

Active Energy Group Plc**("Active Energy Group" or the "Group" or the "Company" or "AEG")****Update on AEG CoalSwitch Biomass for Energy Joint Venture**

Active Energy Group Plc (AIM: AEG.L), the London Stock Exchange AIM-quoted international supplier of wood fibre products for MDF manufacturing, global forestry and natural resources development services, and Biomass for Energy (BFE) coal replacement fuel solutions and processing systems, announces that it is aware of market speculation concerning its recently-announced AEG CoalSwitch joint venture following the article in The Times newspaper today.

On 14 September 2015, the Group announced that it had entered into a joint venture agreement with Biomass Energy Enhancements LLC and had formed a new company, AEG CoalSwitch Limited, to exclusively commercialise a revolutionary new clean energy Biomass fuel which can be utilised in traditional coal-fired power plants as a direct 'drop in' replacement for coal.

The announcement has generated considerable international interest from coal-fired power plant owners and operators, as it enables them to greatly reduce carbon dioxide (CO₂) and greenhouse gas emissions, as well as other hazardous air pollutants, without having to either invest huge sums in converting their power generating facilities to comply with increasingly stringent emissions standards and carbon tax regulations, or be forced to close their plants as the cost of conversion is uneconomic.

As evidence of that, the owners of the Eggborough power station in North Yorkshire have cited carbon taxes and EU emissions standards as the primary factors behind their recent decision to close the plant in March 2016; and an EU-sponsored report from July 2014 named 30 European coal-fired power plants - the 'Dirty 30' - whose CO₂ emissions are endangering the entire EU policy on climate, energy and air pollution, which is intended to significantly reduce the major causes of climate change.

Eggborough power station is just one of several power plants in Europe, North America and the Middle East with whom the AEG CoalSwitch team have been in communication regarding their new coal replacement Biomass fuel; as it could potentially enable them to reverse their closure plans, save jobs, and maintain their current electricity generating capacity while complying with clean air regulations and emissions targets.

The Board of AEG wishes to stress that all such discussions are at a very early stage; that no commitments have been made to individual plant owners or operators; and that, as per its announcement dated 14 September 2015, it intends to complete construction of the first high-volume CoalSwitch fuel manufacturing system by mid-2016.

Richard Spinks, CEO of Active Energy Group, commented *"The AEG CoalSwitch team have been overwhelmed by the international interest in our unique Biomass clean energy fuel since we first announced it in mid-September."*

"In the past three weeks I have personally met with coal-fired power plant owners in Eastern Europe, Canada and the United States - as well as some of the world's leading manufacturers of traditional Biomass pellets - and it is clear that our technology has the potential to revolutionise the entire power generation industry and greatly contribute to reducing CO₂ and other harmful gaseous emissions that cause climate change."

"However, it is still early days and we have a great deal to do. In conjunction with our key manufacturing partner, Munro & Associates, we are currently moving ahead to upscale the processing system, and intend to update the market on the progress of this exercise as we achieve key milestones."

"Any suggestion that AEG has selected a particular coal-fired electricity generating plant or company is premature, and any such agreement would be announced through the proper regulatory channels. In the meantime, AEG CoalSwitch is establishing a number of important commercial relationships which we believe will be fundamental to our future success, and we welcome interest from all sectors of the power generation, Biofuel and renewable energy industries."

- ENDS -

NOTES TO EDITORS & CONTACT INFORMATION

ABOUT ACTIVE ENERGY GROUP PLC:

Active Energy Group Plc is a London Stock Exchange AIM-quoted company (AIM: AEG.L). Headquartered in the UK, it is a fast-expanding international business that has experienced exceptionally strong growth and diversification into complementary industry sectors since the current management team assumed responsibility in mid-2012.

The Group has considerable expertise across the entire timber industry supply chain - from forest to finished product.

Its three specialist business divisions, which reflect its knowledge and experience and which work together to maximise commercial opportunities, are focussed on providing products and services to specific global market sectors:

- Forestry & Natural Resources Development and Management
- Wood Fibre Products for Medium-Density Fibreboard (MDF) Manufacturing
- Advanced Biomass for Energy (BFE) Fuel Solutions and Processing Systems

Active Energy Group Plc operates from four international locations:

- Ukraine, where it is the largest producer and exporter of wood fibre for the Turkish MDF manufacturing sector.
- Canada, where it has entered into a landmark joint venture - *KAQUO Forestry & Natural Resources Development Corporation* - with several indigenous Métis Settlements to commercialise in excess of 250,000 hectares of their lands, which contain valuable forests and natural resources, including oil and gas reserves.
- The United Kingdom and United States of America, where it develops advanced Biomass for Energy fuels and fuel processing systems that convert waste wood and industrial/agricultural residues into coal replacement feedstock for clean energy power generation in a joint venture - *AEG CoalSwitch Limited* - with Biomass Energy Enhancements LLC.

Ukraine and Canada, with their large forestry reserves and comprehensive road, rail and sea transport links, are ideal locations from which to source raw Biomass material for conversion into wood fibre for MDF manufacturing and enhanced sustainable fuels for electricity generating power plants.

A highly experienced and dedicated management team leads Active Energy Group Plc, each of whom possesses a proven track record in the industries and regions in which it operates and from which its revenues are generated.

The Company has grown significantly in recent years, and has established a firm foundation, excellent reputation and international customer base upon which to build for the future.

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