

13 June 2018

**Active Energy Group Plc ('Active Energy', the 'Company' or the 'Group')
CoalSwitch™ Receives Formal Polish Market Certification and Environmental Clearance To
Commercialise New Blended "SuperFuel" Product**

Active Energy, the London quoted international biomass based renewable energy and forestry management business, is delighted to announce that AEG CEE Sp. z O.O. the joint venture company (the 'Joint Venture') that was recently formed between the Group and Cobant Sp. z o.o. ('Cobant'), in Poland, has on 12 June 2018, received confirmation that the Polish Government Burn Test Laboratory (IChPW) has completed testing of its new "SuperFuel" product.

This announcement is further to the Company's announcement dated 13 March 2018, relating to the formation of a joint venture between the Group and Cobant, a Polish research, development and coal recovery/production company, to collaborate and to develop a new Super Fuel product, which uses Active Energy's unique CoalSwitch™ coal additive in blends with reclaimed coal from coal slurry dumps in Upper Silesia, Poland.

Overview

- Two laboratories, including a Polish Government laboratory, conducted independent tests of the new 'Super Fuel' product that utilises a blend of AEG's revolutionary CoalSwitch™ component derived from sawmill waste, forestry waste with reclaimed and cleaned coal fines from Poland's legacy coal waste dumps.
- Results indicate that the new "Super Fuel" has a similar calorific value to coal (>23MJ/Kg), but with significantly low sulphur content <0.9%, low ash content, and low SOx and NOx emissions when combusted.
- Receipt of approval from the formal independent certification tests enabling the commencement of commercial production of the Super Fuel for use in coal fired power stations across Poland and also in municipal heating and private household heating systems.
- The blended product is now certified to carry the Polish Government's Ecological Safety Symbol, a requirement to allow solid fuels to be sold without restriction in Poland.

The "SuperFuel" product is a blended 'Green Coal' product which utilises Active Energy's revolutionary CoalSwitch™ technology along with Cobant's environmentally beneficial reclaimed waste coal slurry. The "SuperFuel" has received formal certification from the Polish Government as it has been proven to comply with the most stringent of environmental criteria laid down by the Polish Government in its new Anti-Smog legislation.

The testing confirmed that the new fuel blend meets all the demanding requirements of the Polish Government and its new AntiSmog legislation for the certification of solid fuels. This enables the 'Super Fuel' to be used for domestic use in addition to in Polish/EU coal plants due to its high calorific value, low sulphur content, low ash content, and low SOx and NOx emissions. Specifically, the "SuperFuel" product meets the following **IChPW standards: PN-EN 3030-5-2012 and PN0-ISO**

10396:2001 allowing the Joint Venture the right to use the “Znak Bezpieczeństwa Ekologicznego” (“Ecological Safety Sign”) on all of its production. This denotes that it is safe for the environment and when tested met all environmental standards required under Poland’s new and stringent regulations for solid fuels.

The Joint Venture intends to move to production and revenue generation now that certification has been achieved. The Joint Venture is also in the final stages of price negotiation with customers in the Slask Region of Poland and is confident of a strong economic and environmental outcome for both the Company and the region’s citizens who burn significant volumes of coal in their homes, businesses and local heating stations, creating health and environmental hazards, which Active Energy and Cobant are now able to replace.

Richard Spinks, Active Energy Chief Executive Officer said, “As stated earlier this year, our intention with the Joint Venture was to develop a ‘Super Fuel’ blend using CoalSwitch™ and the significant volumes, in the millions of tonnes, of recovered coal waste that our partner, Cobant, has access to. In addition, we have proven with this recognition by the State Laboratory this rare certification, that we are on the verge of a significant environmental and economical perfect storm. This certification program, although expected to reach approval at the time of incorporating the Joint Venture, progressed much faster than anticipated and subsequently, now that we have received all necessary certification and commercial trade marks for the commercialisation of this new ‘Super Fuel’, we hope to generate cash flow more quickly in Poland than originally anticipated”.

“Coal remains a sector of primary importance in Poland, with coal and lignite accounting for around 90% of its energy production and with millions of Polish homes still utilising over 10 mln tonnes per annum of coal including low quality coals for their heating and hot water needs. However, the Government has taken a proactive approach to reducing pollution and improving health in Poland, and particularly in the industrial region of Upper Silesia, saying that the fight for green air was a priority and recently launching a programme called StopSmog to help address the problem. Our unique Active Energy/Cobant “SUPERFUEL” has been approved by the Polish Government Laboratory as a solution that not only meets all of their requirements under the “Anti-Smog” legislation, but is safe enough not only to use in Power Plants, but right there in the homes of Polish Citizens who until today face health and environmental issues, which we will now help to improve into the future.

“This is an extremely exciting time for the Company as international interest in CoalSwitch™ globally continues to build and we look forward to updating our shareholders with updates on our progress and additional opportunities.”

Jakub Szalatkiewicz Phd Eng Assistant Professor, Cobant Sp. z o.o. said “We consider the new ‘Super Fuel’ developed together with Active Energy to be a great success, providing an opportunity for the implementation of Active Energy’s innovative technology alongside our work in the innovative recovery and upgrading of coal from Polish legacy coal waste dumps to make a real difference in the environmental and health spheres of our country and the lives of our fellow citizens. This new ‘Super

Fuel’ has been co-developed by Cobant within an existing R&D project that has been partly funded by the Polish National Centre for Research and Development from European Regional Development Fund of the European Union. Our joint venture with Active Energy is mutually beneficial as we are now able to provide a high quality new ‘Super Fuel’ which can be utilised both in commercial power plants and domestic settings, increasing the value of the underlying coal to otherwise unreachable levels, whilst cleaning up our country’s environment, land and waterways.

“We anticipate that our Super Fuel will play a major role in the fight to meet Polish emissions targets and clean air requirements and we look forward to rapidly advancing to commercialisation over the coming months.”

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) 596/2014.

****ENDS****

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About Active Energy Group:

Active Energy Group Plc (AIM: AEG.L) is a London Stock Exchange-listed international renewable energy business based upon forestry assets. Its model is focussed on capturing the entire forestry value chain through sourcing, utilising and commercialising assets, and setting a new standard in the sustainable management and optimisation of timber resources. The Company is led by a highly

technical and commercial team with the experience to execute its defined growth strategy and build its visibility, primarily as a London-listed timber opportunity with a revolutionary biomass fuel technology.

About CoalSwitch™

CoalSwitch™ is Active Energy's revolutionary direct drop-in coal replacement biomass fuel that can be mixed in any ratio with coal fines or completely replace coal in existing coal-fired power stations, without retrofit. The Group believes CoalSwitch™ has the potential to act globally not only as an emissions reductant, but as a sulphur capture and reduction compound. In addition, chemical binders, which have traditionally been used in the global reclaimed coal reclamation sector, are no longer required when utilising CoalSwitch™ pellets. Moreover, some additional savings are possible for power plant operators, as usage of this new alternative coal fuel does not require such intensive desulphurisation and the fuel has lower ash content.

About Cobant:

Cobant has been operating since 2014 carrying out research and development using modern research methods and techniques. In these activities Cobant has developed and tested prototype installation allowing in-field verification of developed innovative technology allowing recovery of high quality coal from coal waste slurries deposited around Poland. Cobant has focused on the Upper Silesian region, where the EU mandates the clean-up of brownfield coal waste sites.

Cobant provides comprehensive support for strategic stages of development, establishing cooperation within the academic community and scientific institutions and has two laboratories which will be utilised by JVA company, in Silesia. One of which is located at the Silesia Polytechnical University in Slask, Poland.

The scope of Cobant's activities also includes the development of effective strategy, creation of innovations, implementation of revolutionary solutions and commercialisation of knowledge gained with a focus on the coal mining and coal-fired power industries of Poland and the CEE.

The Cobant team consists of a dozen of Poland's leading experts from academia and industry with decades of experience in this sector in addition to relationships and experience of working with the Polish coal industry and coal-fired power operators for many years.