

26 June 2018

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

Raises £1m in oversubscribed placing to fund revolutionary biomass fuel execution strategy

Active Energy, the London quoted international biomass based renewable energy and forestry management business, is pleased to announce that it has raised £1m (before expenses) through the issue of 33,333,333 new ordinary shares of 1p each ('Ordinary Shares') at a price of 3p per share (the 'Placing Shares') from new and existing investors (the 'Placing'). The net proceeds of the Placing will fund the execution phase of the Group's business plan which is focused on developing its forestry management operations and commercialising its revolutionary biomass drop in coal replacement fuel, CoalSwitch™ and related products including PeatSwitch and the Company's coal blended SuperFuel.

Over the past few months, the Company has made significant progress in implementing its commercial strategy, developing a broader product portfolio and widening the commercial avenues available for CoalSwitch™. The successful testing of the first CoalSwitch™ plant in Utah, the agreement with Young Living Farms for the sale and construction of the first advanced organic soil plant utilising the Company's PeatSwitch technology to create organic, environmentally friendly peat replacements and the technical validation to permit commercial production in Poland of a new blended "SuperFuel" product that blends CoalSwitch™ technology with reclaimed Polish coal fines, all underpin the Company's potential.

As announced in its recent Final Results, the Company is now focused on executing commercial opportunities in both Canada, the US and Europe and the management team is being reorganised to deliver on this strategy. In particular, Richard Spinks will now lead the development of the forestry division, primarily in Canada, supported by Antonio Esposito a forestry professional with over 20 years' experience. This division is focused on re-invigorating forestry businesses through the implementation of modern forestry practises and the construction of CoalSwitch™ plants that should significantly increase the economics of timber businesses. With Richard's focus on this division, the Board believes that Active Energy will be fully prepared for the granting of the Forestry Management Agreement by the Newfoundland Government, which the Company believes is imminent. The Company has already received indicative funding arrangements for the envisaged CoalSwitch™ plant and forestry management business.

Active Energy Executive Chairman Michael Rowan said, "We were delighted with the positive response to the Placing as existing shareholders and stakeholders recognise the importance to Active Energy of the forestry business in Canada and the significant commercial potential of CoalSwitch™ and its derivative products. We are making progress across the Group as the plans implemented over the last 12 months are coming to fruition. We remain highly positive about the future of our product portfolio and the transformational effect which the Group believes this will have on the market for biomass power generation. I'd like to thank those existing shareholders who have demonstrated their continued support for Active Energy by participating in the Placing."

Details of the Placing and Total Voting Rights

The Placing Shares will rank *pari passu* with the existing Ordinary Shares and application has been made for the new Ordinary Shares being issued in connection with the Placing to be admitted to trading on AIM ('Admission'). The Placing is conditional, *inter alia*, on Admission, and dealings are expected to commence at 8.00am on 29 June 2018. The Placing utilises the Company's existing authorities to issue Ordinary Shares.

Following Admission, the Company's enlarged issued share capital will comprise 1,066,037,837 Ordinary Shares with voting rights. The Company currently holds 33,212,841 Ordinary Shares in Treasury and the figure of 1,032,824,996 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	
www.active-energy.com www.aeg-plc.com	www.linkedin.com/company/activeenergy	

Enquiries		
Active Energy Group Plc	Michael Rowan Executive Chairman	michael.rowan@aegplc.com
	Richard Spinks Chief Executive Officer	richard.spinks@aegplc.com
Northland Capital Partners Limited <i>Nominated Adviser</i>	David Hignell/Gerry Beaney	Office: +44 (0)20 3861 6625
Optiva Securities Ltd <i>Broker</i>	Graeme Dickson/Ed McDermott	Office: +44 (0)20 3137 1902
St Brides Partners <i>Financial PR Adviser</i>	Susie Geliher / Isabel de Salis	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. 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.