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21st March 2023

Powerhouse Energy Group Plc
(the "Company" or "PHE")

Heads of Terms for a Joint Venture with Hydrogen Utopia International Plc for a non-recyclable Waste Plastic to Hydrogen facility in the Republic of Ireland

Powerhouse Energy Group Plc (AIM: PHE), a company pioneering integrated technology which converts non-recyclable waste into low carbon energy, is pleased to announce that it has agreed Heads of Terms ("HoTs") with Hydrogen Utopia International Plc (LON: HUI) ("HUI") for the proposed joint development of a non-recyclable plastic waste-to-hydrogen facility site at Longford, County Longford in the Republic of Ireland (the "Longford Project"). Under the HoTs, PHE and HUI have agreed to use a joint venture vehicle, incorporated in Ireland, with equal shareholding by each party and development costs being contributed to on a 50:50 basis.

PHE has agreed to pay HUI a non-returnable payment of up to £400,000 in cash in recognition of HUI's contribution to identifying the Longford Project, securing the option to lease and progressing the project. This cash payment comprises an initial payment of £100,000 on signing the HoTs and a further payment of £100,000 upon finalisation of the project documentation between HUI and PHE - principally comprising a development agreement and a shareholder agreement. PHE has agreed to make a further payment of £200,000 in cash to HUI once planning permission has been granted for the Longford Project on the Longford Site.

The Longford Project will be located at Fisherstown Energy Park, which has its own electrical grid connection, an electrical substation and the potential to utilise existing wastewater treatment facilities on site. The site has good road access and is within easy reach of the M4 and M6 motorways, which provide access to Dublin and Galway. HUI's wholly owned Irish subsidiary has secured an option to acquire a 25 year lease on an area within Fisherstown Energy Park. The option period is three years during which the parties will seek to obtain planning and other permissions required to construct and operate the facility.

There also exists, given that Longford is located in the Midlands of Ireland, an opportunity for grant funding through the EU Just Transition Fund. In November 2022, the Irish Government approved its Territorial Just Transition Plan and Programme for the period up to 2027, which was adopted by the European Commission on 15 December 2022. This allocated up to €84.5 million of funding, providing for €169 million of investment within the region.

The Longford Project will supersede pre-existing arrangements between HUI and PHE with respect to an exclusivity agreement between PHE and HUI's UK operating subsidiary, a related collaboration agreement, and the existing heads of terms regarding a proposed project in Tipperary that will no longer proceed. The parties have agreed that the latter agreements will be mutually terminated without any further obligation on either party. The parties will continue to work together on the proposed joint development of a waste plastic to hydrogen facility at a site in Konin, Greater Poland, as announced on 23 August 2022.

Tony Garner-Hillman, Non-Executive Chairman of PHE commented:

"The Republic of Ireland remains an important geography for Powerhouse Energy. The Irish economy was reported as growing by 12.2% in 2022, making it one of the fastest growing economies in Europe whilst inflation also appears to have peaked earlier than in many other economies. All of this bodes well as it points to the Republic of Ireland being an excellent place to do business and this project provides us with an excellent opportunity to build a presence in this jurisdiction. We look forward to working with HUI and developing this exciting opportunity."

Keith Riley, Acting Chief Executive Officer of PHE, commented:

"This joint venture aligns the interests of both HUI and PHE to make this project a success. It is also in line with the Company's growth strategy, with PHE having a seat at the table in the project decision making. We look forward to providing updates on the project as it progresses."

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About Powerhouse Energy Group plc

Powerhouse Energy has developed a process technology which can utilise waste plastic, end-of-life-tyres, and other waste streams to convert them efficiently and economically into syngas from which valuable products such as chemical precursors, hydrogen, electricity, heat and other industrial products may be derived.

Powerhouse Energy's process produces low levels of safe residues and requires a small operating footprint, making it suitable for deployment at enterprise and community level.

Powerhouse Energy is quoted on the London Stock Exchange's AIM Market under the ticker: PHE and is incorporated in England and Wales.

For more information see www.powerhouseenergy.co.uk

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