

ALPHA PROSPECTS LIMITED

Active Energy Update

First CoalSwitch™ Licence Agreement Awarded in Canada

Alpha Prospects Limited, the investment management company focussed on companies with fast growth and/or recovery prospects, is pleased to inform shareholders of an update issued by its investee company Active Energy Group Plc.

“Active Energy Group Plc, the London quoted international biomass based renewable energy business, is pleased to announce that it has agreed terms for the issuance of its first CoalSwitch™ Licence Agreement (the “Licence Agreement”) to RMD Environmentals, Inc. (“RMDE”), a British Columbia based forestry management and environmental engineering and consultancy business, to develop and manage projects involving the use of CoalSwitch™ technology in each of the Crown Provinces of Alberta and British Columbia in Canada (together the “Territories”).

Highlights

- Under the terms of the Licence Agreement, RMDE has acquired from AEG the exclusive rights for the sale and commercial development of opportunities to which the CoalSwitch™ technology (the ‘Licenced Product’) may be applied in the Territories for the next 20 years.
- AEG has received from RMDE a license fee of US\$ 1.8 million (CAD 2.4 million) and will receive subsequent royalty payments of US\$5.00 per tonne on all Licensed Product that is produced by RMDE, its clients or partners, for the duration of the Licence Agreement.
- AEG and RMDE will jointly co-ordinate all future engineering activities in respect of the installation of the CoalSwitch™ technology, plants and equipment, under the License in the Territories, including the acquisition of manufacturing and processing equipment from AEG.
- It is anticipated that RMDE will commission its first CoalSwitch™ plant within the next 18 months, subject to environmental and other permitting processes being finalised at its first location.
- Initial preparatory and pre-engineering work by RMDE has commenced in Alberta for its first plant and RMDE is examining additional projects using the CoalSwitch™ technology in each of the Territories.
- AEG has commenced discussions with other potential licensees for use of CoalSwitch™ technology in other territories.

Active EnergyEO, Michael Rowan said, *“This inaugural Licence Agreement with RMDE is a significant strategic milestone for AEG as the Company focusses on the commercial roll-*

out of the CoalSwitch™ and black pellet biomass technology, which it has invested in and developed over the last four years.

“AEG’s Directors believe the existing and future market opportunity for advanced biomass fuels and fuel additives, which utilise waste wood, including forestry residuals, fire, insect, disease affected timber and other legacy forestry industry waste, and which have significant renewable and sustainability advantages, has never been more relevant.

“To capitalise on these opportunities, AEG recognises that it needs to accelerate market development through the construction of operating, high volume, production facilities in various regions. This will be achieved both through wholly owned production facilities, such as the Lumberton site in North Carolina (the “Lumberton Facility”) and through commercial partnerships worldwide. RMDE is AEG’s first Licensed Partner; the Directors believe collaborations of this nature will expedite the commercial roll-out of CoalSwitch™.

“RMDE is a wholly indigenous-owned business and has been incorporated by Grand Chief Ronald Derrickson, RMDE’s controlling shareholder and one of AEG’s long-term shareholders. RMDE has an in-depth knowledge of the CoalSwitch™ technology and has been working with a broad spectrum of partners including government, industry and off take partners to develop commercial opportunities within the Territories.

“I am grateful for Grand Chief Derrickson’s continuing support towards AEG and its commercial goals for CoalSwitch™ technologies; in turn, we are supportive of the plans RMDE has presented for the commercial developments in the Territories. Utilising the resources, connections and local experience available to RMDE should enable AEG to leverage its own resources to develop a strategic presence in the Territories, without having to make significant capital investment on its own.

“This exciting new partnership with RMDE has already presented AEG with new opportunities to expand our existing engineering cooperation with other commercial partners, including Andritz, in the supply of more advanced and larger scale plant and equipment to support the installations utilising CoalSwitch™ technology.

“As AEG continues to develop its IP and know-how at the Lumberton Facility, these improvements and enhancements will be made available to Licensee Partners including RMDE to further benefit their future commercial operations. Equally, as RMDE develops its operational know-how and capabilities in the field, these will be passed back to AEG for use in other CoalSwitch™ production facilities.

“Finally, AEG has commenced discussions with several other potential licensees to license and utilise the CoalSwitch™ technology in other regions of the world to take advantage of the increasing demand for advanced biomass fuels.”

RMDE Chairman, Grand Chief Ronald Derrickson said, “RMDE is pleased to become the first Licensee Partner for AEG’s CoalSwitch™ technology in Canada. Following an intensive

period of due diligence, AEG has demonstrated to RMDE, that it can provide the technical and IP support required to give us, our partners and outside investors the confidence to build, commission and operate reliable plants, with high quality equipment manufactured and delivered with AEG's assistance. This has given us the confidence to invest in the License for two key territories involved in the forestry and wood processing industry in Canada and to complete negotiations with a major off taker for up to 1 million tonnes of CoalSwitch™ per annum from installations in the Territories.”

“Over the last six months, RMDE has been working with its team of expert consultants in the Territories to compare the CoalSwitch™ technology against other available options, the local forestry and timber processing markets for each of the Territories and the AEG team at the Lumberton Facility to develop a qualified plan and risk management protocol to give RMDE and our potential investors comfort. We have developed several significant opportunities that we believe will bring mutual financial benefit for both RMDE and AEG under these license arrangements, for the long-term, benefitting the Territories involved.

“As a wholly indigenous owned company, RMDE is acutely aware of the environmental and sustainability considerations that must be taken before becoming involved in any opportunity involving other local indigenous partners. We are delighted to endorse the CoalSwitch™ technology process on this basis and are excited by the commercial opportunities before us. CoalSwitch™ is an environmentally friendly, sustainable product, able to utilise all manner of fibre materials with no other use and which currently represent a waste problem or fire hazard, to our indigenous partners and other communities.

“RMDE intends to build and operate both stand alone and JV processing plants involving various partners with the support and involvement of provincial governments, Canadian forestry managers/owners, and many local Indigenous groups, timberlands operators and downstream production companies. One of our main goals is to find ways to bridge the gap between ‘big industry’ in Canada, and the indigenous peoples of our country. To this end, we are excited by the opportunities that CoalSwitch™ presents for us and we are keen, now that we have invested in the IP and the relationship with AEG, to move to short-term revenue generation. I look forward to working with AEG on these and future opportunities.”

Details of the CoalSwitch™ Licence

AEG has executed a 20-year exclusive License Agreement with RMDE, Inc., a commercially focused environmental engineering, and production company with a focus on developing forestry residuals and low/no value fibre waste into biomass fuel products.

Under the terms of this License Agreement, AEG has granted and RMDE has purchased exclusivity over the sale and commercial development of all opportunities to which the CoalSwitch™ technology may be applied in the Territories.

RMDE has paid to AEG an upfront fee license fee of US\$1.8m (CAD 2.4million) and has agreed to make future royalty payments of US\$5.00 per tonne to AEG for the Licensed CoalSwitch™ Product that is produced using the CoalSwitch™ technology and know-how.

It is anticipated that RMDE will commission its first plant within the next 18 months, subject to environmental and other permitting processes being finalised. To this end, RMDE has commenced initial preparatory and pre-engineering work in Alberta for its first plant and is working on additional projects using the CoalSwitch™ technology in the Territories.

RMDE – Background

RMDE assists major players in forestry management and downstream fibre processing in Western Canada to better manage and monetise their forestry assets, improve their profitability, whilst benefitting the environment and the local communities and safeguarding the sustainability of the forests themselves into the future. RMDE's management team has over a century of combined experience in the forestry, pulp and paper and timber processing industries, including recent experience of offshore wind power and biomass to liquid operations.

RMDE is working closely with the provincial governments in both British Columbia and Alberta following recent developments, including British Columbia's adoption of the United Nations Declaration on the Rights of Indigenous Peoples ("UNDRIP") obligations. In addition, the Province of Alberta has incorporated a new Crown Corporation and Indigenous Opportunities Fund of CAD 1 billion to support the economic development of indigenous communities and providing for the development of renewable technologies and forestry activities.

Related Party Transaction

Grand Chief Ronald Derrickson currently owns more than 10% of the voting rights of the Company's subsidiaries Timberlands International Limited and AEG CoalSwitch Limited. As such, the Licence Agreement between the Company and RMDE constitutes a related party transaction in accordance with AIM Rule 13. AEG's Directors having consulted with the Company's nominated adviser, consider the terms of the Licence Agreement to be fair and reasonable insofar as the Shareholders are concerned.

AEG – Background

AEG has developed and patented a product called CoalSwitch™, an advanced steam explosion biomass production process. CoalSwitch™ is a world leading advanced biomass (black pellet) product, able to transform waste wood and other low/no cost fibrous materials, including diseased, insect damaged, fire affected & otherwise unusable timber, to create a more effective solid biofuel with increased energy value and bulk density with significantly lower emissions at a lower cost of production than alternative fuel options currently available in the market. The ability to blend with other fuel types and waste materials to create "enhanced hybrid biofuels" makes CoalSwitch™ unique in the advanced biomass arena.

AEG is focused on developing these technologies through licensing to commercial partners and through the continued development of its production processes, know-how and IP portfolio. These development activities (including R&D on CoalSwitch™ technology) have

been and will continue to take place at the Lumberton Facility, where a broad spectrum of revenue streams are being created through the establishment of an integrated forest-to-energy supply chain plant located in North Carolina. “

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

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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, mainly within the energy sector. Typically the companies in which Alpha Prospects will invest are in the small and micro-cap sector and the Company's approach is to be proactive. Currently Alpha has 11 investments.

www.alphaprosects.com

The Directors are responsible for the contents of this announcement.

Ends