

28 December 2016

**Active Energy Group plc (“Active Energy”, “AEG” or the “Company”)  
US\$2 Million Debt Draw Down to Commence Construction of Revolutionary CoalSwitch Plant  
in North America**

Active Energy, the London quoted international renewable energy, forestry management and timber processing business, is pleased to announce that further to the announcement made on 28 November 2016, it has drawn down an initial US\$2 million under the US\$6 million five-year unsecured loan facility, provided by Linarus FZE (“Linarus”) a private Dubai based investment company, to fund the construction of the first 35,000 tonne per annum commercial reference plant (‘the Plant’) in North America. This is in line with the Company’s strategy to commercialise its revolutionary CoalSwitch technology, which utilises low value wood, timber, forestry and pulp mill/saw mill by-products to produce the world’s first ‘drop-in’ biomass fuel that can be mixed at any ratio with coal or completely replace coal in existing unmodified coal powered fire stations globally.

The Board expects that the development of the Plant will open up a significant revenue stream with rapid payback credentials for AEG CoalSwitch once completed later in 2017. In addition, it will mean that the Company will be able to produce the much higher volumes of fuel required for power generators, which are awaiting these deliveries. It will also facilitate the delivery of commercial samples (which are comprised of thousands of tonnes of CoalSwitch product) to power plants, enabling them to run full burn tests at their facilities, rather than laboratory scale testing which until now has been the case. These full scale burn tests will provide coal fired power generators globally with proof that they can convert their fuel rather than their plants, to burn biomass safely, reliably and without significant investments into their existing facilities, handling systems or supply chain. Typically a coal-fired power station wishing to convert to burn the ubiquitous White Pellet fuel currently available in the market would need to invest approximately US\$700,000 per Mw/Hr of installed generating capacity. With CoalSwitch, there are no retrofit costs.

Richard Spinks, Chief Executive Officer of Active Energy said, “With these initial funds drawn down, I am confident that 2017 will see us deliver on our stated commitment to rapidly commercialise our ground-breaking CoalSwitch technology. We look forward to commissioning our first Plant in North America in Q3 2017, for which the long lead time items procurement process has commenced. We are in discussions with a number of investors and partners for the roll out of up to four additional CoalSwitch production plants immediately on the heels of the first Plant becoming operational: two in the USA and two in Canada. This will serve to de-risk investors and allow the Company to achieve better terms for funding plants going forward. We are confident that the USA and Canada will be significant feedstock, production and resale markets for CoalSwitch, particularly given the recent endorsements our product has had from key industry players.”

For more details on the debt drawn down facility, please refer to the announcement made on 28 November 2016.

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