The following amendments have been made to the 'Interim Results' announcement released on 29 September 2017 at 7am under RNS No 1696S.

RNS No 1696S contained two typographical errors.

The reported figure for Loss Before Taxation for the 6 month period ended 30 June 2017 has been corrected to US$1,959,664.

The total figure for the Current Assets for the 6 month period ended 30 June 2017 has been corrected to US$5,100,186.

All other details remain unchanged.

The full amended text is shown below.

Active Energy Group Plc / EPIC: AEG / Sector: Alternative Energy

29 September 2017

Active Energy Group Plc ('Active Energy', 'AEG' or 'the Group')

Interims

Active Energy, the AIM quoted international timber processing, forestry management and renewable energy business, announces its interim results for the six months to 30 June 2017.

OVERVIEW

- Successfully completed a fund raising of £11.57 million (or US$14.15 million) (before expenses) through the issue of convertible loan notes to new and existing investors in March 2017 to fund the Group's growth strategy
- Commenced the reorganisation of the Group to focus on the principal growth areas being the global commercial roll out and development of AEG's biomass coal replacement fuel product and development of a forestry management business
- Established two separate affiliate companies to hold AEG's current and future CoalSwitch™ and Timberlands assets, namely Advanced Biomass Solutions Plc ('ABS') and Timberlands International Limited ('Timberlands')
- Timberlands has progressed the development of forestry operations in various international territories:
    - Advance stages of ratification with government with regards to a Crown Timber Licence and rolling 20-year Forestry Management Agreements for an initial two forestry management districts in Canada
    - Working with Canadian forestry consultancy company, Zimmfor Management Services Ltd, to ensure full compliance with current regulatory and environmental regulations relating to all forestry environmental and land resources in Canada
- Progressing ABS and the global commercial roll-out of direct drop-in coal replacement biomass fuel:
    - Commenced construction of a five-tonne-per-hour CoalSwitch™ plant in Utah

    - Commenced discussions, which remain ongoing, with other Asian partners for the construction of CoalSwitch™ plants
- Announced intention to reduce the Group's operating exposure and ultimately exit Ukraine, where trading conditions have significantly deteriorated

POST PERIOD END HIGHLIGHTS

- ABS announced agreement with Lumino Capital LLC for the financing, development and operation of eight 20 to 30-tonnes per hour CoalSwitch™ plants across South East Asia, producing an estimated 1.5 million tonnes of CoalSwitch™ per annum
- ABS has made encouraging progress in developing future feedstock arrangements for CoalSwitch™
- Robust outlook with strong market opportunities being presented to both ABS and Timberlands in North America and Asia

CHAIRMAN'S STATEMENT

The focussing of our business activities through ABS for the further development and global commercial roll-out of our direct drop-in coal replacement biomass fuel and Timberlands for the development of forestry operations in various international territories, is beginning to gather real momentum. By reorganising the Group, the respective management teams have made considerable progress building the platforms needed to fully capitalise on the global opportunities available in both the forestry and biomass sectors.

Update on ABS activities

The recently announced agreement between ABS and California based Lumino Capital LLC ('Lumino') for the financing, development and operation of eight 20 to 30-tonnes per hour CoalSwitch™ plants across South East Asia, producing an estimated 1.5 million tonnes of CoalSwitch™ per annum, is a huge commercial step forward for AEG. This agreement is a tremendous endorsement of our revolutionary biomass pellet, which is the world's only drop in biomass fuel that can completely replace coal in existing coal fired power stations, negating the need for expensive retrofitting and allowing coal-fired power utilities and other coal users to avoid plant closure. Importantly, the University of Utah demonstrated that CoalSwitch™ outperforms other products, which are currently being utilised by biomass power plants.

Lumino is a subsidiary of global financial institution Solariant Capital LLC and has a proven track record of developing, constructing, financing and generating utility-style renewable energy projects. Lumino has recognised the potential of CoalSwitch™ and will raise finance and source the supply of woody biomass feedstock and appropriate offtake agreements with customers and end-users throughout Asia. ABS, which will supply the CoalSwitch™ technology and operational capability, will have equity participation in each plant and a significant profit share in the forthcoming offtake arrangements. The agreement represents the first commercial endorsement of CoalSwitch™ and we believe it will transform the use of this type of biomass in the energy sector, especially once the first plant is operational in Asia in H1 2018.

ABS is currently constructing a five-tonne-per-hour CoalSwitch™ plant at its premises in Utah, USA which will be completed in Q4 2017. Once construction has been completed, the plant will be tested for a minimum of 30 days before being shipped to its operating destination. The plant will provide sufficient CoalSwitch™ to satisfy existing early-stage demand in Utah and elsewhere. ABS has commercial interest from utilities, corporates, government agencies and major coal fired power stations to test the CoalSwitch™ fuel and to view the first commercial plant. Our strategy to roll-out CoalSwitch™ globally is on track and we have made excellent progress in developing future feedstock arrangements, not just from traditional forestry owners but also from the likes of international palm companies in Asia. This is a particularly exciting market for us as it allows us to uniquely use palm trunks and empty fruit bunches as feedstock for CoalSwitch™, thereby creating a new market for the palm industry and improving the environmental credentials of both companies and countries with whom we partner as all damaging pollutants are removed in our proprietary process. Discussions with several other Asian parties for the construction of CoalSwitch™ plants are ongoing.

Update on Timberlands activities

There has been much activity in Newfoundland since the beginning of the year. Timberlands has an established team, which continues to work closely with the relevant ministries in the Province of Newfoundland and Labrador (the "Province"), Canada. Our aim is to gain a Crown Timber Licence ('CTL') and rolling 20-year Forestry Management Agreements (the 'FMAs') for an initial two forestry management districts with a total land area of 1,211,000 hectares on the Northern Peninsula. We are in advanced stages of ratification with government in this regard.

To expedite this process and engage fully with the Province and ministry teams, Timberlands has been working closely with the Canadian forestry consultancy company, Zimmfor Management Services Ltd, to ensure full compliance with current regulatory and environmental regulations relating to all forestry environmental and land resources in Canada.

The grants of the CTL and FMAs will be pivotal to allow Timberlands to commence harvesting and utilising up to 140,000 solid cubic metres of wood annually from the Forestry Management Districts 17 and 18. The agreement includes saw milling and biomass fuel production facilities. Notably, the Port Authority and municipal government of St. Anthony, Newfoundland, are currently making improvements to the port, proximate to the wharf, which can accommodate Timberlands' commercial plans, resulting in direct access to the shortest shipping routes to Europe from the North American continent.

Update on Ukraine operations

We remain committed to reducing our exposure to and ultimately exiting our wood fibre processing operation in Ukraine. Following the announcement of our intention to reorganise AEG in May 2017, the Group's Directors began negotiations with its former COO, Matteo Girlanda regarding a possible transaction for the Group's Ukrainian assets. These negotiations have now ceased and the Board continues to evaluate the optimal path in terms of value for shareholders. Additionally, AEG is examining equipment requirements for ABS and Timberlands as each affiliate achieves its commercial milestones. This will result in existing equipment based in

Ukraine being re-assigned to our new operations in Canada and USA. We anticipate the closure of all our Ukrainian activities before the end of Q4 2017.

Financial Review

During the period under review, the Company raised of US$14.15 million (before expenses) through the issue of convertible loan notes, which is funding the construction of the first CoalSwitch™ plant and enacting Timberlands' growth strategy. We received support from new institutional investors as well as existing shareholders, which I believe is an endorsement of our strategy and the recognition of the opportunity we have.

The disruption of business activity in Turkey caused by political events in that country, which impacted trading during the second half of 2016, continued to significantly disrupt trade in the first half of 2017. As a result, the Group shipped only two partial loads of woodchip for a sales value of US$1,312,764 (H1 2016 sales of US$13,409,486) resulting in a gross loss of US$462,877 (H1 2016 profit of US$1,840,436). Discussions regarding the disposal of the business in Ukraine to allow the Group to focus on its biomass-for-energy and timberlands operations commenced during the period under review and resulted in the scaling down of all Ukrainian activity.

Administrative expenses, including costs associated with fundraising activity and share-based payments, were US$2,029,786 (H1 2016 US$1,321,808) but the Group reported a profit on the reclassification of its investments in its forestry and its revolutionary biomass-for-energy businesses as a result of the reclassification of the investment undertaken into those ventures by the Group as debts to be recovered from its affiliate companies when those businesses are fully developed. Overall, the Group is reporting a loss for the period of US$1,959,366 (H1 2016 loss of US$956,267).

Outlook

AEG is uniquely positioned to give investors exposure to both forestry assets and biomass fuels. We are entering a highly active period that we hope will witness significant value triggers that will assist investors and commercial partners to appreciate the true value of both components of our business. The market opportunities being presented to both affiliate companies in North America and Asia show strong commercial potential, which the Board is excited to pursue. The journey for shareholders has been long, but I believe the revised corporate structure, our internal expertise, proven product offerings and lower risk profile will lift us to the next stage in our development and should deliver a re-rating of our stock.

Finally, I would like to thank all those involved with AEG for their efforts and hard work and I look forward to the future as our commercial goals are realised.

Michael Rowan
29th September 2017

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AND OTHER COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2017

	Note	6 months ended 30 June 2017 (Unaudited) US$	6 months ended 30 June 2016 (Unaudited) US$	Year ended 31 December 2016 (Audited) US$
REVENUE	2	1,312,764	13,409,486	19,196,559
Cost of sales		(1,775,641)	(11,569,050)	(16,344,727)
GROSS (LOSS)/PROFIT		(462,877)	1,840,436	2,851,832
Administrative expenses		(2,029,786)	(1,321,808)	(3,089,105)
OPERATING (LOSS)/PROFIT BEFORE SHARE BASED PAYMENTS		(2,192,526)	1,080,740	394,212
Share based payments in administrative expenses		(300,137)	(562,112)	(631,465)
OPERATING (LOSS)/PROFIT		(2,492,663)	518,628	(237,253)
Finance income		277,936	9,683	18,152
Finance costs		(795,497)	(1,196,741)	(1,844,255)
Profit on reclassification of assets relating to associates and joint venture		1,050,560	-	-
Share of profits/(loss) of associate		-	(171,305)	(305,151)
LOSS BEFORE TAXATION		(1,959,664)	(839,735)	(2,368,497)
Income tax		298	(116,532)	(122,143)
LOSS FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE PARENT		(1,959,366)	(956,267)	(2,490,640)
OTHER COMPREHENSIVE INCOME/(EXPENSE):				
Items that may be subsequently reclassified to profit or loss				
Exchange differences on translation of foreign Operations		(146,730)	101,015	(106,675)
Exchange differences on translation of associate		-	100,471	189,450
Total other comprehensive income/(expense)		(146,730)	201,486	82,775
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE PARENT		(2,106,096)	(754,781)	(2,407,865)
Loss per share (US cent) - Basic and diluted	6	(0.24)	(0.17)	(0.38)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

		30 June 2017 (Unaudited) US$	30 June 2016 (Unaudited) US$	31 December 2016 (Audited) US$
NON-CURRENT ASSETS				
Intangible assets		4,156,195	4,397,910	6,925,002
Property, plant and equipment		2,298,127	2,643,883	2,562,145
Investment in associates		-	1,229,180	1,282,627
Loan to joint venture partner		-	1,312,471	1,911,121
Available for sale financial assets		105,595	90,583	83,455
Other financial assets	7	9,564,292	-	-
		16,124,209	9,674,027	12,764,350
CURRENT ASSETS				
Inventory		92,328	293,734	424,998
Trade and other receivables		2,888,608	1,783,154	2,650,332
Cash and cash equivalents		2,119,250	1,537,479	2,121,841
		5,100,186	3,614,367	5,197,171
TOTAL ASSETS		21,224,395	13,288,394	17,961,521
CURRENT LIABILITIES				
Trade and other payables		372,240	3,264,384	3,021,152
Loans and borrowings		104,592	5,968,109	7,062,730
Income tax liabilities		1,439	10,960	2,488
		478,271	9,243,453	10,086,370
NON-CURRENT LIABILITIES				
Deferred income tax liabilities		388,653	397,622	393,137
Loans and borrowings		14,980,876	3,000,000	580,000
		15,369,529	3,397,622	973,137
TOTAL LIABILITIES		15,847,800	12,641,075	11,059,507
NET ASSETS		5,376,595	647,319	6,902,014
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT				
Share capital	5	12,845,566	10,099,329	12,621,134
Share premium		13,526,024	8,603,703	13,469,916
Merger reserve		2,350,175	2,350,175	2,350,175
Foreign exchange reserve		(176,384)	89,057	(29,654)
Own shares held reserve		(779,222)	(1,229,630)	(779,222)
Convertible debt and warrant reserve		1,075,301	1,075,301	1,075,301
Retained earnings		(23,464,865)	(20,340,616)	(21,805,636)
TOTAL EQUITY		5,376,595	647,319	6,902,014

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS TO 30 JUNE 2017

	Note	30 June 2017 (Unaudited) US$	30 June 2016 (Unaudited) US$	31 December 2016 (Audited) US$
Cash (outflow)/ inflow from operations	4	(2,903,956)	1,765,653	(982,318)
Income tax paid		(5,235)	(266,995)	(285,563)
Net cash (outflow)/inflow from operating activities		(2,909,191)	1,498,658	(1,267,881)
Cash flows from investing activities				
Purchase of intangible assets		-	(93,108)	(163,257)
Contribution to associate		(408,805)	(157,409)	(255,714)
Loan to joint venture partner		(2,164,794)	(620,723)	(1,351,904)
Purchase of property, plant and equipment		(202)	(192,132)	(285,113)
Proceeds from disposal of property, plant and equipment		840	-	58,020
Finance income		277,936	9,683	18,152
Net cash outflow from investing activities		(2,295,025)	(1,053,689)	(1,979,816)
Cash flows from financing activities				
Issue of equity share capital, net of share issue costs		280,540	-	2,921,762
Unsecured loans raised		5,485,293	534,210	837,667
Finance expenses		(598,725)	(1,196,741)	(97,095)
Net cash (outflow)/inflow from financing activities		5,167,108	(662,531)	3,662,334
Net (decrease)/increase in cash and cash equivalents		(37,108)	(217,562)	414,637
Cash and cash equivalents at beginning of the year		2,121,841	1,643,855	1,643,855
Exchange gains on cash and cash equivalents		34,517	111,186	63,349
Cash and cash equivalents at end of the period		2,119,250	1,537,479	2,121,841

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS TO 30 June 2017

	Share capital	Share premium	Merger reserve	Foreign exchange reserve	Own shares held reserve	Convertible debt and warrant reserve	Retained earnings	Total equity
	US$	**US$**	**US$**	**US$**	**US$**	**US$**	**US$**	**US$**
At 31 December 2015	10,099,329	8,603,703	2,350,175	(112,429)	(1,229,630)	1,075,301	(19,946,461)	839,988
Loss for the period	-	-	-	-	-	-	(956,267)	(956,267)
Other comprehensive income	-	-	-	201,486	-	-	-	201,486
Share based payments	-	-	-	-	-	-	562,112	562,112
At 30 June 2016	10,099,329	8,603,703	2,350,175	89,057	(1,229,630)	1,075,301	(20,340,616)	647,319
At 31 December 2015	10,099,329	8,603,703	2,350,175	(112,429)	(1,229,630)	1,075,301	(19,946,461)	839,988
Loss for the year	-	-	-	-	-	-	(2,490,640)	(2,490,640)
Other comprehensive income	-	-	-	82,775	-	-	-	82,775
Issue of share capital	2,521,805	4,866,213	-	-	-	-	-	7,388,018
Own shares reserve	-	-	-	-	450,408	-	-	450,408
Share based payments	-	-	-	-	-	-	631,465	631,465
At 31 December 2016	**12,621,134**	**13,469,916**	**2,350,175**	**(29,654)**	**(779,222)**	**1,075,301**	**(21,805,636)**	**6,902,014**
Loss for the year	-	-	-	-	-	-	(1,959,366)	(1,959,366)
Other comprehensive income	-	-	-	(146,730)	-	-	-	(146,730)
Issue of share capital	224,432	56,108	-	-	-	-	-	280,540
Share based payments	-	-	-	-	-	-	300,137	300,137
At 30 June 2017	**12,845,566**	**13,526,024**	**2,350,175**	**(176,384)**	**(779,222)**	**1,075,301**	**(23,464,865)**	**5,376,595**

NOTES FORMING PART OF THE INTERIM REPORT

1. GENERAL INFORMATION AND BASIS OF PRESENTATION

Active Energy Group Plc is a public limited company incorporated in the United Kingdom (Registration number 03148295). The address of the registered office is 27 – 28 Eastcastle Street, London, W1W 8DH and corporate head office is Mwldan Business Park, Bath House Road, Cardigan, Ceredigion, SA43 1JY.

The Group's principal activity continues to be that of a business focused on global forestry and natural resources development services and Biomass for Energy (BFE) power generation and second-generation Biomass for Energy (BFE) for fuel solutions and systems.

The financial information in these interim results is that of the holding company and all of its subsidiaries. It has been prepared in accordance with the recognition and measurement requirements of International Financial Reporting Standards as adopted for use in the EU (IFRSs). The accounting policies applied by the Group in this financial information are the same as those applied by the Group in its financial statements for the year ended 31 December 2016 and which will form the basis of the 2017 financial statements except for a number of new and amended standards which have become effective since the beginning of the previous financial year. These new and amended standards are not expected to materially affect the Group with the exception of IFRS 15 "Revenue from contracts with customers" and IFRS 16 "Leases". The Group is continuing to review the potential effect of these standards.

The financial information presented herein does not constitute full statutory accounts under Section 434 of the Companies Act 2006 and was not subject to a formal review by the auditors. The financial information in respect of the year ended 31 December 2016 has been extracted from the statutory accounts which have been delivered to the Registrar of Companies. The Group's Independent Auditor's report on those accounts was unqualified, did not include references to any matters to which the auditor drew attention by way of emphasis without qualifying their report and did not contain a statement under section 498(2) or 498(3) of the Companies Act 2006. The financial information for the half years ended 30 June 2017 and 30 June 2016 is unaudited and the twelve months to 31 December 2016 is audited.

These interim accounts have not been prepared in accordance with IAS 34.

2. ACCOUNTING POLICIES

Going Concern

The directors have reviewed the going concern basis of preparation of this report and accounts. Given the current cash reserves of the company and the anticipated future inflow of funds from the operation of the business and other associated activities they have concluded that the company will be able to meet its liabilities as they fall due for a period of 12 months from the date of the approval of these financial statements and have therefore prepared the accounts on a going concern basis.

Basis of consolidation

The financial information incorporates the results of the Company and entities controlled by the Company (its subsidiaries). Control is achieved when the Group has power over relevant activities, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The consolidated financial statements present the financial results of the Company and its subsidiaries (the Group) as if they formed a single entity. Where necessary, adjustments are made to the results of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

In the Company's statement of financial position, investments in subsidiaries are stated at cost less provisions for any permanent diminution in value.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts and value added taxes. The Group recognises revenue when the following conditions have been satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership;
- the Group does not retain either the continuing managerial involvement normally associated with ownership or effective control over the goods;
- the amount of revenue can be reliably measured;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs to be incurred in respect of the transaction can be reliably measured.

Goodwill and business combinations

On acquisition, the assets and liabilities and contingent liabilities of subsidiaries are measured at their fair values at the date of acquisition. Any excess of cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired (i.e. discount on acquisition) is credited to the income statement in the period of acquisition.

When the consideration transferred by the Group in a business combination includes assets or liabilities from a contingent consideration arrangement, the contingent consideration is measured at its acquisition date fair value and included as part of the consideration paid. Changes in the fair value of the consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill.

Goodwill arising on consolidation is recognised as an intangible asset and reviewed for impairment at least annually by comparing the carrying value of the asset to the recoverable amount. Any impairment is recognised immediately in profit or loss and is not subsequently reversed.

Associates

Where the Group has the power to participate in (but not control) the financial and operating policy decisions of another entity, it is classified as an associate. Associates are initially recognised in the consolidated statement of financial position at cost. Subsequently, associates are accounted for using the equity method, where the Group's share of post-acquisition profits and losses and other comprehensive income is recognised in the consolidated statement of profit and loss and other comprehensive income (except for losses in excess of the Group's investment in the associate unless there is an obligation to make good those losses).

Profits and losses arising on transactions between the Group and its associates are recognised only to the extent of unrelated investors' interests in the associate. The investor's share in the associate's profits and losses resulting from these transactions is eliminated against the carrying value of the associate.

Any premium paid for an associate above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalised and included in the carrying amount of the associate. Where there is objective evidence that the investment in an associate has been impaired the carrying amount of the investment is tested for impairment in the same way as other non-financial assets.

Joint arrangements

Profits and losses arising on transactions between the Group and its joint ventures are recognised only to the extent of unrelated investors' interests in the joint venture. The investor's share in the associate's profits and losses resulting from these transactions is eliminated against the carrying value of the associate. Any premium paid for an investment in a joint venture above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalised and included in the carrying amount of the investment in joint venture. Where there is objective evidence that the investment in a joint venture has been impaired the carrying amount of the investment is tested for impairment in the same way as other non-financial assets.

The Group accounts for its interests’ joint operations by recognising its share of assets, liabilities, revenues and expenses in accordance with its contractually conferred rights and obligations.

Impairment of non-financial assets (excluding inventories, investment properties and deferred tax assets)

Impairment tests on goodwill and other intangible assets with indefinite useful economic lives are undertaken annually at the financial year end. Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the smallest group of assets to which it belongs for which there are separately identifiable cash flows; its cash generating units (“CGUs”). Goodwill is allocated on initial recognition to each of the Group's CGUs that are expected to benefit from the synergies of the combination giving rise to the goodwill.

Impairment charges are included in profit or loss, except to the extent they reverse gains previously recognised in other comprehensive income. An impairment loss recognised for goodwill is not reversed.

Externally acquired intangible assets

Externally acquired intangible assets are initially recognised at cost and subsequently amortised on a straight-line basis over their useful economic lives.

Intangible assets are recognised on business combinations if they are separable from the acquired entity or give rise to other contractual/legal rights. The amounts ascribed to such intangibles are arrived at by using appropriate valuation techniques.

The significant intangibles recognised by the Group, their useful economic lives and the methods used to determine the cost of intangibles acquired in a business combination are as follows:

Intangible asset	**Useful economic life**	**Valuation method**
Contractual relationships	Term of contract (49 years)	Discounted future cash flow
Intellectual property rights	Over the term of the patents life	Discounted future cash flow

Property, plant and equipment

Property, plant and equipment is stated at cost or deemed cost less accumulated depreciation and any recognised impairment loss. Cost includes the purchase price and all directly attributable costs.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and equipment	– 2 to 10 years straight line
Furniture and office equipment	– 2 to 5 years straight line

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Inventories

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less applicable selling expenses.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision maker has been identified as the management team including executive Directors.

Financial instruments

The Group classifies its financial instruments into one of the categories discussed below, depending on the purpose for which the asset was acquired. The Group has not classified any of its financial assets as held to maturity, or at fair value through profit or loss.

The accounting policy for each category is as follows:

Loans and receivables

The Group's loans and receivables comprise trade and other receivables, loan to joint venture partner and cash and cash equivalents in the statement of financial position. These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary assets. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and for the purpose of the statement of cash flows, bank overdrafts.

Available for sale financial assets

Available for sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at fair value with changes in fair value recognised in other comprehensive income. When available for sale financial assets are sold or impaired, the accumulated fair value adjustments recognised in equity are transferred to the income statement. Dividends on available for sale equity instruments are recognised in the income statement as part of other income when the Group’s right to receive payments is established.

Other financial liabilities

Other financial liabilities include the following items:

- Borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. These are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statement of financial position. The interest expense includes initial transaction costs and premiums payable on redemption, as well as any interest or coupon payable while the liability is outstanding.
- Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

Taxation

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the consolidated statement of financial position differs from its tax base, except for differences arising on:

- the initial recognition of goodwill;
- the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit; and
- investments in subsidiaries and jointly controlled entities where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised. The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities/assets are settled/recovered.

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority on either:

- the same taxable group company; or
- different Group entities which intend either to settle current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

Foreign currencies

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which they operate (their "functional currency"). The Company and Consolidated financial statements are presented in United States Dollar ("US Dollar", "US$"), which is the Group's presentation currency as the Group's products are ultimately linked to the US Dollar. The Company's functional currency is Pound Sterling.

Transactions entered into by Group entities in a currency other than their functional currency are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in profit or loss.

On consolidation, the results of overseas operations are translated into the Group's presentation currency, US Dollars, at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations, including goodwill arising on the acquisition of those operations, are translated at the rate ruling at the reporting date. Differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income and accumulated in the foreign exchange reserve.

Exchange differences recognised in the statement of comprehensive income of Group entities' separate financial statements on the translation of long-term monetary items forming part of the Group's net investment in the overseas operation concerned are reclassified to the foreign exchange reserve on consolidation.

On disposal of a foreign operation, the cumulative exchange differences recognised in the foreign exchange reserve relating to that operation up to the date of disposal are transferred to the consolidated statement of comprehensive income as part of the profit or loss on disposal.

Convertible debt
The proceeds received on issue of the Group's convertible debt are allocated into their liability and equity components. The amount initially attributed to the debt component equals the discounted cash flows using a market rate of interest that would be payable on a similar debt instrument that does not include an option to convert. Subsequently, the debt component is accounted for as a financial liability measured at amortised cost until extinguished on conversion or maturity of the bond. The remainder of the proceeds is allocated to the conversion option and is recognised in the "Convertible debt reserve" within shareholders' equity, net of income tax effects.

Leased assets
Where substantially all of the risks and rewards incidental to ownership of a leased asset have been transferred to the Group (a "finance lease"), the asset is treated as if it had been purchased outright. The amount initially recognised as an asset is the lower of the fair value of the leased property and the present value of the minimum lease payments payable over the term of the lease. The corresponding lease commitment is shown as a liability. Lease payments are analysed between capital and interest. The interest element is charged to the consolidated income statement over the period of the lease and is calculated so that it represents a constant proportion of the lease liability. The capital element reduces the balance owed to the lessor.

Where substantially all of the risks and rewards incidental to ownership are not transferred to the Group (an "operating lease"), the total rentals payable under the lease are charged to the consolidated income statement on a straight-line basis over the lease term.

Share based payments
Where employees receive remuneration in the form of shares or share options, the fair value of the share-based employee compensation arrangement at the date of the grant is recognised as an employee benefit expense in the consolidated income statement.

The total expense to be apportioned over the vesting period of the benefit is determined by reference to the fair value (excluding the effect of non-market-based vesting conditions) at the date of the grant. The assumptions underlying the number of awards expected to vest are subsequently adjusted for the effects of non-market-based vesting to reflect the conditions prevailing at the year-end date. Fair value is measured by the use of a Black-Scholes and Monte Carlo model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of the non-transferability, exercise restrictions and behavioural considerations.

Where equity instruments are granted to persons other than employees, the consolidated income statement is charged with the fair value of goods and services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

Own shares held

Consideration paid/received for the purchase/sale of shares held in escrow or in trust for the benefit of employees is recognised directly in equity. The nominal value of such shares held is presented within the "own shares held" reserve. Any excess of the consideration received on the sale of the shares over the weighted average cost of the shares sold is credited to retained earnings.

Neither the purchase nor sale of own shares leads to a gain or loss being recognised in the Group consolidated income statement.

Investment in subsidiaries

Investments in subsidiaries are stated at cost less provision for impairment in the Company financial statements.

3. SEGMENTAL INFORMATION

The Group reports the following operating segments:

- 'MDF Wood Chip' denotes the Group's Medium-Density Fibreboard (MDF) wood chip processing and supply business division.
- 'Forestry & Natural Resources' denotes the Group's initiatives to secure ownership of the entire timber supply chain - from forest to finished product
- 'BFE Fuel Solutions' denotes the Group's renewable Biomass for Energy fuel division, which engages in development of second-generation BFE fuel solutions and systems.

For the 6 months to 30 June 2017 (unaudited)

	MDF Wood chip US$	Forestry & Natural Resources US$	BFE Fuel Solutions US$	Total US$
Revenue from external customers	1,312,764	-	-	1,312,764
Operating segment profit(loss)	(1,438,228)	1,028,138	-	(410,090)
Finance costs	(167,977)	-	-	(167,977)
Segment profit/(loss) before tax	(1,606,205)	1,028,138	-	(578,067)
Tax credit / (charge)	(4,186)	4,484	-	298
Segment loss for the period	(1,610,391)	1,032,622	-	(577,769)

For the 6 months to 30 June 2016 (unaudited)

	MDF Wood chip	Forestry & Natural Resources	BFE Fuel Solutions	Total

	US$	US$	US$	US$
Revenue from external customers	13,409,486	-	-	13,409,486
Operating segment profit(loss)	1,577,089	(193,727)	-	1,383,362
Finance costs	(157,753)	-	-	(157,753)
Segment loss for the period	1,419,336	(193,727)	-	1,225,609
Tax credit	(121,016)	4,484	-	(116,532)
Segment loss for the period	1,298,320	(189,243)	-	1,109,077

For the 12 months to 31 December 2016 (Audited)

	MDF Wood chip US$	Forestry & Natural Resources US$	BFE Fuel Solutions US$	Total US$
Revenue from external customers	19,196,559	-	-	19,196,559
Operating segment profit(loss)	1,719,522	(349,989)	-	1,369,533
Finance costs	(60,055)	-	-	(60,055)
Segment profit/(loss) before tax	1,659,467	(349,989)	-	1,309,478
Tax credit	(131,112)	8,969	-	(122,143)
Segment profit/(loss) for the period	1,528,355	(341,020)	-	(1,187,355)

All assets and liabilities and capital expenditure for the period are inter-changeable between the divisions and therefore no segmental analysis has been presented.

Reconciliation of reportable segment profit or loss, assets and liabilities to the Group's corresponding amounts are as follows:

	6 months ended 30 June 2017 (unaudited) US$	6 months ended 30 June 2016 (unaudited) US$	Year ended 31 December 2016 (audited) US$
Total profit/(loss) from reportable segments	(577,769)	1,109,077	1,187,335
Unallocated amount - corporate expenses	(731,876)	(473,927)	(1,280,492)
Unallocated amount - finance income	277,936	9,683	18,152
Unallocated amount - finance expense	(627,520)	(1,038,988)	(1,784,170)
Share based payments	(300,137)	(562,112)	(631,465)
Loss for the period	(1,959,366)	(956,267)	(2,490,640)

4. RECONCILIATION OF LOSS BEFORE TAXATION TO CASH OUTFLOWS FROM OPERATING ACTIVITIES

Group	30 June 2017 (Unaudited) US$	30 June 2016 (Unaudited) US$	31 December 2016 (Audited) US$
Loss for the period	(1,959,366)	(956,267)	(2,490,640)
Adjustments for:			
Share of loss of associate	-	171,305	305,151
Profit on reclassification of assets relating to associates and joint venture	(1,050,560)	-	-
Share based payment expense	300,137	562,112	631,465
Depreciation	178,275	169,264	344,495
Amortization of intangibles	22,422	22,422	44,845
Profit on disposal of PPE	-	-	(58,020)
Foreign currency translations	(126,321)		(899,328)
Finance income	(277,936)	(9,683)	(18,152)
Finance expenses	795,497	1,196,741	1,844,225
Income tax	(298)	116,532	122,143
	(2,118,150)	1,272,426	(173,816)
Decrease/(Increase) in inventories	332,670	12,475	(118,789)
(Increase)/Decrease in trade and other receivables	(238,276)	790,934	(76,244)
Decrease in trade and other payables	(880,200)	(310,182)	(613,469)
Net cash (outflow)/inflow from operating activities	(2,903,956)	1,765,653	(982,318)

5. SHARE CAPITAL

	Number	US$
Allotted, called up and fully paid		
Ordinary shares of 1p each		
(Unaudited)		
At 1 January 2017	840,381,500	12,621,134
Shares issued for cash	17,623,110	224,430
At 30 June 2017	858,004,610	12,845,564

	Number	US$
(Unaudited)		
At 1 January 2016	642,158,903	10,099,329
Shares issued for cash	-	-
At 30 June 2016	642,158,903	10,099,329

	Number	US$
(Audited)		
At 1 January 2016	642,158,903	10,099,329
Shares issued for cash	198,222,597	2,521,805
As at 31 December 2016	840,381,500	12,621,134

6. LOSS PER SHARE

	6 months to 30 June 2017 (Unaudited) US$	**6 months to 30 June 2016 (Unaudited) US$**	**12 months to 31 December 2016 (Audited) US$**
Weighted average ordinary shares in issue	807,344,890	564,658,903	651,515,665
Loss after taxation	(1,959,366)	(956,267)	(2,490,640)
Loss per share (pence) – basic and fully diluted	(0.24)	(0.17)	(0.38)

7. Reclassification of assets relating to investments in associates and joint venture

The Group reported a profit of $1,050,560 on the reclassification of its investments in its forestry and its revolutionary biomass-for-energy businesses. The reclassification of those investments means they are now reported as debts totalling $9,564,292 to be recovered from its affiliate companies when those businesses are fully developed.

The reclassified debts are subject to formal loan agreements between AEG plc and both its affiliate companies. The loan agreements have a term of 3 years and an interest rate of 5%.

8. COPIES OF THE INTERIM REPORT

Copies of the interim report will be made available on the Company's website at www.active-energy.com.

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

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