



POWERHOUSE ENERGY GROUP PLC - Containerisation of the G3-UHT Gasification System

PR Newswire

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

Containerisation of the G3-UHT Gasification System

PowerHouse (AIM: PHE), the company focused on ultra-high temperature gasification waste to energy systems is pleased to announce that it has arranged for a G3-UHT Gasification System ("PHE-G3"), complete with power generation capabilities, to be containerised, to allow it to be shipped to the UK for pilot testing on one of several sites under consideration.

The PHE-G3 has been undergoing testing and continued enhancement, coupled with data gathering on the operational characteristics of the unit and its balance of plant. Subject to containerisation the PHE-G3 is now ready for in-situ demonstration. The final phase of containerising the unit will begin in the new year, with the expectation that the total system will be ready for delivery to the UK by the end of Q1 2017.

The UK sites under consideration are active waste and recycling operations with whom the Company has been in discussions regarding the integration of the PHE-G3 into their facilities.

The Company has entered into an agreement with Hill Grove Investments Pty Ltd ("Hill Grove") whereby OrePro Pty Ltd ("OrePro") for a fee of £180,000 (the "Agreement") will undertake the containerisation engineering work. As it is understood that OrePro is related to Hill Grove via common ownership interests and as Hill Grove, through its convertible loan note, has the ability to convert into a shareholder holding more than 10 per cent. of the share capital of the Company it has been deemed a substantial shareholder and consequently the Agreement is considered a Related Party Transaction under the AIM Rules.

To address any potential claims that Hill Grove or OrePro may have over the intellectual property from its work in assisting in the development of the PHE-G3 the Agreement also contains provisions relating to the intellectual property.

The agreement states that on redemption of the loan note or if the containerisation of the fully operational PHE-G3 system is not completed by 31 March 2017: (a) Hillgrove will, and will procure that Ore-Pro will, deliver to PowerHouse a deed of assignment of all intellectual property rights in the PHE-G3, such assignment to be for nil consideration and (b) PowerHouse will deliver to Hillgrove and/or Ore-Pro a royalty free, fee free, perpetual licence to exploit the intellectual property rights in the PHE-G3 (i) Australia and New Zealand and (ii) worldwide for coal gasification projects.

The Agreement also confirms that upon repayment of the Convertible Loan Note, or conversion by Hill Grove of the loan notes into shares, all intellectual property rights in relation to the PHE-G3 will be absolutely owned by PowerHouse.

The Agreement stipulates that the amounts due under the convertible loan agreement with Hill Grove ("Convertible Loan Note"), which was due for repayment on or before 30 June 2017 will now be extended by 12 months, with repayment now due on the earlier of 30 June 2018 or the date the loan becomes otherwise payable earlier in accordance with the terms of the Loan Note.

The Board (all of whom are independent in this matter) consider, having consulted with WH Ireland Limited, that the terms of the Agreement are fair and reasonable insofar as its shareholders are concerned.

Keith Allaun, Executive Chairman of PowerHouse commented: "We are delighted with our testing results in-house, however, testing on-site, in real-world conditions, processing waste, and economically extracting the energy value of that waste in an environmentally responsible manner on customer premises will be the best validation for our single-step, tremendously efficient, process.

I look forward to updating the market as additional progress on site determination is made."

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About PowerHouse

PowerHouse is the holding company of the G3-UHt System Ultra High Gasification waste to energy systems.

The Company's is focussed on technologies to enable energy recovery from municipal 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 syngas for power generation, high-quality hydrogen, or potentially reformed into liquid fuels for transportation. These waste to energy systems aim to provide the best solution to the on-site energy market.

PowerHouse Energy Group Plc 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