

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. When considering what action to take, you are recommended to seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 immediately.**

If you have sold or transferred all of your ordinary shares in Powerhouse Energy Group plc, you should forward this document and the accompanying form of proxy as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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## **Powerhouse Energy Group plc**

*(Incorporated under the Companies Act 1985 with registered number 03934451)*

### **Notice of Annual General Meeting**

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Notice convening the Annual General Meeting of Powerhouse Energy Group plc (**Company**), to be held at the offices of WH Ireland, 24 Martin Lane, London EC4R 0DR, England at 10.00 a.m. on 8 September 2016 is set out at the end of this document. The enclosed form of proxy for use at the meeting should be completed and returned to the Company's registrars, Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA as soon as possible and to be valid must arrive not less than 48 hours before the time fixed for the meeting. Completion and return of a form of proxy will not preclude Shareholders from attending and voting in person at the meeting should they so wish.

**LETTER FROM THE CHAIRMAN**  
**Powerhouse Energy Group PLC**  
**(Company)**

*(Incorporated and registered in England and Wales with No. 03934451)*

*Directors:*

Robert Keith Allaun, *executive Chairman*  
Nigel Brent Fitzpatrick, *non-executive Director*  
James Greenstreet, *non-executive Director*  
Clive Carver, *non-executive Director*

*Registered Office:*

55 Bingley Road  
Shipley  
West Yorkshire  
BD18 4SB

3 August 2016

To: holders of ordinary shares in Powerhouse Energy Group Plc (**Shareholders**).

**Notice of Annual General Meeting**

Dear Shareholders

**1. Introduction**

Notice of the 2016 Annual General Meeting (**AGM**) of the Company is set out at the end of this document. The audited accounts of the Company for the year ended 31 December 2015 were sent to Shareholders on 30 June 2016 and are also available for download on the Company's website at [www.powerhouseenergy.net](http://www.powerhouseenergy.net).

The purpose of this document is to provide you with the background to the resolutions to be proposed at the AGM, and to explain why the Directors consider them to be in the best interests of the Company and the Shareholders as a whole, and why the Directors recommend that Shareholders should vote in favour of the resolutions at the AGM. Further details on the resolutions are set out below.

**2. Annual General Meeting**

The Annual General Meeting of the Company will be held at the offices of WH Ireland, 24 Martin Lane, London EC4R 0DR, England at 10.00 a.m. on 8 September 2016, at which the following resolutions will be proposed:

- (a) Resolution 1: to approve the revised annual report and accounts. The Directors are required to lay before the Company at the AGM the accounts of the Company for the financial year ended 31 December 2015 (as amended), the report of the Directors and the report of the Company's auditors on those accounts.
- (b) Resolution 2: to approve the re-appointment of Deloitte LLP as auditors of the Company. The Company is required to appoint auditors at each general meeting at which accounts are laid, to hold office until the next such meeting.
- (c) Resolution 3: authorise the Directors to approve the remuneration of the auditors for the next year.
- (d) Resolution 4: to approve the re-election of James John Pyr Greenstreet who is retiring by rotation, and is submitting himself for re-election. Under the Company's articles of association, Directors must retire and submit themselves for re-election at the annual general meeting once every three years.
- (e) Resolution 5: to approve the election of Clive Nathan Carver as a non-executive Director to the Board of Directors of PowerHouse Energy Group plc.
- (f) Resolution 6: to approve the renewal of the Directors' authority to allot shares in the Company. If passed, this resolution will give the Directors general authority to allot ordinary shares up to a maximum nominal amount of £3,500,000, (representing approximately 115% of the issued ordinary share capital of the Company). This authority will expire at the

conclusion of the AGM of the Company to be held in 2017 or, if earlier, 15 months from the date of the resolution.

- (g) Resolution 7: a special resolution to dis-apply the statutory pre-emption rights of shareholders in order to authorise the Directors to allot ordinary shares for cash either by way of a rights issue or without first having to offer them to the Company's existing Shareholders, providing that such authority is limited to a maximum nominal amount of £3,500,000 (representing approximately 115% of the issued ordinary share capital of the Company).

The authorities given by resolutions 6 (authority to allot shares) and 7 (dis-application of pre-emption rights in respect of those shares) will provide headroom to enable the Company to take advantage of further fundraising opportunities in due course and will allow for the conversion of the convertible loan notes held by Hillgrove Investments Pty Limited, if such conversion is requested.

### **3. Action to be taken**

Shareholders will find enclosed with this document a form of proxy for use at the Annual General Meeting, which should be returned by no later than 10.00 a.m. on 6 September 2016 for the AGM to be held on 8 September 2016.

Whether or not you intend to be present at the meeting, you are requested to complete, sign and return the form of proxy to the Company's registrars, Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA as soon as possible but, in any event, so as to arrive by no later than 48 hours before the time and date of the meeting. The completion and return of a form of proxy **will not preclude you** from attending the meeting and voting in person should you wish to do so.

### **4. Recommendation**

**The Directors consider the resolutions to be proposed at the Annual General Meeting to be in the best interests of the Company and its Shareholders as a whole and accordingly unanimously recommend that Shareholders vote in favour of those resolutions.**

Yours faithfully

Robert Keith Allaun

**Executive Chairman**

# Powerhouse Energy Group plc

(Registered in England No. 03934451)

## NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2016 Annual General Meeting of the Company will be held at the offices of WH Ireland, 24 Martin Lane, London EC4R 0DR, England at 10.00 a.m. on 8 September 2016 for the purpose of considering, in accordance with section 656 of the Companies Act 2006, whether any, and if so what, steps should be taken to deal with the situation that the net assets of the Company are less than half its called up share capital. In addition, the meeting will be held for the following purposes:

## RESOLUTIONS

### *Ordinary business*

To consider and, if thought fit, to pass resolutions 1 to 6 (inclusive) as ordinary resolutions:

- 1 To receive and adopt the directors' report, the auditor's report and the Company's revised accounts for the year ended 31 December 2015.
- 2 To re-appoint Deloitte LLP as auditor in accordance with section 489 of the Companies Act 2006, to hold office until the conclusion of the Annual General Meeting of the Company in 2017.
- 3 To authorise the Directors to determine the remuneration of the auditor.
- 4 To re-appoint James Greenstreet as a Director of the Company.
- 5 To re-appoint Clive Carver as a Director of the Company.
- 6 That, the Directors be generally and unconditionally authorised to allot Relevant Securities (as defined below):
  - (i) up to an aggregate nominal amount of £3,500,000 (three million five hundred thousand pounds);
  - (ii) this authority will, unless renewed, varied or revoked by the Company, expire on earlier to occur of 15 months after the passing of this resolution or the conclusion of the Annual General Meeting of the Company to be held in 2017 but the Company may, before such expiry, make offers or agreements which would or might require Relevant Securities to be allotted after such expiry and the Directors may allot Relevant Securities in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired;
  - (iii) this resolution revokes and replaces all unexercised authorities previously granted to the Directors to allot Relevant Securities, but without prejudice to any allotment of shares or grant of rights already made, offered or agreed to be made pursuant to such authorities.

In this resolution 6, **Relevant Securities** means:

- (i) shares in the Company other than shares allotted pursuant to:
  - a. an employee share scheme (as defined by section 1166 Companies Act 2006);
  - b. a right to subscribe for shares in the Company where the grant of the right itself constituted a Relevant Security; or
  - c. a right to convert securities into shares in the Company where the grant of the right itself constituted a Relevant Security; and
- (ii) any right to subscribe for or to convert any security into shares in the Company other than rights to subscribe for or convert any security into shares allotted pursuant to an employee share scheme. References to the allotment of Relevant Securities in this resolution include the grant of such rights.

### **Special business**

To consider and, if thought fit, to pass resolution 7 as a special resolution:

- 7 THAT the directors be and are hereby generally empowered to allot equity securities (within the meaning of Section 560 of the Companies Act 2006) pursuant to the general authority conferred by resolution 6 above for cash or by way of sale of treasury shares as if Section 561 of the Companies Act 2006 or any pre-emption provisions contained in the Company's articles of association did not apply to any such allotment, provided that the power conferred by this resolution shall be limited to:
- (i) any allotment of equity securities where such securities have been offered (whether by way of rights issue, open offer or otherwise) to holders of equity securities in proportion (as nearly as may be practicable) to their then holdings of such securities, but subject to the directors having the right to make such exclusions or other arrangements in connection with such offer as they deem necessary or expedient to deal with fractional entitlements or legal or practical problems arising in, or pursuant to, the laws of any territory or the requirements of any regulatory body or stock exchange in any territory or otherwise howsoever;
  - (ii) the allotment (otherwise than pursuant to sub-paragraph (i) above) of equity securities up to an aggregate nominal value of £3,500,000,

such authority and power (unless previously revoked, varied or renewed) to expire on the earlier to occur of 15 months after the passing of this resolution or the conclusion of the Annual General Meeting of the Company to be held in 2017, provided that the Company may prior to such expiry make any offer, agreement or other arrangement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities pursuant to any such offer, agreement or other arrangement as if the power hereby conferred had not expired.

Dated: 3 August 2016

*Registered Office:*  
55 Bingley Road  
ShIPLEY  
West Yorkshire  
BD18 4SB

*By order of the Board*  
Nigel Brent Fitzpatrick  
Secretary

### **Notes:**

1. As a member of the Company, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
2. A proxy does not need to be a member of the Company but must attend the Meeting to represent you. Details of how to appoint the Chairman of the Meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form.
3. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, you may photocopy the enclosed proxy form.
4. If you do not give your proxy an indication of how to vote on any resolution, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.

5. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote.

To appoint a proxy using the proxy form, the form must be:

- (a) completed and signed;
- (b) sent or delivered to the Company's Registrars, Neville Registrars Limited, at Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA; and
- (b) received by no later than 10.00 a.m. on 6 September 2016.

Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

6. To change your proxy appointment, simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, you may photocopy the enclosed proxy form.

If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

7. In order to revoke a proxy appointment you will need to inform the Company by sending a signed hard copy notice clearly stating that you revoke your proxy appointment to Neville Registrars Limited, at Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

The revocation notice must be received by no later than 10.00 a.m. on 6 September 2016.

If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.

Appointment of a proxy does not preclude you from attending the Meeting and voting in person.

8. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, only those members registered in the register of members of the Company as at 6.00 p.m. on 6 September 2016 or, if this meeting is adjourned, at 6.00 p.m. on the date two business days prior to the adjourned meeting, shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries on the relevant register of securities after such time shall be disregarded in determining the rights of any person to attend or vote at the meeting.

9. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider should refer to their CREST sponsors or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the Company's agent, Neville Registrars Limited (CREST Participant ID: 7RA11), no later than 48 hours before the time appointed for the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. CREST members and, where applicable, their CREST sponsor or voting service provider should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal

system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsor or voting service provider are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

10. Except as provided above, members who have general queries about the meeting should call the Company's registrars, Neville Registrars, shareholder helpline on 0121 585 1131 if calling within the United Kingdom or +44 121 585 1131 if calling from outside the United Kingdom. Lines are open 9.00 a.m. – 5.00 p.m. Mon–Fri.