

# ALPHA PROSPECTS PLC

("Alpha" or the "Company")

## Active Energy Update

("AEG")

### AEG Complete £1.0 Million Placing to Fund Expansion

Alpha Prospects Plc, the investment management company listed on the GXG Exchange, focussed on companies with fast growth and/or recovery prospects, is pleased to inform shareholders of a Placing by its investee company Active Energy Group Plc (AIM: AEG.L):

"Active Energy Group Plc (AIM: AEG.L), the London Stock Exchange AIM-quoted international supplier of industrial wood chip for MDF manufacturing and Biomass for Energy (BFE) power generation, global forestry and natural resources development services, and Biomass for Energy (BFE) fuel solutions and systems is pleased to announce that it has raised £1.0 million through the placing of 20 million new Ordinary Shares at a price of 5 pence (£0.05) per share (the "Placing Shares") with Ruffer LLP ([www.ruffer.co.uk](http://www.ruffer.co.uk)).

The proceeds of the Placing will be utilised by the Group to continue expanding its rapidly growing and profitable wood chip operations to satisfy the continually-increasing demand for its products from the Turkish MDF manufacturing sector, in which AEG has established an excellent reputation and strong market presence.

The Placing is conditional, inter alia, on admission of the Placing Shares to trading on the AIM market of the London Stock Exchange Plc ("Admission"). Application has been made for Admission and it is expected that settlement of the shares and Admission will become effective on or around 2 July 2015 and that dealings in the Placing Shares will commence at that time. The Placing Shares are Ordinary Shares of 1 penny each (£0.01) and upon Admission will rank pari passu in all respects with the then existing Ordinary Shares.

To enable it to substantially expand its existing hardwood wood chip production capacity and extend its product range to include softwood wood chip, AEG will be utilising the Placing proceeds to invest in new production and handling equipment, including log loaders, wheel loaders, a softwood log debarker and a high volume stationary wood chipper; and to provide extra working capital to fund the purchase of additional raw timber and to cover the extra logistics and shipping expenses that will result from the significant increase in its production and delivery volumes.

On 12 January 2015, AEG announced that it had been awarded two contracts to supply up to 600,000 tonnes of wood chip to its Turkish MDF manufacturing customers in 2015, which are expected to generate revenues of up to US\$68 million. The Board believes that there is in excess of an additional 1 million tonnes of wood chip demand to be fulfilled in this market in 2016 and beyond.

The Board further believes that it will be possible for the Group to ship a total of over 450,000 tonnes of wood chip in the year ending 31 December 2015, and over 850,000 tonnes in the year ending 31 December 2016. This represents a significant yet wholly achievable increase over the 217,200 tonnes shipped in the year ended 31 December 2014.

Richard Spinks, CEO of Active Energy Group, commented:

"Our recently-announced 2014 Results confirm that AEG has grown substantially over the past three years under the new management team, and the ambitious volume and revenue targets that we have set ourselves have made it necessary for us to seek additional funding to support our ongoing growth.

"During 2014, we relocated our core wood chip operations to a modern facility where our daily wood chip production capacity is currently 960 tonnes, equating to approximately 313,500 tonnes per

annum. The proceeds of this Placing will enable a four-fold increase in that daily production capacity to up to 4,000 tonnes, equating to approximately 1,280,000 tonnes per annum.

"We are delighted that Ruffer LLP, one of our long-term shareholders and one of London's most respected financial institutions, continues to support the business and the team at AEG. We thank them and all our other shareholders for their support and confidence in the Group, and we look forward to taking them with us to ever greater heights."

Company website: [www.active-energy.com](http://www.active-energy.com)"

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Editors' Note

About Alpha Prospects

The Company's strategy is to make investments in companies with fast growth and/or recovery prospects. Typically the companies in which Alpha Prospects will invest are in the small and micro-cap sector and the Company's interest in its investments is proactive. Currently Alpha has 8 investments.

The Directors are responsible for the contents of this announcement.

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