

Active Energy Group Plc

(“Active Energy Group” or the “Group” or the “Company” or “AEG”)

**New High-Volume Hardwood Production Line
Operational at AEG WoodFibre Division**

Active Energy Group Plc (AIM: AEG.L), the London Stock Exchange AIM-quoted international supplier of industrial wood fibre, timberland and natural resources development services, and sustainable Biomass for Energy (BFE) coal replacement fuel solutions and systems, announces that it has finalised installation and testing of a new high-volume hardwood production line at its AEG WoodFibre Yuzhny Port processing facility, and that it is now fully operational.

The Group’s AEG WoodFibre division reported revenues of US\$17.395 million in 2014, an increase of 995% over the US\$1.588 million it achieved the previous year. The new handling and processing equipment is part of a large-scale investment programme to facilitate a four-fold increase in its production capacity to enable it to meet the rising demand for wood fibre from its Turkish MDF manufacturing customer base.

Turkey is Europe’s leading supplier of MDF, currently producing over 5 million metric tonnes of MDF per annum, with a value of over \$2.5 billion; a figure that is forecast to grow 8% year-on-year to over \$3 billion by 2017. AEG WoodFibre, which is now the largest exporter of processed wood from Ukraine, has established an excellent reputation for quality and reliability within this important market, and the Board believes that it has considerable growth potential.

As previously announced, the expanded hardwood wood chip facility is scheduled to be joined by a new softwood wood chip production line in Q1:2016, which will enable AEG WoodFibre to further expand its product range and enter a new market sector.

Richard Spinks, CEO of Active Energy Group, commented: *“I am delighted to report that following a lengthy installation and testing process, the new hardwood handling and processing facility at Yuzhny Port is now fully operational, and I congratulate the AEG WoodFibre team on their achievement.”*

“The new equipment will enable us to build on the long-standing commercial relationships that we have developed with our existing customers, and should introduce further opportunities within the Turkish MDF manufacturing sector. The Board and I remain very confident in this area of AEG’s business, and we look forward to updating our shareholders on the increased 2016 hardwood and softwood off-take contracts that we are currently negotiating.”

- 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 factory and fuel.

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:

- **AEG Timberlands:** Forestry Asset Development and Management
- **AEG WoodFibre:** Processed Wood Fibre for Medium-Density Fibreboard (MDF) Manufacturing
- **AEG CoalSwitch:** Advanced Biomass for Energy (BFE) Coal Replacement 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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