

8 May 2017

Active Energy Group plc
(“AEG”, the “Company” or the “Group”)
Revised Group Structure and Directorate Change

Active Energy Group Plc, the London quoted international renewable energy and forestry management company, announces that the Board is reorganising the Group structure to focus on its two 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 based in various territories (the “Reorganisation”). As such, AEG now intends to reduce its operating exposure to Ukraine.

Pursuant to the Reorganisation, the Company has established two separate affiliate companies to hold AEG’s current and future CoalSwitch and Timberlands assets, namely:

- Advanced Biomass Solutions Plc (‘ABS’), which will hold all of the current CoalSwitch operations controlled by AEG in North America, along with all future projects relating to the Company’s unique biomass coal replacement technology; and
- Timberlands International Plc (‘Timberlands’), which will hold all of the current timberland assets controlled by AEG, along with forthcoming timberlands projects, which AEG acquires in the future.
- To implement the growth strategies of each company, Richard Spinks, the Group’s CEO, has been appointed to the board of Timberlands and Brian Evans-Jones, the Group’s CFO, has been appointed to the board of ABS. AEG intends to appoint additional directors with relevant industry experience to each of the boards of ABS and Timberlands in due course.
- AEG has already received significant international interest for the activities of both ABS and Timberlands which the Board believes underpins the Reorganisation now being implemented.

Accordingly, AEG has decided to reduce its operating exposure to Ukraine and will consider offers for its Ukrainian WoodFibre operations (“AEG WoodFibre”). It is envisaged that under the terms of any transaction, AEG will retain a share of the current and future revenues from AEG WoodFibre.

In the light of this decision, Mr Matteo Girlanda, the Group’s Chief Operating Officer, has resigned from the AEG Board with immediate effect in order to present an offer for AEG WoodFibre and avoid any conflicts of interest during the period of negotiation.

Further announcements regarding the proposed divestment of AEG WoodFibre, the transfer of assets from AEG to both ABS and Timberlands, the subsequent roll out of AEG’s CoalSwitch technology and the development of Timberlands will be made as appropriate.

Michael Rowan, Chairman of Active Energy said: “ABS and Timberlands represent two highly compelling business opportunities for AEG, which we believe are capable of establishing important new franchises in each of their existing industry sectors. The market opportunities being presented to each of these companies show considerable commercial potential. Accordingly, the Board has resolved that to achieve optimal success and capitalise on this, AEG needs to create a more defined group structure to execute these opportunities in an efficient and value accretive manner.”

“The Reorganisation will decrease AEG’s future involvement in AEG WoodFibre and operations in Ukraine, thus significantly reducing the Group’s perceived geographic risk profile and allow investors to focus on two exciting investment strategies that are complementary but also have significant value as standalone operations.”

“The Board would like to express gratitude to Matteo Girlanda for his support over the last four years. We look forward to entering into negotiations with Mr Girlanda with the objective of ensuring the smooth transition of AEG WoodFibre for the benefit of all parties.”

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@aegplc.com Int: +380 503 942 702
	Brian Evans-Jones Chief Financial Officer	brian.evans-jones@aegplc.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/Megan Dennison/ Elisabeth Cowell	info@stbridespartners.co.uk Office: +44 (0) 20 7236 1177
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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.