

19 December 2019

**Update with respect to the Plutus PowerGen plc requisition**

**A response from the requisitioning shareholders,  
Chelverton Asset Management and RiverFort Global Opportunities plc**

**To shareholders of Plutus PowerGen plc**

Dear Shareholders

You will have seen our letter to you that was circulated along with the notice of General Meeting by Plutus PowerGen plc (the "Company" or "PPG") on Friday 13 December 2019. Our letter clearly sets out why we believe that the Company needs a new board of directors if it is to stand any chance of survival. Unfortunately, we were limited to writing 1,000 words in that letter to set out our case and proposals. We are therefore taking this opportunity to give a more detailed response to the views expressed by the incumbent directors of PPG in the recently published circular and to update shareholders on recent developments.

As we said in our original letter, we have been seeking to work with PPG's board since May of this year, but have made little progress and, given the number of additional worrying events that have taken place since, we have been left with no alternative but to seek to replace the current board in order to save the Company.

We are now writing to clarify certain matters raised in our letter and/or points raised in the Company's circular, and more generally.

**Experience of the new team and strategy**

The proposed Alternative Directors have significant experience of AIM listed companies and, in particular, of companies that have been in difficult situations, and we have a record of being able to successfully resolve those situations. Furthermore, the Alternative Directors have access to both proprietary capital and funds from other investors - something that the Company will need now or, most likely, very shortly.

If we were appointed, our initial strategy would be to stabilise the Company by reducing and controlling costs and to make sure that the Company has the necessary funds to enable it to continue to trade. We would also seek to rebuild relationships with the Rockpool-owned power companies. Once the Company has been stabilised, we would look to take action to maximise the potential investment return for all shareholders - we firmly believe that there

are a number of opportunities that the Company could pursue that would create value for shareholders which we have already started to progress.

The sale of the existing power sites has been mentioned but we believe that this is highly unlikely to happen quickly enough. Also, any price offered at this stage is unlikely to be attractive due to current market conditions and the sense that the Company is a "forced" seller. It would also require the agreement of Rockpool.

In terms of obtaining funding for the construction for new gas sites, to date, it would appear that very little, if any, progress has been made so we do not believe that our actions could have made matters worse than they already are. We believe that with a completely new management team in place the prospects for obtaining the necessary financing will markedly improve as, between us, we have a very considerable network and extensive experience of arranging funding.

### **Rockpool**

As we have mentioned previously, if the current board is changed, we believe that there is a very good chance that we would be able to rebuild the relationship with the Rockpool-owned power companies. This would be very helpful regarding both the building of the Company's first gas site and the possibility of reinstating the management contracts.

PPG has stated in its circular that it does not believe that the management contracts can be reinstated - we would readily agree with them if the existing board were to remain in place.

However, we have recently been in contact with the Rockpool-owned power companies and they have confirmed to us that in the event that the current directors of PPG are removed and replaced with a board acceptable to them, they would be open to discussing the potential reappointment of PPG to manage these companies - this is a very significant development.

The reinstatement of these contracts would be a material event for the Company and greatly improve its financial position. It is difficult to form a view of the Company's short term funding requirements without a better understanding of its actual financial position, although we believe that it is extremely weak.

### **Listing on AIM**

Provided that the Company has the necessary funding in place, we do not believe that there is a risk that the Company will be suspended or delisted as a result of shareholders voting for the resolutions proposed.

In summary, we strongly believe that the only way for the Company to survive and thrive going forward is for shareholders to vote for the resolutions at the forthcoming general meeting of the Company on 10 January 2020 in order to remove the Existing Directors and appoint the Alternative Directors.

**We accordingly urge you to support the proposals that we have set out in the requisition. We can only achieve our objectives to turn around this situation with your active support. The Company has been compelled by law to convene a general meeting at which our proposals to remove the existing Board and appoint the Alternative Directors will be put to you as shareholders.**

**However, these proposals can only be implemented with your active support and if you consider our proposals to be a sensible and an effective way to achieve change for the better please vote to support them. We appreciate that this means you will need to vote your shares and this may mean contacting your broker or fund manager (in whose custody the shares may be held). We urge you to take the time to do this as there is unlikely to be another opportunity to rescue this unhappy situation. If you need further information on how to vote your shares please contact the broker or platform through which you bought them and ask to speak to a contact in their "corporate actions team".**

Yours sincerely

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plc

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