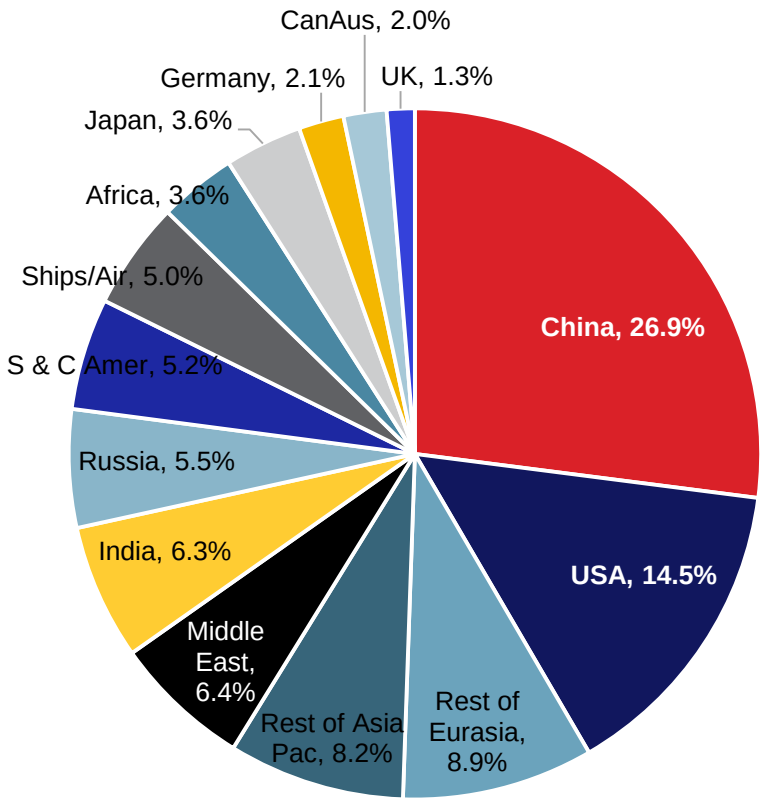




Source: www.climate.gov

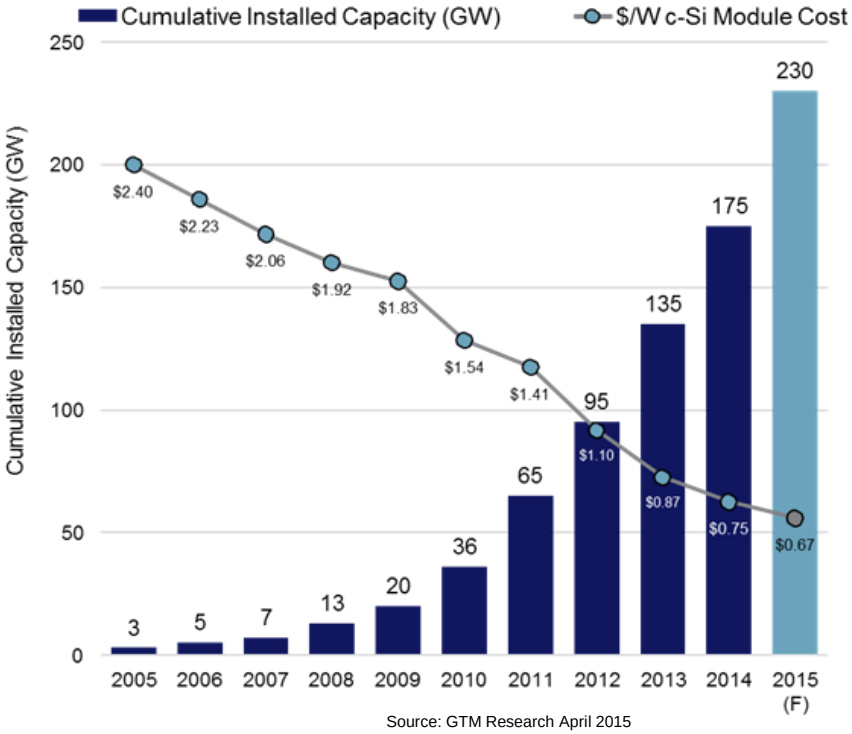
China and U.S. Largest CO2 Emitters; Solar Becomes Part of Solution

2012 Annual Emissions (9.6 Gt/Cyr)



Source: Carbon Dioxide Information Analysis Center, Oak Ridge National Laboratory, and British Petroleum (8/20/13).

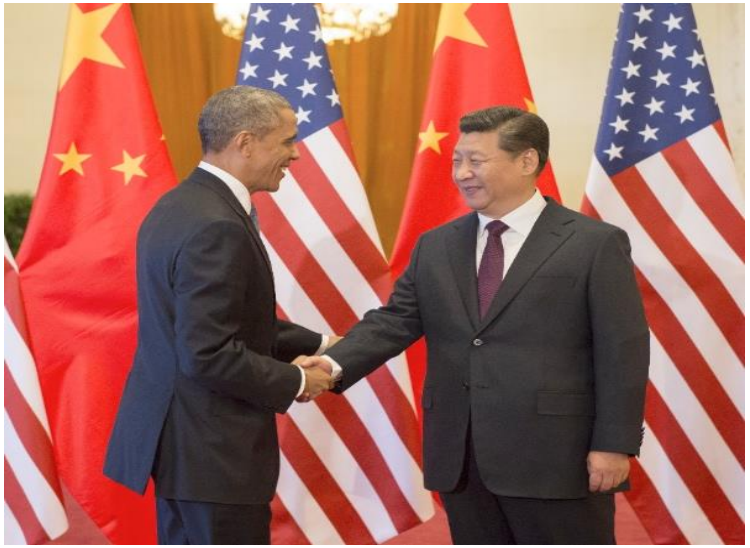
Solar PV Cost vs. Cumulative Capacity

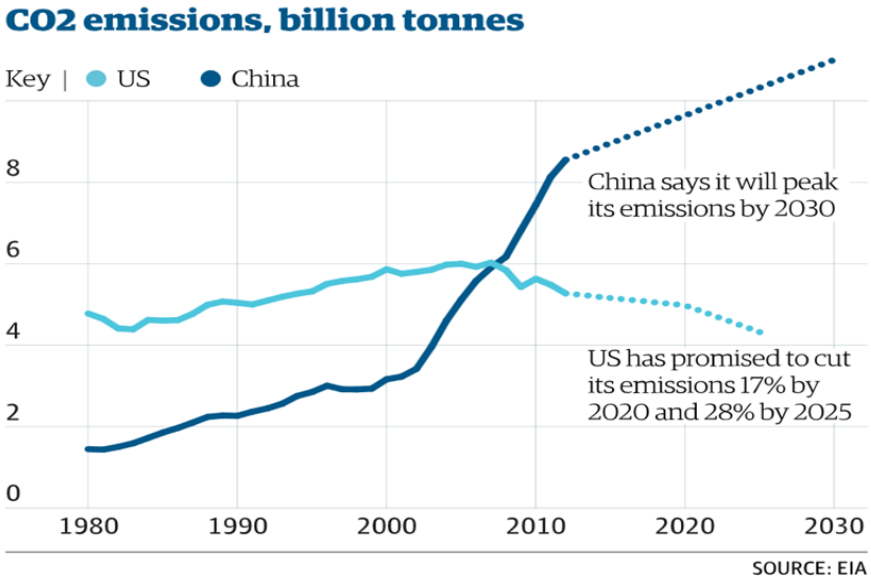


Source: GTM Research April 2015

China and the U.S. Have a Commitment to Reduce CO2 Emissions

- China has firm commitment to not increase their CO2 emissions beyond 2030
- The United States has pledged to cut its emissions to 26-28% below 2005 levels by 2025



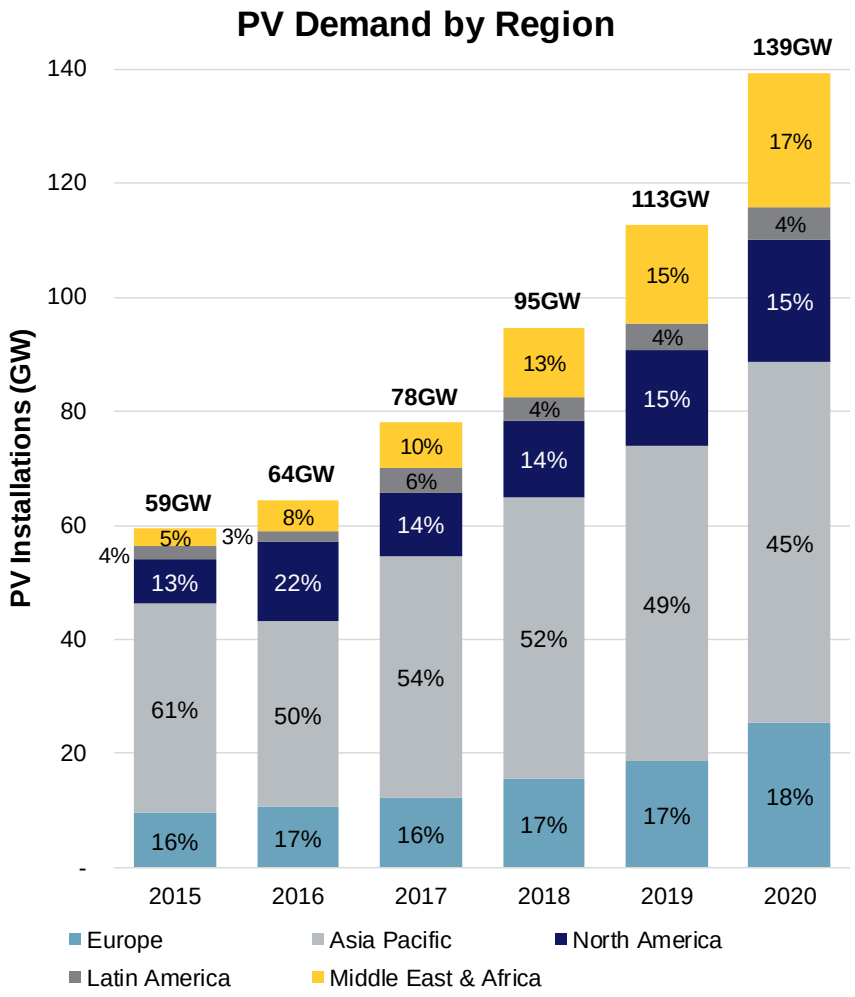


Source: http://www.theguardian.com/environment/2014/nov/12/china-and-us-make-carbon-pledge

Expected PV Demand Growth: 19% CAGR

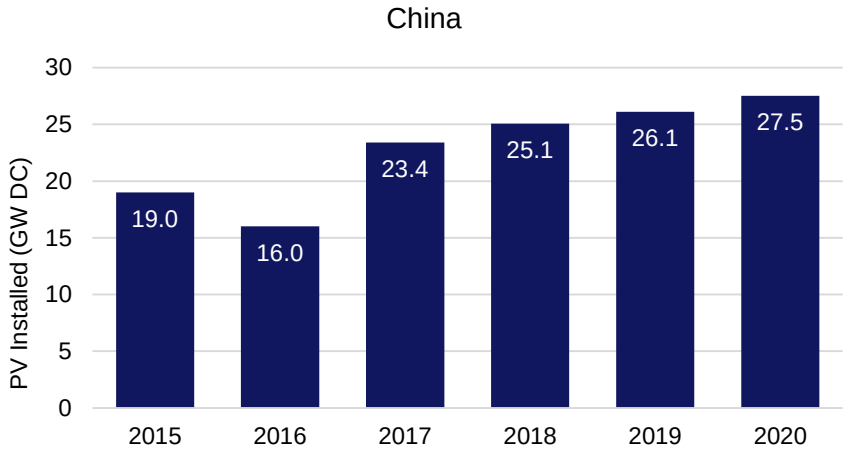
Main driving forces:

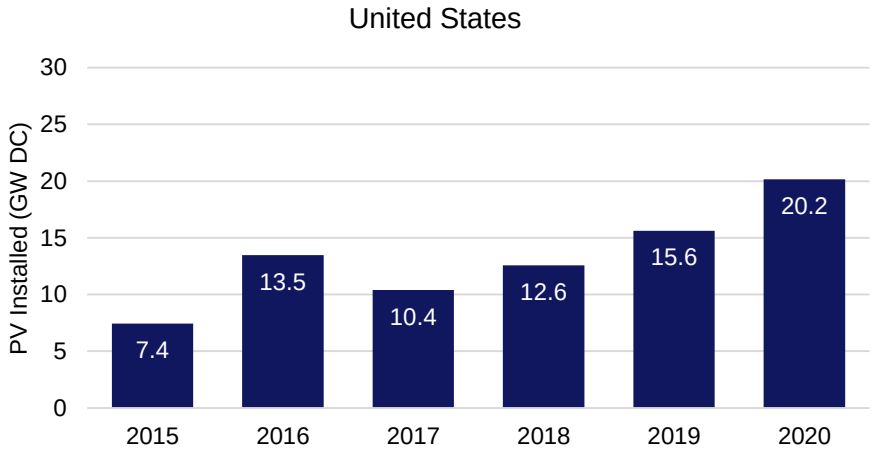
- United Nations Conference on Climate Change (COP21: Paris)
- Largest market for PV: China
- Extension of ITC Credit in the US
- Higher Growth Expectations for Emerging Markets

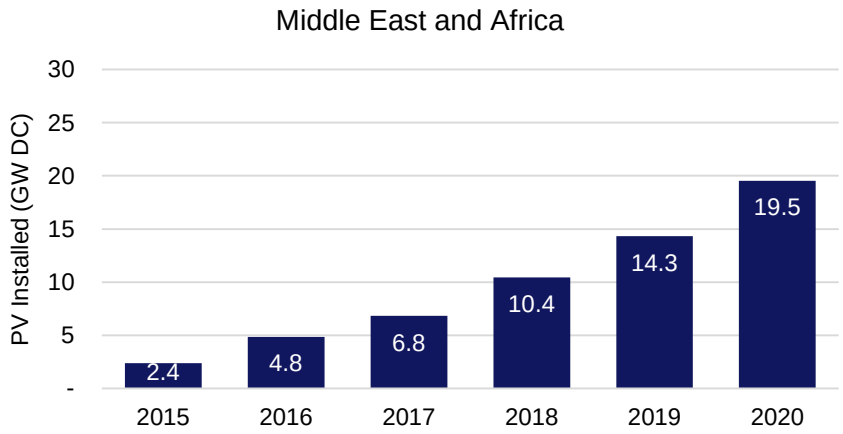


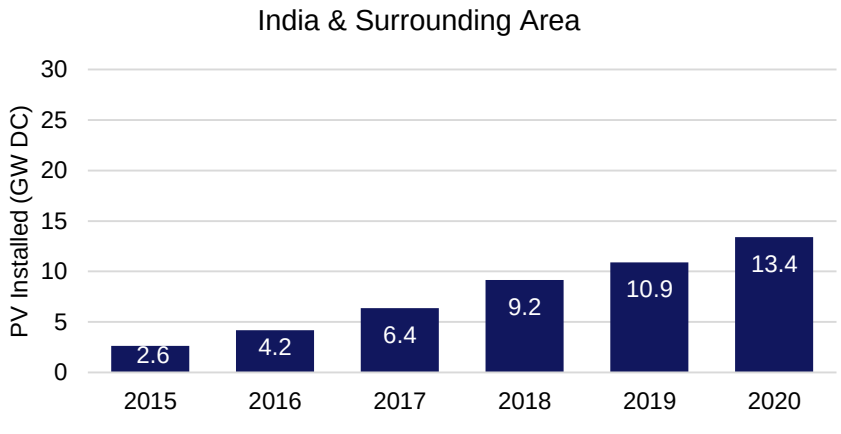
Source: : GTM Research Solar Executive Briefing Q4 2015 Provisional

Regional Solar Installation Forecasts Continue to Increase



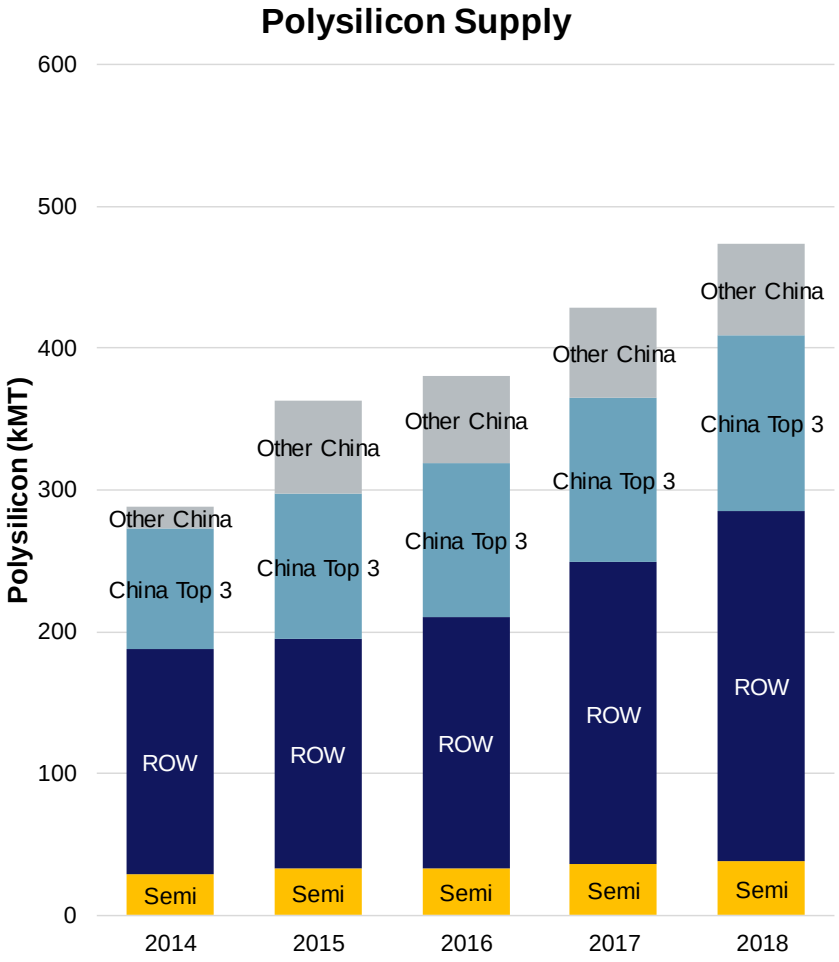


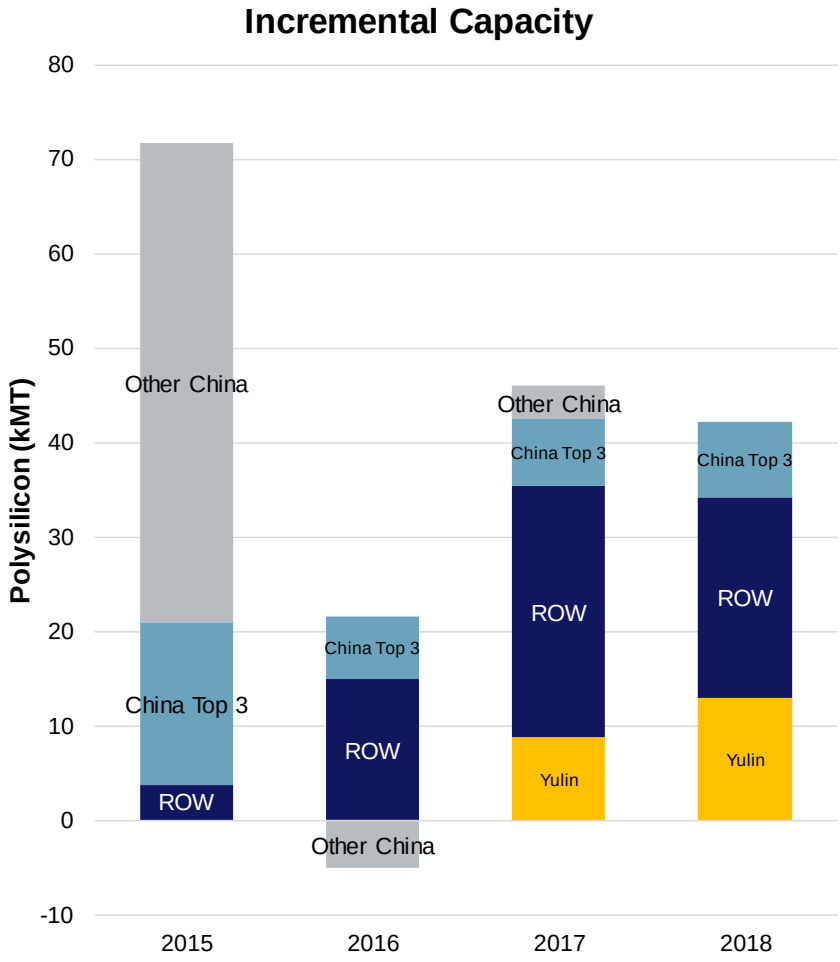




Source: GTM Research Solar Executive Briefing Q4 2015 Provisional

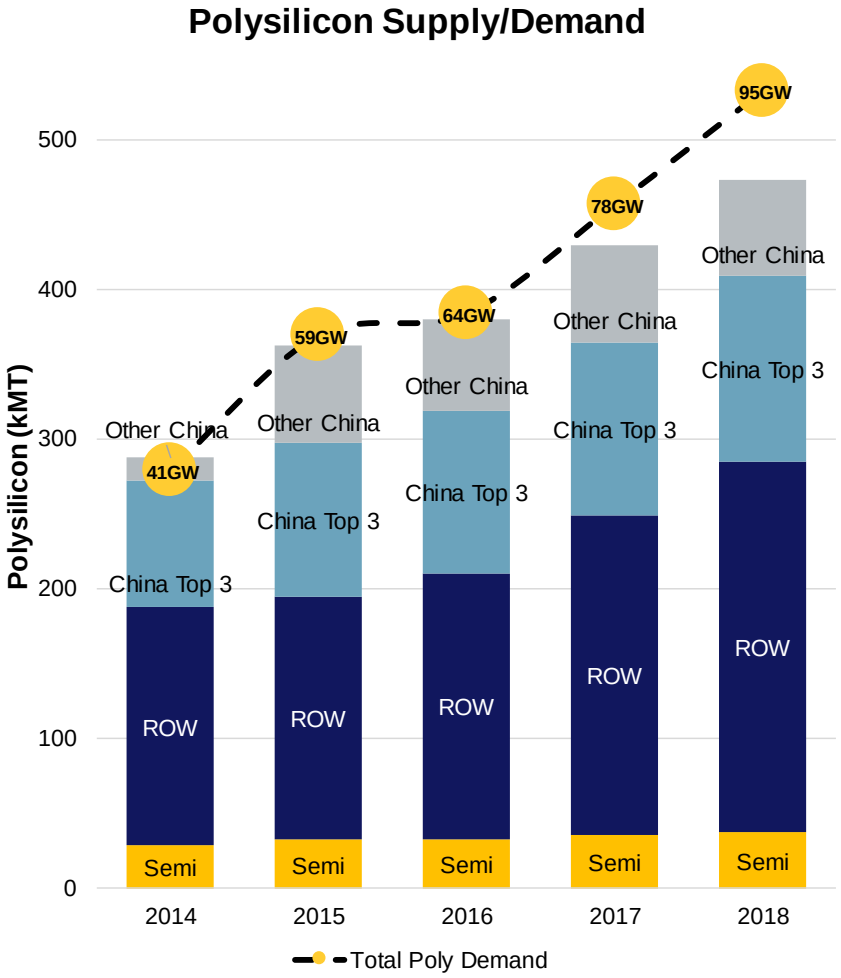
Polysilicon Industry Supply Forecast

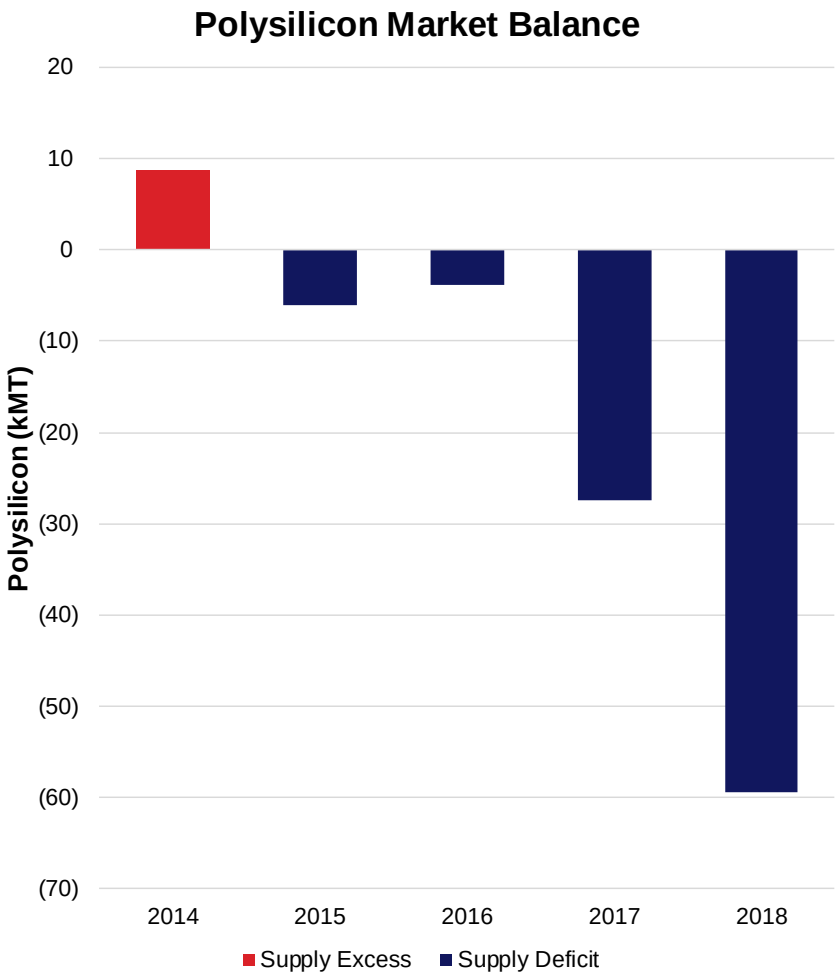




Source: Competitor releases, industry analysts, REC Market Intelligence

Polysilicon Will Become Limiting Factor for PV Market Growth

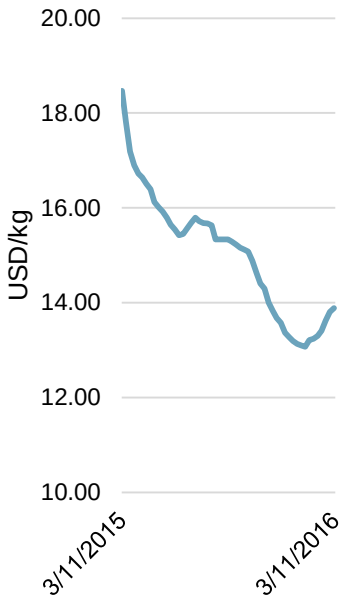




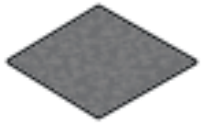
Source: Demand Data Installations: GTM Research, PV Pulse, January 2016
Supply Data: Competitor releases, industry analysts, REC Market Intelligence

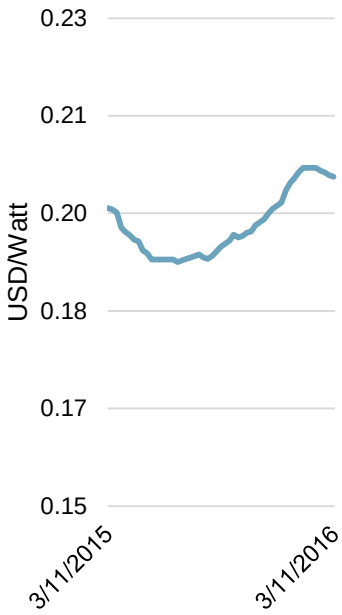
Recent Price Increases

Polysilicon

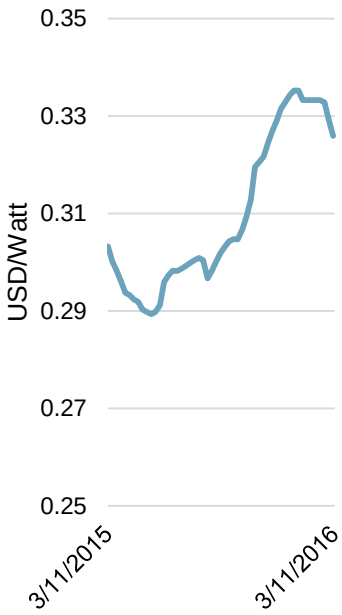


Wafer

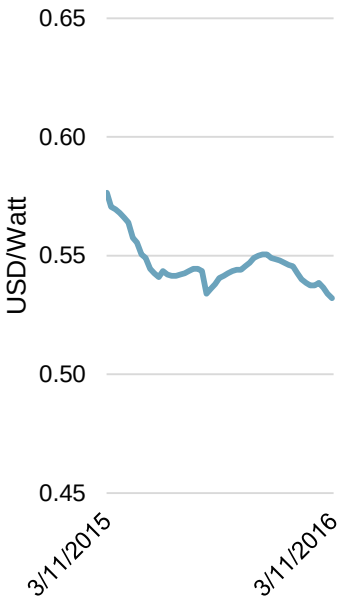




Cells



Modules



Source:GTM Research, PV Pulse February 2016

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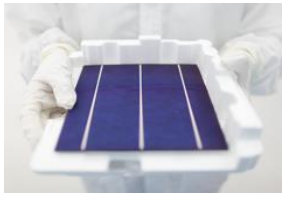
REC Silicon's Position in the PV Value Chain

Metallurgical silicon	Polysilicon	Ingot growth / wafers	Cells	Modules	Systems
					
	Chemical process	Casting and cutting	Surface treatment	Assembly	Installation, additional components

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Moses Lake: Serving PV Market with High Quality Low Cost FBR

- FBR - Solar grade
- Silicon III, IV
- Silane Gas: 22,000 MT
- Granular Silicon: 16,300 MT

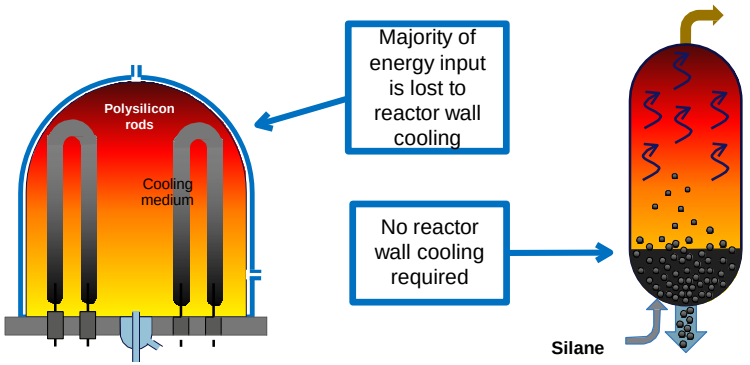
- World's largest manufacturer of Granular polysilicon

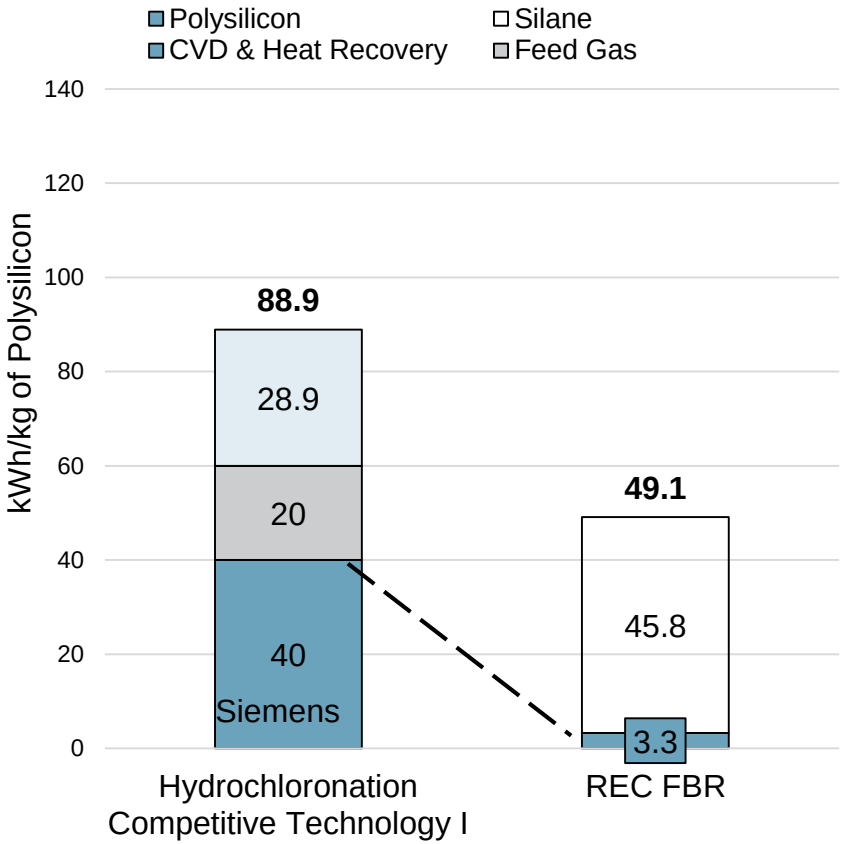
- Technology and cost leader through proprietary FBR technology

REC Silicon's Proprietary FBR: Low Energy Consumption & Continuous Production Process

Siemens Reactor
TCS Based

FBR Reactor
Silane Based





Siemens Technology:

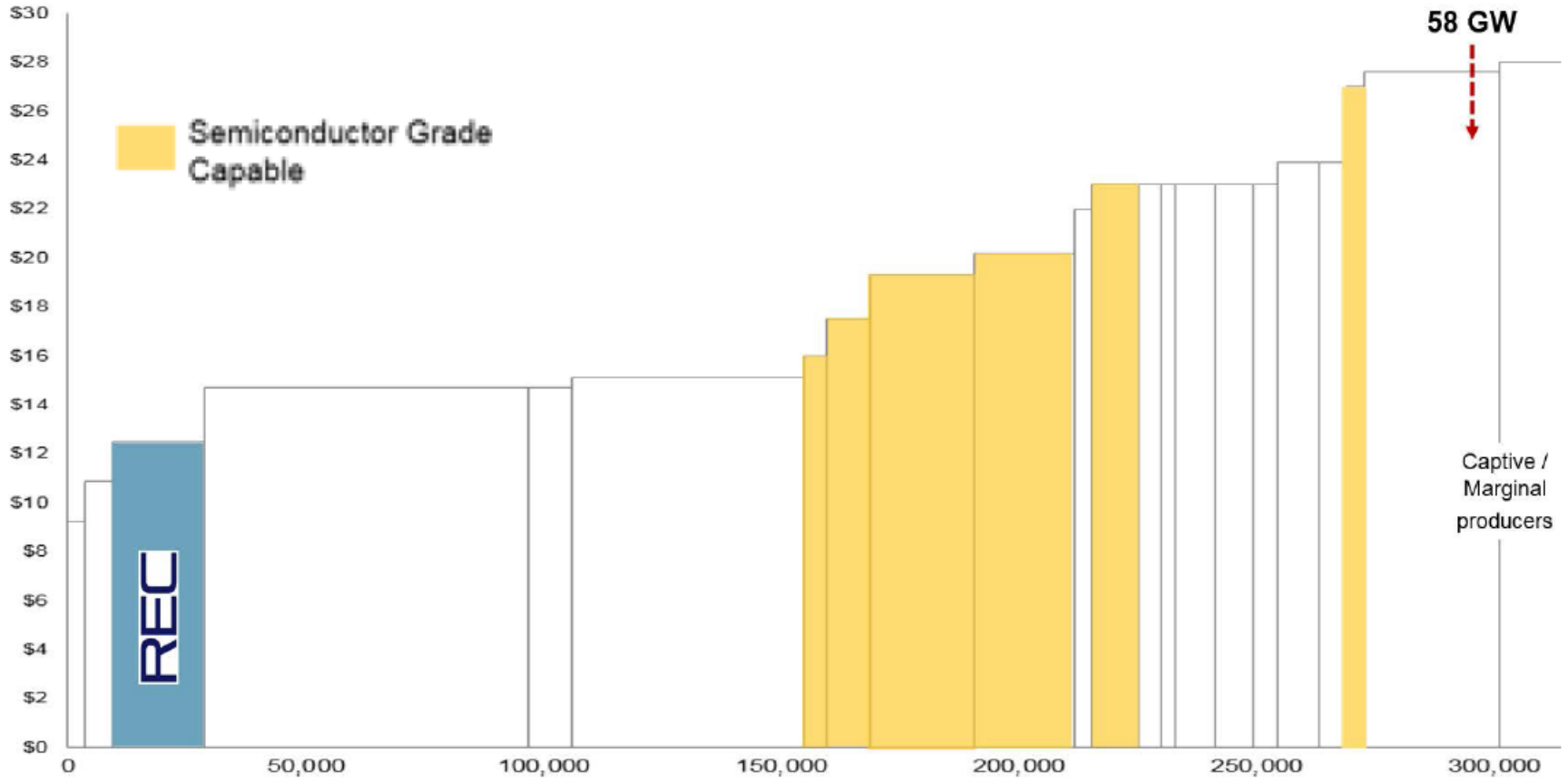
- 40 year old technology
- Batch process
- Requires post processing
- High cash cost

FBR Technology:

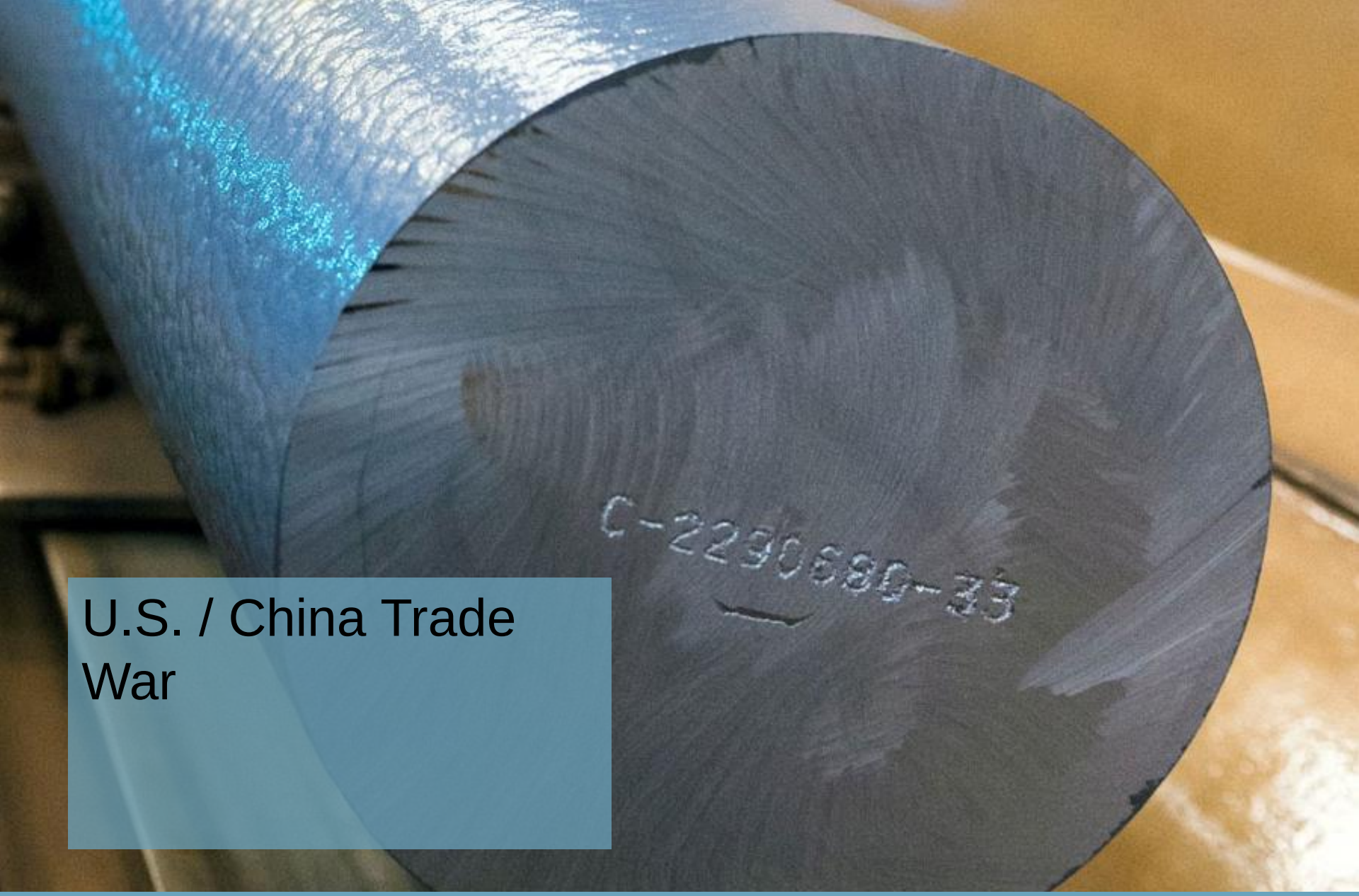
- Proprietary REC technology
- Most energy efficient
- Continuous production
- Lowest cash cost

Note 1 REC silicon data based on 2014 measured energy consumption and actual production. This includes consumption for operations, maintenance, and analytical functions.
Note 2 REC data includes the buildings (lights/HVAC) along with processing, packaging, treatment, and support equipment.
Note 3 Competitive technology data appears to be based on simulations of power consumption for only the process equipment to manufacture Polysilicon when it is operating at 100% utilization)

Leading Cost Position Through Proprietary FBR Technology



Source: Competitor releases, industry analysts, REC Market Intelligence



U.S. / China Trade War

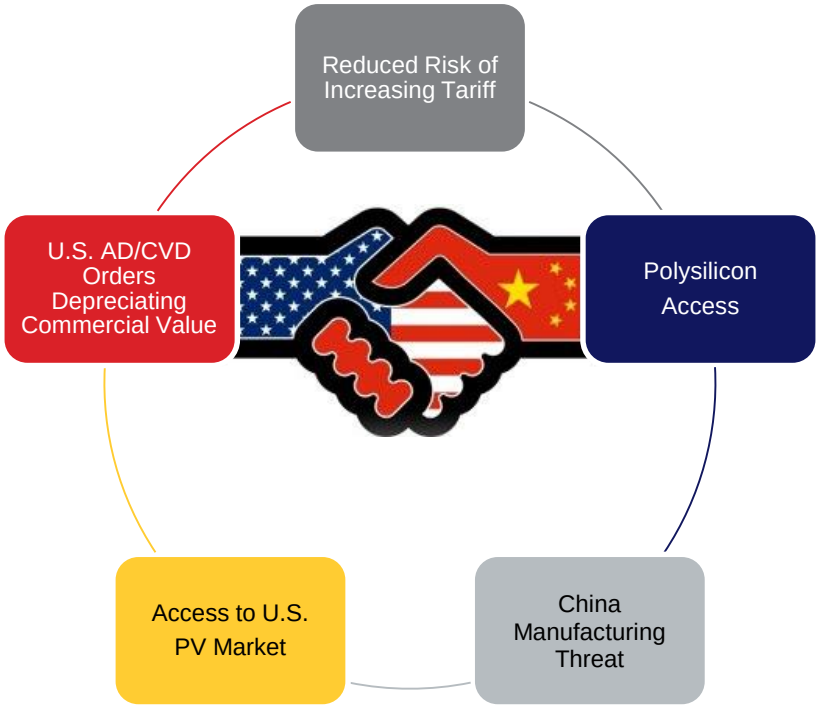
U.S. / China Trade War

› Already In 2016, U.S. and China Have Restarted Discussions and Reiterated Commitment for a Resolution at the Highest Levels

- MOFCOM Sent a Delegation to the U.S. For a Week in January to Discuss Resolution Structures
- U.S. Trade Ambassador Froman and China's Minister Gao Met in Beijing on February 2, 2016
- China Requires a "Balanced and Reciprocal" Deal
- U.S. Needs Reasonable Market Access For its Polysilicon Producers

Why a Resolution Makes Sense for Both U.S. & China

- China
  - Improved access to U.S. panel market
  - Eliminate risk of retrospective U.S. duty hikes
  - Polysilicon shortage looming in China
  - Incentivizing movement of solar manufacturing outside of China threatens solar dominance
- U.S.
  - U.S. AD/CVD orders depreciating commercial value
  - Re-opening China market for the high tech U.S. Polysilicon industry creates more value on balance for U.S. interests



Additional Pressure For a Resolution

- Hemlock Breach of Contract Litigation Against SolarWorld Subsidiary
  - $676 Million Case, Pending in US District Court in Michigan
  - SolarWorld Lost Key Motion in October 2015, Resulting in Significant Drop in Share Price
  - Trial Date in May 2016
- Hemlock: US Polysilicon Producer
  - Owned by Dow Corning and Shin Etsu
  - Polysilicon Capacity (Michigan Plant): Estimated at 32,000 MT

Path Forward

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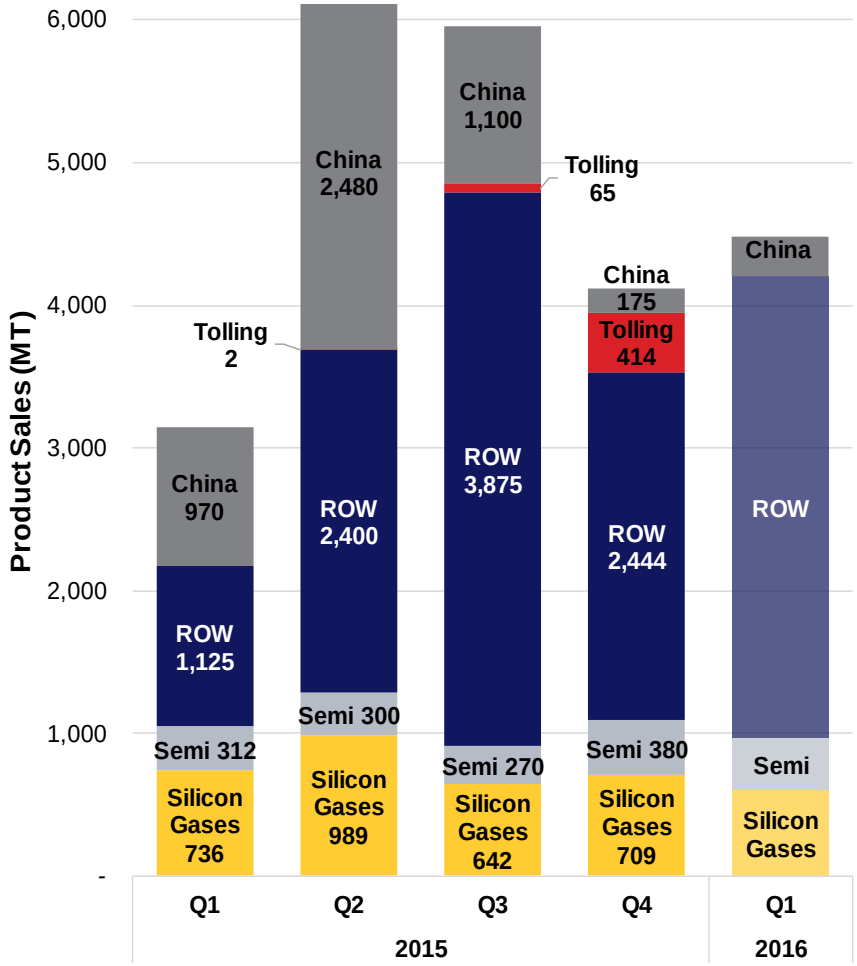
Decrease Reliance on Chinese Markets

Market Outside China

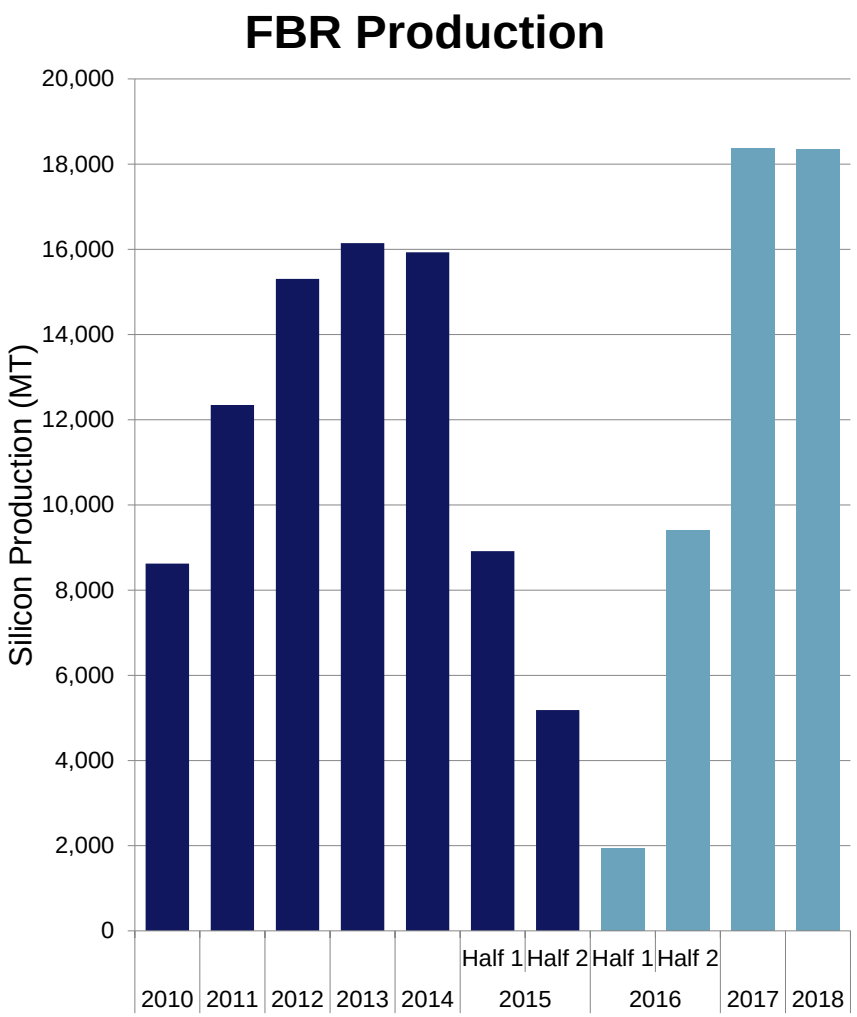
- Continue qualification and optimization plan
- Continue to discount aggressively if required to maximize volumes

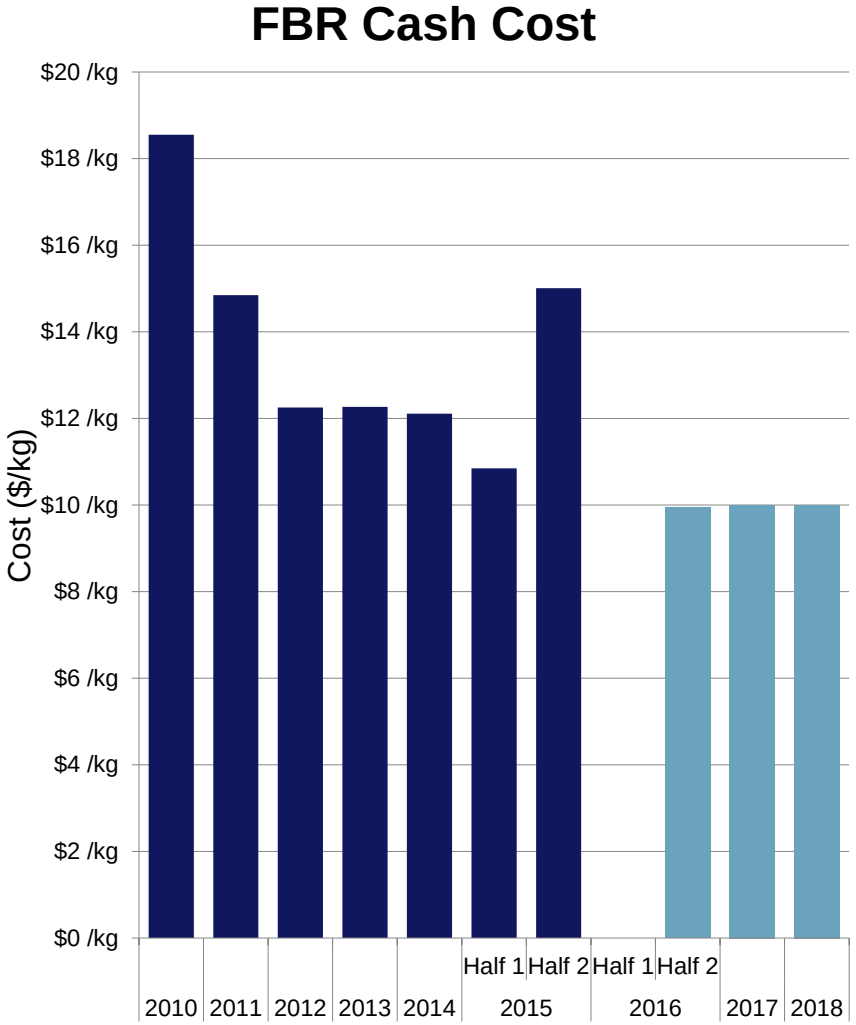
Target Sales to Reduce Inventory and Generate Cash

- Sales supported by on hand inventories until restart



Full Capacity Utilization Cash Cost at ~USD 10/Kg Going Forward





Debt Coverage at December 31, 2015

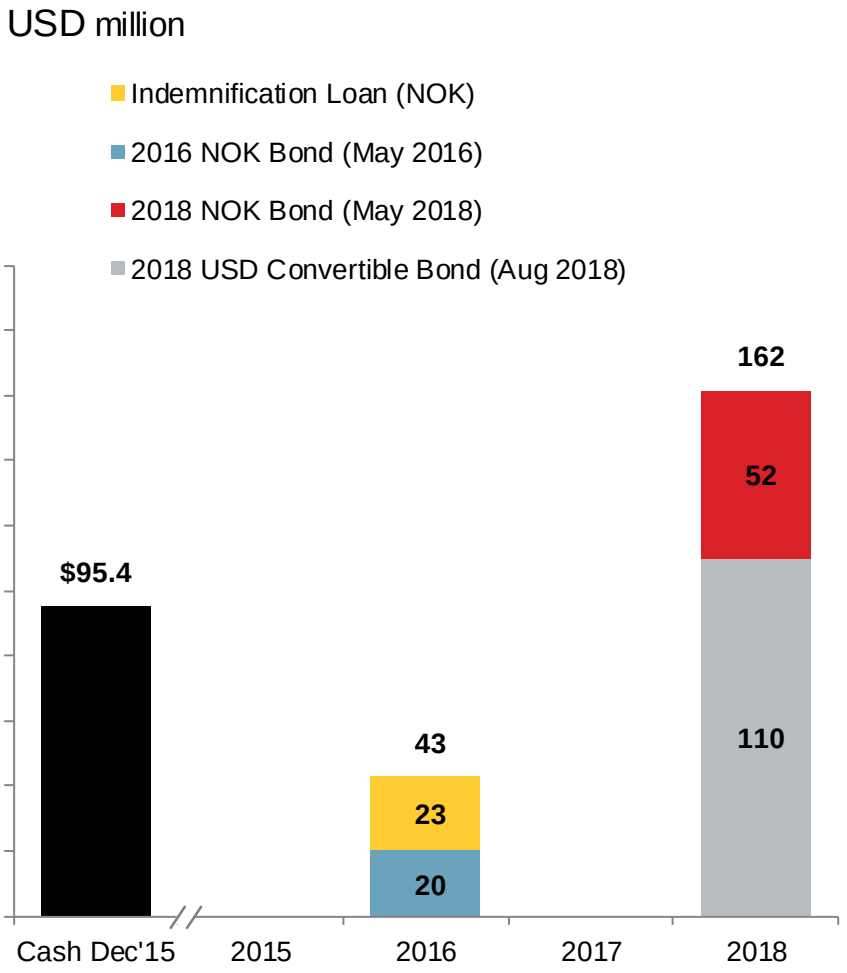
Nominal Net Debt - $109 M

- Decreased by $4.2 M during Q4 2015
  - Increase in cash of $0.7 M
  - Decrease in nominal debt of $3.4 M

Nominal Debt - $205 M

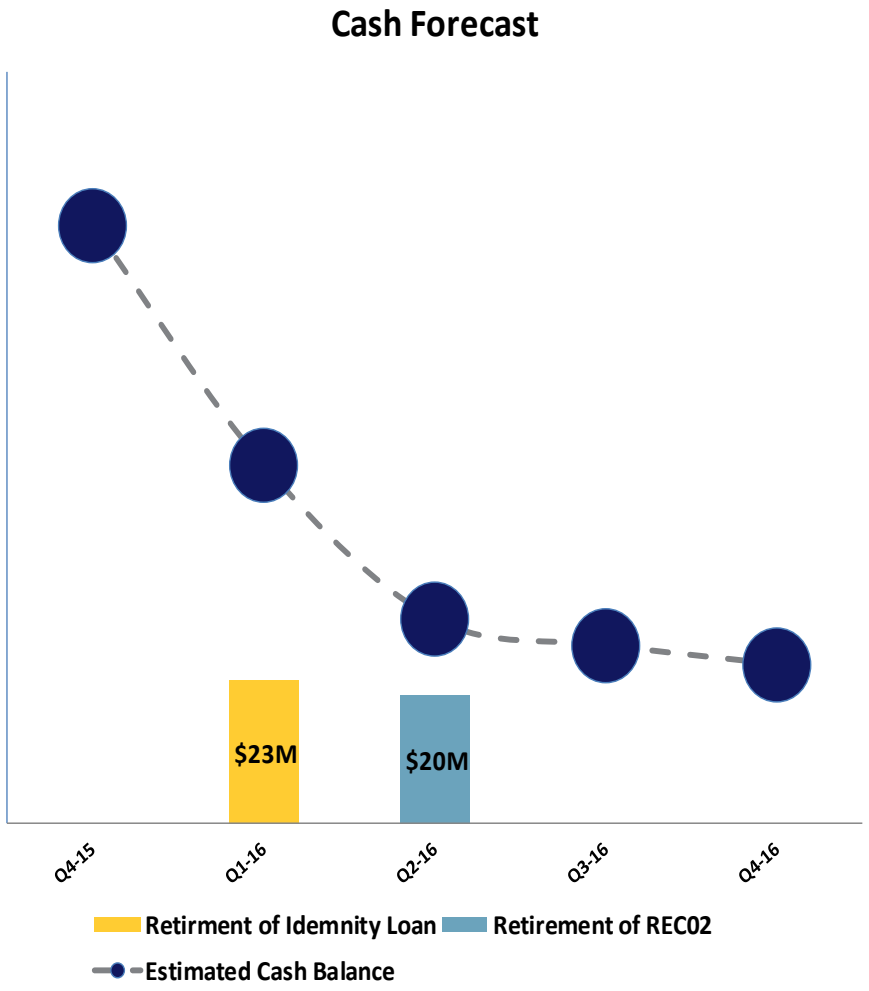
- Decreased by $3.4 M in Q4 2015 due to stronger US Dollar

No further debt obligations until May 2018



2016 Debt Obligations Met With Current Cash Forecast

- Moderate Solar Grade Price Increases in 2016
- Silane III and IV Startup Expected in June 2016
  - Restart Dependent on:
    - Trade War Status
    - Market Conditions
- Maintain Liquidity
  - Silane III and IV Capacity Curtailment
  - Reduce Polysilicon Inventory Levels
  - Limit Capital Expenditures



Yulin JV Update

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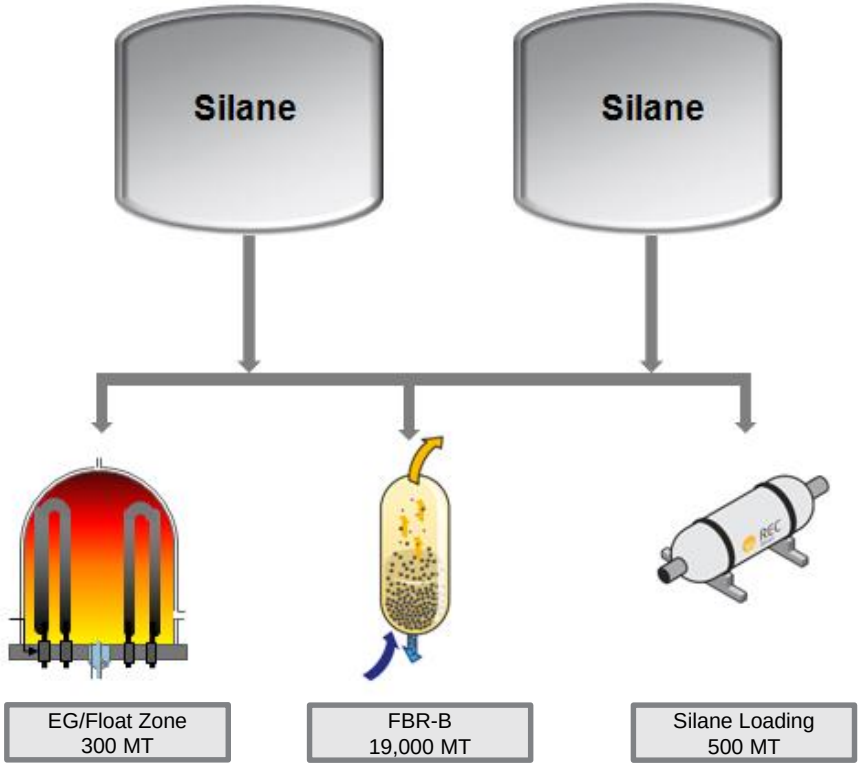
Position in China Through Yulin JV – Development on Track

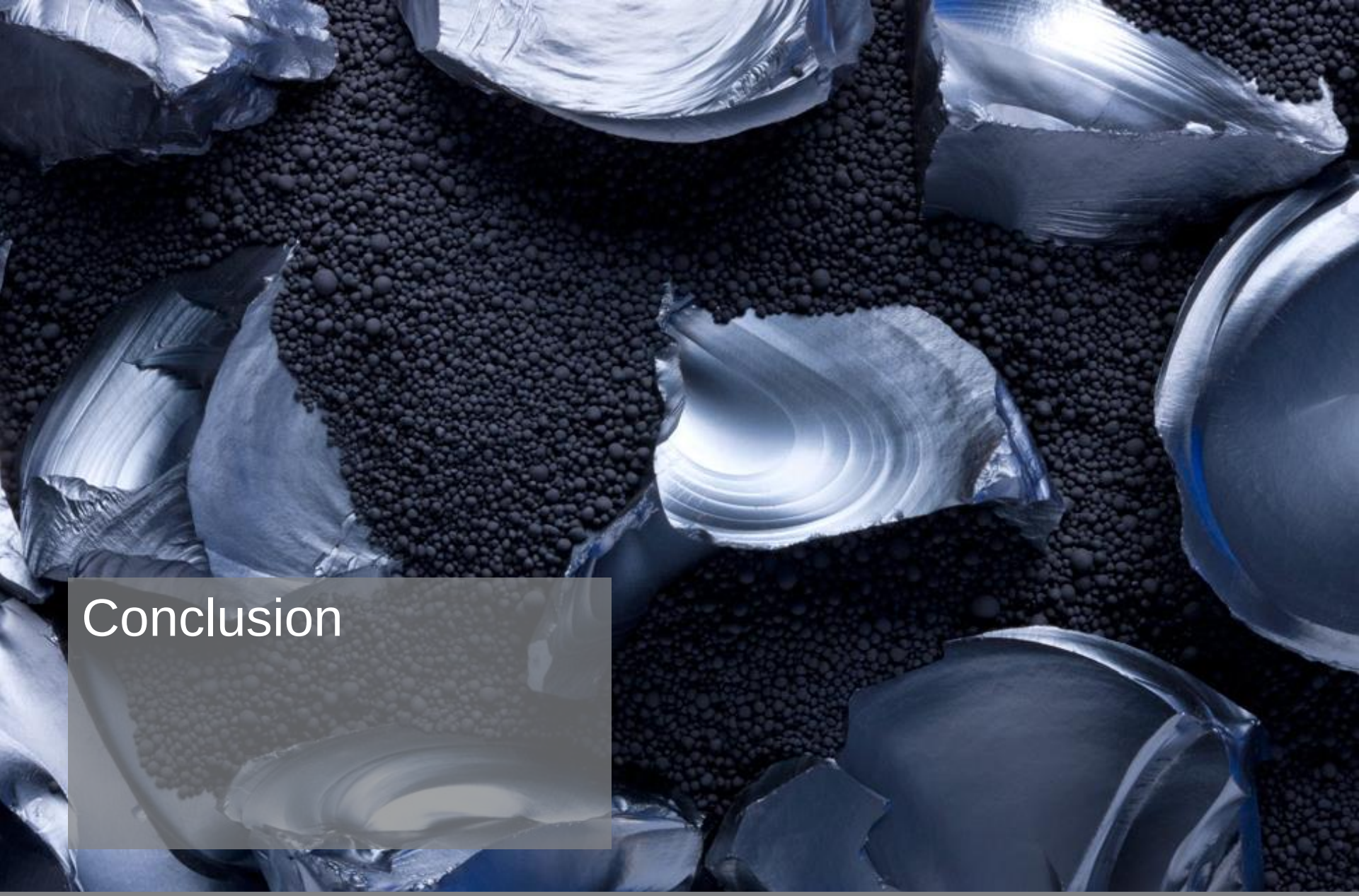
- Total Investment: $1.25 B
- Investment Parameters:
  - CAPEX: $60/kg
  - Cash Cost: ~$9/kg
  - Production Development
    - 2017 ~7,300 MT
    - 2018 ~ 16,300 MT
    - 2019 ~ 19,300 MT
- Start-up expected mid-2017



Yulin JV – On Track

- Equipment tendering in progress, 70% issued or awarded
- Critical path equipment under fabrication (Hydrogenation and FBR reactors and compressors)
- Critical excavation and foundation work for 2015 completed
- 2016 and 2017 Capital Contributions Might Be Deferred If Financial Situation Requires

Completed FBR Building Foundation



Conclusion

The Investment Case

- **Strong growth in PV-demand (19% CAGR)**
  Polysilicon market balance YE 2016
- **Available capacity to meet increased demand**
  Long lead times limit industry expansion
- **Strong positions in core markets**
  Presence in China through joint venture
- **Industry leading low cost position**
  Proprietary Silane based FBR technology
- **Financial strength to bridge market downturn**
  Cash on-hand to meet debt maturities

Focus Areas for REC Silicon 2016

- Strong momentum to resolve trade dispute
- Temporary shut-down of Moses Lake will reduce inventory levels
- Acquire customers for offtake of full capacity by offering competitive pricing
- Focus on reduced spending
- Prepare for successful Yulin JV Plant
- Return to full capacity June 2016 with industry leading cash costs

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