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2 May 2023

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

Acquisition by PHE of the entire shareholding of Protos Plastics to Hydrogen No 1 Ltd

Powerhouse Energy Group Plc (AIM: PHE), a company pioneering integrated technology that converts non-recyclable waste into low carbon energy, is pleased to announce that it has assumed full ownership and control of the Protos plastics to hydrogen project at the Protos site near Chester in the UK (the "**Site**").

This has been brought about by PHE completing the acquisition of the entire shareholding in Protos Plastics to Hydrogen No 1 Ltd from Peel NRE Ltd ("**Peel**") for a nominal payment of £1. Protos Plastics to Hydrogen No 1 Ltd is the Special Purpose Vehicle ("**SPV**") established for the development of the plastics to hydrogen project at the Site utilising PHE's technology.

The acquisition brings to an end previous discussion regarding PHE taking a 50% shareholding in the SPV.

PHE has agreed a variation of the IP Licence Agreement signed on 30 June 2021 with Peel. The variation confines the beneficiary of the licence to the SPV. The Peel option to extend its exclusivity in respect of its deployment of PHE's technology will terminate.

The Loan Facility Agreement between PHE and the SPV will be extended for one year and as a result of the acquisition will now be an intragroup arrangement.

The Option Agreement (the "**Option**") between Peel and the SPV enabling the SPV to lease the Site will remain in place and will be amended to limit any annual rent reviews to between 2% and 5%, such reviews in the previous version of the lease being uncapped. The Option has also been extended to 28 March 2024, with the ability to extend for a further year on payment of an extension fee of £150,000. A fee of £400,000 for provision of the gas easement and £532,000 for the power export facility will be payable by PHE to Peel on entering into the lease.

The Subscription and Warrant Agreement dated 9 September 2020 made between (1) Peel Holdings (IOM) Limited ("**Peel**") and (2) Powerhouse Energy Group Plc expired on 29 April 2023.

Up until its financial reporting year ended 31 March 2022 the SPV was dormant. Financial results for 2022/23 will be reported in due course.

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

"Having spent some time considering the best option for the Protos project, we have agreed with Peel that PHE will assume full control of the project and its further development. In this respect we have already started working with Petrofac and are reviewing the engineering of the project with the view to optimising costs and performance. The next step will be to seek commercial agreements for the offtakes, whether this be electricity, heat, hydrogen or other products, prior to seeking to raise finance for the construction.

"This is a significant and exciting development for PHE as the Company will now be solely responsible for the development of the project at Protos. We wish to thank the Peel team for their work to date putting the planning permission and basic infrastructure in place and look forward to continuing our excellent working relationship with them as landlord of the site.

"We look forward to providing further updates on Protos in due course."

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The information contained within this announcement is deemed to constitute inside information as stipulated under the retained EU law version of the Market Abuse Regulation (EU) No. 596/2014 (the "UK MAR") which is part of UK law by virtue of the European Union (Withdrawal) Act 2018. The information is disclosed in accordance with the Company's obligations under Article 17 of the UK MAR. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

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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