29 January 2016

PLUTUS POWERGEN PLC

("Plutus" or the "Company" or "Group") (together with its subsidiaries the "Group")

Interim Results for the Six Month Period Ended 31 October 2015

Plutus PowerGen PLC (AIM: PPG), the AIM listed power Company focused on the development, construction and operation of flexible stand-by electricity generation in the UK announces its interim results for the six month period ended 31 October 2015.

Highlights

Following an extremely busy year of rapid growth of the Company post re-admission to AIM, this period has seen the Group continuing to build upon the strong operational and financial platforms established by the Company in its first year of operations.

- **Losses for the period much reduced compared with same period last year – down 77.6%**
- **Revenues of £362,500 in the period compared with Zero in the same period last year**
- **Fees now being earned from seven management contracts**
- **Annualised fees in excess of £1m per annum**
- **Target of at least 200MW of generating capacity in 3 years**
- **140MW equivalent of sites under management to date**
- **Success in the Capacity Market Auction for three 20MW sites with planning, totalling 60MW**
- **Total pipeline over 700MW**

Executive Chairman's Report

This period has again been a very busy one for the Group as the Directors continue to be active in securing deals to enable the Group to achieve its target of at least 200MW of flexible power generation in the UK by the end of 2017. Indeed, the pipeline of sites in the UK is currently in excess of 700MW included in which we have seven Rockpool Investments LLP ("Rockpool") management contracts with 45% owned investee companies and three projects with planning permission and Capacity Market Auction successes, namely Crumlin, Plymouth and Selby.

Plymouth is currently under construction and in respect to Selby, which has a connection agreement, planning permission and a Capacity Market ('CM') contract, the Company is finalising the funding arrangements. Upon completion of this, the Group will own a significant majority of the project with associated balance sheet and profit and loss account consolidation benefits from go-live. We currently have two projects in the planning process and many more due to enter this phase, as well as a number of sites in the pre-planning stage.

Looking to the future, the Group is focussing on identifying, sourcing, contracting for and funding sites that will have the ability to be consolidated into the Group accounts in the future. The Rockpool investee companies, where we have a carried interest of 45%, are not able to be consolidated within the Group's accounts but provide a potentially valuable backbone to the business of the Group. The Company also has an on-going focus on delivering sites to the Rockpool funded investee companies.

Significant Events During the Period Under Review

The Group has reduced losses for the period under review substantially in comparison with the same period last year and has much improved loss per share figures as a result of management revenues now being generated from seven sites. Going forward, project funding will be delivered through subsidiary companies that will have the ability to be consolidated into the Group's accounts.

The Group continues to focus on the development, construction and operation of flexible energy generation and has now achieved funding and management agreements with seven investee companies funded by Rockpool.

In conclusion, the Group has had a successful first half and I would like to thank the fellow directors for their considerable efforts and support, together with our advisors and consultants, who assist us in developing our pipeline to fruition.

Outlook and Strategy

The backdrop of future energy requirements in the country and potential core revenue streams of the Company's flexible generation business continue to grow significantly beyond initial projections further validating the strategic opportunity outlined by the Company on Re-Admission to AIM

The Company is in the enviable position to be assessing a number of both unsolicited and solicited proposals of non-share dilutive funding, joint venture opportunities and potential sites well beyond our initial focus and plans. Management continues its commitment, within its existing business plan, to minimising shareholder dilution.

As we move into 2016 the Directors view the year ahead with considerable confidence and look forward to continuing to build upon the strong operational and financial platform that has and continues to be established.

Charles Tatnall
Executive Chairman
28 January 2016

Chief Executive's Review

The Demand for Flexible Generation Services in the UK Remains Strong

Plutus Energy operates in the flexible stand-by power generation sector, generating revenues through the sale of power to National Grid and large energy supply companies during periods of peak electricity demand or grid instability. Plutus Energy will provide the management and expertise to fund, construct and operate a series of 20MW power plants, where Plutus Energy will have an equity interest in and receive fees for the management of those facilities.

Continuing investment in new generation and transmission infrastructure in the UK, changing consumer demand profiles and the introduction of renewables means the challenge to maintain system supply power quality remains an enduring issue for National Grid. The Group's decentralised flexible generation can be quickly deployed to meet this varying demand and is therefore valuable in maintaining system frequency balance and avoiding the potential for supply interruptions.

As a result, the markets in which the Group operates continue to have a strong demand for such flexible power and that is likely to continue to be so for the foreseeable future. It is expected that the Group will ordinarily have four primary revenue streams*:

1. **Firm Frequency Response (FFR) or STOR**
2. **TRIAD**
3. **Power sales**
4. **Capacity Market**

*For definitions of these four revenue streams please see the Glossary of Terms at the end of this release

The flexible power provided by the Group is only required in these markets as back-up, meaning that the assets may only be operating for relatively few hours each year. This is typically around 150 hours per annum, or only 2.28% of the possible hours the assets might generate. This means that the Group is not generating power continuously, it is reacting only to short-term market demands for flexible energy.

Note: The Capacity Market (CM) is one of the main building blocks of the Electricity Market Reform government initiative and its goal is to put in place adequate reliable capacity to ensure security of supply. The timing for the emergence of CM is a result of UK decarbonisation of generation, which relies on intermittent technologies, such as wind and solar. In turn, this security of supply support for intermittent renewable generation is expected to lower wholesale prices due to its lower marginal cost, even as the balancing costs (such as the CM) increase. The structure of CM ensures technology neutrality, meaning that the cheapest technologies that will guarantee capacity will be awarded capacity contracts. Capacity contracts are procured through a reverse auction Market. The auctions are run by National Grid which was chosen to operate as the Electricity Market Reform Delivery Body.

Corporate Developments During the Period

The Company concluded a partnership with renewable energy developer Reliance Energy Limited ("Reliance") to secure further flexible power generation facilities. This arrangement is complementary to the management services PPG offers the companies funded by Rockpool. This partnership offers the opportunity to allow a faster route to market for new flexible generation facilities as it provides access to solar energy generation sites with existing grid connection agreements, thereby shortening development timelines and reducing connection risk. Each project will be developed by Reliance and constructed and managed by PPG.

The Company was awarded two further management contracts during the period, for the construction and operation of 20MW flexible stand-by electricity plants, by Portman Power Limited and Valence Power Limited - being two major customers of Rockpool. Rockpool has invested £3.6 million of equity into each company, which brings the total invested by Rockpool's investors into companies to be managed by PPG to £25 million.

This agreement increased the number of management contracts granted to PPG to seven, equivalent to 140MW. Under the management agreements, the Group is paid £150,000 per annum by each investee company (paid monthly), in addition to an equity stake of 45% in the capital of each investee company. This lifts PPG's committed total annual revenues from these seven management agreements to just over £1.0 million. Fees under the management agreements underpin the viability of our business model and pipeline and enable the Group to do continue to develop the pipeline and to defray the ongoing overheads of the Group. The Directors continue to manage these costs very carefully.

In October 2015, the UK Government announced an amendment to the EIS funding to exclude activities that involve the provision of reserve power capacity and generation, for example under a Capacity Market Agreement or Short Term Operating Reserve contract. This change reflected the Government's view that such facilities are generally asset-backed and benefit from a guaranteed income stream and mainstream financing, thereby removing the need for tax-advantaged investment. This change applied to investments made on or after 30 November 2015. This is not retrospective and has no effect on the companies with which Plutus has signed management contracts and which are developing a total of 140 MW of flexible energy generation projects.

The Directors had expected that Government legislation would draw a close to EIS funding for flexible power projects. The Company has access to alternative funding arrangements and continues to seek and assess other funding proposals, all of which have the potential to provide Plutus with increased equity participation and could therefore ultimately strengthen the financial position of the Group.

Financial Review – Highlights

	6 months ended 31 October 2015 £	**6 Months ended 31 October 2014 £**	**Improvement %**
Revenue	**362,500**	**0**	**-**
Operating loss	**(189,937)**	**(846,100)**	**77.6**
Loss per share (pence per share)	**0.03**	**0.29**	**89.7**

The Group's net loss for the period was £183,937 (6 months ended 31 October 2014: loss of £846,100). This downward trend is expected to continue during the whole financial year. The loss for the period also includes a provision for planning and associated costs for sites that may not proceed of £69,591 (6 months ended 31 October 2014: Nil). The six months ended 31 October 2014, however, included costs related to the acquisition of the 75% of Plutus Energy together with the re-admission of the Company to AIM and a placing of Ordinary Shares in the Company to raise £800,000 before expenses. The expenses in connection with the foregoing were £254,930. In addition, certain of the directors of the Company were issued shares in lieu of cash bonuses and unpaid fees and as an incentive to complete the foregoing transaction. Therefore the direct comparable in the period would be £311,170, which still reflects a substantial reduction of net losses in the period to 31 October 2015 of 39%. The Company continues to control costs as tightly as possible. Finance costs from the convertible loans were £13,629 (6 months ended 31 October 2013: £17,025). For the six months, directly comparable administration expenses were £463,217 (6 months ended 31 October 2014: £294,145), an increase of 57.5% that reflects the increased activity of the Company.

During the past year the Company has disbursed considerable sums of money in respect of planning applications and associated costs such as environmental reports and emissions reports together with deposits for grid connections. Essentially, the Company has to fund all costs associated with a particular 20MW site up until the point it achieves planning permission. Once the site has achieved planning permission, in the case of the Rockpool investee companies, the site is accepted by that particular investee company and the sums expended on that site are reimbursed to Plutus by the investee company, as has been the case with two sites so far (Crumlin and Plymouth). Net reimbursable expenses stood at £436,752 at 31 October 2015 (6 months ended 31 October 2014: £21,172). These expenses are expected to be recoverable during the next twelve months as planning permission is granted on additional sites and the investee companies formally accept the projects (these expenses are shown in "Trade and other receivables" in the accounts). Amounts will continue to be disbursed for new sites added to the pipeline and these amounts are added to disbursements as they are incurred and will continue to be reimbursed, as described above.

Cash and short-term investments as at 31 October 2015 totalled £36,382. The directors believe the Company has sufficient working capital for the foreseeable future.

Significant Events after the Reporting Period

As mentioned in the Chairman's report, the Group successfully secured CM contracts for three 20MW sites in the UK. The clearing price of £18,000 per MW per year for 15 years is in excess of our forecast. Therefore each operational 20MW site awarded a CM contract will receive £360,000 per annum for a period of 15 years from 2019. The clearing price is index linked to the consumer price index ('CPI') from the date of award of the CM contract.

In summary, we continue to make excellent progress towards our business plan of at least 200MW while building a robust and sustainable balance sheet that allows us to continue to exploit our growing pipeline of sites. The demand for flexible generation services in the UK remains strong and we continue to put in place the right partnerships with landowners, developers, energy suppliers and funders to position the Group strongly for further growth.

Phil Stephens
Chief Executive Officer
28 January 2016

GLOSSARY OF TERMS

Firm Frequency Response (FFR). National Grid has a licence obligation to control frequency and uses balancing services called frequency response to ensure that sufficient generation and demand is always available. Suppliers such as PPG can tender to supply power to provide power to fulfil this response as and when frequency events happen. The Company intends, via its subsidiaries and investee companies, to build power generation units which reach full response within 30 seconds and can sustain supply for 30 minutes, allowing the Group to compete in the secondary FFR market.

TRIAD - Triad is the scheme under which the National Grid recharges the cost of using the electricity network to users of the network by pro-rating this cost across the users of the network during the three half hour periods of peak demand during a year. Through the PPA, energy supply companies pay flexible generators of electricity a significant percentage of the Triad cost by generating during these three half-hour periods.

Power sales – when the Group runs for Triad avoidance the power is also sold under a Power Purchase Arrangement, normally to a large distributor of power in the UK. In addition, there may be other circumstances under which the Group generates power for third party sales.

Capacity Market - There is expected to be a fourth source of revenue to the Group from 2019, being payments from the Capacity Market, which is designed to incentivise companies to build new or refurbish old power plants for which they will be paid a fee. The Company has successfully bid 60MW in the second auction, which cleared at £18,000 per MW, meaning each operational 20MW site will achieve a further income close to £360,000 per annum for 15 years, index linked to the Consumer Price Index.

STOR - is the scheme under which the National Grid contracts with flexible generators of electricity to provide Short Term Operating Reserve (i.e. back-up power) where the National Grid identifies that it is likely to have a short-term requirement for additional power. The amount of STOR capacity needed varies depending on the time of year, week and day; split into a number of seasons; each season containing defined hours in the day (known as "Availability Windows").

For more information please contact:

Plutus PowerGen PLC
Charles Tatnall, Executive Chairman — Tel: +44 (0)20 7582 6598
Phil Stephens, Chief Executive Officer
James Longley, Chief Financial Officer

SP Angel Corporate Finance LLP
(Nominated adviser and broker)
Ewan Leggat — Tel: +44 (0)20 3470 0470
Laura Harrison

St Brides Partners Limited
Elisabeth Cowell — Tel: +44 (0)20 7236 1177
Felicity Winkles

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 31 OCTOBER 2015

	Unaudited 6 months ended 31 October 2015 £	Unaudited 6 months ended 31 October 2014 £	Audited Year ended 30 April 2015 £
Continuing operations			
Revenue	362,500	–	87,500
Gross profit	362,500	–	87,500
Administration expenses	(532,808)	(829,075)	(1,333,869)
Finance costs	(13,629)	(17,025)	(27,058)
Loss before taxation	(183,937)	(846,100)	(1,273,427)
Taxation	–	–	–
Loss for the period and total comprehensive income	(183,937)	(846,100)	(1,273,427)
Basic and fully diluted loss per share			
Continuing and total operations	(0.03p)	(0.29p)	(0.31p)

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 31 OCTOBER 2015

	Called up share capital £	Share premium account £	Other reserves £	Retained deficit £	Total equity £
Balance at 1 May 2014	969,776	4,523,159	45,820	(5,758,431)	(219,676)
Total comprehensive income for the period	–	–	–	(846,100)	(846,100)
Credit to equity in respect of share-based compensation charge	–	–	5,075	–	5,075
Issue of share capital	324,059	1,421,232	–	–	1,745,291
Share issue expenses	–	(45,450)	–	–	(45,450)
Transfer of equity reserve on conversion of convertible loan stock	–	–	(19,664)	19,664	–
Balance at 31 October 2014	1,293,835	5,898,941	31,231	(6,584,867)	639,140
Total comprehensive income for the period	–	–	–	(427,327)	(427,327)
Issue of share capital	83,115	435,135	–	–	518,250
Credit to equity in respect of share-based compensation charge	–	–	43,075	–	43,075
Transfer to equity reserve on issue of convertible loan stock			23,657		23,657
Balance at 30 April 2015	1,376,950	6,334,076	97,963	(7,050,194)	758,795
Total comprehensive income for the period	–	–	–	(183,937)	(183,937)
Credit to equity in respect of share-based compensation charge	–	–	17,535	–	17,535
Balance at 31 October 2015	1,376,950	6,334,076	115,498	(7,234,131)	592,393

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2015

	Unaudited 6 months ended 31 October 2015 £	Unaudited 6 months ended 31 October 2014 £	Audited Year ended 30 April 2015 £
ASSETS			
Non-current assets			
Goodwill	485,000	485,000	485,000
Investments	47	–	47
Total non-current assets	485,047	485,000	485,047
Current assets			
Trade and other receivables	455,159	27,590	278,007
Cash and cash equivalents	36,382	222,177	320,485
Total current assets	491541	249,767	598,492
Total assets	976,588	734,767	1,083,539
LIABILITIES			
Current liabilities			
Trade and other payables	196,891	95,627	143,069
Borrowings	16,000	–	16,000
Total current liabilities	212,891	95,627	159,069
Non-current liabilities			
Convertible loan notes	171,304	–	165,675
Total non-current liabilities	171,304	–	165,675
Total liabilities	384,195	95,627	324,744
Net assets/(liabilities)	592,393	639,140	758,795
EQUITY			
Share capital	1,376,950	1,293,835	1,376,950
Share premium account	6,334,076	5,898,941	6,334,076
Loan note equity reserve	23,657	–	23,657
Share option and warrant reserve	91,841	31,231	74,306
Retained losses	(7,234,131)	(6,584,867)	(7,050,194)

Total equity	592,393	639,140	758,795

UNAUDITED CONSOLIDATED CASH FLOW STATEMENT
FOR THE SIX MONTHS ENDED 31 OCTOBER 2015

	Unaudited 6 months ended 31 October 2015	Unaudited 6 months ended 31 October 2014	Audited Year ended 30 April 2015
	£	£	£
Loss before tax	(183,937)	(846,100)	(1,311,427)
Share-based compensation charge	17,535	5,075	48,150
Shares issued in settlement of bonuses and fees	—	330,000	330,000
Loan note interest charge	13,629	17,025	27,058
Operating cash flow before movements in working capital	(152,773)	(494,000)	(906,219)
Increase in receivables	(177,152)	(16,935)	(267,352)
Increase/(decrease) in payables	53,822	(35,835)	51,857
Net cash used in operating activities	(276,103)	(546,770)	(1,121,714)
Investing activities			
Investment in associated undertakings	—	—	(47)
Net cash used in investing activities	—	—	(47)
Financing activities			
Proceeds of share issues	—	800,000	1,300,000
Share issue expenses	—	(45,450)	(67,450)
Proceeds of convertible loan note issues	—	—	200,000
Proceeds of other loans	—	7,500	7,500
Interest paid	(8,000)	—	(4,701)
Net cash generated from financing activities	(8,000)	762,050	1,435,349
Net increase/(decrease) in cash and cash equivalents	(284,103)	215,280	313,588
Cash and cash equivalents at beginning of year	320,485	6,897	6,897
Cash and cash equivalents at end of year	36,382	222,177	320,485

NOTES TO THE INTERIM REPORT

1. Basis of preparation

The financial information set out in this interim report does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. The Company's statutory financial statements for the period ended 30 April 2015, prepared under International Financial Reporting Standards (IFRS), have been filed with the Registrar of Companies. The auditor's report on those financial statements was unqualified and did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

The interim financial information has been prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards (IFRS) and on the same basis and using the same accounting policies as used in the financial statements for the year ended 30 April 2015. The interim financial statements have not been audited or reviewed in accordance with the International Standard on Review Engagement 2410 issued by the Auditing Practices Board.

The financial statements have been prepared on a going concern basis under the historical cost convention.

The Directors believe that the going concern basis is appropriate for the preparation of the financial statements as the Company is in a position to meet all its liabilities as they fall due.

2. Earnings per share

The calculation of basic and diluted earnings per share is based on the loss for the period of £183,937 (2014: £846,100) and a weighted average number of ordinary shares of 571,428,935 (2014: 287,538,277). The number of shares used in the calculation of the diluted loss per share is the same as that used for the basic loss per share for the current period, as the exercise of options would be anti-dilutive.

3. Share Capital

	Number of Ordinary shares	Value £	Number of Deferred shares	Value £	Share Premium £
Issued and fully paid					
At 1 May 2015 and 31 October 2015 (ordinary shares of 0.1p)	571,428,935	571,429	16,439,210	805,521	6,334,076

4. Dividend

No interim dividend will be paid.

Copies of the interim report can be obtained from: The Company Secretary, Plutus PowerGen PLC, 27/28 Eastcastle Street, London W1E 8DH and are available to view and download from the Company's website: www.plutuspowergen.com