27 September 2017

PowerHouse Energy Group plc
("PowerHouse" or the "Company")

Interim results for the six months ended 30 June 2017

PowerHouse Energy Group plc (AIM: PHE), the company focused on ultra-high temperature waste-to-energy and waste-to-hydrogen systems, and the creator of Distributed Modular Gasification (DMG©), announces its unaudited interim results for the six months to 30 June 2017.

H1 2017 Highlights

Operational

- Delivery of the G3-UHt ultra-high temperature gasification demonstration unit to the UK and successful testing and re-commissioning completed
- DMG© - Continued process and engineering development of DMG© technology platform to convert waste to energy and to extract hydrogen from waste (HfW)
- Board strengthened – appointment of David Ryan as Executive Director of Programme Development
- Appointment of Chris Vanezis as CFO
- Creation of and appointments to Advisory Panel

Financial

- Equity fundraisings totalling £2.75 million to support the development of DMG and the Company's commercialisation phase
- Repayment and elimination of the onerous Hillgrove Loan Note

Post-period Highlights

Operational

- Second phase of recommissioning and first extended technical trial successfully completed
- MOU with EEH, Qatar
- Cameron Davies appointed as Non-Executive Chairman, effective from 3 October 2017

Financial

- Additional £1.6m raised in August via a placing of new ordinary shares at 1.0p
- Net cash balance at end of August 2017 of £181k. This does not include the funds raised above which had fully cleared to the Company's bank account by 11 September 2017

For more information, contact:

PowerHouse Energy Group plc Keith Allaun, Executive Chairman	Tel: +44 (0) 203 368 6399
WH Ireland Limited (Nominated Adviser) James Joyce / James Bavister	Tel: +44 (0) 207 220 1666
Turner Pope Investments Ltd (Joint Broker) Ben Turner / James Pope	Tel: +44 (0) 203 621 4120
Smaller Company Capital Limited (Joint Broker) Jeremy Woodgate	Tel: +44 (0) 203 651 2910
Allerton Communications (Media enquiries) Peter Curtain	Tel: +44 (0) 20 3633 1730

About PowerHouse Energy

PowerHouse Energy Group plc is the developer of the G3-UHt Ultra High Temperature Gasification unit, and the creator of the Distributed Modular Gasification (DMG)© system which allows for the distributed elimination of waste, the generation of distributed electricity, and the production of distributed hydrogen with the world's first hydrogen from waste process (HfW).

The Company is focused on technologies to enable projects for energy recovery from municipal and industrial waste streams that would otherwise be directed to landfills and incinerators; or from renewable and alternative fuels such as biomass, tyres, and plastics to create synthesis gas (syngas) for power generation, or high-quality hydrogen as a fuel for transport. DMG© allows for easy, economical, deployment and scaling of an environmentally sound solution to the growing challenges of waste elimination, electricity demand, and distributed hydrogen production.

PowerHouse is quoted on the London Stock Exchange's AIM Market. The Company is incorporated in the United Kingdom.

For more information see www.powerhouseenergy.net

Interim Results for the six months to 30 June 2017

Chairman's Statement

Introduction

The first six months of 2017 has been an exciting period for PowerHouse that saw a rapid increase in activity both in terms of technical development and financial restructuring.

The delivery of the Company's G3-UHt Ultra-high temperature gasification unit (G3 UHt Unit) to the UK in early 2017 and its re-siting and re-commissioning at the Thornton Science Park Energy Centre successfully concluded the initial testing phase of our proprietary technology. The confirmation of the G3-UHt Unit's ability to operate at target temperature and its re-commissioning were completed in accordance with applicable UK Health, Safety, and Environmental regulations and standards. A regular programme of demonstration, testing, enhancement, and consistent operation is underway at the Energy Centre and the Board believes that Distributed Modular Gasification (DMG©) has truly begun its industry disruptive journey.

Our technology

The focus for PowerHouse in recent years has concentrated on the efficient generation of energy from waste, but increasingly we see exciting prospects for the ability to convert waste into hydrogen. Our small footprint, our high-temperature process, and our ability to generate a concentrated volume of hydrogen on a distributed basis sets us apart from others. This process, DMG ©, has led to one of the world's first distributed hydrogen from waste (HfW) design.

DMG© enables the thermal-molecular conversion of waste into an energy-rich syngas. The syngas can be used immediately to generate low emission electrical energy which can be used locally, thereby leveraging private line or micro-grid connections on-site. If appropriate, it can be sold directly into the National Grid.

We believe that DMG© is a disruptive technology that could fundamentally change the waste-to-energy market. DMG© is a mechanism for the eradication of waste, the generation of distributed electricity, and, most importantly, the production of distributed hydrogen – HfW - which we believe will help unleash the hydrogen economy by providing hydrogen as a road-fuel as the demand for Fuel Cell Vehicles (FCVs) ramps up.

Operations

The arrival of the G3-UHt Unit in the UK in March saw the start of a programme of engineering activity to ensure that the unit would safely and securely operate in accordance with UK Health, Safety, and Environmental guidelines. The work followed a comprehensive knowledge transfer from the Ore-Pro team (our prior external engineering partners) to our UK based engineering staff and included extensive upgrading of componentry, the installation of advanced automation, and the integration of appropriate safety controls for the system. The unit was completely deconstructed, examined, tested, and reconstructed to ensure its ideal operational condition.

During this period the system was moved from its initial commissioning site to its current location in Unit 99 of the Energy Centre at the Thornton Science Park, operated by the University of Chester. This

was purpose-built as an emissions test facility for Shell Research and is an ideal location for the continuous operation, demonstration, and improvement of the G3-UHt Unit. The Company has established an active engineering programme at the Centre and has taken a two year lease on its facilities there.

In April 2017 the Company announced that the first phase of the re-commissioning of the G3-UHt Unit had been completed, with the successful production of syngas from the system. The G3-UHt unit operated at a temperature of over 1000 degrees Celsius, demonstrating its capacity to successfully gasify many historically difficult waste materials and generate synthesis gas.

The second phase of re-commissioning saw a number of improvements and modifications made to the system, ahead of the scaling up necessary for commercial deployment. These included the enhancement of the gas-handling systems, refurbishment of the feed and steam generation systems and the complete redesign and introduction of programmable safety and control systems. During the test, the Company recorded a maximum peak flow rate of over 50 cubic metres per hour of syngas.

Following a robust programme of testing and technical data collection, the Company announced the completion of its first extended technical trial of the DMG© gasification process at the Energy Centre at Thornton Science Park on 31 July 2017.

Operating on a feedstock of tyre crumb, PowerHouse engineers were able to demonstrate control of the process at ultra-high temperature which generated a syngas that, according to onsite, in-line, analytical instrumentation, was greater than 50% hydrogen by volume. The remaining, measurable, constituent elements of the syngas were CO (carbon monoxide) and CH4 (methane.) Importantly, the in-line gas analysis equipment detected absolutely no CO2 in the gas stream generated by the Unit. A more rigorous analysis of the syngas produced in the DMG process will be conducted by certified external laboratories in future trials.

Strategic alliances and Relationships

The accomplishments achieved in H1 2017 were underpinned by a number of strategic alliances with influential partners.

Over the past several years, the Company has been working with Waste2tricity, Thailand, in an effort to develop a pipeline of projects in that country. The experience of working with Waste2tricity principals made establishing a UK centric relationship between our two entities a clear option and in January 2017 PowerHouse entered into a 24 month project development relationship with Waste2tricity, Ltd. The initial results of that relationship have led to a substantive expansion of our UK capabilities, relationships with other industrial partners, and a pipeline of commercial opportunities, in the UK, and elsewhere, under consideration.

Among the introductions made by Waste2tricity on behalf of PowerHouse was to Peel Environmental (Peel). This relationship led to the Memorandum of Understanding announced on 6 February 2017 between the Company and Peel to negotiate potential participation at Protos, Peel's expansive energy park near Chester. Our relationship with Peel continues to grow and develop and, through their introduction, led to the siting of our G3-UHt demonstration unit at the newly established Energy Centre at the Thornton Science Park, part of the University of Chester. This base is the hub of our future R&D activities in co-operation with the University of Chester, including the sponsorship of a PhD program to further the science behind Ultra-high Temperature Gasification and the expansion of DMG©.

On 30 January 2017, Yady Worldwide SA made an investment of £250,000 into the Company, showing an early commitment to the G3-UHt Unit and the continued development and roll-out of DMG©. Yady further contributed £500,000 to a £2.5 million placing in February 2017.

The appointment of EngSolve, Ltd as our principal engineering partner, announced in March, to assist in the re-commissioning of the G3-UHt Unit, has proven to be extremely productive and we look forward to a long-standing and successful relationship with their talented engineering team. We are working closely with the EngSolve team on our commercial design efforts.

In June, the Company announced a collaboration agreement with a major UK partner involved in the development of energy and waste projects. The partner has committed two tranches of funding of up to £500,000 in aggregate to meet the cost of preparing and funding applications for planning permission and environmental permits of the initial demonstration unit and first five PHE Waste-to-Energy G3-UHt systems. The agreement will require PowerHouse to supply five systems at locations of the partners' choosing on a prioritised basis, based upon the completion of UK Certifications and demonstration of the G3-UHt unit in active operation. £100,000 of this commitment was released in July to fund the planning development of the Company's first commercial sites.

Risk Reduction and Funding

The Board made the strategic decision to negotiate the retirement of the Hillgrove loan note (Note) with a combination of cash and shares.

The retirement of the Note was a significant milestone for the Company as there is no longer a financial impediment to its growth and operation.

The Note was accruing interest at a rate of 15% per annum and had reached a value of £3.4M. The coupon on the Note would add approximately a half-million pounds of fully secured debt to the Company each year.

The decision was taken to raise £2.5 million in a private placement and to repay the Note with £2 million in cash, and issue £1.4 million worth of shares at the conversion price of 0.5p. Hillgrove has agreed to release its debenture over the Company's assets and IP upon the final settlement of the share issuance. 280,430,920 shares will be issued in due course to Hillgrove as it had agreed to a 12 month lock-in period and a continuing Relationship Agreement with the Company. Hillgrove has the right to nominate a suitably acceptable Director to the Board at its discretion.

The remainder of the proceeds of the 15 February 2017 placement provided capital for the continued operations of the Company.

After the period end, on 24 August 2017, a further £1.6m was raised through a placing of new ordinary shares at 1.0p to fund further development.

The PowerHouse Team

The company has made a number of significant appointments to strengthen the board and management team.

David Ryan was appointed as a Non-Executive Director in late February 2017, and on 20 March 2017, became Executive Director of Programme Development, overseeing the technical operations of the Company. Introduced to PowerHouse by Waste2tricity, David was the former CEO and Managing Director of Thyssenkrupp Industrial Solutions' Oil & Gas Business Unit for the UK. Prior to his employment with Thyssenkrupp, he founded and built a successful engineering consulting organisation, Energy & Power Limited, which was acquired by Thyssenkrupp in 2012.

With over 30 years of complex engineering, business development, and project management experience, David is an expert in sophisticated design engineering and brings a breadth of project delivery, international business management, and general engineering acumen to the management team. David has been instrumental in the successful siting and re-commissioning of the G3-UHt Unit at Thornton Science Park and continues to work on the design and development of the Company's commercial platform, DMG©.

Chris Vanezis joined the PowerHouse management team as Chief Financial Officer, bringing an extensive background in financial accounting and waste-to-energy finance management. In addition, the first site personnel in the UK were hired, based at Thornton Science Park.

Clive Carver resigned from his position as Non-Executive Director in May after serving on the Board for one year.

The first half of the year also saw the new creation of an experienced, knowledgeable, and well-connected Advisory Panel consisting of Peter Jones OBE, Keith Riley, Myles Kitcher, Roudi Baroudi, and Howard White. The value of the Advisory Panel is leading to an acceleration of our commercial activities as is evidenced by the MOU announced 20th September 2017 between PowerHouse and EEH regarding potential HfW activities in Qatar for broadly rolling out the Company's DMG© platform.

Of significant note is the Company's appointment of Dr. Cameron Davies as Non-Executive Chairman of the Board of Directors, announced on 24 August 2017. Dr. Davies' many accomplishments, his extensive experience, and his steady hand will serve the Company well as we move forward. Having known Dr. Davies for nearly a year now, I am eager for his tenure to commence. His appointment bodes well for the future of PowerHouse and it is anticipated that his appointment will take effect on 3 October 2017. On Dr. Davies' appointment I will relinquish my position as Executive Chairman to become the Chief Executive Officer of the Company.

Current trading and Outlook

The first half of the year has seen a tremendous amount accomplished by the Company and the recent placing, raising £1.6 million has provided the funding we require to begin revving our commercial engine.

We have created what we believe to be a disruptive philosophy in DMG©: distributed waste destruction; distributed electrical generation; distributed hydrogen production. We have taken a contrarian

approach to the megaliths of the past and believe in bringing the solution to where the problem lies. We are positioned to do something powerful for communities across the UK and throughout the world. We believe that DMG© today is but a ripple in the pond but that in time it will help redefine how our environment is managed and play a key role in the evolution of transport, - as the ripple turns into a wave of opportunity for positive change in our world.

PowerHouse Energy Group plc no longer sees itself solely in the Waste to Energy category of companies, but now Waste to hydrogen. We are convinced that the hydrogen economy is coming and that we have a big part to play. And DMG© will help fuel our future. Cleanly.

As always, we appreciate your continued support.

Keith Allaun
Executive Chairman
27 September 2017

PowerHouse ENERGY
Leading Alternative Energy Solutions

Statement of Comprehensive Income

	Note	**(Unaudited) Six months ended 30 June 2017 £**	(Unaudited) Six months ended 30 June 2016 £	(Audited) Year ended 31 December 2016 £
Revenue		**-**	-	-
Cost of sales		**-**	-	-
Gross Loss		**-**	**-**	-
Administrative expenses		**(424,144)**	(639,057)	(851,903)
Research and development		**(202,842)**	-	-
Operating loss		**(626,986)**	(639,057)	(851,903)
Finance costs		**(69,863)**	(241,968)	(482,106)
Loss before taxation		**(696,849)**	(881,025)	(1,334,009)
Taxation		**-**	-	-
Loss after taxation		**(696,849)**	(881,025)	(1,334,009)
Total comprehensive expense		**(696,849)**	(881,025)	(1,334,009)
Total comprehensive expense attributable to:				
Owners of the Company		**(696,849)**	(881,025)	(1,334,009)
Non-controlling interests		**-**	-	-
Basic and Diluted Loss per share in pence	**3**	(0.08)	(0.18)	(0.24)

The notes numbered 1 to 5 are an integral part of the interim financial information.

PowerHouse ENERGY
Leading Alternative Energy Solutions

Statement of Changes in Equity

	Shares and stock £	Accumulated losses £	Share premium £	Total £
Balance at 1 January 2016 (audited)	5,264,600	(55,145,999)	46,921,180	(2,960,219)
Transactions with equity participants:	-	-	-	
- Shares issued	696,547	-	(100,475)	596,072
Total comprehensive income:				
- Loss after taxation	-	(881,025)	-	(881,025)
Balance at 30 June 2016 (unaudited)	5,961,147	(56,027,024)	46,820,705	(3,245,172)
Transactions with equity participants:				
- Shares issue	192,308	-	211,284	403,592
Total comprehensive income:				
- Loss after taxation	-	(452,984)	-	(452,984)
- Share based payment	-	68,000	-	68,000
Balance at 31 December 2016 (audited) (GBP)	6,153,455	(56,412,008)	47,031,989	(3,226,564)
Transactions with equity participants:				
- Shares issued to settle liabilities	37,300	-	32,700	70,000
- Shares issued	1,741,071	-	853,803	2,594,874
Total comprehensive expense:				
- Loss after taxation	-	(696,849)	-	(696,849)
Balance at 30 June 2017 (unaudited)	7,931,826	(57,108,857)	47,918,492	(1,258,539)

The notes numbered 1 to 5 are an integral part of the interim financial information.

PowerHouse ENERGY
Leading Alternative Energy Solutions

Statement of Financial Position

	Note	(Unaudited) As at 30 June 2017 £	(Unaudited) As at 30 June 2016 £	(Audited) As at 31 December 2016 £
ASSETS				
Non-current assets				
Property, plant and equipment		**2,424**	-	2,424
Total non-current assets		**2,424**	-	2,424
Current Assets				
Trade and other receivables		**90,772**	9,009	6,336
Cash and cash equivalents		**144,616**	354,269	148,151
Total current assets		**235,388**	363,278	154,487
Total assets		**237,812**	363,278	156,911
LIABILITIES				
Non-current liabilities				
Loans	**4**	**-**	(3,506,678)	-
Total non-current liabilities		**-**	(3,506,678)	-
Current liabilities				
Loans	**4**	**(1,402,155)**	-	(3,332,292)
Trade and other payables	**5**	**(94,196)**	(101,772)	(51,183)
Total current liabilities		**(1,496,351)**	(101,772)	(3,383,475)
Total liabilities		**(1,496,351)**	(3,608,450)	(3,383,475)
Net Liabilities		**(1,258,539)**	(3,245,172)	(3,226,564)
EQUITY				
Shares and stock	**2**	**7,931,826**	5,961,147	6,153,455
Share premium		**47,918,492**	46,820,705	47,031,989
Accumulated losses		**(57,108,857)**	(56,027,024)	(56,412,008)
Total deficit		**(1,258,539)**	(3,245,172)	(3,226,564)

The notes numbered 1 to 5 are an integral part of the interim financial information.

PowerHouse ENERGY
Leading Alternative Energy Solutions

Statement of Cash Flows

	Note	(Unaudited) Six months ended 30 June 2017 £	(Unaudited) Six months ended 30 June 2016 £	(Audited) Year ended 31 December 2016 £
Cash flows from operating activities				
Operating loss		**(626,986)**	(639,057)	(851,903)
Adjustments for:				
- Share based payment		**-**	68,000	68,000
- Renewme settlement		**-**	-	299,152
- Share settled payment		**70,000**	-	-
Changes in working capital:				
- (Increase) / Decrease in trade and other receivables		**(84,436)**	(7,401)	(4,885)
- Increase / (Decrease) in trade and other payables		**43,013**	(116,436)	(147,601)
Net cash used in operations		**(598,409)**	(694,894)	(637,237)
Cash flows from investing activities				
Purchase of fixed assets		-	-	(2,424)
Cash flows from financing activities				
Share/stock issues (net of issue costs)		**2,594,874**	588,618	700,512
Finance costs		**(69,863)**	(241,968)	(482,106)
Loans received		**69,863**	526,763	577,567
Loans repaid		**(2,000,000)**	-	(183,911)
Net cash flows from financing activities		**594,874**	873,413	612,062
Net (decrease) / increase in cash and cash equivalents		**(3,535)**	178,519	(27,599)
Cash and cash equivalents at beginning of period		**148,151**	175,750	175,750
Cash and cash equivalents at end of period		**144,616**	354,269	148,151

The notes numbered 1 to 5 are an integral part of the interim financial information.

PowerHouse ENERGY
Leading Alternative Energy Solutions

Notes (forming part of the interim financial information)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial information.

1.1. Basis of preparation

This interim consolidated financial information is for the six months ended 30 June 2017 and has been prepared in accordance with International Accounting Standard 34 "Interim Financial Statements". The accounting policies applied are consistent with International Financial Reporting Standards ("IFRS") adopted for use by the European Union. The accounting policies and methods of computation used in the interim consolidated financial information are consistent with those expected to be applied for the year ending 31 December 2017.

The financial information set out above does not constitute the Company's statutory accounts for the year ended 31 December 2017, but is derived from those accounts. Statutory accounts for 2016 have been delivered to the Registrar of Companies. The auditors have reported on those accounts: their report was qualified and contained a disclaimer of opinion and contained statements under section 498(2) or (3) of the Companies Act 2006.

1.2. Going concern

The Directors have considered all available information about the future events when considering going concern. The Directors have reviewed cash flow forecasts for 12 months following the date of these Financial Statements.

The cash balance held at 30 June 2017 together with the further fund raise completed after this date is considered sufficient to ensure the company can pay its debts as they fall due. Based on this, the Directors believe it is appropriate to continue to adopt the going concern basis of accounting for the preparation of the interim financial statements.

1.3. Functional and presentational currency

This interim financial information is presented in £ sterling which is the Group's functional currency.

2. SHARE CAPITAL

	0.5 p Ordinary shares	0.5p Deferred shares	4.5 p Deferred shares	4.0 p Deferred shares
Balance at 1 January 2017	**607,934,536**	**388,496,594**	**17,373,523**	**9,737,353**
Shares issued	**355,674,320**	**-**	**-**	**-**
Balance at 30 June 2017	**963,608,856**	**388,496,594**	**17,373,523**	**9,737,353**

The deferred shares have no voting rights and do not carry any entitlement to attend general meetings of the Company. They will carry only a right to participate in any return of capital once an amount of £100 has been paid in respect of each ordinary share. The Company will be authorised at any time to affect a transfer of the deferred shares without reference to the holders thereof and for no consideration.

On 30 January 2017 the Company issued 35,714,285 ordinary shares of 0.5p each at a price of 0.7p each, totalling £250,000.

On 15 February 2017 and 15 March 2017 the Company issued 250,000,000 and 62,500,000 ordinary shares of 0.5p each respectively at a price of 0.8p each, totalling £2,500,000.

On 17 January 2017 PowerHouse announced it had entered into a Cooperation Agreement to appoint Waste2tricity plc as its exclusive Project Development Consultant in the UK. In accordance with the terms of the agreement, on 27 June 2017 the Company issued Waste2Tricity with 7,460,035 ordinary shares of 0.5p each in the Company in lieu of cash payment of £70,000.

3. LOSS PER SHARE

	(Unaudited) As at 30 June 2017 £	(Unaudited) As at 30 June 2016 £	(Audited) As at 31 December 2016 £
Total comprehensive (expense)/profit (GBP £)	**(696,849)**	(881,025)	(1,334,009)
Weighted average number of shares	**862,671,965**	482,036,976	551,433,936
Basic and Diluted Loss per share in pence	**(0.08)**	(0.18)	(0.24)

4. LOANS

	Notes	**(Unaudited) As at 30 June 2017 £**	(Unaudited) As at 30 June 2016 £	(Audited) As at 31 December 2016 £
Hillgrove Investments Pty Limited	4.1	**1,402,155**	3,506,678	3,332,292
Total loans		**1,402,155**	3,506,678	3,332,292
Classified as:				
- Current		**1,402,155**	-	3,332,292
- Non-current		**-**	3,506,678	-

4.1. Hillgrove Loan

Hillgrove Investments Pty Limited ("Hillgrove") has provided the Company with a convertible loan which is secured by a debenture over the assets of the company and carries interest of 15 per cent per annum. Hillgrove had the option at any time to convert the loan in part or whole at a conversion price of 0.5p per share.

On 29 April 2017, the Company announced that Hillgrove had accepted a settlement of this loan for a £2 million cash pay-out, and conversion of the residual balance of £1,402,155 into newly issued share capital of the Company at the previously agreed 0.5p conversion price, amounting to 280,430,920 shares. These shares are yet to be issued. Hillgrove will hold a total of 300,430,920 shares of the enlarged issued share capital of the Company. Hillgrove has committed to a 12 month lock-in period for its newly issued shares. Hillgrove is a related party as defined by the Aim Rules for Companies and accordingly the Hillgrove Note payout and share conversion is deemed a Related Party Transaction.

5. TRADE AND OTHER PAYABLES

	(Unaudited) As at 30 June 2017 £	(Unaudited) As at 30 June 2016 £	(Audited) As at 31 December 2016 £
Trade creditors	75,696	51,840	34,183
Other accruals	18,500	49,932	17,000
Total trade and other payables	94,196	101,772	51,183
Classified as:			
- Current	94,196	101,772	51,183
- Non-current	-	-	-