

21 December 2016

**Active Energy Group plc (“Active Energy”, “AEG” or the “Company”)
Issue of Equity – Debt to Equity Conversion**

Active Energy, the London quoted renewable energy, forestry management and timber processing business, announces that it has entered into an agreement with Gravendonck Private Foundation (“Gravendonck”), its major shareholder and long-term supporter, to convert US\$1.02 million of existing debt in the Company, into equity. In consideration of this agreement, Gravendonck will be issued 30,000,000 ordinary shares of 1 pence each in the Company (“Ordinary Shares”) at a price of 2.7 pence per share (the “Gravendonck Conversion” and the “Gravendonck Shares”). The Gravendonck Conversion price of 2.7 pence is based upon a 60 day VWAP calculation.

Following the Gravendonck Conversion, Gravendonck will hold 241,898,809 Ordinary Shares, representing 29.97% of the enlarged issued share capital of Active Energy with voting rights and the Company’s outstanding loan to Gravendonck of US\$580,000.

Richard Spinks, Chief Executive Officer of Active Energy said: “I am delighted to report that Gravendonck, our long-term supporter and major shareholder, has elected to gain further exposure to the Active Energy growth strategy through the conversion of outstanding debt to equity. Not only does this further strengthen our balance sheet, but it sends a clear signal to the market that the Active Energy investment proposition is gaining momentum. With profitability targeted across all three divisions by the end of 2017, and a highly active year anticipated with the commercialisation of AEG’s revolutionary CoalSwitch product, which can be mixed at any ratio with coal, or completely replace coal in existing coal powered fire stations globally without the need for expensive retrofitting – the value accretion potential for investors is clearly evident.”

Related Party Transaction

Gravendonck is a substantial shareholder in the Company. Therefore, the Gravendonck Conversion constitutes a related party transaction in accordance with AIM Rule 13. The Board considers, after consultation with the Company’s Nominated Adviser, that the terms of the Gravendonck Conversion are fair and reasonable, in so far as its shareholders are concerned.

AIM Admission

The Gravendonck Shares will rank pari passu with the existing Ordinary Shares and application has been made to the London Stock Exchange for admission of the Placing Shares to trading on AIM (“Admission”). The Placing is conditional, inter alia, on Admission, and dealings are expected to commence at 8.00am on 28 December 2016.

Total Voting Rights

Following Admission, the Company's enlarged issued share capital will comprise 840,381,500 Ordinary Shares. The Company will hold 33,212,841 in Treasury and the figure of 807,168,659 Ordinary Shares may therefore be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change in their interest in, the share capital of the Company under the FCA's Disclosure and Transparency Rules.

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

****ENDS****

Enquiries & Further Information

Website	LinkedIn	Twitter
www.active-energy.com	www.linkedin.com/company/activeenergy	www.twitter.com/aegplc (@aegplc)

Enquiries		
Active Energy Group Plc	Richard Spinks Chief Executive Officer	richard.spinks@active-energy.com Int: +380 503 942 702
	Brian Evans-Jones Chief Financial Officer	brian.evans-jones@active-energy.com UK: +44 (0)7500 861 696 Ukraine: +380 955 227 745
Northland Capital Partners Limited Nominated Adviser & Broker	Patrick Claridge/David Hignell/Gerry Beaney (Corporate Finance) John Howes/Rob Rees (Sales and Broking)	Office: +44 (0)20 3861 6625
St Brides Partners <i>Financial PR Adviser</i>	Susie Geliher/Elisabeth Cowell/Megan Dennison	info@stbridespartners.co.uk Office: +44 (0) 20 7236 1177

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. This is achieved through three complementary divisions each with intrinsic value as standalone operations:

- AEG CoalSwitch, which is commercialising a revolutionary biomass coal replacement fuel;
- AEG TimberLands, a sustainable international forestry management business targeting Europe and Canada; and
- AEG WoodFibre, an established wood fibre production business with global roll-out potential.

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.