

11 June 2018

Active Energy Group Plc ('Active Energy', the 'Company' or the 'Group')
MOU with Young Living Farms for roll out of PeatSwitch™ Technology

Active Energy, the London quoted international biomass based renewable energy and forestry management business, announces that it has signed a Memorandum of Understanding ('MOU') with Young Living Farms ('YLF') relating to the proposed sale and construction of its first advanced organic soil plant utilising the Company's proprietary PeatSwitch technology to create organic, environmentally friendly peat replacements for use on their first farming location in Mona, Utah. Upon completion of this facility, YLF will consider the feasibility of installing additional plants at other YLF facilities further afield.

Overview

- Proposed sale of an advanced organic soil manufacturing facility (the 'Facility') to YLF, utilising the Company's proprietary PeatSwitch technology, for a total cash payment of US\$3.4 million;
- A third Party EPC contractor is now in place to manage the Facility for both parties locally in Utah, with engineering work to commence immediately;
- Both Active Energy and YLF currently expect the Facility to be operational before the end of 2018;
- Waste by-product from YLF's essential oil production to be used as feedstock for the Facility;
- Waste water, currently an issue for YLF at their plants becomes a valuable commodity through the PeatSwitch process; and
- Product from the PeatSwitch process will be used as a high value soil amendment product for the re-introduction to YLF's crop production cycle.

Michael Rowan, Active Energy Executive Chairman said, "Today's MOU is testament to the revolutionary benefits that we believe our proprietary PeatSwitch process can have for agricultural businesses with the PeatSwitch product. Following the purchase order signed with YLF in February 2018, and initial deliveries of our PeatSwitch engineered soils product in March, the YLF team have been witness to the role which PeatSwitch can play in removing environmentally damaging waste streams and converting them into an environmentally responsible alternative to peat or compost.

"The purchase of this first PeatSwitch Facility will deliver revenues to the Group without impacting our ability to satisfy our other CoalSwitch™ and PeatSwitch product rollouts, with other customers and partners as we look to expand our CoalSwitch™ and PeatSwitch offerings. Both Active Energy and YLF are committed to finalising the formal agreements regarding the construction and sale of the Facility as soon as practicable and I look forward to providing our shareholders with further updates."

Mark Harris, YLF VP of Global Farms said, "We are delighted to further our partnership with Active Energy through the proposed purchase of the Biomass Beneficiation facility, utilising its process for PeatSwitch. We are proud to be making an important stand in utilising Biomass from our distillation process and recycle it in a way that embodies our Seed to Seal standard."

Further Information

The MOU is subject to formal contracts being finalised between Active Energy and YLF. Under the terms of the MOU, it is proposed that Active Energy will sell an advanced, organic, enhanced soil, able to replace peat or compost with an advanced manufacturing facility that utilises its proprietary PeatSwitch technology, to YLF, which owns and operates a lavender farm and essential oil distillery located near Mona, Utah, for a total consideration US\$3.4 million. The payment is to be made in four instalments co-ordinated with contractual milestones, beginning with an initial deposit payment upon the signing of the MOU for immediate engineering services.

Notably, it is anticipated that feedstock for the Facility will be an, up to now, waste by-product from YLF's essential oil production on the same site as the plant will be located, turning this erstwhile waste material into a highly attractive feedstock from the PeatSwitch technology and related process.

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.