

30 November 2017

Active Energy Group Plc ('Active Energy' or 'the Group')
Update re Revolutionary CoalSwitch™ Plant

Active Energy, the London quoted international biomass based renewable energy and forestry management business, is pleased to announce an update on its first CoalSwitch™ plant in Utah, United States ('the Plant'), which is set to deliver commercial quantities of the world's first 'drop-in' biomass fuel that can be mixed in any ratio with coal or completely replace coal in existing coal-fired power stations globally.

Highlights

- Construction of the first five-tonne-per-hour CoalSwitch™ plant will be completed in December 2017 followed by full commissioning and revenue generation thereafter
- The plant will importantly demonstrate that the CoalSwitch™ technology can be scaled to full commercial production and reinforce that the proven science developed represents a disruptive force in the global biomass industry
- Design on a modular basis allows further scale-up to any plant size and volume of production based on multiple modules of 5 tonnes-per-hour
- Plant constructed as a demountable containerised system, enabling it to be relocated globally to capitalise on any available feedstock opportunity
- CoalSwitch™ is a unique, high-calorific value advanced biomass pellet, that has all the characteristics of coal but with environmentally friendly/lower emissions
- The CoalSwitch™ system has been tested and proven to efficiently convert multiple types of biomass and forestry waste and residuals; including sawmill and pulp mill by-products into a high energy and bulk density fuel products which are in demand globally
- Strong commercial interest already received for plants from governments and corporates in North America, Asia and Europe
- Construction of the next plant is planned to commence upon completion of post-commissioning tests of initial plant

Brian Evans-Jones, Active Energy and ABS Director said, "This is a landmark occasion for AEG and represents the advent of the commercialisation of CoalSwitch™, our ground-breaking and world beating 'drop in' biomass coal replacement fuel. The completion of the plant construction in Utah and commissioning, enables us to commence scalable commercial operations of the CoalSwitch™ technology and generate revenues. The international interest in CoalSwitch™ has been extremely encouraging and we have made excellent progress in developing feedstock and off-take agreements for the product in recent months.

“We are confident that CoalSwitch™ represents a revolutionary force within the market and look forward to providing further updates to our shareholders regarding our progress in commercialising this incredible opportunity.”

The Plant will provide sufficient CoalSwitch™ fuel to satisfy existing early-stage demand in Utah for a period and for commercial (paid for) burn testing at full-scale power utility plants. Thereafter, the Plant will be relocated to one of several potential destinations where premises, long-term feedstock and CoalSwitch™ off-takers will be in place ready for the commencement of operations. Construction of the next several plants is planned to commence in H1 2018 upon completion of post-commissioning tests of this initial plant.

CoalSwitch™, which is currently managed and operated by AEG’s affiliate company, Advanced Biomass Solutions Plc (‘ABS’), is a unique, high-calorific, high bulk density, advanced biomass pellet behaving in the logistics and generating plants of utilities just like coal, albeit with all the environmental benefits of clean biomass; produced primarily from forestry waste and other industrial cellulose waste products.

Unlike the current ubiquitous white pellets and other Advanced Pellets, CoalSwitch™ can be mixed at any ratio with coal or completely replace coal in existing unmodified coal-fired power plants allowing ‘dirty’ plant operators to fulfil their environmental obligations without the need for extensive retrofitting of power station plant and handling/storage infrastructure.





This announcement contains inside information for the purposes of Article 7 of Regulation (EU) 596/2014.

****ENDS****

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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. It has two affiliate companies formed being:

- **Advanced Biomass Solutions Plc** (www.abs-plc.com), which is commercialising a revolutionary biomass coal replacement fuel, CoalSwitch™; and
- **Timberlands International Ltd**, a sustainable international forestry management business.

About CoalSwitch™:

CoalSwitch™ is the world's first direct drop-in replacement biomass fuel with the ability to transform the coal energy dynamic. Its unique qualities allow the fuel to be directly mixed in any ratio or completely replace coal in existing unmodified coal-fired power stations, negating the need for expensive retrofitting or avoiding complete plant closure. Unlike almost all biomass based pellets, it does not have to use high-quality wood but can instead utilise low-cost waste material which translates into significant economic benefits. CoalSwitch™ has a unique solution to enable coal-fired power plants to continue operating at acceptable environmental standards. To facilitate the expansion, ABS is establishing operations in the Americas, Europe and Asia and has representation in those areas in terms of business development and technical support.