

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or as to the action you should take, you are recommended to immediately seek your own independent financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended), if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser in a territory outside the United Kingdom.

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.

Powerhouse Energy Group plc

(Incorporated and registered in England & Wales with number 03934451)

Notice of Annual General Meeting

Notice convening the Annual General Meeting of Powerhouse Energy Group plc (**Company**), to be held at the offices of WH Ireland Limited, 24 Martin Lane, London EC4R 0DR, England at 11.00 a.m. on 27 July 2017 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:

Keith Allaun, *executive chairman*
David Ryan, *executive director*
Brent Fitzpatrick, *non-executive director*
James Greenstreet, *non-executive director*

Registered Office:

10b Russell Court
Woolgate
Cottingley Business Park
Bingley
West Yorkshire
BD16 1PE

15 June 2017

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

Dear Shareholders

Notice of Annual General Meeting

1. Introduction

Notice of the 2017 Annual General Meeting (**AGM**) of Powerhouse Energy Group PLC (**Company**) is set out at the end of this document. The audited accounts of the Company for the year ended 31 December 2016 were sent to Shareholders today and are also available for download on the Company's website at 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 Limited, 24 Martin Lane, London EC4R 0DR, England at 11.00 a.m. on 27 July 2017. An explanation of each of the proposed resolutions is set out below. Resolutions 1 to 5 are proposed as ordinary resolutions. This means that for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution. Resolution 6 is proposed as a special resolution. This means that for this resolution to be passed, at least three quarters of the votes cast must be in favour of it.

Section 656 Companies Act 2006: where the net assets of a public company are less than half its called up share capital, the directors must call a general meeting to consider whether any, and if so what, steps should be taken to deal with the situation. No vote will be taken on the matter.

Resolution 1: to approve the annual report and accounts for the year ended 31 December 2016. The Directors are required to lay before the Company at the AGM the accounts of the Company for the financial year ended 31 December 2016, the report of the Directors and the report of the Company's auditors on those accounts.

Resolution 2: to approve the re-appointment of Deloitte LLP as auditors of the Company and to authorise the Directors to approve the remuneration of the auditors. The Company is required to appoint auditors at each general meeting at which accounts are laid, to hold office until the next such meeting.

Resolution 3: to re-appoint as a director of the Company, Brent Fitzpatrick who is retiring by rotation and who being eligible offers himself for election.

Resolution 4: to re-appoint, as a director of the Company, David Ryan who is retiring, having been appointed by the directors since the last annual general meeting, and who being eligible offers himself for election.

Resolution 5: 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, on a pro-rata basis, up to a maximum nominal amount of £4,000,000 (representing approximately two thirds of the issued ordinary share capital of the Company as enlarged by the approximately 280 million shares to be issued to Hill Grove Investments Pty). This authority will expire at the conclusion of the AGM of the Company to be held in 2018 or, if earlier, 15 months from the date of the resolution.

Resolution 6: 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 rights issue or without first having to offer them to the Company's existing Shareholders, provided such latter authority is limited to a maximum nominal amount of £2,164,014 (representing approximately 35% of the issued ordinary share capital of the Company as enlarged by the approximately 280 million shares to be issued to Hill Grove Investments Pty) less the aggregate nominal amount of any securities issued by way of rights issue.

The authorities given by resolutions 5 (*authority to allot shares*) and 6 (*dis-application of pre-emption rights in respect of those shares*) will provide headroom to enable the Company to take advantage of fundraising opportunities in due course.

3. Action to be taken

Shareholders will find enclosed with this document a form of proxy for use at the AGM, which should be returned by no later than 11.00 a.m. on 25 July 2017.

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

Keith Allaun
Executive Chairman

NOTICE OF ANNUAL GENERAL MEETING

Powerhouse Energy Group plc

(Registered in England No. 03934451)

Notice is given that the annual general meeting of the members of the Company will be held at 11:00 a.m. on 27 July 2017 at the offices of WH Ireland, 24 Martin Lane, London EC4R 0DR, to consider in accordance with section 656 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 consider and, if thought fit, pass the following resolutions. Resolutions 1 to 5 will be proposed as ordinary resolutions and Resolution 6 will be proposed as a special resolution.

Ordinary resolutions

1. To receive the financial statements for the 12 month period ended 31 December 2016 and the reports of the directors and the independent auditors as set out in the annual report and accounts.
2. To re-appoint Deloitte LLP as independent auditors in accordance with section 489 Companies Act 2006 and to authorise the directors to fix their remuneration.
3. To re-appoint Brent Fitzpatrick as a director of the Company, who is retiring by rotation but being eligible offers himself for election.
4. To re-appoint David Ryan as a director of the Company, who is retiring having been appointed by the directors since the last annual general meeting, and who being eligible offers himself for election.
5. That:
 - 5.1. the directors of the Company are generally and unconditionally authorised for the purposes of section 551 Companies Act 2006 to exercise all the powers of the Company to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company (**Rights**) up to an aggregate nominal amount of £4,000,000. This authority will, unless renewed, varied or revoked by the Company, expire on the earlier to occur of 15 months from the passing of this resolution and the conclusion of the Company's annual general meeting to be held in 2018, but the Company may make an offer or agreement before this authority expires which would or might require shares to be allotted or Rights to be granted after it has expired and the directors may allot shares or grant Rights under any such offer or agreement notwithstanding that the authority conferred by this resolution has expired; and
 - 5.2. this authority revokes and replaces all unexercised authorities previously granted to the directors to allot Rights, but without prejudice to any allotment of shares or grant of Rights already made, offered or agreed to be made pursuant to such authorities.

Special resolution

6. That, subject to the passing of Resolution 5:
 - 6.1. in accordance with section 570 Companies Act 2006, the directors be given the general power to allot equity securities (as defined by section 560 Companies Act 2006) for cash pursuant to the authority conferred by resolution 5, as if section 561(1) Companies Act 2006 did not apply to any such allotment. This power is limited to:

- 6.1.1. (subject to such exclusions or other arrangements as the board of directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in, or under, the laws of any territory or the requirements of any regulatory body or stock exchange) the allotment of equity securities up to an aggregate nominal amount of £4,000,000 (such amount to be reduced by the nominal amount of any equity securities allotted under paragraph 6.1.2 below) in connection with an offer by way of a rights issue:
- 6.1.1.1. to holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings; and
- 6.1.1.2. to holders of other equity securities as required by the rights of those securities or as the directors otherwise consider necessary; and
- 6.1.2. in any other case, the allotment of equity securities up to an aggregate nominal amount of £2,164,014 (otherwise than pursuant to paragraph 6.1.1 above and such amount to be reduced by the nominal amount of any equity securities allotted under the authority in paragraph 6.1.1 above); and
- 6.2. the Directors may, for the purposes of paragraph 6.1, impose any limits or restrictions and make any arrangements which they consider necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange;
- 6.3. the power granted by this resolution will expire on the earlier to occur of 15 months from the passing of this resolution and the conclusion of the Company's annual general meeting to be held in 2018 (unless renewed, varied or revoked by the Company prior to or on such date) except that the Company may, before such expiry, make offers or agreements 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 or agreement notwithstanding that the power conferred by this resolution has expired; and
- 6.4. this resolution revokes and replaces all unexercised powers previously granted to the Directors to allot equity securities as if section 561(1) Companies Act 2006 did not apply but without prejudice to any allotment of equity securities already made, offered or agreed to be made pursuant to such authorities.

Dated: 15 June 2017

Registered Office:
10b Russell Court
Woolgate
Cottingley Business Park
Bingley
West Yorkshire
BD16 1PE

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 11.00 a.m. on 25 July 2017.

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 11.00 a.m. on 25 July 2017.

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 25 July 2017 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.

