

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this Circular and/or the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) (FSMA) if you are in the United Kingdom or, if not, another appropriately authorised independent financial adviser.

If you have sold or otherwise transferred all of your Existing Ordinary Shares in Camco Clean Energy PLC before the date that the Existing Ordinary Shares are marked "ex-entitlement" to the Open Offer by the London Stock Exchange, please immediately forward this Circular, together with the accompanying Application Form and Form of Proxy, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you have sold only part of your holding of Existing Ordinary Shares, please contact immediately your stockbroker, bank or other agent through whom the sale or transfer was effected. However, this Circular and any accompanying documents should not be sent or transmitted in or into, any jurisdiction where to do so might constitute a violation of local securities law or regulations including, but not limited to, the United States, Canada, Japan, Australia, the Republic of Ireland or the Republic of South Africa.

This Circular is not a prospectus for the purposes of the Prospectus Rules and has not been prepared in accordance with the Prospectus Rules. Accordingly, this Circular has not been, and will not be, reviewed or approved by the Financial Conduct Authority of the United Kingdom (FCA), pursuant to sections 85 and 87 of FSMA, the London Stock Exchange or any other authority or regulatory body.

Camco Clean Energy PLC

(Incorporated and registered in Jersey under the Companies (Jersey) Law 1991 with registered number 92432)

Placing of 25,000,000 New Ordinary Shares at 4 pence per share

**Open Offer of up to 13,007,947 New Ordinary Shares
at 4 pence per share**

and

Notice of General Meeting

N+1 SINGER

Nominated Adviser and Broker

You should read the whole of this Circular. Your attention is drawn in particular to the letter from the Chairman of Camco Clean Energy PLC which is set out in Part I of this Circular and which contains the unanimous recommendation of the Directors that Shareholders vote in favour of the Resolution to be proposed at the General Meeting referred to below. In addition, your attention is drawn to Part II of this Circular entitled "Risk Factors" which contains a discussion of certain factors that should be considered by Shareholders when considering whether or not to make an investment in the Company.

The Existing Ordinary Shares are admitted to trading on AIM, a market operated by the London Stock Exchange. AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the UK Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. An application will be made to the London Stock Exchange for the New Ordinary Shares to be issued pursuant to the Capital Raising to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings in the New Ordinary Shares to be issued pursuant to the Placing and Open Offer will commence at 8 a.m. on 16 July 2014.

Notice of a General Meeting of Camco Clean Energy PLC, to be held at 12 p.m. on 15 July 2014 at the offices of N+1 Singer, One Bartholomew Lane, London, EC2N 2AX, is set out on page 69 of this Circular. The Form of Proxy for use at the meeting accompanies this Circular and, to be valid, should be completed and returned to the Company's registrars, Computershare Investor Services PLC, as soon as possible and, in any event, so as to arrive by no later

9 a.m. on 10 July 2014. Completion and return of the Form of Proxy will not preclude Shareholders from attending and voting in person at the General Meeting, should they so wish.

The distribution of this Circular and/or the accompanying documents, and/or the transfer of Open Offer Entitlements or Excess Open Offer Entitlements through CREST, in jurisdictions other than the UK, including the United States, Canada, Japan, Australia, the Republic of Ireland, the Republic of South Africa, may be restricted by law and therefore persons into whose possession this Circular comes should inform themselves about and observe any of those restrictions. Any failure to comply with any of those restrictions may constitute a violation of the securities laws of any such jurisdiction.

None of the New Ordinary Shares, the Open Offer Entitlements or the Excess Open Offer Entitlements has been or will be registered under the US Securities Act or under the applicable state securities laws of the United States or under the applicable securities laws of Japan, Canada, Australia, or the Republic of Ireland. Subject to certain exceptions, the New Ordinary Shares, the Open Offer Entitlements and the Excess Open Offer Entitlements may not be offered, sold, taken up, delivered or transferred in or into the United States, Australia, Canada, the Republic of South Africa, the Republic of Ireland or Japan and, subject to certain exceptions, Application Forms are not being posted to and no Open Offer Entitlements or Excess Open Offer Entitlements will be credited to a stock account of any person in the United States, Australia, Canada or Japan. The attention of Overseas Shareholders and other recipients of this Circular who are residents or citizens of any country other than the United Kingdom is drawn to the section entitled "Overseas Shareholders" at paragraph 6 of Part IV of this Circular.

N+1 Singer which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for the Company and no-one else in connection with the Capital Raising and will not regard any other person (whether or not a recipient of this Circular) as a client in relation to the Placing or the Open Offer and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing advice in relation to the Capital Raising or any other matter referred to herein. Its responsibilities as the Company's broker under the AIM Rules for Companies are owed to the London Stock Exchange and the Company and not to any other person in respect of this decision to acquire New Ordinary Shares in reliance on any part of this Circular. No representation or warranty, express or implied, is made by N+1 Singer as to any of the contents of this Circular.

The latest time and date for acceptance and payment in full under the Open Offer is 11 a.m. on 11 July 2014. The procedure for acceptance and payment is set out in Part IV of this Circular and, where relevant, in the Application Form.

Qualifying non-CREST Shareholders will find an Application Form accompanying this Circular. Qualifying CREST Shareholders (none of whom will receive an Application Form) will receive a credit to their stock accounts in CREST in respect of the Open Offer Entitlements which will be enabled for settlement on 30 June 2014. Applications under the Open Offer may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim arising out of a sale or transfer of Existing Ordinary Shares prior to the date on which the Existing Ordinary Shares were marked "ex-entitlement" by the London Stock Exchange. If the Open Offer Entitlements are for any reason not enabled by 8 a.m. or such later time as the Company may decide on 30 June 2014, an Application Form will be sent to each Qualifying CREST Shareholder in substitution for the Open Offer Entitlements credited to its stock account in CREST. Qualifying CREST Shareholders who are CREST sponsored members should refer to their CREST sponsors regarding the action to be taken in connection with this Circular and the Open Offer. Applications for Excess Shares pursuant to the Excess Application Facility may be made by the Qualifying Shareholder provided that their Open Offer Entitlement has been taken up in full and subject to being scaled back in accordance with the provisions of this Circular.

Holdings of Existing Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating entitlements under the Open Offer.

A copy of this Circular has been delivered to the registrar of companies in Jersey in accordance with Article 5 of the Companies (General Provisions) (Jersey) Order 2002, and he has given, and has not withdrawn, his consent to its circulation. The Jersey Financial Services Commission has given, and has not withdrawn, its consent under Article 2 of the Control of Borrowing (Jersey) Order 1958 to the issue of securities in the Company. It must be distinctly understood that, in giving these consents, neither the registrar of companies nor the Jersey Financial Services Commission takes any responsibility for the financial soundness of the Company or for the correctness of any statements made, or opinions expressed, with regard to it. If you are in any doubt about the contents of this Circular you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser. The Directors of the Company have taken all reasonable care to ensure that the facts stated in this Circular are true and accurate in all material respects, and that there are no other facts the omission of which would make misleading any statement in the Circular, whether of facts or of opinion. All the Directors accept responsibility accordingly. It should be remembered that the price of securities and the income from them can go down as well as up.

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DIRECTORS AND ADVISERS

Auditors	KPMG LLP 8 Salisbury Square London EC4Y 8BB
Directors	Dr Jeff Kenna (<i>Chairman and Non-Executive Director</i>) Scott McGregor (<i>Chief Executive Officer</i>) Jonathan Marren (<i>Chief Financial Officer</i>) Michael Farrow (<i>Non-Executive Director</i>) Zainul Rahim bin Mohd Zain (<i>Non-Executive Director</i>) all of: Channel House Green Street St Helier Jersey JE2 4UH
Company Secretary	Consortia Partnership Limited Channel House Green Street St Helier Jersey JE2 4UH
Nominated Adviser and Broker	N+1 Singer One Bartholomew Lane London EC2N 2AX
Legal Advisers to the Company	Osborne Clarke One London Wall London EC2Y 5EB and Pinel Advocates 32 Commercial Street St Helier Jersey JE2 3RU
Legal Advisers to N+1 Singer	Jones Day 21 Tudor Street London EC4Y 0DJ
Registrars	Computershare Investor Services (Jersey) Limited Queensway House Hilgrove Street St Helier Jersey JE1 1ES

Receiving Agent for the
Open Offer

Computershare Investor Services PLC
Corporate Actions Projects
Bristol
BS99 6AH

Principal bankers

HSBC
PO Box 14
St Helier
Jersey
JE4 8NJ

CAPITAL RAISING STATISTICS

Issue Price for each New Ordinary Share	4 pence
Basis of Open Offer	1 New Ordinary Share for every 16 Existing Ordinary Shares
Number of Existing Ordinary Shares in issue as at the date of this Circular	208,127,166
Number of New Ordinary Shares to be issued pursuant to the Placing	25,000,000
Number of New Ordinary Shares to be issued pursuant to the Open Offer*	13,007,947
Enlarged Share Capital immediately following completion of the Placing and Open Offer*	246,135,113
New Ordinary Shares as a percentage of the Enlarged Share Capital*	15.4%
Estimated gross proceeds of the Capital Raising*	£1.5 million

* Assuming full take-up under the Open Offer

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Record Date for entitlement under the Open Offer	5.30 p.m. on 26 June 2014
Announcement of the Placing and Open Offer	27 June 2014
Existing Ordinary Shares marked 'ex' by the London Stock Exchange	27 June 2014
Posting of this Circular, Forms of Proxy and, to Qualifying non-CREST Shareholders only, the Application Forms	27 June 2014
Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to stock accounts of Qualifying CREST Shareholders in CREST	30 June 2014
Latest recommended time and date for requesting withdrawal of Open Offer Entitlements and Excess CREST Open Offer Entitlements from CREST	4.30 p.m. on 8 July 2014
Latest time for depositing Open Offer Entitlements and Excess CREST Open Offer Entitlements into CREST	3 p.m. on 9 July 2014
Latest time and date for splitting Application Forms (to satisfy <i>bona fide</i> market claims)	3 p.m. on 10 July 2014
Latest time and date for receipt of Forms of Proxy	12 p.m. on 10 July 2014
Latest time and date for receipt of completed Application Forms and payment in full under the Open Offer or settlement of relevant CREST instruction (as appropriate)	11 a.m. on 14 July 2014
Expected time and date of announcement of results of the Placing and Open Offer	8 a.m. on 15 July 2014
General Meeting	12 p.m. on 15 July 2014
Expected time of announcement of results of the General Meeting	by 4.30 p.m. on 15 July 2014
Admission effective and dealings in the Placing Shares and Open Offer Shares expected to commence on AIM	8 a.m. on 16 July 2014
Expected date for crediting of Placing Shares and Open Offer Shares in uncertificated form to CREST stock accounts	8.00 a.m. on 16 July 2014
Expected date of despatch of share certificates in respect of Placing Shares and Open Offer Shares in certificated form	24 July 2014

Notes:

- 1 If you have any questions on the procedure for acceptance and payment, you should contact the Shareholder helpline, telephone: 0870 707 4040 from the UK or +44 870 707 4040 from overseas. Calls to the helpline from the UK cost approximately 10 pence per minute (including value added tax) plus your service provider's network extras, calls to the helpline from overseas will be charged at applicable international rates. Different charges may apply to calls from mobile telephones. Please note that Computershare cannot provide financial advice on the merits of the Capital Raising or as to whether or not you should take up your entitlement.
- 2 The dates set out in the Expected Timetable of Principal Events above and mentioned throughout this Circular may be adjusted by Camco Clean Energy PLC in which event details of the new dates will be notified to AIM and, where appropriate, to Shareholders.
- 3 All references to time in this Circular are to time in London.

DEFINITIONS

The following definitions apply throughout this Circular unless the context otherwise requires:

Act	means the Companies Act 2006 (as amended)
Admission	means the admission to trading on AIM of the New Ordinary Shares to be issued pursuant to the Capital Raising taking place in accordance with the AIM Rules for Companies
AIM	means the market of that name operated by the London Stock Exchange
AIM Rules for Companies	means the AIM Rules for Companies, as published and amended from time to time by the London Stock Exchange
AIM Rules for Nominated Advisers	means the rules for nominated advisers to AIM companies, as published and amended from time to time by the London Stock Exchange
Applicant	means a Qualifying Shareholder or a person entitled by virtue of a <i>bona fide</i> market claim who lodges an Application Form under the Open Offer
Application Form	means the application form which accompanies this Circular for Qualifying non-CREST Shareholders for use in connection with the Open Offer
Articles	means the existing articles of association of the Company as at the date of this Circular
Board	means the board of directors of the Company from time to time
Business Day	means any day (excluding Saturdays and Sundays) on which banks are open in London and Jersey for normal banking business and the London Stock Exchange is open for trading
Capital Raising	means together, the Placing and Open Offer, details of which are set out in this Circular
CCSS	means the CREST courier and sorting service, established by Euroclear UK & Ireland to facilitate, <i>inter alia</i> , the deposit and withdrawal of certified securities
certificated or certificated form	means not in uncertificated form
Company or Camco	means Camco Clean Energy PLC
CREST	means the relevant system for the paperless settlement of trades and the holding of uncertificated securities operated by Euroclear UK & Ireland in accordance with the CREST Regulations
CREST member	means a person who has been admitted by Euroclear UK & Ireland as a system-member (as defined in the CREST Regulations)
CREST participant	means a person who is, in relation to CREST, a system participant (as defined in the CREST Regulations)

CREST payment	shall have the meaning given in the CREST Manual issued by Euroclear UK & Ireland
CREST Regulations	means the Uncertified Securities Regulations 2001, as amended
CREST sponsor	means a CREST participant admitted to CREST as a CREST sponsor
CREST sponsored member	means a CREST member admitted to CREST as a sponsored member (which includes all CREST Personal Members)
Directors	means the directors of the Company at the date of this Circular whose names are set out on page 2 of this Circular
Enlarged Share Capital	means the issued ordinary share capital of the Company immediately following Admission
enabled for settlement	means in relation to Open Offer Entitlements or Excess Open Offer Entitlements, enabled for the limited purpose of settlement of claim transactions and unmatched stock event transactions (each as described in the CREST Manual issued by Euroclear UK & Ireland)
Euroclear UK & Ireland or Euroclear	means Euroclear UK & Ireland Limited, the operator of CREST
Excess Application Facility	means the arrangement pursuant to which Qualifying Shareholders may apply for Open Offer Shares in excess of their Open Offer Entitlement
Excess CREST Open Offer Entitlement	means, in respect of each Qualifying CREST Shareholder, the entitlement to apply for Open Offer Shares in addition to his Open Offer Entitlement credited to his stock account in CREST, pursuant to the Excess Application Facility, which is conditional on him taking up his Open Offer Entitlement in full and which may be subject to scaling back in accordance with the provisions of this Circular
Excess Open Offer Entitlement	means an entitlement for each Qualifying Shareholder to apply to subscribe for Open Offer Shares in addition to his Open Offer Entitlement pursuant to the Excess Application Facility which is conditional on him taking up his Open Offer Entitlement in full and which may be subject to scaling back in accordance with the provisions of this Circular
Excess Shares	means New Ordinary Shares in addition to the Open Offer Entitlement for which Qualifying Shareholders may apply under the Excess Application Facility
Excluded Territories	means the United States, Australia, Canada, Japan, the Republic of South Africa, the Republic of Ireland and any other jurisdiction where the extension or availability of the Open Offer would breach any applicable law or regulations
Existing Ordinary Shares	means the existing issued ordinary shares of €0.01 each in the capital of the Company as at the date of this Circular
Form of Proxy	means the form of proxy relating to the General Meeting being sent to Shareholders with this Circular
FCA	means the Financial Conduct Authority of the United Kingdom

Final Results	means the audited results for the year ended 31 December 2013
FSMA	means the Financial Services and Markets Act 2000 (as amended)
General Meeting	means the general meeting of the Company convened at 12 p.m. on 15 July 2014 (or any adjournment of it), notice of which is set out on page 69 of this Circular
Group	means the Company and its subsidiary undertakings
ISIN	means International Securities Identification Number
Issue Price	means 4 pence per New Ordinary Share
Law	means the Companies (Jersey) Law 1991, as amended from time to time
London Stock Exchange	means London Stock Exchange plc
Member Account ID	means the identification code or number attached to any member account in CREST
New Ordinary Shares	means up to 38,007,947 ordinary shares of €0.01 each in the capital of the Company to be issued pursuant to the Capital Raising
N+1 Singer	means N+1 Singer of One Bartholomew Lane, London, EC2N 2AX, the Company's Nominated Adviser and Broker
Official List	means the Official List of the UK Listing Authority
Open Offer	means the invitation to Qualifying Shareholders to subscribe for Open Offer Shares at the Issue Price on the terms of and subject to the conditions set out or referred to in Part IV of this Circular and, where relevant, in the Application Form
Open Offer Entitlement	means the <i>pro rata</i> basic entitlement for Qualifying Shareholders to apply to subscribe for 1 Open Offer Share for every 16 Existing Ordinary Shares held by them on the Record Date pursuant to the Open Offer
Open Offer Shares	means the 13,007,947 New Ordinary Shares for which Qualifying Shareholders are being invited to apply under the terms of the Open Offer
Overseas Shareholders	means Shareholders who are resident in, or who are citizens of, or who have registered addresses in, territories other than the United Kingdom
Participant ID	means the identification code or membership number used in CREST to identify a particular CREST member or other CREST participant
Placees	means the persons who conditionally agree to subscribe for the Placing Shares
Placing	means the conditional firm placing by N+1 Singer of the Placing Shares at the Issue Price pursuant to the Placing and Open Offer Agreement, as described in Part I of this Circular

Placing and Open Offer Agreement	means the agreement dated 27 June 2014 between the Company, and N+1 Singer relating to the Placing and Open Offer, details of which are set out in paragraph 5 of Part V of this Circular
Placing Shares	means the 25,000,000 New Ordinary Shares which have been placed conditionally with investors by N+1 Singer pursuant to the Placing
Prospectus Rules	means the rules made by the FCA under Part VI of FSMA in relation to offers of transferable securities to the public and admission of transferable securities to trading on a regulated market
Qualifying CREST Shareholders	means Qualifying Shareholders whose Existing Ordinary Shares on the register of members of the Company at the close of business on the Record Date are held in uncertificated form
Qualifying non-CREST Shareholders	means Qualifying Shareholders whose Existing Ordinary Shares on the register of members of the Company at the close of business on the Record Date are held in certificated form
Qualifying Shareholders	means holders of Existing Ordinary Shares on the Company's register of members at the Record Date (other than certain Overseas Shareholders)
Record Date	means 5.30 p.m. on 26 June 2014
REDT	means the group of Companies wholly owned by and including Renewable Energy Dynamics Holdings Limited, registered in Ireland with the company number 475751.
REDT Battery	means the energy storage system developed by REDT, based on a vanadium-vanadium redox couple
Receiving Agent or Computershare	means Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY
Registrar	means Computershare Investor Services (Jersey) Limited, Queensway House, Hilgrove Street, St Helier, Jersey, JE1 1ES
Resolution	means the resolution set out in the notice of the General Meeting on page 69 of this Circular
Shareholders	means holders of Existing Ordinary Shares
stock account	means an account within a member account in CREST to which a holding of a particular share or other security in CREST is credited
subsidiary	means a subsidiary undertaking as that term is defined in the Act
uncertificated or uncertificated form	means recorded on the relevant register or other record of the share or other security concerned as being held in uncertificated form in CREST, and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
UK Listing Authority	means the FCA acting in its capacity as the competent authority for the purposes of Part VI of FSMA
United Kingdom or UK	means the United Kingdom of Great Britain and Northern Ireland

USA	means the United States of America
£ or Pounds	means UK pounds sterling, being the lawful currency of the United Kingdom
€ or EUR	mean Euros, being the lawful currency of the European Union
US Securities Act	means the United States Securities Act of 1933, (as amended).

PART I – LETTER FROM THE CHAIRMAN CAMCO CLEAN ENERGY PLC

*(Incorporated and registered in Jersey under the Companies (Jersey) Law 1991
with registered number 92432)*

Directors:

Dr Jeff Kenna (*Chairman and Non-Executive Director*)
Scott McGregor (*Chief Executive Officer*)
Jonathan Marren (*Chief Financial Officer*)
Michael Farrow (*Non-Executive Director*)
Zainul Rahim bin Mohd Zain (*Non-Executive Director*)

Registered Office:

Channel House
Green Street
St Helier
Jersey
JE2 4UH

27 June 2014

Dear Shareholder

Placing of 25,000,000 New Ordinary Shares at 4 pence per share

Open Offer of up to 13,007,947 New Ordinary Shares at 4 pence per share

Notice of General Meeting

1 Introduction

The Board is pleased to announce a conditional Placing of 25,000,000 New Ordinary Shares at 4 pence each to raise £1.0 million before expenses by means of a placing by N+1 Singer.

In addition, in order to provide Shareholders who have not taken part in the Placing with an opportunity to participate in the proposed issue of New Ordinary Shares, the Company is providing all Qualifying Shareholders with the opportunity to subscribe for an aggregate of up to 13,007,947 New Ordinary Shares, to raise approximately £0.5 million, on the basis of 1 New Ordinary Share for every 16 Existing Ordinary Shares held on the Record Date, at 4 pence each (the same price per Ordinary Share as the Placing). Shareholders subscribing for their full entitlement under the Open Offer may also request additional New Ordinary Shares through the Excess Application Facility.

The Open Offer provides Qualifying Shareholders with an opportunity to participate in the proposed issue of the Open Offer Shares on a pre-emptive basis whilst providing the Company with additional capital to invest in the business of the Group.

The Issue Price of 4 pence per New Ordinary Share represents a 41.8 per cent. discount to the closing middle market price of 6.875 pence per Existing Ordinary Share on 26 June 2014, the last business day before the announcement of the Capital Raising.

The Placing and Open Offer are conditional, inter alia, on the passing of the Resolution by Shareholders at the General Meeting, notice of which is set out on page 69 of this Circular. If the Resolution is passed, the New Ordinary Shares will be allotted immediately after the General Meeting and Admission of the New Ordinary Shares is expected to occur at 8.00 a.m. on 16 July 2014. Should Shareholder approval not be obtained at the General Meeting, the Placing and Open Offer will not proceed. The Placing and Open Offer are not underwritten.

The purpose of this document is to explain the background to the Capital Raising, to set out the reasons why your Board believes that the Capital Raising is in the best interests of the Company and its Shareholders and to seek your approval to the Resolution at the forthcoming General Meeting, which will be held at the offices of N+1 Singer at 1 Bartholomew Lane, London, EC2N 2AX at 12 p.m. on 15 July 2014.

2 Information on Camco Clean Energy plc

Camco Clean Energy plc is a clean energy development company which combines technical and commercial expertise to finance, develop, and operate renewable energy projects and storage technology. With more than 20 years of experience and a track record throughout Asia, North America, Africa and Europe, Camco works with local developers, governments, development banks, and private investors to implement clean energy projects, policies, and technologies and reduce emissions.

While Camco has historically been associated with the CDM Carbon business globally, the collapse of the CER price, which fell some 96% in 2012 and barely recovered in 2013, led to the Board hibernating and ultimately closing those parts of the business in 2013. As part of the re-organisation in 2013, entities which held the majority of the Group's provided and contingent liabilities in respect of these non-core activities were closed or disposed of.

In 2013 the Group also sold its entire 60.1% interest in Camco South East Asia Limited for a consideration of \$6.01 million in cash, matching the book value attributed to the holding in 2012. The funds received were used to fund the acquisition of the Twin Falls Facility and for other working capital purposes to exploit the opportunities available in the remaining business units.

Following the restructuring of the business in 2013, when non-core activities were either closed or sold on to the Company's partners, the Directors have refocused the Company's core activities onto its battery technology; the operating Clean Gas business in the USA and the project development and advisory business focused on Africa.

At present the Group has some 79 employees in its operations in the UK, the USA and Africa. The Company has its head office in Jersey.

Details of Camco's business units are set out below.

REDT Clean Energy Storage

REDT Clean Energy Storage, a joint venture in which the Company has a 49.8% economic interest, has developed a robust, reliable and low maintenance energy storage system following more than ten years of research which has been funded with approximately €3 million since 2000. The REDT battery can be used for a number of applications including increasing the reliability of renewable energy and for off grid energy solutions. Following initial deployment of units in 2013, the Directors now believe that the REDT battery can be easily integrated with a range of energy systems and comes in a range of power and storage capacities, enabling easy integration with a range of energy systems.

Key features of the renewable energy storage system are:

- **Long lasting** – the system can handle up to 10,000 deep charge/discharge cycles, matching the life of a typical renewable energy system
- **Super-Efficient** – the system retains charge indefinitely when shut down and can discharge down to 0% and charge up to 95% without causing degradation
- **Safe** – non-flammable and non-explosive
- **Environmentally Friendly** – no emissions or heavy metals
- **Low Maintenance** – the systems only require annual maintenance checks, and performance can be monitored remotely

The energy storage market is forecast to be worth >\$10bn by 2017, 33% (\$3.3bn) of this market is expected to be provided by vanadium flow batteries¹. (¹ Lux Research Inc. Reports, 2012 & 2013: "Global Grid Storage market".)

REDT successfully proved its flow battery technology in 2012, since then has demonstrated pilot systems and is contracted to build a 1.26MWh utility storage facility on the Isle of Gigha, Scotland which is expected to be delivered in H1 2015.

In addition on 4 June 2014 the Company announced that REDT had entered into a manufacturing agreement with Jabil pursuant to which Jabil will provide a scale manufacturing capability of the REDT Battery in the UK. Jabil contracted detailed technical due diligence, patent rights protection and market demand research on REDT's product prior to entering into the agreement.

While REDT has achieved initial sales with a 60kWh system and a 1.2MWh system being sold in 2013, the Directors believe that the association with Jabil will accelerate the sales cycle for the REDT Battery. At present the Directors believe that some 20 systems will be deployed with key customers early in 2015 with potential for another 5,000 systems to be sold in the coming three years. In addition, the Directors expect that if a material level of sales are achieved, the per KW cost to end users will decrease much quicker through this manufacturing agreement than it otherwise would, given the significant investment which would be required from REDT to manufacture and supply such a large number of batteries itself. In addition, Jabil has agreed to provide a warranty guarantee in relation to the systems deployed globally. The majority of revenue expected to be generated by REDT is through sales of units to end customers.

Under the terms of the manufacturing agreement full IP ownership and benefits are retained solely by REDT.

US Clean Energy

The US Clean Energy business currently comprises the Jerome Facility – an operating 4.5MW biogas plant, a US Carbon Business and the Twin Falls Facility – an operating 2.1MW biogas facility, which the Company acquired for \$2.7 million in cash in 2013.

The Jerome and the Twin Falls Facilities are situated on dairy farms in Idaho and house over 15,000 and 10,000 dairy cows respectively. The facilities are integral to the logistical operation of the dairies, significantly reducing the cost otherwise incurred in dealing with the vast amounts of cow manure and, crucially, facilitating compliance with stringent US environmental regulations by reducing emissions for the dairy owner. A key requirement for the facilities is to match or exceed the minimum forecast power production targets each month. This ensures that the facilities receive the full power price available each month under their power purchase agreement. Since the Company has owned and operated the facilities they have achieved this each month in 2012 and 2013, and also 2014 to date. The facilities also generate a significant number of US carbon credits eligible for the underpinned California market which will provide additional cashflow to the US business.

Africa Clean Energy

The Group's heritage can be traced back to East Africa in 1989 where it initially focused on environmental and energy projects. Today, it has an extensive presence across Africa serviced from five regional offices located in Kenya, Tanzania (2), South Africa and Togo with 23 client focused full-time employees.

This track record and expertise, together with the Group's wider experience in clean energy, led the Group to evaluate partnership opportunities with organisations and investors within the African Renewable Energy project space. The Group has been involved in a number of significant tenders which it hopes will result in new business for the Company over the coming months. A number of these opportunities would result in significant revenues for the Camco Africa business which as well as underpinning the African business could also provide co-investment opportunities to the Group. The Company will make further updates in due course as and when appropriate.

EU ETS compliance services

The EU ETS compliance services team works with installations covered by the ETS to help them manage their regulatory position. This work consists of providing market updates and supplying the requisite number of allowances and offsets for them to meet their emissions obligations, or selling their surplus. Where possible, offsets are sourced from the Company's portfolio, from which these installations have historically been buyers. The team also manages the legacy business associated with this portfolio.

Further information on Camco Clean Energy plc can be found on the Company's website, www.camcocleanenergy.com.

3 Background to and reasons for the Capital Raising

Following the restructuring and stabilisation of the business in 2013; the signing of the REDT Battery agreement with Jabil; the continuing strong performance of the Biogas operations; and the potential for fund management related mandates in Camco Africa, the Directors believe that it is now the appropriate time to conduct the Capital Raising.

In particular the Directors expect to utilise the net funds raised from the Placing to institutional and certain individuals to:

- support Camco's interest and operating expenditure in REDT;
- fund general working capital; and
- provide balance sheet strengthening.

In addition the Directors believe that it is appropriate to allow the Shareholders which have supported the Group through the restructuring to be given the opportunity to support the Group through participation in the Open Offer which is being offered at the same price as the Placing. The Open Offer is not being underwritten. Further details in relation to the Open Offer are set out in Part IV of this document.

4 Current Trading

The Company has today released its final results for the year ended 31 December 2013. The current trading paragraph from the Final Results is set out below:

"Camco has had a positive start to 2014 with significant developments in each of our three core business areas.

Our two agricultural biogas operations in the USA are both trading ahead of the Board's expectations. We are particularly pleased with the progress made in integrating the Twin Falls facility and the increased power production over our targets set internally at the time of acquisition in late 2013. Our US Carbon business is also now starting to provide a meaningful contribution to cash flow as the credits start to be delivered and sold.

Our energy storage business, REDT Energy, remains on track to deliver the 1.26 MWh system into Gigha in early 2015. We were also extremely pleased with the recent major step forward for this business with the signing of an outsourced manufacturing agreement with our global partner Jabil Circuit, Inc., which we believe will unlock the pent up demand we are seeing in the energy storage market and enable the business to start to deliver meaningful revenues and cash flow.

Our Africa clean energy consulting business has also had a good start to the year and continues to work and bid on projects throughout sub-Saharan Africa. We are working hard to grow this business to deliver complementary revenue streams and have a number of prospects available to us.

With the opportunities available to us across our business units, the Board remains confident and excited about the future prospects of the Company."

5 Details of the Placing and Open Offer

5.1 Structure

The Directors have given consideration as to the best way to structure the proposed equity fundraising, having regard to current market conditions, the composition of the Company's Shareholder register, the level of the Company's share price and the importance of pre-emption rights to Shareholders. After considering these factors, the Directors have concluded that the structure of the fundraising by way of the Placing and Open Offer is the most suitable option available to the Company and its Shareholders as a whole. The Open Offer provides an opportunity for all Qualifying Shareholders to participate in the fundraising by acquiring Open Offer Shares pro rata to their current holdings of Existing Ordinary Shares.

5.2 Principal terms of the Placing

The Company has conditionally raised £1.0 million by means of the placing of 25,000,000 New Ordinary Shares at the Issue Price to the Placees. The intended use of the monies raised is set out in paragraph 3 of this Part I. A General Meeting is being called to seek Shareholders' approval to grant new authorities to enable the Directors, *inter alia*, to complete the Placing. The Placing is conditional on (amongst other things) Admission and passing of the Resolution and has not been underwritten.

All of the Placing Shares have been placed with institutions and other investors and are not, therefore, being offered to existing Shareholders and do not form part of the Open Offer. The Placing Shares will, upon issue, rank *pari passu* with each other, the Existing Ordinary Shares and the Open Offer Shares in issue following the Capital Raising.

The Company has appointed N+1 Singer as its agent to use its reasonable endeavours to procure subscribers for the Placing Shares at the Issue Price. Further terms of the Placing and Open Offer Agreement are set out in Part V of this Circular.

Application will be made to the London Stock Exchange for the Placing Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings will commence at 8 a.m. on 16 July 2014.

5.3 Principal terms of the Open Offer

Subject to the fulfilment of the conditions set out below and in Part IV of this Circular, Qualifying Shareholders are being given the opportunity to subscribe for the Open Offer Shares at a price of 4 pence per Open Offer Share, *pro rata* to their holdings of Existing Ordinary Shares on the Record Date on the basis of:

1 Open Offer Share for every 16 Existing Ordinary Shares

Qualifying Shareholders are also being given the opportunity, provided that they take up their Open Offer Entitlement in full, to apply for Excess Shares through the Excess Application Facility.

The Open Offer is conditional on the Placing and Open Offer Agreement becoming or being declared unconditional in all respects and not being terminated before Admission. The principal conditions to the Open Offer are the same as those that apply to the Placing.

Assuming full take-up under the Open Offer, the issue of the Open Offer Shares will raise further gross proceeds of approximately £0.5 million for the Company.

The Open Offer Shares will, upon issue, rank *pari passu* with the Placing Shares to be issued pursuant to the Placing.

Fractions of Open Offer Shares will not be allotted to Qualifying Shareholders in the Open Offer and entitlements under the Open Offer will be rounded down to the nearest whole number of Open Offer Shares. The fractional entitlements will be aggregated and made available under the Excess Application Facility.

Qualifying Shareholders with holdings of Existing Ordinary Shares in both certificated and uncertificated form will be treated as having separate holdings for the purpose of calculating the Open Offer Entitlements.

5.4 Excess Application Facility

The Excess Application Facility will enable Qualifying Shareholders, provided that they take up their Open Offer Entitlement in full, to apply for Excess Open Offer Entitlements. Qualifying non-CREST Shareholders who wish to apply to acquire more than their Open Offer Entitlement should complete the relevant sections on the Application Form. Qualifying CREST Shareholders will have Excess CREST Open Offer Entitlements credited to their stock account in CREST and should refer to paragraph 5.3 of Part III of this Circular for information on how to apply for Excess Shares pursuant to the Excess Application Facility. Applications for Excess Open Offer Entitlements will be satisfied only and to the extent that corresponding applications by other Qualifying Shareholders are not made or are made for less than their Open Offer Entitlements. If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take-up of Open Offer Entitlements, such applications will be scaled back *pro rata* to the number of Excess Shares applied for by Qualifying Shareholders under the Excess Application Facility.

Application will be made for the Open Offer Entitlements and Excess Open Offer Entitlements in respect of Qualifying CREST Shareholders to be admitted to CREST. It is expected that such Open Offer Entitlements and Excess Open Offer Entitlements will be admitted to CREST at 8.00 a.m. on 30 June 2014. Such Open Offer Entitlements and Excess Open Offer Entitlements will also be enabled for settlement in CREST at 8.00 a.m. on 30 June 2014. Applications through the means of the CREST system may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim.

Qualifying non-CREST Shareholders will have received an Application Form with this Circular which sets out their entitlement to Open Offer Shares as shown by the number of Open Offer Entitlements allocated to them. Qualifying CREST Shareholders will receive a credit to their appropriate stock accounts in CREST in respect of their Open Offer Entitlements on 30 June 2014.

Shareholders should note that the Open Offer is not a rights issue. Qualifying CREST Shareholders should note that although the Open Offer Entitlements and Excess Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of entitlements under the Open Offer may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim. Qualifying non-CREST Shareholders should note that the Application Form is not a negotiable document and cannot be traded. Qualifying Shareholders should be aware that in the Open Offer, unlike in a rights issue, any Open Offer Shares not applied for will not be sold in the market or placed for the benefit of Qualifying Shareholders who do not apply under the Open Offer. If applications are made for less than all of the Open Offer Shares available, then the lower number of Open Offer Shares will be issued.

Further information on the Open Offer and the terms and conditions on which it is made, including the procedure for application and payment, are set out in Part IV of this Circular.

For Qualifying non-CREST Shareholders, completed Application Forms, accompanied by full payment, should be returned either by post to Computershare, Corporate Actions Projects, Bristol, BS99 6AH or by hand (during normal business hours only) to Computershare, The Pavilions, Bridgwater Road, Bristol, BS13 8AE so as to arrive as soon as possible and in any event so as to be received no later than 11 a.m. on 14 July 2014. For Qualifying CREST Shareholders the relevant

CREST instructions must have been settled as explained in this Circular by no later than 11 a.m. on 14 July 2014.

5.5 Other information relating to the Capital Raising

The Placing and Open Offer are conditional, *inter alia*, upon:

- (a) the passing of the Resolution;
- (b) the Placing and Open Offer Agreement becoming unconditional in all respects (other than Admission) and not having been terminated in accordance with its terms; and
- (c) Admission of the Placing Shares and Open Offer Shares becoming effective by not later than 16 July 2014 (or such later time and/or date as N+1 Singer may agree, not being later than 30 July 2014).

Accordingly, if any of such conditions are not satisfied, or, if applicable, waived, the Placing and Open Offer will not proceed.

A summary of the principal terms of the Placing and Open Offer Agreement is set out in paragraph 4.1 of Part V of this Circular.

The Placing and Open Offer will result in the issue of in total 38,007,947 New Ordinary Shares assuming full take up under the Open Offer (representing, in aggregate, approximately 15.4 per cent. of the Enlarged Share Capital). The New Ordinary Shares, when issued and fully paid, will rank *pari passu* in all respects with the Existing Ordinary Shares and therefore rank equally for all dividends or other distributions declared, made or paid after the date of issue of the New Ordinary Shares. No temporary documents of title will be issued.

Following the issue of the New Ordinary Shares pursuant to the Capital Raising, Qualifying Shareholders who take up their full entitlements, excluding any New Ordinary Shares acquired through the Excess Application Facility, in respect of the Open Offer will undergo a dilution of up to 10.2 per cent. to their interests in the Company because of the Placing. Qualifying Shareholders who do not take up any of their entitlements in respect of the Open Offer will experience a more substantial dilution of approximately 15.4 per cent. to their interests in the Company because of the Capital Raising.

Application will be made to the London Stock Exchange for the Placing Shares and the Open Offer Shares to be admitted to trading on AIM. It is expected that Admission will become effective on 16 July 2014 and that dealings for normal settlement in the New Ordinary Shares will commence at 8.00 a.m. on 16 July 2014.

6 General Meeting

A notice convening a General Meeting of the Company, to be held at the offices of N+1 Singer, 1 Bartholomew Lane, London, EC2N 2AX on 15 July 2014 at 12 p.m. is set out on page 69 of this Circular. At the General Meeting, the following Resolution will be proposed:

Resolution:-

"THAT:-

- 1.1 The directors be and they are hereby empowered to allot and issue equity securities as if the pre-emption provisions relating to, *inter alia* the allotment of shares in the Company contained in the Articles did not apply to any such allotment provided that this power shall be limited to the allotment of equity securities up to:-

-
- (a) a maximum number of 25,000,000 New Ordinary Shares at 4 pence each to raise £1 million before expenses by means of a placing by N+1 Singer; and
 - (b) an aggregate of 13,007,947 New Ordinary Shares, to raise approximately £0.5 million, on the basis of 1 New Ordinary Share for every 16 Existing Ordinary Shares held on the Record Date, at 4 pence each (the same price per Ordinary Share as the Placing). Shareholders subscribing for their full entitlement under the Open Offer may also request additional New Ordinary Shares through the Excess Application Facility.

AND THAT:-

- 1.2 The directors be and they are hereby empowered to issue warrants for equity securities as if the pre-emption provisions relating to, *inter alia*, the issue of warrants and subsequent allotment of shares in the Company contained in the Articles of the Company did not apply to any such issue or allotment provided that this power shall be limited to the issue of warrants and subsequent allotment of equity securities up to a maximum number of 2,500,000 Ordinary Shares of €0.01 each in the capital of the Company.

AND THAT:-

- 1.3 the resolution herein, when duly passed, is valid, effective and binding on the Company and was properly proposed by the directors of the Company, notwithstanding that the directors have not complied with Article 2.13.3 of the Articles.

AND THAT:-

- 1.4 the authority granted by this resolution is in substitution for all subsisting authorities conferred to the extent unused.

7 Action to be taken

7.1 General Meeting

Shareholders will find accompanying this Circular a Form of Proxy for use at the General Meeting. Whether or not you intend to be present at the General Meeting, you are requested to complete, sign and return the Form of Proxy in accordance with the instructions printed on it either by post to Computershare, Corporate Actions Projects, Bristol, BS99 6AH or by hand (during normal business hours only) to Computershare, The Pavilions, Bridgwater Road, Bristol, BS13 8AE as soon as possible and, in any event, so as to arrive no later than 12 p.m. on 11 July 2014. Completion and return of the Form of Proxy will not affect your right to attend and vote in person at the General Meeting if you so wish.

7.2 Open Offer

Qualifying non-CREST Shareholders

If you are a Qualifying non-CREST Shareholder you will have received an Application Form which gives details of your entitlement under the Open Offer (as shown by the number of Open Offer Entitlements allocated to you). If you wish to apply for Open Offer Shares under the Open Offer (whether in respect of your Open Offer Entitlement or both your Open Offer Entitlement and any Excess Open Offer Entitlements), you should complete the accompanying Application Form in accordance with the procedure for application set out in paragraph (b) of Part III of this Circular and on the Application Form itself.

Qualifying CREST Shareholders

If you are a Qualifying CREST Shareholder and do not hold any Ordinary Shares in certificated form, no Application Form accompanies this Circular and you will receive a credit to your appropriate

stock account in CREST in respect of the Open Offer Entitlements representing your entitlement under the Open Offer except (subject to certain exceptions) if you are an Overseas Shareholder who has a registered address in, or is a resident in or a citizen of an Excluded Territory. Applications by Qualifying CREST Shareholders for Excess Open Offer Entitlements in excess of their Open Offer Entitlements should be made in accordance with the procedures set out in paragraph 5.3 of Part III of this Circular, unless you are an Overseas Shareholder in which event, applications should be made in accordance with the procedures set out in paragraph 6 of Part IV of this Circular.

The latest time for applications under the Open Offer to be received is 11 a.m. on 14 July 2014. The procedure for application and payment depends on whether, at the time at which application and payment is made, you have an Application Form in respect of your entitlement under the Open Offer or have Open Offer Entitlements credited to your stock account in CREST in respect of such entitlement. The procedures for application and payment are set out in Part III of this Circular.

Qualifying CREST Shareholders who are CREST sponsored members should refer to their CREST sponsors regarding the action to be taken in connection with this Circular and the Open Offer.

8 Overseas Shareholders

Information for Overseas Shareholders who have registered addresses outside the United Kingdom or who are citizens or residents of countries other than the United Kingdom appears in paragraph 6 of Part IV of this Circular, which sets out the restrictions applicable to such persons. If you are an Overseas Shareholder, it is important that you read that part of this Circular.

9 Additional Information

Your attention is drawn to the additional information set out in Parts II to V of this Circular.

10 Directors' recommendation

The Directors consider the Placing and the Open Offer and the issue of warrants to N+1 Singer to be in the best interests of the Company and its Shareholders as a whole.

Accordingly the Directors unanimously recommend that Shareholders vote in favour of the Resolution to be proposed at the General Meeting.

Yours sincerely

Dr Jeff Kenna
Chairman

Dated: 27 June 2014

Part II – Risk factors

Investing in the Group involves a degree of risk. You should carefully consider the risks and the other information contained in this Circular before you decide to invest in the Group. You should note that the risks described below are not the only risks faced by the Group. There may be additional risks that the Directors currently consider not to be material or of which they are not presently aware.

The business and financial condition of the Company could be adversely affected if any of the following risks were to occur and as a result the trading price of the Ordinary Shares could decline and investors could lose part or all of their investment.

The Directors consider the following risks to be material for potential investors, but the risks listed below do not necessarily comprise all those associated with an investment in the Company and are not set out in order of priority. Additional risks and uncertainties currently unknown to the Company (such as changes in legal, regulatory or tax requirements), or which the Company currently believes are immaterial, may also have a materially adverse effect on the Group's financial condition or prospects or the trading price of Ordinary Shares.

1. General risks

The Existing Ordinary Shares are traded on AIM rather than the main market of the London Stock Exchange. An investment in shares traded on AIM may carry a higher risk than an investment in shares listed on the Official List of the UK Listing Authority and traded on the main market of the London Stock Exchange.

An investment in the Group is only suitable for investors capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss which may result. A prospective investor should consider with care whether an investment in the Group is suitable for him in the light of his personal circumstances and the financial resources available to him.

Investment in the Group should not be regarded as short-term in nature. There can be no guarantee that any appreciation in the value of the Group's investments will occur or that the investment objectives of the Group will be achieved. Investors may not get back the full amount initially invested, especially as the market in New Ordinary Shares on AIM may have limited liquidity.

The prices of shares and any income derived from them can go down as well as up. Past performance is not necessarily a guide to the future.

Changes in economic conditions including, for example, interest rates, rates of inflation, industry conditions, competition, political and diplomatic events and trends, tax laws and other factors in each of the territories in which it operates can substantially and adversely affect equity investments and the Group's prospects.

2. Risks relating to the Group and its business

If the company via REDT are unable to develop, manufacture and market products that improve upon existing battery technology and gain market acceptance, the Company's business may be adversely affected.

The Company via REDT are researching, developing, manufacturing and selling vanadium redox flow batteries and battery systems in the commercial and consumer applications segments. The market for vanadium redox flow batteries is at a very early stage of development, and the extent to which the Company's vanadium redox flow batteries and battery systems will be able to meet customer requirements and achieve significant market acceptance is uncertain. Rapid and ongoing changes in technology and product standards could quickly render the Company's products less competitive, or even obsolete if the Company fails to continue to improve the performance of its battery chemistry and systems. Other companies that are seeking to enhance traditional battery technologies have recently introduced or are developing batteries based on other emerging and potential technologies. Competing technologies that outperform the Company's batteries could be developed and successfully

introduced, and as a result, there is a risk that the Company's products may not be able to compete effectively in its target market. If the Company's battery technology is not adopted by customers, or if the battery technology does not meet industry requirements for power and energy storage capacity in an efficient and safe design, the REDT vanadium redox flow battery will not gain market acceptance.

Product defects could result in a loss of existing and future business, and the Company's ability to develop, market and sell its batteries and battery systems could be harmed

The Company's products are complex and could have unknown defects or errors, which may give rise to claims against the Company, diminish the REDT brand or divert the Company's resources from other purposes. Despite testing, new and existing products may contain manufacturing or design defects, errors or performance problems when first introduced, when new versions or enhancements are released, or even after these products have been used by our customers for a period of time. These problems could result in expensive time-consuming and design modifications or warranty charges, delays in the introduction of new products or enhancements, significant increases in our service and maintenance costs, exposure to liability for damages, damaged customer relationships and harm to the Company's reputation, any of which may adversely affect the Company's business and operating results.

Product liability or other claims relating to product quality could result in financial and reputational damage

Whilst the Company has instituted measures to manufacture its products in accordance with appropriate quality-control standards, there can be no assurance that each of the Company's products is free from defects or that they will not be involved in a product recall or product liability or other claims relating to product quality. Product liability or other claims in relation to the Company's products and services could result in reduced sales, recalls, injury or consequential damages to customers or third parties, or harm to the Company's reputation. Actual or perceived quality defects could adversely affect sales and require recalls. Further, express or implied warranties and strict product liability laws in certain jurisdictions could lead to significant damage claims which the Company may be forced to settle, regardless of fault. In addition, the Company's reputation could be harmed by negative publicity caused by product defects, which could subsequently lead to lower sales. Such events could materially adversely affect the Company's business, results of operations or financial condition.

The Company may be forced to defend against lawsuits to protect its intellectual property rights

In the future, third parties may have patent claims that overlap with the Company's activities and such claims may lead them to sue the Company for monetary damages or in order to prevent the manufacture, sale or development of the REDT vanadium redox flow battery. Defending against such claims would involve significant effort and expense and could divert management's attention from the business. The outcome of any such proceedings may be unfavourable to the Company. In the event that the Company's products and processes infringe the patents or violate other proprietary rights of third parties the Company may be required to cease the sale of its products and to expend significant resources to redesign its technology. Any such event could have a material adverse effect on the business, financial condition, results of operations and prospects of the Company.

Innovation and development

The Group's strategy relies partially on successful development of own brand functional products that address specific market needs and are substitutable for branded products. It must, therefore, engage in new product identification and development activities, which may not produce innovative, commercially viable results in a timely manner or at all. In addition, the Company may not be able to develop new technologies or identify specific market needs that are addressable by its technologies, or technologies available to it.

Risk of infringement of OEM's intellectual property rights arise from this strategy, which could adversely affect the Company's relations with OEMs for future, regular and timely supply of branded products to maintain stocks and satisfy customer orders.

If the Company's "own brand" products fail or are unable to provide the required functionality, the reputation of the Company's own brand and the Company could be adversely affected.

Reduction or abandonment of governmental support for renewable energy, or other relevant changes in governmental energy policy, may adversely affect the Group

The development of renewable energy sources and generation of renewable energy in many countries relies, in large part, on the national and international regulatory and financial support of such development. While the EU, UK and the USA have, in recent years, adopted policies and support mechanisms actively supporting renewable energy, it is possible that this approach could be modified or changed in the future, including as a result of a change in Government or a change in Government policy, relating to renewable energy directly or to energy policy more generally. These changes could in some circumstances materially affect the Group's existing business, or could materially affect its future growth, as support mechanisms are necessary in order to provide the Group's business with expected returns.

There can be no guarantee of on-going good relationships with regulators

Since the Group operates in a regulated industry, it is important to maintain good relationships with its regulators. While the Group considers that it has good institutional relationships based on a strong operating performance, there can be no guarantee that it will continue to enjoy good relationships with the regulators. Any difficulties in these relationships, which could be caused by a failure to comply with obligations imposed on the Group's different businesses, could delay the Group in obtaining the various permits and approvals it requires, divert management's attention away from the day-to-day running of the business of the Group, and/or lead to more rigorous conditions being imposed under the relevant permits. Therefore, any difficulties in the relationships with regulators could adversely affect the Group's business operations, prospects, financial condition and operational results.

The Group's biogas business is dependent upon weather conditions

The profitability of the Group's biogas business is dependent on weather conditions. High temperatures and dry conditions may have an adverse effect in either the production of animal waste in the farming units, or such conditions can lead to cracking in the caps covering the cells in the biogas sites, resulting in an increased escape of gas, and making it more difficult to apply reverse pressure to collect gas. A reduction in the collection of gas could lead to a reduction in the electricity generated, which could adversely affect the Group's business operations, prospects, financial condition and operational results.

The maintenance of the Group's generating plants entails certain risks

The Group's generating plants require regular maintenance and the provision of this maintenance is itself subject to certain risks. A number of problems may arise in relation to the Group's facilities during maintenance, which may cause interruptions to production, including, among other things, failed deliveries by suppliers or manufacturers or longer-than-expected periods for technical adjustments. In particular, failure of a contractor to perform its contracted services and/or change in a contractor's financial circumstances in conjunction with overreliance on particular contractors may, among other things, result in the relevant asset either underperforming or becoming impaired in value and there can be no assurance that such underperformance, impairment or delay will be fully or partially compensated by any contractor warranty or bank guarantee (which are usually limited in scope and quantum, and typically will not cover full loss of profit). The additional costs and loss of revenue that may arise in the maintenance of facilities may adversely affect the Group's business operations, prospects, financial condition and operational results.

The Group may become involved in legal proceedings based on environmental, health, public liability, safety and land use issues and related matters

As a result of the nature of the Group's operations, it may become involved in a variety of legal proceedings based on environmental, health, public liability, safety, land use issues and other related matters. These may include complaints and statutory nuisance actions and claims by third parties (including class actions). Such complaints and actions could be related to issues such as odour, underground fires and other such nuisances during both the operational and the non-operational phases of the biogas sites on which the Group conducts biogas activities.

There can be no guarantee that the Group's operations will not be considered a source of nuisance, pollution or other environmental harm or that claims will not be made against the Group in connection with its operations and their effect on the natural environment. This could lead to increased cost of compliance and/or abatement of power generation activities at the affected facilities. Any successful third party claim could materially hinder the Group's operations, damage its reputation and/or result in the imposition of penalties or substantial liabilities, which could have a material adverse effect on the Group's business operations, prospects, financial condition and operational results.

The Group's operations expose it to the risk of material health and safety liabilities

On account of the nature of its operations, the Group is subject to various statutory compliance and litigation risks under health, safety and employment laws. There can be no guarantee that there will be no accidents or incidents suffered by the Group's employees, its contractors or other third parties at the Group's facilities. If any of these incidents occur, the Group could be subject to prosecutions and litigation, which may lead to fines, penalties and other damages being imposed and cause damage to the Group's reputation. Such events could have a material adverse effect on the Group's business operations, prospects, financial condition and operational results.

Dilution of ownership of Ordinary Shares

Following the issue of the Placing Shares, Shareholders who do not participate in the Placing at least pro rata to their holding of Existing Ordinary Shares will suffer a reduction in their proportionate ownership and voting interest in the ordinary share capital of the Company as represented by their holding of Ordinary Shares immediately following Admission as a result of the Placing.

Political risk

The renewable energy generation industry is subject to national and regional regulatory oversight, such as national and local regulations relating to building codes, safety, environmental protection, utility interconnection and metering and related matters. These regulations and policies have been modified in the past and may be modified in the future. The regulations applicable to the generation of electricity from renewable energy sources may be subject to modifications that may be more restrictive or unfavourable. More restrictive or unfavourable regulations, such as an obligation to modify existing renewable energy projects or the implementation of additional inspection and monitoring procedures, could lead to changes in operating conditions that might require increased capital expenditure, increased operating costs or otherwise hinder the development of the renewable energy industry. Any new, or changes to existing, government regulations or utility policies pertaining to renewable energy may require market participants to incur significant additional expenses, which may not be able to be passed on to customers through higher tariffs, which, in turn, could have a material adverse effect on the Company's business, prospects, financial condition and results of operations.

US Carbon Credits

Camco works with owners and operators of emissions reduction projects in North America to generate and sell emissions reduction units ("Carbon Offsets") produced by their projects. Camco works to qualify a project to an emissions reduction standard promulgated by a Carbon Offsets registry and manages the ongoing collection of data and third party verification (which typically occurs on an annual basis) in

return for receiving a share of revenues once the Carbon Offsets are sold. Camco is exposed to risks up until Carbon Offsets are issued for a given reporting period and for a period of time once they have been issued.

Risks up until Carbon Offset issuance include: poor project performance or project shutdown – Camco does not own or operate most of its projects and is dependent on a projects' consistent operation in order for Carbon Offsets to be generated; risk that information comes to light during verification which reduces the number of offsets produced or renders the project ineligible to generate Carbon Offsets to the selected standard – as Carbon Offsets are typically generated on an annual basis an issue at the end of a project's reporting period can impact all the Carbon Offsets produced during the entire reporting period; risk that the market for the Carbon Offsets is significantly impacted by changing market conditions (for example a reduction in demand for offsets due to economic conditions); and, a risk that regulations change or the Carbon Offsets program is discontinued. In these scenarios Camco would suffer a loss in revenue otherwise earned from selling the Carbon Offsets.

Once issued, Carbon Offsets carry a risk that they may be revoked if they have not been generated in accordance with regulations and the selected standard. Revocation risks can last up to 8 years depending on the standard. In the event of revocation, Camco may be liable to replace Carbon Offsets from other Carbon Offsets in its portfolio and would suffer a loss in revenue otherwise earned from selling the replacement Carbon Offsets.

Availability and performance of equipment

The Group's ability to generate electricity depends on the availability of and performance of the relevant generation equipment. Mechanical failure or other defects or accidents which result in non-performance or under-performance of equipment will have a negative impact on the revenue and profitability of the Group. The Group may be the beneficiary of warranties or guarantees given by the equipment supplier, but warranties and guarantees typically only apply for a limited duration and can exclude some causes of project non-availability, such as scheduled and unscheduled grid outages.

Changes in technologies may render current technologies obsolete or require substantial capital investments

The renewable energy industry, including battery storage, has experienced rapid improvements in technology and sophistication in production equipment. The use of modern technology and automation in manufacturing processes is essential to reduce costs and accelerate execution. Although the Group strives to keep its technology, plant and machinery current with the latest international technological standards, it may be required to implement new technology, or to upgrade the machinery used for wind energy production. The cost of implementing new technology and upgrading its machines could be significant and could adversely affect its financial condition and results of operations.

External impact

Future results may be adversely affected by changes in economic, political, judicial, or other regulatory factors, corporation tax or VAT, as well as general market conditions beyond the Group's control.

The Group is subject to competition risks

Given the potential for growth in the battery storage market in particular, it is likely that the Group will face increasing competition from businesses which may have greater capital and other resources and which may be able to provide better services or adopt more aggressive pricing policies. There is no assurance that the Group would be able to compete successfully in such market circumstances.

Such competition may cause a decrease in expected profit margins, and adversely affect market share. Such competition may have a substantial adverse effect on the Group's business, financial condition, trading performance and prospects.

Implementing strategy

The value of Ordinary Shares will depend to a significant degree on the Group's ability to identify and make further investments in a reasonable time frame and on the success of those investments.

Key relationships

The Group will ultimately be reliant on relationships with key site owners and operators, suppliers, transporters and distributors. The Group is reliant on its manufacturing agreement with Jabil to provide a scale manufacturing capability for its REDT vanadium redox flow battery. Any factor which affects the manufacturing agreement with Jabil, including the risk that Jabil ceases to operate, may impact upon the Group's ability to manufacture its REDT vanadium redox flow battery. The Group also considers that a good working relationship with Government and trade organisations is important throughout the life of the Group. Any adverse disruptions to these relationships may impact upon the Group's future operational and financial performance.

Production costs may not fall in line with expectations

While the Directors believe that the manufacturing costs for the REDT vanadium redox flow battery will decrease over time, a significant rise in the price of raw materials and/or an inability of the Group to generate sufficient sales may have a negative impact on projected production costs. An increase in production costs, or a lower than anticipated rate of cost reduction could impact upon the pricing and/or the profitability of the REDT vanadium redox flow battery. If higher costs are passed on to the Group's customers, this may reduce market appetite for the REDT vanadium redox flow battery, which may impact upon the Group's financial performance.

The supply of energy may be subject to disruption or price fluctuation

Gas and electricity supplies are required for the operation of the Company's plant and production processes. Whilst the Group has entered into purchasing agreements that provide an element of price stability in the short term, increasing energy costs in particular may impact on trading margins if they cannot be passed on to customers.

Revenue risk

Although the Directors have confidence in the Group's future revenue earning potential, there can be no certainty that the Group will achieve or sustain significant revenues, profitability or positive cash flow from its operating activities. Furthermore, while the Directors are confident that the REDT vanadium redox flow battery satisfies a market need, there can be no guarantee that the Group will achieve predicted levels of sales of its new REDT vanadium redox flow battery. This could impair the Group's ability to sustain operations or secure any required funding.

Unforeseen factors and developments

The Group's ability to implement its business strategy may be adversely affected by factors that it cannot currently foresee, such as unanticipated costs and expenses, technological change or severe economic downturn. All of these factors may necessitate changes to the business strategy described in this Circular.

General economic risk, currency risk and overseas activities

The financial position of the Group may be adversely affected by general economic conditions, by conditions within various countries' markets or by the particular financial condition of the parties conducting business with Group companies.

Management of growth

The expansion of the Group will place additional demands upon the Company's management team and its administrative resources. As the Group is comparatively small its ability to cope with these additional demands is uncertain. The failure to manage its growth appropriately may adversely affect the business, its financial condition and the future results of its operations.

Tax and regulatory considerations

Changes in tax laws or subordinate legislation or the practice of any taxation authority could have a material adverse effect on the Group. An investment in the Group may involve complex tax considerations which may differ for each investor and each investor is advised to consult its own tax advisers. Any tax legislation and its interpretation and the legal and regulatory regimes which apply in relation to an investment in the Group may change at any time.

Insurance

While the Group may obtain insurance against certain risks in such amounts as it considers adequate, the nature of these risks are such that liabilities could exceed policy limits or that certain risks could be excluded from coverage. There are also risks against which the Group cannot insure or against which it may elect not to insure. The potential costs that could be associated with any liabilities not covered by insurance or in excess of insurance coverage may cause substantial delays and require significant capital outlays, adversely affecting the Group's earnings and competitive position in the future and potentially, its financial position. In addition, the potential costs that could be associated with compliance with applicable laws and regulations may also cause substantial delays and require significant capital outlays, adversely affecting the Group's earning and competitive position in the future and, potentially its financial position.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet cash flow commitments associated with financial instruments. The Group has cash resources available to it and prepares in the operating entities of the Group, forecasts for the forthcoming year which indicate that in the Directors' opinion it will have sufficient resources to fund the continuation of trade. The Group monitors cash flow forecasts on a 'rolling forecast' basis to seek to ensure it has sufficient cash to meet operational needs while maintaining enough headroom on its undrawn committed borrowing facilities at all times so as not to breach borrowing limits or covenants.

Interest rate risk

The financial risk is the risk to the Group's earnings that arises from fluctuations in interest rates and the degree of volatility of these rates. For short term bank overdraft facilities, the Group does not use derivative instruments to reduce its exposure to interest rate fluctuations as the policy of the Group is not to rely on short term borrowing facilities for any significant duration. The Directors use interest rate swaps if they consider their exposure to interest rate risk to be material. For long term borrowings, the Group uses interest rate swaps to fix the interest rate payable on these material balances in order to mitigate the risk of any fluctuations in interest rates.

Foreign exchange fluctuations

The reporting currency of the Group is the Euro and the functional currency of each of the Group's subsidiaries is that of the country in which the subsidiary is domiciled. A significant proportion of the Group's revenues, expenses and other liabilities may be denominated in currencies other than the Euro, in particular Sterling, US Dollars and Chinese Renminbi. Fluctuations in the value of other currencies, as compared with the Euro, could result in material transaction or translation losses which may have a substantial adverse effect on the Group's business, financial conditions, trading performance and prospects.

General economic conditions

Market conditions may affect the ultimate value of the Group's share price regardless of operating performance. The Group could be affected by unforeseen events outside its control, including natural disasters, terrorist attacks and political unrest and/or government legislation or policy.

Force majeure

The Group operations now or in the future may be adversely affected by risks outside the control or anticipation of the Group including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

Future acquisitions

Part of the Group's strategy may involve expanding its business through acquisitions of other businesses. Acquisitions will require the integration of new operations into the Group's business. The Group's ability to realise the expected benefits from future acquisitions will depend, in large part, upon its ability to integrate new operations with existing operations in a timely and effective manner and to manage an increasingly large business. In addition, the Group's acquisition strategy will involve numerous risks, including the potential inability to identify appropriate acquisition opportunities, possible failures of acquisitions to be profitable or to generate anticipated cash flows, the entry into markets and geographic areas where the Group has limited or no experience, diversion of management's time and resources from core operations and potential difficulties in integrating operations and systems with those of acquired companies.

Potential requirement for further investment

Any future acquisitions, expansion, activity and/or business development may require additional capital, whether from equity or debt sources. There can be no guarantee that the necessary funds will be available on a timely basis, on favourable terms, or at all, or that such funds if raised, would be sufficient. If additional funds are raised by issuing equity securities, dilution to the then existing shareholdings may result. Debt funding may require assets of the Enlarged Group to be secured in favour of the lender, which security may be exercised if the Enlarged Group were to be unable to comply with the terms of the relevant debt facility agreement. The level and timing of future expenditure will depend on a number of factors, some of which are outside the Enlarged Group's control. If the Enlarged Group is not able to obtain additional capital on acceptable terms, or at all, it may be forced to curtail or abandon such planned acquisition opportunities, expansion, activity and/or business development any of the above could have a material adverse effect on the Enlarged Group.

Risks relating to Camco's Jurisdictions of Operations

There are numerous factors which may affect the success of Camco's business which are beyond its control including local, national and international economic, legal and political conditions. In some of the jurisdictions in which Camco operates, there is a history of civil and political conflict including civil war and government change by coup d'état. Furthermore, in recent years, regions of Africa have experienced heightened levels of political instability, civil disturbances, labour unrest and violence which may increase the political, economic, legal, regulatory and social risks in the jurisdictions in which Camco operates.

The occurrence of any of the factors listed above could have a material and adverse effect on Camco's business, prospects and results of operations.

Changes in government policy

Adverse changes in the relevant governments' policies or legislation affecting foreign ownership of assets located within jurisdictions in which Camco operates, taxation, imposition of additional fees, repatriation of profit, royalties, land access, labour relations, granting of approval or consent of operating activities

may affect the operations of the Group. It is possible that the current systems of granting foreign ownership rights in jurisdictions in which the Group operates may change, resulting in impairment of rights and possibly expropriation of one or more of the Group's assets without adequate compensation. If at any stage the Group cannot pursue its operating activities because of such factors, the Group's financial condition and forward projections would be materially adversely affected.

Lack of infrastructure

Camco's operating activities in Africa depend, to a significant degree, on adequate infrastructure. Some of the Group's operating assets, and likely future acquisitions, are located in districts which lack infrastructure such as: (i) sources of third party supplied power; (ii) sources of third party supplied water; and (iii) reliable road or rail facilities. This lack of infrastructure may affect the feasibility of building renewable energy operations. Additionally, adverse weather conditions, sabotage and government or other interference in the maintenance or provision of such infrastructure could adversely affect the Group's operations and financial condition.

Workforce and labour risks

Certain of the Group's operations may be carried out under potentially hazardous conditions. Whilst the Group intends to operate in accordance with relevant health and safety regulations and requirements, the Group remains susceptible to the possibility that liabilities might arise as a result of accidents or other workforce-related misfortunes, some of which may be beyond the Group's control or uninsurable.

The skill base of the local labour force in some of Camco's areas of operations is limited; there is a shortage of workers with good managerial and technical skills.

Given the current high level of activity in the global renewables industry, the Group may be unable to source personnel and equipment to meet its objectives, which could affect the Group's development schedule and financial position.

The Company believes that all of the Group's operations have, in general, good relations with their employees and unions. However, there can be no assurance that the Group's operations will not be affected by labour-related problems in the future, such as union demands and litigation for pay rises and increased benefits. There can be no assurance that the Group's operations will not be affected by labour-related problems in the future, such as union demands and litigation for pay rises and increased benefits. There can be no assurance that work stoppages or other labour-related developments (including the introduction of new labour regulations in local countries of operation) will not adversely affect the results of operations or the financial condition of the Group.

3. Risks relating to the Ordinary Shares

Investment risk and AIM

There is no guarantee that the Group will maintain its quotation on AIM. The Group cannot assure investors that the Group will always retain a quotation on AIM. If it fails to retain such a quotation, certain investors may decide to sell their shares, which could have an adverse impact on the price of the Ordinary Shares. Additionally, if in the future the Group decides to obtain a quotation on another exchange in addition to AIM, the level of liquidity of the Ordinary Shares traded on AIM could decline.

Suitability of Ordinary Shares as an investment

The Ordinary Shares may not be a suitable investment for all people receiving this Circular. Before making any investment, potential investors should consult an appropriately qualified investment adviser, authorised in the UK by the FCA, who specialises in advising on the acquisition of listed securities. The value of the Ordinary Shares and the income received from them can go down as well as up and investors may get back less than their original investment.

Risks relating to investment in the Group's Ordinary Shares

Share prices may fluctuate from time to time for various reasons. As well as being affected by the Group's actual or forecast operating results, the market price of the Ordinary Shares may fluctuate significantly as a result of factors beyond the Group's control, including among others:

- changes in research analysts' recommendations or any failure by the Group to meet the expectations of research analysts;
- changes in the performance of the petrochemical sector as a whole and of any of the Group's competitors;
- fluctuations in share prices and volumes, and general market volatility; and involvement of the Group in any litigation.

Liquidity in market for the Ordinary Shares

The Group cannot predict the extent to which an active market for the Ordinary Shares will develop or be sustained after Admission, or how the development of such a market might affect the market price of the Ordinary Shares. An illiquid market for the Ordinary Shares may result in lower trading prices and increased volatility, which may adversely affect the value of an investment in the Ordinary Shares. The market price of the Ordinary Shares may fluctuate significantly in response to a number of factors, many of which may be out of the Group's control. The share price of publicly traded companies can be highly volatile. The price at which the Ordinary Shares may be quoted and the price which Shareholders may realise for their Ordinary Shares will be influenced by a large number of factors, some specific to the Group and its operations and some which may affect the industry as a whole or quoted companies generally. These factors include those referred to in this Part II, as well as the Group's financial performance, the impact of Shareholders being released from lock-in restrictions, stock market fluctuations and general economic conditions. Share price volatility arising from such factors may adversely affect the value of an investment in the Ordinary Shares.

4. Risks relating to the Transaction

Dilution of ownership of Ordinary Shares

Following the issue of the Placing Shares, Shareholders who do not participate in the Placing at least pro rata to his or her holding of Existing Ordinary Shares will suffer a reduction in their proportionate ownership and voting interest in the ordinary share capital of the Company as represented by their holding of Ordinary Shares immediately following Admission as a result of the Placing.

There may be volatility in the price of the New Ordinary Shares

The Issue Price may not be indicative of the market price for the New Ordinary Shares following Admission. The market price of the New Ordinary Shares could be volatile and subject to significant fluctuations due to a variety of factors, including changes in sentiment in the market regarding the Company, the sector or equities generally, any regulatory changes affecting the Group's operations, variations in the Group's operating results and/or business developments of the Group and/or its competitors, the operating and share price performance of other companies in the industries and markets in which the Group operates, news reports relating to trends in the Group's markets or the wider economy and the publication of research analysts' reports regarding the Company or the sector generally.

The proportionate ownership and voting interest in the Company of Shareholders (who are not Placees) will be reduced pursuant to the Placing and Open Offer. In addition, to the extent that Shareholders do not take up the Open Offer Shares under the Open Offer, their proportionate ownership and voting interest in the Company will be further reduced and the percentage that their Existing Ordinary Shares represents of the Enlarged Share Capital will be reduced accordingly. Subject to certain exceptions,

Shareholders in the United States and other Excluded Territories will not be able to participate in the Open Offer.

Pre-emptive rights may not be available for US and other non-UK holders of ordinary shares

In the case of an increase in the share capital of the Company for cash, the Shareholders are generally entitled to pre-emption rights pursuant to the Act unless such rights are waived by a special resolution of the Shareholders at a general meeting (as proposed in respect of the Capital Raising), or in certain circumstances stated in the Articles, and such an issue could dilute the interests of the Shareholders. To the extent that pre-emptive rights are applicable, US and certain other non-UK holders of Ordinary Shares may not be able to exercise pre-emptive rights for their shares unless the Company decides to comply with applicable local laws and regulations and, in the case of US holders, unless a registration statement under the US Securities Act is effective with respect to those rights or an exemption from the registration requirements thereunder is available. The New Ordinary Shares to be issued will not be registered under the US Securities Act. Qualifying Shareholders who have a registered address, or who are resident in, or who are citizens of, countries other than the United Kingdom should consult their professional advisers about whether they require any governmental or other consents or need to observe any other formalities to enable them to take up their Open Offer Entitlements or acquire Open Offer Shares.

Forward-looking statements

Certain statements contained in this Circular may constitute forward-looking statements. Forward-looking statements include statements concerning the plans, objectives, goals, strategies and future operations and performance of the Group and the assumptions underlying these forward-looking statements. The Group uses the words “anticipates”, “estimates”, “expects”, “believes”, “intends”, “plans”, “may”, “will”, “should”, and any similar expressions to identify forward-looking statements. Any such forward-looking statement involves known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Group or industry results, to be materially different from any future results, performance or achievements expressed or implied by any such forward looking statements. Such forward-looking statements are based on numerous assumptions regarding present and future business strategies and the environment in which the Group will operate in the future. These forward-looking statements speak only as of the date of this Circular. The Group expressly disclaims any obligation or undertakings to release publicly any updates or revisions to any forward looking statement contained herein, save as required to comply with any legal or regulatory obligations, to reflect any change in the Group's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. All subsequent written or oral forward-looking statements attributable to the Group, or persons acting on behalf of the Group, are expressly qualified in their entirety by the cautionary statements contained throughout this Circular. As a result of these risks, uncertainties and assumptions, a prospective investor should not place undue reliance on these forward looking statements.

Part III – Some questions and answers about the Placing and Open Offer

The questions and answers set out in this Part III of this Circular are intended to be in general terms only and, as such, you should read Part IV of this Circular for full details of what action you should take. If you are in any doubt as to what action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank, fund manager, solicitor, accountant or other appropriate independent financial adviser, who is authorised under the FSMA if you are resident in the United Kingdom, or, if not, from another appropriately authorised independent financial adviser.

This Part III deals with general questions relating to the Placing and Open Offer and more specific questions relating principally to the Existing Ordinary Shares held by persons resident in the United Kingdom who hold their Existing Ordinary Shares in certificated form only. If you are an Overseas Shareholder, you should read paragraph 6 of Part IV of this Circular and you should take professional advice as to whether you are eligible and/or you need to observe any formalities to enable you to take up your Open Offer Entitlements or apply for Excess Shares pursuant to the Excess Application Facility. If you hold your Existing Ordinary Shares in uncertificated form (that is, through CREST) you should read Part IV of this Circular for full details of what action you should take. If you are a CREST sponsored member, you should also consult your CREST sponsor.

The contents of this Circular should not be construed as legal, business, accounting, tax, investment or other professional advice. Each prospective investor should consult his, her or its own appropriate professional advisers for advice. This Circular is for your information only and nothing in this Circular is intended to endorse or recommend a particular course of action.

1. What is an open offer?

An open offer is a way for companies to raise money. Companies may do this by giving their existing shareholders a right to acquire further shares at a fixed price in proportion to their existing shareholdings (the open offer) and providing for new investors to acquire any shares not bought by the company's existing shareholders (the placing). The fixed price is normally at a discount to the market price of the existing ordinary shares prior to the announcement of the placing and open offer.

This Open Offer is an invitation by the Company to Qualifying Shareholders to apply to acquire an aggregate of up to 13,007,947 Open Offer Shares at a price of 4 pence per New Ordinary Share. If you hold Existing Ordinary Shares (provided that you hold 16 or more such shares) on the Record Date or have a *bona fide* market claim, other than, subject to certain exceptions, where you are a Shareholder with a registered address or located in the United States or another Excluded Territory, you will be entitled to apply for Open Offer Shares under the Open Offer.

The Open Offer is being made on the basis of 1 Open Offer Share for every 16 Existing Ordinary Shares held by Qualifying Shareholders on the Record Date. If your entitlement to Open Offer Shares is not a whole number, you will not be entitled to apply for an Open Offer Share in respect of any fraction of an Existing Ordinary Share and your entitlement will be rounded down to the nearest whole number. The resulting fractions of New Ordinary Shares will be aggregated and made available under the Excess Application Facility.

Open Offer Shares are being offered to Qualifying Shareholders in the Open Offer at a discount to the closing price on the last dealing day before the details of the Capital Raising were announced on 27 June 2014. The Issue Price of 4 pence per Open Offer Share represents a 41.8 per cent. discount to the closing middle market price of 6.875 pence per Existing Ordinary Share on 26 June 2014, the last business day before the announcement of the Placing and Open Offer. Considering this discount, and while the market value of an Existing Ordinary Share exceeds the Issue Price, the right to subscribe for Open Offer Shares is potentially valuable.

Applications by Qualifying Shareholders will be satisfied in full up to the amount of their individual Open Offer Entitlement. Qualifying Shareholders are also being given the opportunity, provided that they take up their Open Offer Entitlement in full, to apply for Excess Shares through the Excess Application Facility.

If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take-up of Open Offer Entitlements, such applications will be scaled back *pro rata* to the number of Excess Shares applied for by Qualifying Shareholders under the Excess Application Facility.

The number of available Open Offer Shares under the Excess Application Facility is dependent on the level of take-up of Open Offer Entitlements. Assuming that there is no Overseas Shareholder who has a registered address in, or is a resident in or a citizen of an Excluded Territory, and if every Qualifying Shareholder takes up their Open Offer Entitlements in full there will be no Open Offer Shares available under the Excess Application Facility.

Qualifying Shareholders should be aware that the Open Offer is not a rights issue. As such, Qualifying non-CREST Shareholders should also note that their Application Forms are not negotiable documents and cannot be traded. Qualifying CREST Shareholders should note that, although the Open Offer Entitlements and the Excess CREST Open Offer Entitlements will be admitted to CREST, they will have limited settlement capabilities (for the purposes of market claims only), and neither the Open Offer Entitlements nor the Excess CREST Open Offer Entitlements will be tradable or listed, and applications in respect of the Open Offer may only be made by the Qualifying Shareholders originally entitled or by a person entitled by virtue of a *bona fide* market claim.

2. What is a placing? Am I eligible to participate in the Placing?

A placing is where specific investors procured by a company's agents agree to acquire placed shares. The Placing Shares to be issued to Placees as part of the Capital Raising have been placed firm and are not being offered to Qualifying Shareholders and therefore do not form part of the Open Offer.

Unless you are a Placee, you will not participate in the Placing.

3. I hold my Existing Ordinary Shares in certificated form. How do I know whether I am able to acquire Open Offer Shares under the Open Offer?

If you receive an Application Form and, subject to certain exceptions, are not a holder with a registered address in or located in the United States or another Excluded Territory, then you should be eligible to acquire Open Offer Shares under the Open Offer, as long as you have not sold all of your Existing Ordinary Shares before close of business on 26 June 2014 (the time when the Existing Ordinary Shares are expected to be marked "ex-entitlement" by the London Stock Exchange).

4. I hold my Existing Ordinary Shares in certificated form. How do I know how many Open Offer Shares I am entitled to take up?

If you hold your Existing Ordinary Shares in certificated form and, subject to certain exceptions, do not have a registered address and are not located in the United States or another Excluded Territory, you have been sent an Application Form that shows:

- how many Existing Ordinary Shares you held at close of business on 26 June 2014 (the Record Date for the Open Offer);
- how many Open Offer Shares are comprised in your Open Offer Entitlement; and
- how much you need to pay if you want to take up your right to buy all your entitlement to the Open Offer Shares.

Subject to certain exceptions, if you have a registered address in the United States or one of the Excluded Territories, you will not receive an Application Form.

If you would like to apply for any of, all of or more than the Open Offer Shares comprised in your Open Offer Entitlement you should complete the Application Form in accordance with the instructions printed on it and the information provided in this Circular. Please return the completed form in the reply-paid envelope provided with the Application Form along with a cheque or banker's draft for the number of Open Offer Shares you want to apply for and allow at least four Business Days for delivery if sent by first class post from within the United Kingdom. Please also see questions 5 and 11 for further help in completing the Application Form.

5 I am a Qualifying Shareholder with a registered address in the UK and I hold my Existing Ordinary Shares in certificated form. What are my choices in relation to the Open Offer and what should I do with the Application Form?

5.1 If you want to take up all of your Open Offer Entitlement

If you want to take up all of the Open Offer Shares to which you are entitled, all you need to do is complete Boxes D and G on the Application Form, sign and send the Application Form, together with your cheque or banker's draft for the amount (as indicated in Box C of your Application Form), payable to CIS PLC re Camco Clean Energy PLC Open Offer and crossed "A/C payee only", by post to Computershare, Corporate Actions Projects, Bristol BS99 6AH or by hand (during normal business hours only) to Computershare, The Pavilions, Bridgwater Road, Bristol BS13 8AE to arrive by no later than 11 a.m. on 14 July 2014, after which time the Application Form will not be valid. Within the United Kingdom only, you can use the accompanying reply-paid envelope. You should allow at least four Business Days for delivery if using first-class post within the United Kingdom. If posting from outside the United Kingdom, postage will be payable when using the reply-paid envelope.

Full instructions are set out in the Application Form. A definitive share certificate will then be sent to you for the Open Offer Shares that you take up. Your definitive share certificate for Open Offer Shares is expected to be despatched to you by no later than 24 July 2014.

5.2 If you want to take up some but not all of your Open Offer Entitlement

If you want to take up some but not all of the Open Offer Shares to which you are entitled, you should write the number of Open Offer Shares you want to take up in Box D of your Application Form; for example, if you are entitled to take up 100 shares but you only want to take up 50 shares, then you should write '50' in Box D.

To work out how much you need to pay for the Open Offer Shares, you need to multiply the number of Open Offer Shares you want (in this example '50') by £0.04, which is the price in pounds of each Open Offer Share (giving you an amount of £2 in this example). You should write this amount in Box G, rounding down to the nearest whole penny and this should be the amount your cheque or banker's draft is made out for. You should then sign and return your Application Form together with your cheque or banker's draft for that amount, payable to CIS PLC re Camco PLC Open Offer and crossed "A/C payee only", by post to Computershare, Corporate Actions Projects, Bristol, BS99 6AH, or by hand (during normal business hours only) to Computershare, The Pavilions, Bridgwater Road, Bristol, BS13 8AE, to arrive by no later than 11 a.m. on 14 July 2014, after which time the Application Form will not be valid. Within the United Kingdom only, you can use the accompanying reply-paid envelope. You should allow at least four Business Days for delivery if using first-class post or the reply-paid envelope within the United Kingdom. If posting from outside the United Kingdom, postage will be payable when using the reply-paid envelope. Full instructions are set out in Part III of this Circular and will be set out in the Application Form.

A definitive share certificate will then be sent to you for the Open Offer Shares that you take up. Your definitive share certificate for Open Offer Shares is expected to be despatched to you by no later than 24 July 2014.

5.3 If you want to apply for more than your Open Offer Entitlement

Provided that you have agreed to take up your Open Offer Entitlement in full, you can apply for further Open Offer Shares using the Excess Application Facility. You should write the number of Open Offer Shares you wish to take up, in Box D which must be the number of Open Offer Shares shown in Box B. You should then write the number of Open Offer Shares you wish to apply for under the Excess Application Facility in Box E and then complete Box F by adding together the numbers you have entered in Boxes B and E.

To work out how much you need to pay for the Open Offer Shares, you need to multiply the number of Open Offer Shares shown in Box F by £0.04, which is the price in pounds of each Open Offer Share. You should write this amount in Box G, rounding down to the nearest whole penny. You should then return your Application Form together with your cheque or banker's draft for that amount, payable to CIS PLC re Camco Clean Energy PLC Open Offer and crossed "A/C payee only", by post to Computershare, Corporate Actions Projects, Bristol, BS99 6AH, or by hand (during normal business hours only) to Computershare, The Pavilions, Bridgwater Road, Bristol, BS13 8AE, to arrive by no later than 11 a.m. on 14 July 2014, after which time the Application Form will not be valid. Within the United Kingdom only, you can use the accompanying reply-paid envelope. You should allow at least four Business Days for delivery if using first-class post or the reply-paid envelope within the United Kingdom. If posting from outside the United Kingdom, postage will be payable when using the reply-paid envelope. Full instructions are set out in the Application Form.

If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take-up of Open Offer Entitlements, such applications will be scaled back *pro rata* to the number of Excess Shares applied for by Qualifying Shareholders under the Excess Application Facility. Therefore, applications under the Excess Application Facility may not be satisfied in full. In this event Qualifying Shareholders will receive a pounds sterling amount equal to the number of Open Offer Shares applied and paid for by, but not allocated to, the relevant Qualifying Shareholder, multiplied by the Issue Price. Monies will be returned as soon as reasonably practicable, without payment of interest and at the Applicant's sole risk.

A definitive share certificate will be sent to you for the Open Offer Shares that you take up and otherwise successfully apply for using the Excess Application Facility. Your definitive share certificate for Open Offer Shares is expected to be despatched to you by no later than 24 July 2014.

5.4 If you do not want to take up your Open Offer Entitlement

If you do not want to take up the Open Offer Shares to which you are entitled, you do not need to do anything. In these circumstances, you will not receive any Open Offer Shares. You will also not receive any money when the Open Offer Shares you could have taken up are placed, as would happen under a rights issue.

If you do not take up your Open Offer Entitlement then, following the issue of the Open Offer Shares pursuant to the Open Offer (assuming a full take up under the Open Offer), your interest in the Company will be diluted by approximately 6.2 per cent. If you do take up your Open Offer Entitlement in full, your interest in the Company will be diluted by approximately 12 per cent. as a result of the Placing.

6. I hold my Existing Ordinary Shares in uncertificated form in CREST. What do I need to do in relation to the Open Offer?

CREST members should follow the instructions set out in Part IV of this Circular. Persons who hold Existing Ordinary Shares through a CREST member should be informed by such CREST member of the number of Open Offer Shares they are entitled to take up or apply for under their Open Offer Entitlement and their Excess CREST Open Offer Entitlement respectively, and should contact their CREST member should they not receive this information.

7. I acquired my Existing Ordinary Shares prior to the Record Date and hold my Existing Ordinary Shares in certificated form. What if I do not receive an Application Form or I have lost my Application Form?

If you do not receive an Application Form but hold your Existing Ordinary Shares in certificated form, this probably means that you are not able to acquire Open Offer Shares under the Open Offer. Some Qualifying non-CREST Shareholders, however, will not receive an Application Form but may still be eligible to acquire New Ordinary Shares under the Open Offer, namely:

- Qualifying CREST Shareholders who held their Existing Ordinary Shares in uncertificated form on 26 June 2014 and who have converted them to certificated form prior to 4.30 p.m. on 8 July 2014;
- Shareholders who bought Existing Ordinary Shares before or on 26 June 2014 and who hold such ordinary shares in certificated form but were not registered as the holders of those shares at the close of business on 26 June 2014; and
- certain Overseas Shareholders.

If you do not receive an Application Form but think that you should have received one or you have lost your Application Form, please contact the Shareholder helpline on 0870 707 4040. Calls may be recorded and randomly monitored for security and training purposes. Please note the Registrar cannot provide financial or taxation advice or comment on the merits of the Open Offer or as to whether applicants should take up their Open Offer Entitlement.

8. If I buy Existing Ordinary Shares after the Record Date will I be eligible to participate in the Open Offer?

If you bought Existing Ordinary Shares after the Record Date you are unlikely to be able to participate in the Open Offer, as the Existing Ordinary Shares are expected to start trading ex-entitlement on the London Stock Exchange at 8.00 a.m. on 27 June 2014.

If you are in any doubt, please consult your stockbroker, bank or other appropriate financial adviser, or whoever arranged your share purchase, to ensure you claim your entitlement.

If you buy Existing Ordinary Shares at or after 8.00 a.m. on 27 June 2014, you will not be eligible to participate in the Open Offer in respect of those Existing Ordinary Shares.

9. What if I change my mind?

Once you have sent your Application Form and payment to the Receiving Agent, you cannot withdraw your application or change the number of Open Offer Shares you have applied for.

10. What if the number of Open Offer Shares to which I am entitled is not a whole number? Am I entitled to fractions of Open Offer Shares?

Your entitlement to Open Offer Shares will be calculated at the Record Date. If the result is not a whole number, you will not receive an Open Offer Share in respect of the fraction of each Existing Ordinary Share and your entitlement will be rounded down to the nearest whole number. The resulting fractions of New Ordinary Shares will be aggregated and made available under the Excess Application Facility.

11. I hold my Existing Ordinary Shares in certificated form. What should I do if I want to spend more or less than the amount set out in Box C of the Application Form?

If you want to spend more than the amount set out in Box C you should divide the amount you want to spend by £0.04 (being the price in pounds of each Open Offer Share under the Open Offer). This will give

you the number of Open Offer Shares for which you should apply. You can only apply for a whole number of Open Offer Shares. For example, if you want to spend £50 you should divide £50 by £0.04, which comes to 1,250. Write the total number of Open Offer Shares (in this example 1,250) in Box F. To get an accurate amount to put on your cheque or banker's draft, you should multiply the whole number of Open Offer Shares you want to apply for (1,250) by £0.04 and then fill in that amount rounded down to the nearest whole penny (in this example being £50), in Box G and on your cheque or banker's draft accordingly.

You should note that the number of available Open Offer Shares under the Excess Application Facility is dependent on the level of take-up of Open Offer Entitlements. If applications are received for more than the available number of Open Offer Shares, applications made under the Excess Application Facility will be scaled back pro rata to the number of Excess Shares applied for by Qualifying Shareholders. Assuming that there are no Overseas Shareholders who have registered addresses in, or are residents in or citizens of an Excluded Territory, and if every Qualifying Shareholder takes up their Open Offer Entitlements in full there will be no Open Offer Shares available under the Excess Application Facility. Qualifying non-CREST Shareholders whose applications under the Excess Application Facility are so scaled back will receive a pounds sterling amount equal to the number of Open Offer Shares applied and paid for by, but not allocated to, them multiplied by the Issue Price. Monies will be returned as soon as reasonably practicable, without payment of interest and at the Applicant's sole risk.

If you want to spend less than the amount set out in Box C, you should divide the amount you want to spend by £0.04 (being the price, in pounds, of each Open Offer Share under the Open Offer). This will give you the number of Open Offer Shares you should apply for. You can only apply for a whole number of Open Offer Shares.

12. I hold my Existing Ordinary Shares in certificated form. What should I do if I have sold some or all of my Existing Ordinary Shares?

If you hold shares in the Company directly and you sell some or all of your Existing Ordinary Shares before close of business on 26 June 2014, you should contact the buyer or the person/company through whom you sell your shares. The buyer may be entitled to apply for Open Offer Shares under the Open Offer. If you sell any of your Existing Ordinary Shares after close of business on 26 June 2014, you may still take up and apply for the Open Offer Shares as set out on your Application Form.

13. I hold my Existing Shares in certificated form. How do I pay?

You should return your Application Form with a cheque or banker's draft drawn in pounds sterling on a UK bank or building society account in the accompanying reply-paid envelope (from within the United Kingdom). You should allow at least four Business Days for delivery if using first-class post within the United Kingdom. Cheques should be drawn on a personal account of the Qualifying Shareholder who is applying for the Open Offer Shares or you may be required to supply additional documentation to satisfy Money Laundering Regulations. The funds should be made payable to CIS PLC re Camco Clean Energy PLC Open Offer. In each case, the cheque should be crossed "A/C Payee only". Payments via CHAPS, BACS or electronic transfer will not be accepted.

14. Will the Existing Ordinary Shares that I hold now be affected by the Open Offer?

If you decide not to apply for any of the Open Offer Shares to which you are entitled under the Open Offer, or only apply for some of your entitlement, your proportionate ownership and voting interest in the Company will be reduced.

15. I hold my Existing Ordinary Shares in certificated form. Where do I send my Application Form?

You should send your completed Application Form and monies in the accompanying reply-paid envelope (from within the United Kingdom) by post to: Computershare Investor Services PLC, Corporate

Actions Projects Bristol, BS99 6AH, or by hand (during normal business hours only) to Computershare. The Pavilions, Bridgwater Road, Bristol BS13 8AE. You should allow at least four Business Days for delivery if using first class post within the United Kingdom.

If you do not want to take up or apply for Open Offer Shares then you need take no further action.

16. I hold my Existing Ordinary Shares in certificated form. When do I have to decide whether I want to apply for Open Offer Shares?

The Receiving Agent must receive your completed Application Form and cheque or banker's draft by 11 a.m. on 14 July 2014. You should allow at least four Business Days for delivery if using first-class post or the reply-paid envelope included with the Application Form, within the United Kingdom.

17. I hold my Existing Ordinary Shares in certificated form. If I take up my entitlements, when will I receive the certificate representing my Open Offer Shares?

It is expected that the Registrar will post all new share certificates by 24 July 2014.

18. What should I do if I think my holding of Existing Ordinary Shares (as shown in Box A on page 1 of the Application Form) is incorrect?

If you bought or sold Existing Ordinary Shares shortly before the Record Date, your transaction may not have been entered on the register of members before the Record Date for the Open Offer. If you bought Existing Ordinary Shares before close of business on 26 June 2014 but were not registered as the holder of those shares on the Record Date for the Open Offer (26 June 2014), you may still be eligible to participate in the Open Offer. If you are in any doubt, please contact your stockbroker, bank or other appropriate financial adviser, or whoever arranged your share purchase, to ensure that you claim your entitlement. You will not be entitled to Open Offer Entitlements in respect of any Existing Ordinary Shares acquired on or after 26 June 2014.

19. Will the Placing and Open Offer affect dividends on the Existing Ordinary Shares?

The New Ordinary Shares will, when issued and fully paid, rank equally in all respects with Existing Ordinary Shares, including the right to receive all dividends or other distributions made, paid or declared, if any, by reference to a record date after the date of their issue.

20. What should I do if I live outside the United Kingdom?

Your ability to apply to acquire Open Offer Shares may be affected by the laws of the country in which you live and you should take professional advice as to whether you require any governmental or other consents or need to observe any other formalities to enable you to take up your Open Offer Entitlement. Shareholders with registered addresses or who are located in the United States or another Excluded Territory are, subject to certain exceptions, not eligible to participate in the Open Offer. Your attention is drawn to the information in paragraph 6 of Part IV of this Circular.

21. How do I transfer my entitlements into the CREST system?

If you are a Qualifying non-CREST Shareholder, but are a CREST member and want your Open Offer Shares to be in uncertificated form, you would complete the CREST deposit form (Box O on page 4 of the Application Form), and ensure they are delivered to CCSS to be received by 3 p.m. on 9 July 2014 at the latest. CREST sponsored members should arrange for their CREST sponsors to do this.

If you have transferred your rights into the CREST system, you should refer to Part III of this Circular for details on how to pay for the Open Offer Shares.

22. Do I need to comply with the Money Laundering Regulations (as set out in paragraph 5 of Part IV of this Circular)?

If you are a Qualifying non-CREST Shareholder, you do not need to follow these procedures if the value of the Open Offer Shares you are acquiring is less than €15,000 (or its pounds sterling equivalent) or if you pay for them by a cheque drawn on an account in your own name and that account is one which is held with an EU or United Kingdom regulated bank or building society. If you are a Qualifying CREST Shareholder, you will not generally need to comply with the Money Laundering Regulations unless you apply to take up all or some of your entitlement to Open Offer Entitlements as agent for one or more persons and you are not an EU or United Kingdom regulated financial institution.

Qualifying non-CREST Shareholders should refer to paragraph 5.1 of Part IV of this Circular and Qualifying CREST Shareholders should refer to paragraph 5.2 of Part IV of this Circular for a fuller description of the requirements of the Money Laundering Regulations.

23. Further assistance

Should you require further assistance please call the Shareholder helpline on 0870 707 4040 (from inside the United Kingdom), or +44 870 707 4040 (from outside the United Kingdom), which is available between the hours of 8.30 a.m. to 5.30 p.m. on any Business Day. Calls to the helpline cost approximately 10 pence per minute (including value added tax) plus your service provider's network extras. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones. Please note that, for legal reasons, the Shareholder helpline is only able to provide information contained in this Circular and information relating to Camco's register of members and is unable to give advice on the merits of the Open Offer or to provide legal, business, accounting, tax, investment or other professional advice. Calls may be recorded and randomly monitored for security and training purposes.

Part IV – Terms and conditions of the Open Offer

Open Offer of up to 13,007,947 New Ordinary Shares at a price of 4 pence per Share

1. Introduction

As explained in Part I of this Circular, the Company is proposing to issue up to 13,007,947 New Ordinary Shares pursuant to the Open Offer to raise up to £0.5 million, net of expenses and assuming a full take up under the Open Offer. Upon completion of the Open Offer, assuming a full take up under the Open Offer, the Open Offer Shares will represent approximately 5.3 per cent. of the Enlarged Share Capital (assuming a full take up under the Open Offer). Qualifying Shareholders are being offered the opportunity under the Open Offer to acquire New Ordinary Shares at the Issue Price, being the same price per share as they are being offered to Placees under the Placing. The Placing Shares have been placed with institutional and other investors at the Issue Price and are not being offered to Shareholders and do not form part of the Open Offer. A summary of the Placing and Open Offer Agreement is set out in paragraph 5 of Part V of this Circular.

The Issue Price of the New Ordinary Shares represents a discount of 41.8 per cent. to the closing middle market price of 6.875 pence per Existing Ordinary Share on 26 June 2014 (being the latest practicable date prior to publication of this Circular).

This Circular and, where relevant, the accompanying Application Form contain the formal terms and conditions of the Open Offer.

2. The Open Offer

Subject to the terms and conditions set out below and, where relevant, in the Application Form, the Company hereby invites Qualifying Shareholders to apply for Open Offer Shares at the Issue Price, payable in full in cash on application, free of all expenses, on the basis of:

- (a) 1 Open Offer Shares for every 16 Existing Ordinary Shares held by them and registered in their names at the close of business on the Record Date and so in proportion for any other number of Existing Ordinary Shares then held; and
- (b) further Open Offer Shares in excess of their Open Offer Entitlement through the Excess Application Facility (although such Open Offer Shares will only be allotted to the extent that not all Qualifying Shareholders apply for their Open Offer Entitlement in full).

Holdings of Existing Ordinary Shares in both certificated and uncertificated form will be treated as separate holdings for the purpose of calculating entitlements under the Open Offer.

Fractions of New Ordinary Shares will not be allocated to Qualifying Shareholders and entitlements to apply for Open Offer Shares will be rounded down to the nearest whole number of New Ordinary Shares. New Ordinary Shares representing the aggregate of fractional entitlements will be made available under the Excess Application Facility.

Qualifying Shareholders may apply for any whole number of New Ordinary Shares up to their Open Offer Entitlement, which, in the case of Qualifying non-CREST Shareholders, is equal to the number of Open Offer Entitlements as shown on their Application Form or, in the case of Qualifying CREST Shareholders, is equal to the number of Open Offer Entitlements standing to the credit of their stock account in CREST and, if they so wish, may apply for Open Offer Shares in excess of their Open Offer Entitlement. Accordingly, applications in excess of the Open Offer Entitlements will only be satisfied to the extent that applications made by other Qualifying Shareholders are for less than their full Open Offer Entitlement and may therefore be scaled down *pro rata* to the number of Excess Shares applied for under the Open Offer, or otherwise at the absolute discretion of the Company. Any monies paid for applications in excess of their Open Offer Entitlements which are not so satisfied will be returned to the Applicant without interest within 14 days by way of cheque or CREST payment, as appropriate. The action to be taken in relation to the Open Offer depends on whether, at the time at which application and payment is made,

you have an Application Form in respect of your entitlement under the Open Offer or have Open Offer Entitlements credited to your stock account in CREST in respect of such entitlement.

Not all Shareholders will be Qualifying Shareholders. Overseas Shareholders who are located in, or who are citizens of, or have a registered address in certain overseas jurisdictions (including, without limitation, any Excluded Territory) will not qualify to participate in the Open Offer. The attention of Overseas Shareholders or any person (including, without limitation, a custodian, nominee or trustee) who has a contractual or other legal obligation to forward this Circular into a jurisdiction other than the United Kingdom is drawn to paragraph 6 of this Part IV.

If you have received an Application Form with this Circular please refer to paragraph 4 of this Part IV.

If you hold your Existing Ordinary Shares in CREST and have received a credit of Open Offer Entitlements to your CREST stock account, please refer to paragraph 4 of this Part IV and also to the CREST Manual for further information on the CREST procedures referred to below.

The Open Offer Shares will be issued fully paid and will be identical to, and rank *pari passu* in all respects with, the Existing Ordinary Shares and the New Ordinary Shares to be issued pursuant to the Placing and will rank for all dividends or other distributions declared, made or paid after the date of issue of the Open Offer Shares. No temporary documents of title will be issued.

Application will be made to the London Stock Exchange for the Open Offer Shares and the Placing Shares to be admitted to trading on AIM. It is expected that Admission will become effective on 16 July 2014 and that dealings for normal settlement in the New Ordinary Shares will commence at 8.00 a.m. on 16 July 2014. It is expected that the results of the Placing and Open Offer will be announced by 8 a.m. on 15 July 2014.

Shareholders should be aware that the Open Offer is not a rights issue. Entitlements to Open Offer Shares will neither be tradeable nor sold in the market for the benefit of Qualifying Shareholders who do not apply for them in the Open Offer.

Qualifying CREST Shareholders should note that although the Open Offer Entitlements and Excess Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of entitlements under the Open Offer may only be made by the Qualifying CREST Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim raised by Euroclear's Claims Processing Unit. Qualifying non-CREST Shareholders should note that the Application Form is not a negotiable document and cannot be traded.

Before making any decision to acquire Open Offer Shares, you are asked to read and carefully consider all of the information in this Circular, including in particular the important information set out in the letter from the Chairman of the Company in Part I of this Circular, as well as this paragraph 2 of this Part IV and the Risk Factors set out in Part II of this Circular. Shareholders who do not participate in the Open Offer will be subject to a more substantial dilution of their existing Camco Clean Energy PLC shareholdings. The material terms of the Open Offer are contained in paragraph 5.3 of Part I of this Circular.

3. Conditions of the Open Offer

The Open Offer is conditional, *inter alia*, upon:

- (a) the passing of the Resolution;
- (b) the Placing and Open Offer Agreement becoming unconditional in all respects (other than Admission) and having not been terminated in accordance with its terms; and
- (c) Admission of the Placing Shares and Open Offer Shares becoming effective by not later than 8.00 a.m. on 16 July 2014 (or such later time and/or date as N+1 Singer may agree, being not later than 8 a.m. on 30 July 2014).

Further details of the Placing and Open Offer Agreement are set out in paragraph 5 of Part V of this Circular. Further terms of the Open Offer are set out in this Part I and in the Application Form.

If the Placing and Open Offer Agreement does not become unconditional in all respects by 8.00 a.m. on 30 July 2014 or if it is terminated in accordance with its terms, the Open Offer will be revoked and will not proceed. Revocation cannot occur after dealings in the New Ordinary Shares have begun.

4. Procedure for application and payment

Save as provided in paragraph 6 of this Part IV in relation to Overseas Shareholders, the action to be taken by you in respect of the Open Offer depends on whether at the relevant time you have an Application Form in respect of your Open Offer Entitlements, including the Excess Application Facility, or you have Open Offer Entitlements and Excess Open Offer Entitlements credited to your CREST account in respect of such entitlements.

Qualifying Shareholders who hold part of their Existing Ordinary Shares in uncertificated form on the Record Date will be allotted Open Offer Shares in uncertificated form to the extent that their entitlement to Open Offer Shares arises as a result of holding Existing Ordinary Shares in uncertificated form. Further information on deposit into CREST is set out in paragraph 4 of this Part IV.

CREST sponsored members should refer to their CREST sponsor, as only their CREST sponsor will be able to take the necessary action specified below to apply under the Open Offer in respect of the Open Offer Entitlements and Excess CREST Open Offer Entitlements of such members held in CREST. CREST members who wish to apply under the Open Offer in respect of their Open Offer Entitlements in CREST should refer to the CREST manual for further information on the CREST procedures referred to below.

4.1 Action to be taken if you have an Application Form in respect of your entitlement under the Open Offer

(a) General

Each Qualifying non-CREST Shareholder will have received an Application Form accompanying this Circular. The Application Form shows the number of Existing Ordinary Shares registered in the relevant Qualifying non-CREST Shareholder's name at the close of business on the Record Date. It also shows the number of Open Offer Shares for which such relevant Qualifying non-CREST Shareholder is entitled to apply under the Open Offer, calculated on the basis set out in paragraph 2 above. Qualifying non-CREST Shareholders may also apply for less than their maximum Open Offer Entitlements.

The Excess Application Facility enables Qualifying Shareholders who have taken up their full Open Offer Entitlement to apply for Open Offer Shares in excess of their Open Offer Entitlement. Applications in excess of the Open Offer Entitlement will only be satisfied to the extent that applications made by other Qualifying Shareholders are less than their full Open Offer Entitlements and may therefore be scaled down.

Fractions (if any) of Open Offer Shares will be made available under the Excess Application Facility. The instructions and other terms which are set out in the Application Form constitute part of the terms of the Open Offer.

(b) Procedure for application

Applications for Open Offer Shares (including under the Excess Application Facility) by Qualifying non-CREST Shareholders may only be made on the Application Form, which is personal to the Qualifying non-CREST Shareholder(s) named on it and is not capable of being split, assigned or transferred except in the circumstances described below.

Qualifying non-CREST Shareholders may also apply for Excess Shares in excess of their *pro rata* entitlement to Open Offer Shares by completing Boxes E and F of the Application Form for the total number of Open Offer Shares for which they wish to make application (including their *pro rata* entitlement) and submitting the amount payable on such application. Further details on the Excess Application Facility are set out in paragraph 5.3 of this Part III.

A Qualifying non-CREST Shareholder who does not wish to apply for any of the Open Offer Shares to which he or she is entitled should not return a completed Application Form to the Receiving Agents. **However, he or she is strongly encouraged to still complete and return the Form of Proxy to the Registrars.**

The Application Form represents a right personal to the Qualifying non-CREST Shareholder to apply to subscribe for Open Offer Shares (including under the Excess Application Facility); it is not a document of title and it cannot be traded. It is assignable or transferable only to satisfy *bona fide* market claims in relation to purchases in the market pursuant to the rules and regulations of the London Stock Exchange. Application Forms may be split up to 3 p.m. on 10 July 2014 but only to satisfy such *bona fide* market claims. Qualifying non-CREST Shareholders who have before the 'ex' date sold or transferred all or part of their shareholdings are advised to consult their stockbroker, bank or agent through whom the sale or transfer was effected or another professional adviser authorised under the FSMA as soon as possible, since the invitation to apply for Open Offer Shares (including under the Excess Application Facility) may represent a benefit which can be claimed from them by the purchaser(s) or transferee(s) under the rules of the London Stock Exchange.

Qualifying non-CREST Shareholders who submit a valid application using the Application Form and accompanying payment will (subject to the terms and conditions set out in this Part IV, in the letter from the Chairman of the Company in Part I and in the Application Form) be allocated the Open Offer Shares applied for in full at the Issue Price (subject to the Company's discretion to accept, reject or scale back any application for any Open Offer Shares).

Applications will be irrevocable and, once submitted, may not be withdrawn and their receipt will not be acknowledged. The Company reserves the right to treat any application not strictly complying with the terms and conditions of application as nevertheless valid.

The Company may in its sole discretion, but shall not be obliged to, treat an Application Form as valid and binding on the person by whom or on whose behalf it is lodged, even if not completed in accordance with the relevant instructions or not accompanied by a valid power of attorney where required, or if it otherwise does not strictly comply with the terms and conditions of the Open Offer. The Company further reserves the right (but shall not be obliged) to accept either:

- (i) Application Forms received after 11 a.m. on 14 July 2014; or
- (ii) applications in respect of which remittances are received before 11 a.m. on 14 July 2014 from authorised persons (as defined in FSMA) specifying the Open Offer Shares applied for and undertaking to lodge the Application Form in due course but, in any event, within two Business Days.

Multiple applications will not be accepted. All documents and remittances sent by post by or to an Applicant (or as the Applicant may direct) will be sent at the Applicant's own risk.

If Open Offer Shares have already been allotted to a Qualifying non-CREST Shareholder and such Qualifying non-CREST Shareholder's cheque or banker's draft is not honoured upon first presentation or such Qualifying non-CREST Shareholder's application is subsequently otherwise deemed to be invalid, the Company shall arrange (in its absolute discretion as to manner, timing and terms) to make arrangements for the sale of such Qualifying non-CREST

Shareholder's Open Offer Shares and for the proceeds of sale (which for these purposes shall be deemed to be payments in respect of successful applications) to be paid to and retained by the Company. None of the Registrar, the Company or any other person shall be responsible for, or have any liability for, any loss, expense or damage suffered by such Qualifying non-CREST Shareholders.

If you are a Qualifying non-CREST Shareholder and wish to apply for all or part of the Open Offer Shares to which you are entitled (including any application for any Excess Shares under the Excess Application Facility) you should complete and sign the Application Form in accordance with the instructions printed on it and return it, either by post to Computershare, Corporate Actions Projects, Bristol, BS99 6AH or by hand (during normal business hours only) to Computershare, The Pavilions, Bridgwater Road, Bristol, BS13 8AE, together with a pounds sterling cheque or banker's draft to the value of the Open Offer Shares applied for on the Application Form, as soon as practicable and, in any event, so as to be received not later than 11 a.m. on 14 July 2014, after which time Application Forms will not be accepted. The cheque or banker's draft must be drawn on a United Kingdom branch of a qualifying bank or building society, as further described below. Your Application Form will not be valid unless you sign it. If you post your Application Form by first class post in the UK, or in the accompanying reply-paid envelope, you are advised to allow at least four Business Days for delivery.

The Company reserves the right (but shall not be obliged) to accept applications in respect of which remittances are received prior to 11 a.m. on 14 July 2014 from an authorised person (as defined in the FSMA) specifying the Open Offer Shares concerned and undertaking to lodge the relevant Application Form in due course.

(c) Payments

Cheques must be drawn on the personal account to which you have sole or joint title to the funds. Your cheque or banker's draft should be made payable to CIS PLC re Camco Clean Energy PLC Open Offer and crossed "A/C Payee only". Payments must be made by cheque or banker's draft in pounds sterling drawn on an account at a branch (which must be in the United Kingdom, the Channel Islands or the Isle of Man) of a bank or building society which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through facilities provided by either of these companies and must bear the appropriate sorting code in the top right-hand corner. Third party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed on the back of the building society cheque or banker's draft the name of the account holder (which must be the same name as printed on the Application Form) and their title to funds by stamping and endorsing the building society cheque/banker's draft to such effect. Any application or purported application may be rejected unless these requirements are fulfilled. Post-dated cheques will not be accepted.

Cheques or banker's drafts will be presented for payment upon receipt. The Company reserves the right to instruct the Receiving Agent to seek special clearance of cheques and banker's drafts to allow the Company to obtain value for remittances at the earliest opportunity (and withhold definitive share certificates (or crediting to the relevant member account, as applicable) pending clearance thereof). No interest will be paid on payments made before they are due. It is a term of the Open Offer that cheques shall be honoured on first presentation and the Company may elect to treat as invalid applications in respect of which cheques are not so honoured. All documents, cheques and banker's drafts sent through the post will be sent at the risk of the sender. Payments via CHAPS, BACS or electronic transfer will not be accepted.

If cheques or banker's drafts are presented for payment before the conditions of the Open Offer are fulfilled, the application monies will be credited to a non-interest bearing account by the Receiving Agent. If the Open Offer does not become unconditional, no Open Offer

Shares will be issued and all monies will be returned (at the Applicant's sole risk), without payment of interest, to Applicants as soon as practicable following the lapse of the Open Offer.

The Company shall as soon as practicable following 14 July 2014 refund any payment received with respect to an application for a number of Open Offer Shares in respect of an Open Offer Entitlement which has been rejected in whole or in part by the Company.

(d) The Excess Application Facility

The Excess Application Facility enables Qualifying Shareholders who have taken up their Open Offer Entitlement to apply for Open Offer Shares.

Qualifying non-CREST Shareholders who wish to apply for Open Offer Shares in excess of their Open Offer Entitlement must complete the Application Form in accordance with the instructions set out on the Application Form.

Should the Open Offer become unconditional and applications for Open Offer Shares exceed the 13,007,947 Open Offer Shares being made available to Qualifying Shareholders as a result of applications made in respect of the Excess Application Facility, resulting in a scaling back of applications, each Qualifying non-CREST Shareholder who has made a valid application for Open Offer Shares under the Excess Application Facility and from whom payment in full for such Open Offer Shares has been received in cleared funds will receive a pounds sterling amount equal to the number of Open Offer Shares applied and paid for under the Excess Application Facility but not allocated to the relevant Qualifying non-CREST Shareholder multiplied by the Issue Price. Monies will be returned as soon as reasonably practicable, without payment of interest and at the Applicant's sole risk.

Fractions of Open Offer Shares will not be issued under the Excess Application Facility and fractions of Open Offer Shares will be rounded down to the nearest whole number.

(e) Effect of application

By completing and delivering an Application Form you (as the Applicant(s)):

- (i) agree that your application, the acceptance of your application and the contract resulting therefrom under the Open Offer shall be governed by, and construed in accordance with, the laws of England and Wales;
- (ii) confirm that in making the application you are not relying on any information or representation other than those contained in this Circular and the Application Form and you, accordingly, agree that no person responsible solely or jointly for this Circular or any part of it shall have any liability for any information or representation not contained in this Circular and that having had the opportunity to read this Circular you will be deemed to have notice of all the information concerning the Group contained within this Circular;
- (iii) represent and warrant that you are not citizen(s) or resident(s) of an Excluded Territory or any other jurisdiction in which the application for Open Offer Shares is prevented by law and are not applying on behalf of, or with a view to the re-offer, re-sale or delivery of Open Offer Shares directly or indirectly in, into or within an Excluded Territory or to a resident of an Excluded Territory or to any person you believe is purchasing or subscribing for the purpose of such re-offer, re-sale or delivery;
- (iv) represent and warrant that you are not otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of such person(s) on a non-discretionary basis; and

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- (v) will also be asked whether or not you can represent and warrant as follows: (i) you have not received the Application Form or any other document relating to the Open Offer in an Excluded Territory, nor have you mailed, transmitted or otherwise distributed or forwarded any such document in or into an Excluded Territory; (ii) you are not and were not located in an Excluded Territory at the time you accepted the Application Form or at the time you returned the Application Form; and (iii) if you are acting in a fiduciary, agency or other capacity as an intermediary, then either (A) you have full investment discretion with respect to the Open Offer Shares covered by the Application Form or (B) the person on whose behalf you are acting was located outside an Excluded Territory at the time he or she instructed you to submit the Application Form.

If you are unable to provide such representations and warranties you will be deemed not to have validly submitted an application for Open Offer Shares, save in the discretion of the Company and subject to certain conditions.

You should note that applications will be irrevocable. The Company reserves the right (but shall not be obliged) to treat any application not strictly complying in all respects with the terms and conditions of application as nevertheless valid. If you do not wish to apply for Open Offer Shares under the Open Offer you should not complete or return the Application Form.

If you have any questions relating to the procedure for acceptance, please telephone Computershare between 8.30 a.m. and 5 p.m. Monday to Friday (except UK public holidays) on 0870 707 4040 from within the UK or +44 870 707 4040 if calling from outside the UK. Calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Proposals nor give any financial, legal or tax advice.

4.2 Action to be taken if you have Open Offer Entitlements and Excess Open Offer Entitlements credited to your stock account in CREST in respect of your entitlement under the Open Offer

(a) General

Save as provided in paragraph 6 of this Part IV in relation to certain Overseas Shareholders, each Qualifying CREST Shareholder will receive a credit to his stock account in CREST of his Open Offer Entitlements equal to the number of Open Offer Shares to which he is entitled under the Open Offer. Qualifying CREST Shareholders may also apply for Open Offer Shares in excess of their Open Offer Entitlement under the Excess Application Facility. Further details of Excess Offer Entitlements can be found in paragraph 5.3 of this Part IV.

The CREST stock account to be credited will be an account under the Participant ID and Member ID that apply to the Existing Ordinary Shares held on the Record Date by the Qualifying CREST Shareholder in respect of which the Open Offer Entitlements and Excess Open Offer Entitlements have been allocated.

If for any reason the Open Offer Entitlements cannot be admitted to CREST by, or the stock accounts of Qualifying CREST Shareholders cannot be credited by, 8 a.m. or such later time as the Company may decide, on 30 June 2014, an Application Form will be sent out to each Qualifying CREST Shareholder in substitution for the Open Offer Entitlements and Excess Open Offer Entitlements credited to his stock account in CREST. In these circumstances the expected timetable as set out in this Circular will be adjusted as appropriate and the provisions of this Circular applicable to Qualifying non-CREST Shareholders with Application Forms will apply to Qualifying CREST Shareholders who receive Application Forms.

Qualifying CREST Shareholders who wish to apply for some or all of their entitlements to Open Offer Shares (including any applications for Excess CREST Open Offer Entitlements) should refer to the CREST Manual for further information on the CREST procedures referred to below. If you have any questions relating to the procedure for acceptance, please telephone Computershare between 8.30 a.m. and 5 p.m. Monday to Friday (except UK public holidays) on 0870 707 4040 from within the UK or +44 870 707 4040 if calling from outside the UK. Calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice. If you are a CREST sponsored member you should consult your CREST sponsor if you wish to apply for Open Offer Shares as only your CREST sponsor will be able to take the necessary action to make this application in CREST.

(b) Procedure for application and payment

The Open Offer Entitlements and Excess Open Offer Entitlements will have a separate ISIN and constitute a separate security for the purposes of CREST. Although Open Offer Entitlements and Excess Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of Open Offer Entitlements and Excess Open Offer Entitlements may only be made by the Qualifying CREST Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim transaction. Transactions identified by the CREST Claims Processing Unit as "cum" the Open Offer Entitlement will generate an appropriate market claim transaction and the relevant Open Offer Entitlement(s) and Excess Open Offer Entitlement(s) will thereafter be transferred accordingly.

(c) USE instructions

Qualifying CREST Shareholders who wish to apply for Open Offer Shares in respect of all or some of their Open Offer Entitlements and Excess Open Offer Entitlements in CREST must send (or if they are CREST sponsored members, procure that their CREST sponsor sends) an Unmatched Stock Event (**USE**) instruction to Euroclear which, on its settlement, will have the following effect:

- (i) the crediting of a stock account of the Receiving Agent under the Participant ID and Member Account ID specified below, with the number of Open Offer Entitlements or Excess CREST Open Offer Entitlements corresponding to the number of Open Offer Shares applied for (subject to paragraph 4.2(j) of this Part IV); and
- (ii) the creation of a CREST payment in accordance with the CREST payment arrangements in favour of the payment bank of the Receiving Agent in respect of the amount specified in the USE instruction which must be the full amount payable on application for the number of Open Offer Shares or Excess Shares referred to in sub-paragraph (i) above.

(d) Content of USE instructions in respect of Open Offer Entitlements

The USE instruction must be properly authenticated in accordance with Euroclear's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (i) the number of Open Offer Shares for which application is being made (and hence the number of Open Offer Entitlement(s) being delivered to the Receiving Agent);
- (ii) the ISIN of the Open Offer Entitlements, which is GB00BNB6YB67;
- (iii) the Participant ID of the accepting CREST member;

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- (iv) the Member Account ID of the accepting CREST member from which the Open Offer Entitlements are to be debited;
 - (v) the Participant ID of Computershare, in its capacity as a CREST receiving agent, which is 3RA29;
 - (vi) the Member Account ID of Computershare in its capacity as a CREST receiving agent, which is CAMCO in respect of the Open Offer Entitlement;
 - (vii) the amount payable by means of a CREST payment on settlement of the USE instruction, which must be the full amount payable on application for the number of Open Offer Shares referred to in (i) above;
 - (viii) the intended settlement date, which must be on or before 11 a.m. on 14 July 2014; and
 - (ix) the Corporate Action Number for the Open Offer, which will be available by viewing the relevant corporate action details in CREST.

In order for an application under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11 a.m. on 14 July 2014.

In order to assist prompt settlement of the USE instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE instruction:

- (i) a contact name and telephone number (in the free format shared note field); and
- (ii) a priority of at least 80.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE instruction may settle on 14 July 2014 in order to be valid is 11 a.m. on that day.

(e) Contents of USE instructions in respect of Excess CREST Open Offer Entitlements

The USE Instruction must be properly authenticated in accordance with Euroclear UK & Ireland's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (i) the number of Open Offer Shares for which application is being made (and hence the number of Excess CREST Open Offer Entitlement(s) being delivered to the Receiving Agent);
- (ii) the ISIN of the Excess CREST Open Offer Entitlement, which is GB00BNB6YF06;
- (iii) the CREST participant ID of the accepting CREST member;
- (iv) the CREST member account ID of the accepting CREST member from which the Excess CREST Open Offer Entitlements are to be debited;
- (v) the Participant ID of Computershare in its capacity as a CREST receiving agent, which is 3RA29;
- (vi) the Member Account ID of Computershare in its capacity as a CREST receiving agent, which is CAMCO;

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- (vii) the amount payable by means of a CREST payment on settlement of the USE instruction which must be the full amount payable on application for the number of Open Offer Shares referred to in (i) above;
 - (viii) the intended settlement date, which must be before 11 a.m. on 14 July 2014; and
 - (ix) the Corporate Action Number for the Open Offer, which will be available by viewing the relevant corporate action details in CREST.

In order for an application in respect of an Excess CREST Open Offer Entitlement under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11 a.m. on 14 July 2014.

In order to assist prompt settlement of the USE instruction, CREST members (or their sponsors, where applicable) should add the following non-mandatory fields to their USE instruction:

- (i) a contact name and telephone number (in the free format shared note field); and
- (ii) a priority of at least 80.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE instruction may settle on 14 July 2014 in order to be valid is 11 a.m. on that day.

In the event that the Open Offer does not become unconditional by 8.00 a.m. on 16 July 2014 or such later time and date as the Company and N+1 Singer shall agree (being no later than 8.00 a.m. on 30 July 2014), the Open Offer will lapse, the Open Offer Entitlements and Excess Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, within 14 days. The Open Offer cannot be revoked once all conditions have been satisfied.

(f) Deposit of Open Offer Entitlements into, and withdrawal from, CREST

A Qualifying non-CREST Shareholder's entitlement under the Open Offer as shown by the number of Open Offer Entitlements set out in his Application Form may be deposited into CREST (either into the account of the Qualifying Shareholder named in the Application Form or into the name of a person entitled by virtue of a *bona fide* market claim). Similarly, Open Offer Entitlements and Excess Open Offer Entitlements held in CREST may be withdrawn from CREST so that the entitlement under the Open Offer is reflected in an Application Form. Normal CREST procedures (including timings) apply in relation to any such deposit or withdrawal as are set out in the Application Form.

The holder of an Application Form who is proposing so to deposit the Open Offer Entitlements set out in such form is recommended to ensure that the deposit procedures are implemented in sufficient time to enable the person holding or acquiring the Open Offer Entitlements and Excess Open Offer Entitlements following their deposit into CREST to take all necessary steps in connection with taking up such entitlements prior to 11 a.m. on 14 July 2014.

In particular, having regard to normal processing times in CREST and on the part of the Registrars, the recommended latest time for depositing an Application Form with the CREST Courier and Sorting Service, where the person entitled wishes to hold the entitlement under the Open Offer set out in such Application Form as Open Offer Entitlements in CREST, is 11 a.m. on 14 July 2014, and the recommended latest time for receipt by Euroclear of a dematerialised instruction requesting withdrawal of Open Offer Entitlements and Excess Open Offer Entitlements from CREST is 11 a.m. on 14 July 2014, in either case so as to enable the person acquiring or (as appropriate) holding the Open Offer Entitlements and Excess Open

Offer Entitlements following the deposit or withdrawal (whether as shown in an Application Form or held in CREST) to take all necessary steps in connection with applying in respect of the Open Offer Entitlements and Excess Open Offer Entitlements prior to 11 a.m. on 14 July 2014.

Delivery of an Application Form with the CREST deposit form duly completed whether in respect of a deposit into the account of the Qualifying non-CREST Shareholder named in the Application Form or into the name of another person, shall constitute a representation and warranty to the Company and the Registrar by the relevant CREST member(s) that it/they is/are not in breach of the provisions of the notes under the paragraph headed "Instructions for depositing entitlements under the Open Offer into CREST" on page 2 of the Application Form, and a declaration to the Company and the Registrar from the relevant CREST member(s) that it/they is/are not citizen(s) or resident(s) of an Excluded Territory and, where such deposit is made by a beneficiary of a market claim, a representation and warranty that the relevant CREST member(s) is/are entitled to apply under the Open Offer by virtue of a *bona fide* market claim.

(g) Validity of application

A USE instruction complying with the requirements as to authentication and contents set out above which settles by no later than 11 a.m. on 14 July 2014 will constitute a valid application under the Open Offer.

(h) CREST procedures and timings

CREST members and (where applicable) their CREST sponsors should note that Euroclear does not make available special procedures, in CREST, for any particular corporate action. Normal system timings and limitations will therefore apply in relation to the input of a USE instruction and its settlement in connection with the Open Offer. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member, to procure that his CREST sponsor takes) such action as shall be necessary to ensure that a valid application is made as stated above by 11 a.m. on 14 July 2014. In this connection CREST members and (where applicable) their CREST sponsors are referred in particular to those sections of the CREST manual concerning practical limitations of the CREST system and timings.

(i) Incorrect or incomplete applications

If a USE instruction includes a CREST payment for an incorrect sum, the Company through the Receiving Agent reserves the right:

- (i) to reject the application in full and refund the payment to the CREST member in question;
- (ii) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Open Offer Shares as would be able to be applied for with that payment at the Issue Price, refunding any unutilised sum to the CREST member in question (without interest); and
- (iii) in the case that an excess sum is paid, to treat the application as a valid application for all the Open Offer Shares referred to in the USE instruction refunding any unutilised sum to the CREST member in question (without interest).

(j) The Excess Application Facility

Provided that a Qualifying CREST Shareholder chooses to take up their Open Offer Entitlement in full, the Excess Application Facility enables Qualifying CREST Shareholders to apply for Open Offer Shares in excess of their Open Offer Entitlements. Each Qualifying CREST

Shareholder will receive a credit to his stock account in CREST of Excess CREST Open Offer Entitlements equal to 10 times the total number of Existing Ordinary Shares held in such Qualifying Shareholder's name as at the Record Date. If Qualifying CREST Shareholders wish to apply for more than 10 times the total number of Existing Ordinary Shares held in such Qualifying Shareholder's name as at the Record Date, the Qualifying CREST Shareholder should contact Computershare on 0870 707 4040 (if calling from within the United Kingdom) or +44 870 707 4040 (if calling from outside the United Kingdom) who will arrange for the additional Excess Shares to be credited to the relevant CREST account of the Qualifying CREST Shareholder. Any such applications will be granted at the absolute discretion of the Company.

If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take-up of Open Offer Entitlements, such applications will be scaled back *pro rata* to the number of Excess Shares applied for by Qualifying Shareholders under the Excess Application Facility. An Excess CREST Open Offer Entitlement may not be sold or otherwise transferred. Subject as provided in paragraph 6 of this Part IV in relation to certain Overseas Shareholders, the CREST accounts of Qualifying CREST Shareholders will be credited with an Excess CREST Open Offer Entitlement in order for any applications for Excess Shares to be settled through CREST. The credit of such Excess CREST Open Offer Entitlement does not in any way give Qualifying CREST Shareholders a right to the Open Offer Shares attributable to the Excess CREST Open Offer Entitlement as an Excess CREST Open Offer Entitlement is subject to scaling back in accordance with the terms of this Circular.

To apply for Excess Shares pursuant to the Open Offer, Qualifying CREST Shareholders should follow the instructions above and must not return a paper form and cheque. Should a transaction be identified by the CREST Claims Processing Unit as "cum" the Open Offer Entitlement and the relevant Open Offer Entitlement(s) be transferred, the Excess CREST Open Offer Entitlements will not transfer with the Open Offer Entitlement(s) claim, but will be transferred as a separate claim. Should a Qualifying CREST Shareholder cease to hold all of his Existing Ordinary Shares as a result of one or more *bona fide* market claims, the Excess CREST Open Offer Entitlement credited to CREST, and allocated to the relevant Qualifying Shareholder, will be transferred to the purchaser. Please note that an additional USE instruction must be sent in respect of any application under the Excess CREST Open Offer Entitlement.

Should the Open Offer become unconditional and applications for Open Offer Shares by Qualifying Shareholders under the Open Offer exceed the number of Open Offer Shares being made available, resulting in a scale back of applications under the Excess Application Facility, each Qualifying CREST Shareholder who has made a valid application for Excess Shares under the Excess Application Facility, and from whom payment in full for the Excess Shares has been received, will receive a pounds sterling amount equal to the number of Open Offer Shares validly applied and paid for but which are not allocated to the relevant Qualifying CREST Shareholder multiplied by the Issue Price. Monies will be returned as soon as reasonably practicable, without payment of interest, and at the Applicant's sole risk.

Fractions of Open Offer Shares will not be issued under the Excess Application Facility and fractions of Open Offer Shares will be rounded down to the nearest whole number, aggregated and made available under the Excess Application Facility.

(k) Effect of valid application

A CREST member who makes or is treated as making a valid application in accordance with the above procedures will thereby:

- (i) pay the amount payable on application in accordance with the above procedures by means of a CREST payment in accordance with the CREST payment arrangements (it

being acknowledged that the payment to the Receiving Agent's payment bank in accordance with the CREST payment arrangements shall, to the extent of the payment, discharge in full the obligation of the CREST member to pay to the Company the amount payable on application);

- (ii) request that the Open Offer Shares to which he will become entitled be issued to him on the terms set out in this Circular and subject to the Articles;
- (iii) agree that all applications and contracts resulting therefrom under the Open Offer shall be governed by, and construed in accordance with, the laws of England and Wales;
- (iv) represent and warrant that he is not applying on behalf of any Shareholder, who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of an Excluded Territory and he is not applying with a view to re-offering, re-selling, transferring or delivering any of the Open Offer Shares which are the subject of this application to, or for the benefit of, a Shareholder who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of an Excluded Territory nor acting on behalf of any such person on a non-discretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer;
- (v) represent and warrant that he is not, nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in Section 93 (depository receipts) or Section 96 (clearance services) of the Finance Act 1986;
- (vi) confirm that in making such application he is not relying on any information or representation other than those contained in this Circular and agrees that no person responsible solely or jointly for this Circular or any part thereof or involved in the preparation thereof, shall have any liability for any information or representation not contained in this Circular and further agree that having had the opportunity to read this Circular he will be deemed to have had notice of all the information concerning the Group contained therein; and
- (vii) represent and warrant that he is the Qualifying Shareholder originally entitled to the Open Offer Entitlements or that he has received such Open Offer Entitlements and Excess Open Offer Entitlements by virtue of a *bona fide* market claim.

(I) *Company's discretion as to rejection and validity of applications*

The Company may in its sole discretion:

- (i) treat as valid (and binding on the CREST member concerned) an application which does not strictly comply in all respects with the requirements as to validity set out or referred to in this paragraph 4 of this Part IV;
- (ii) accept an alternative properly authenticated, dematerialised instruction from a CREST member or (where applicable) a CREST sponsor as constituting a valid application in substitution for or in addition to a USE instruction and subject to such further terms and conditions as the Company may determine;
- (iii) treat a properly authenticated dematerialised instruction (in this sub-paragraph the **first instruction**) as not constituting a valid application if, at the time at which the Registrar receives a properly authenticated dematerialised instruction giving details of the first instruction or thereafter, either the Company or the Receiving Agent have received actual notice from Euroclear of any of the matters specified in Regulation 35(5)(a) of the CREST Regulations in relation to the first instruction. These matters include notice that

any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and

- (iv) accept an alternative instruction or notification from a CREST member or CREST sponsored member or (where applicable) a CREST sponsor, or extend the time for settlement of a USE instruction or any alternative instruction or notification, in the event that for reasons or due to circumstances outside the control of any CREST member or CREST sponsored member or (where applicable) CREST sponsor, the CREST member or CREST sponsored member is unable validly to apply for Open Offer Shares by means of the above procedures. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST) or on the part of the facilities and/or systems operated by the Registrar in connection with CREST.

If you have any doubt as to the procedure for acceptance and payment you should contact Computershare between 8.30 a.m. and 5 p.m. Monday to Friday (except UK public holidays) on telephone number 0870 707 4040 from within the UK or +44 870 707 4040 if calling from outside the UK. Calls may be recorded and randomly monitored for security and training purposes. This helpline will not provide any financial or tax advice or advice concerning the merits of the Open Offer or whether or not you should make an application under the Open Offer.

(m) Issue of Open Offer Shares in CREST

Open Offer Entitlements and Excess Open Offer Entitlements held in CREST are expected to be disabled in all respects after the close of business on 14 July 2014. If the conditions to the Open Offer described above are satisfied, Open Offer Shares will be issued in uncertificated form to those persons who submitted a valid application for Open Offer Shares by utilising the CREST application procedures and whose applications have been accepted by the Company on the day on which such conditions are satisfied. On this day, the Receiving Agent will instruct Euroclear to credit the appropriate stock accounts of such persons with such persons' Open Offer Entitlements with effect from the next business day. The stock accounts to be credited will be accounts under the same Participant IDs and Member Account IDs in respect of which the USE instruction was given.

5. Money Laundering Regulations

5.1 Holders of Application Forms

It is a term of the Open Offer that, in order to ensure compliance with the Money Laundering Regulations (the **Regulations**), the Registrar may require verification of the identity of the person by whom or on whose behalf an Application Form is lodged with payment (which requirements are referred to below as the "verification of identity").

The verification of identity requirements pursuant to the Regulations will apply to applications with a value of €15,000 (or its Pound Sterling equivalent) or greater, or to one of a series of linked applications whose aggregate value exceeds that amount, and in the case of such applications verification of the identity of Applicant(s) for Open Offer Shares may be required.

If within a reasonable period of time following a request, for verification of identity, but in any event by 11 a.m. on 14 July 2014, the Receiving Agent has not received evidence satisfactory to it, the Company may, in its absolute discretion, elect not to treat as valid the relevant application, in which event the money payable or paid in respect of the application will be returned (without interest and at the Applicant's risk) to the account of the drawee bank or building society from which sums were originally debited (but in each case without prejudice to any rights the Company may have to take proceedings in respect of loss or damage suffered or incurred by it as a result of the failure to produce satisfactory evidence as aforesaid).

In order to avoid this, payment should be made by means of a cheque drawn by and in the name of the Applicant named on the accompanying Application Form or (where an Application Form has been transferred and/or split to satisfy *bona fide* market claims in relation to transfers of Existing Ordinary Shares through the market prior to 3 p.m. on 10 July 2014), by the person named in Box K on the Application Form. If this is not practicable and the Applicant uses a cheque drawn on a building society or a banker's draft, the Applicant should:

- (a) ask the building society or bank to endorse on the cheque or draft the name and account number of the person whose building society or bank account is being debited which must be the same name as that printed on the Application Form, such endorsement being validated by a stamp and authorised signature by the building society or bank on the reverse of the cheque or banker's draft;
- (b) if the Applicant is making the application as agent for one or more persons, indicate on the Application Form whether it is a United Kingdom or European Union regulated person or institution (e.g. a bank or broker), and specify its status. If you have any questions relating to the procedure for acceptance, please telephone Computershare between 8.30 a.m. and 5 p.m. Monday to Friday (except UK public holidays) on 0870 707 4040 from within the UK or +44 870 707 4040 if calling from outside the UK. Calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Proposals nor give any financial, legal or tax advice;
- (c) if the Applicant delivers the Application Form by hand, bring with them the appropriate photographic evidence of identity, such as a passport or driving licence; and
- (d) third party cheques may not be accepted unless covered by (a) above.

In any event, if it appears to the Receiving Agent that an Applicant is acting on behalf of some other person, further verification of the identity of any person on whose behalf the Applicant appears to be acting will be required.

Neither the Receiving Agent, nor the Company will be liable to any person for any loss suffered or incurred as a result of the exercise of any discretion to require verification. By lodging an Application Form, each Qualifying Shareholder undertakes to provide evidence of his identity at the time of lodging the Application Form, or, at the absolute discretion of the Company and N+1 Singer, at such specified time thereafter as may be required to ensure compliance with the Regulations.

5.2 Open Offer Entitlements and Excess Open Offer Entitlements in CREST

If you hold your Open Offer Entitlements or Excess Open Offer Entitlements in CREST and apply for Open Offer Shares in respect of all or some of your Open Offer Entitlements (and Excess Open Offer Entitlements) as agent for one or more persons and you are not a United Kingdom or European Union regulated person or institution (e.g. a United Kingdom financial institution), then, irrespective of the value of the application, the Receiving Agent is obliged to take reasonable measures to establish the identity of the person or persons on whose behalf you are making the application. You must therefore contact the Receiving Agent before sending any USE or other instruction so that appropriate measures may be taken.

Submission of a USE instruction which on its settlement constitutes a valid application as described above constitutes a warranty and undertaking by the Applicant to provide promptly to the Receiving Agent such information as may be specified by the Receiving Agent as being required for the purposes of the Regulations. Pending the provision of evidence satisfactory to the Receiving Agent as to identity, the Receiving Agent may in its absolute discretion take, or omit to take, such action as it may determine to prevent or delay issue of the Open Offer Shares concerned. If satisfactory evidence of identity has not been provided within a reasonable time, then the application for the Open Offer Shares represented by the USE instruction will not be valid. This is

without prejudice to the right of the Company to take proceedings to recover any loss suffered by it as a result of any failure to provide satisfactory evidence.

6. Overseas Shareholders

6.1 General

The distribution of this Circular and the Application Form and the making or acceptance of the Open Offer to persons who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, or which are corporations, partnerships or other entities created or organised under the laws of countries other than the United Kingdom or to persons who are nominees of or custodians, trustees or guardians for citizens, residents in or nationals of, countries other than the United Kingdom may be affected by the laws or regulatory requirements of the relevant jurisdictions. Those persons should consult their professional advisers as to whether they require any governmental or other consents or need to observe any applicable legal requirement or other formalities to enable them to apply for Open Offer Shares under the Open Offer. The comments set out in this paragraph 6 are intended as a general guide only and any Overseas Shareholders who are in any doubt as to their position should consult their professional advisers without delay.

No action has been or will be taken by the Company or any other person, to permit a public offering or distribution of this Circular (or any other offering or publicity materials or Application Form(s) in any jurisdiction where action for that purpose may be required, other than in the United Kingdom.

Application Forms will not be sent to and Open Offer Entitlements and Excess Open Offer Entitlements will not be credited to a stock account in CREST of persons with registered addresses in an Excluded Territory or their agent or intermediary, except where the Company is satisfied that such action would not result in the contravention of any registration or other legal requirement in any jurisdiction.

No person receiving a copy of this Circular and/or an Application Form and/or a credit of Open Offer Entitlements and/or a credit of Excess Open Offer Entitlements to a stock account in CREST in any territory other than the United Kingdom may treat the same as constituting an invitation or offer to him or her nor should he or she in any event use any such Application Form and/or credit of Open Offer Entitlements and/or a credit of Excess Open Offer Entitlements to a stock account in CREST unless, in the relevant territory, such an invitation or offer could lawfully be made to him or her and such Application Form and/or credit of Open Offer Entitlements and/or a credit of Excess Open Offer Entitlements to a stock account in CREST could lawfully be used, and any transaction resulting from such use could be effected, without contravention of any registration or other legal or regulatory requirements. In circumstances where an invitation or offer would contravene any registration or other legal or regulatory requirements, this Circular and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

It is the responsibility of any person (including, without limitation, custodians, agents, nominees and trustees) outside the United Kingdom wishing to apply for Open Offer Shares under the Open Offer to satisfy himself or herself as to the full observance of the laws of any relevant territory in connection therewith, including obtaining any governmental or other consents that may be required, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes due in such territory. Neither the Company, nor any of its respective representatives, is making any representation to any offeree or purchaser of the Open Offer Shares regarding the legality of an investment in the Open Offer Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser.

Persons (including, without limitation, custodians, agents, nominees and trustees) receiving a copy of this Circular and/or an Application Form and/or a credit of Open Offer Entitlements and/or a credit of Excess Open Offer Entitlements to a stock account in CREST in connection with the Open Offer or otherwise, should not distribute or send either of those documents nor transfer Open Offer

Entitlements or Excess Open Offer Entitlements in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If a copy of this Circular and/or an Application Form and/or a credit of Open Offer Entitlements and/or a credit of Excess Open Offer Entitlements to a stock account in CREST is received by any person in any such territory, or by his or her custodian, agent, nominee or trustee, he or she must not seek to apply for Open Offer Shares in respect of the Open Offer unless the Company determines that such action would not violate applicable legal or regulatory requirements. Any person (including, without limitation, custodians, agents, nominees and trustees) who does forward a copy of this Circular and/or an Application Form and/or transfers Open Offer Entitlements and/or a credit of Excess Open Offer Entitlements into any such territory, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this Part IV and specifically the contents of this paragraph 6.

The Company reserves the right, but shall not be obliged, to treat as invalid any application or purported application for Open Offer Shares that appears to the Company or its agents to have been executed, effected or dispatched from an Excluded Territory or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements or if it provides an address for delivery of the share certificates of Open Offer Shares or, in the case of a credit of an Open Offer Entitlement (and/or a credit of Excess Open Offer Entitlements) to a stock account in CREST, to a member whose registered address would be in an Excluded Territory or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates or make such a credit.

The attention of Overseas Shareholders is drawn to paragraphs 6.3 to 6.5 below.

Notwithstanding any other provision of this Circular or the Application Form, the Company reserves the right to permit any person to apply for Open Offer Shares in respect of the Open Offer if the Company, in its sole and absolute discretion, is satisfied that the transaction in question is exempt from, or not subject to, the legislation or regulations giving rise to the restrictions in question.

Overseas Shareholders who wish, and are permitted, to apply for Open Offer Shares should note that payment must be made in sterling denominated cheques or banker's drafts. The Open Offer Shares have not been and will not be registered under the relevant laws of any Excluded Territory or any state, province or territory thereof and may not be offered, sold, resold, transferred, delivered or distributed, directly or indirectly, in or into any Excluded Territory or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any Excluded Territory except pursuant to an applicable exemption.

No public offer of Open Offer Shares is being made by virtue of this Circular or the Application Forms into any Excluded Territory. Receipt of this Circular and/or an Application Form and/or a credit of an Open Offer Entitlement and/or a credit of Excess Open Offer Entitlements to a stock account in CREST will not constitute an invitation or offer of securities for subscription, sale or purchase in those jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this Circular and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

6.2 United States

None of the New Ordinary Shares, the Open Offer Entitlements or the Excess Open Offer Entitlements have been or will be registered under the US Securities Act or the laws of any state or other jurisdiction of the United States and, therefore, the New Ordinary Shares and the Open Offer Entitlements and the Excess Open Offer Entitlements may not be directly, or indirectly, offered for subscription or purchase, taken up, sold, delivered, renounced or transferred in or into the United States except pursuant to an applicable exemption from the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States.

Accordingly, the Company is not extending the Open Offer into the United States and, subject to certain exceptions, none of this Circular, the Application Forms or the crediting of Open Offer Entitlements (or Excess Open Offer Entitlements) to a stock account in CREST constitutes or will constitute an offer or an invitation to apply for an offer or an invitation to subscribe for any New Ordinary Shares in the United States. Neither this Circular nor an Application Form will (unless an address within the United Kingdom for services of notices has been notified to the Company) be sent to, and no Open Offer Entitlements (or Excess Open Offer Entitlements) will be credited to, a stock account in CREST of any Qualifying Shareholder with a registered address in the United States. Subject to certain exceptions, Application Forms sent from, or post-marked in, the United States will be deemed to be invalid and all persons subscribing for New Ordinary Shares and wishing to hold such New Ordinary Shares in registered form must provide an address for registration of the New Ordinary Shares outside the United States.

6.3 Other Excluded Territories

Due to restrictions under the securities laws of the Excluded Territories and subject to certain exemptions, Qualifying Shareholders who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, any Excluded Territories will not qualify to participate in the Open Offer and will not be sent an Application Form, nor will their stock accounts in CREST be credited with Open Offer Entitlements or Excess Open Offer Entitlements.

The Open Offer Shares have not been and will not be registered under the relevant laws of any Excluded Territory or any state, province or territory thereof and may not be offered, sold, re-sold, delivered or distributed, directly or indirectly, in or into any Excluded Territory or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any Excluded Territory except pursuant to an applicable exemption.

No offer of Open Offer Shares is being made by virtue of this Circular or the Application Forms into any Excluded Territory.

6.4 Other overseas territories

Application Forms will be sent to Qualifying non-CREST Shareholders and an Open Offer Entitlement will be credited to the stock account in CREST of Qualifying CREST Shareholders in other overseas territories. Qualifying Shareholders in jurisdictions other than any Excluded Territory may, subject to the laws of their relevant jurisdiction, take up Open Offer Shares under the Open Offer in accordance with the instructions set out in this Circular and, if relevant, the Application Form.

Qualifying Shareholders who have registered addresses in or who are located or resident in, or who are citizens of, countries other than the United Kingdom should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to apply for Open Offer Shares in respect of the Open Offer.

6.5 Representations and warranties relating to Overseas Shareholders

(a) Qualifying non-CREST Shareholders

Any person completing and returning an Application Form or requesting registration of the Open Offer Shares comprised therein represents and warrants to the Company and/or the Receiving Agent that, except where proof has been provided to the Company's satisfaction that such person's use of the Application Form will not result in the contravention of any applicable legal requirements in any jurisdiction: (i) such person is not requesting registration of the relevant Open Offer Shares from within an Excluded Territory; (ii) such person is not in any territory in which it is unlawful to make or accept an offer to subscribe for Open Offer Shares in respect of the Open Offer or to use the Application Form in any manner in which such person has used or will use it; (iii) such person is not acting on a nondiscretionary basis on behalf of, a person located within an Excluded Territory or any territory referred to in (ii) above

at the time the instruction to accept was given; and (iv) such person is not subscribing for Open Offer Shares with a view to the offer, sale, re-sale, transfer, delivery or distribution, directly or indirectly, of any such Open Offer Shares into an Excluded Territory or any territory referred to in (ii) above. The Company and/or the Receiving Agent may treat as invalid any acceptance or purported acceptance of the allotment of Open Offer Shares comprised in an Application Form if it: (i) appears to the Company or its agents to have been executed, effected or despatched from an Excluded Territory or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements; (ii) provides an address in any Excluded Territory for delivery of the share certificates of Open Offer Shares (or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates); or (iii) purports to exclude the warranty required by this paragraph (a).

(b) Qualifying CREST Shareholders

A CREST member who makes a valid application either on its own behalf or on behalf of one of its clients in accordance with the procedures set out in this Part IV represents and warrants to the Company that, except where proof has been provided to the Company's satisfaction that such person's acceptance will not result in the contravention of any applicable legal requirement in any jurisdiction: (i) neither it nor its client is within an Excluded Territory; (ii) neither it nor its client is in any territory in which it is unlawful to make or accept an offer to subscribe for Open Offer Shares; (iii) it is not accepting on a non-discretionary basis on behalf of, or for the account or benefit of, a person located within an Excluded Territory or any territory referred to in (ii) above at the time the instruction to accept was given; and (iv) neither it nor its client is subscribing for any Open Offer Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Open Offer Shares into an Excluded Territory, or any territory referred to in (ii) above. The Company reserves the right to reject any USE instruction from an Excluded Territory or any territory referred to in (ii) above or by a CREST participant who is acting on a non-discretionary basis on behalf of a person located within an Excluded Territory or any territory referred to in (ii) above.

7. Governing law and jurisdiction

The terms and conditions of the Open Offer as set out in this Circular shall be governed by, and construed in accordance with, the laws of England and Wales. The courts of England and Wales are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Open Offer including, without limitation, disputes relating to any non-contractual obligations arising out of or in connection with the Open Offer. By taking up Open Offer Shares under the Open Offer in accordance with the instructions set out in this Circular, Qualifying Shareholders irrevocably submit to the jurisdiction of the courts of England and Wales and waive any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.

8. Further information

The attention of Shareholders is drawn to the further information set out in this Circular including the additional information set out in Part V, and the Risk Factors set out in Part II of this Circular and to the terms and conditions set out on the Application Form.

Part V – Additional information

1. Incorporation and principal activities

The Company was incorporated and registered in Jersey as a public company limited by shares on 8 February 2006 under the Law with the name Camco International Limited and with registered number 92432.

The liability of the members of the Company is limited.

The principal legislation under which the Company operates is the Law and the regulations and orders made thereunder.

The Company has unlimited corporate capacity under Jersey law.

2. Share Capital

The issued share capital of the Company (i) as at the date of this Circular and (ii) as it is expected to be after Admission is set out below:

	Existing Issued and fully paid		Immediately following Admission Issued and fully paid*	
	Nominal Amount (€)	Number	Amount (€)	Number
Ordinary Shares of €0.01 each	€2,081,271.66	208,127,166	€2,461,351.13	246,135,113

*Assuming full take-up of entitlements under the Open Offer.

3. Directors' interests

3.1 The Directors and their respective functions are set out below:

Dr Jeff Kenna (*Chairman and Non-Executive Director*)
 Scott McGregor (*Chief Executive Officer*)
 Jonathan Marren (*Chief Financial Officer*)
 Michael Farrow (*Non-Executive Director*)
 Zainul Rahim bin Mohd Zain (*Non-Executive Director*)

3.2 The interests (all of which are beneficial unless stated otherwise) of each of the Directors and their family (within the meaning of the AIM Rules) in the issued ordinary share capital of the Company and the existence of which is known to, or could with reasonable due diligence be ascertained by, any Director (i) as at the date of this Circular and (ii) as they are expected to be on Admission are as follows:

	Number of Existing Ordinary Shares	Percentage of existing issued share capital	Number of Ordinary Shares (following Admission)*	Percentage of Enlarged Share Capital (following Admission)*
Dr Jeff Kenna	2,037,830	0.98%	2,165,194	0.88%
Scott McGregor	4,241,592	2.04%	4,506,691	1.83%
Jonathan Marren	3,310,892	1.59%	3,517,822	1.43%
Michael Farrow	81,158	0.04%	86,230	0.04%
Zainul Rahim bin Mohd Zain	Nil	–	Nil	–

* Assuming full take-up of entitlements under the Open Offer.

- 3.3 On 26 June 2014, being the last practicable date prior to the publication of this Circular, the Directors and (so far as is known to the Directors, having made appropriate enquiries) their family (within the meaning of the AIM Rules) will have the following options over Ordinary Shares:

	Number of Options	Percentage of existing issued share capital	Percentage of Enlarged Share Capital (following Admission)*
Scott McGregor	11,156,358	5.36%	4.53%
Jonathan Marren	6,243,815	3.00%	2.54%

* Assuming full take-up of entitlements under the Open Offer.

4. Director Service Contracts

Scott McGregor was appointed Chief Executive Officer in 2009 having previously served as Chief Financial Officer since 2006. Scott McGregor entered an employment contract with Camco Services UK Limited dated 21 May 2011. Under this agreement, Scott McGregor is entitled to a basic salary of £75,000 per annum, a pension contribution equivalent to five per cent. per annum of the basic salary and is eligible for a discretionary performance bonus of up to 100 per cent. of salary. During 2013 and 2014, Scott McGregor unilaterally waived his entitlement to the pension contribution. On 21 May 2011, Scott McGregor also entered into a service agreement with Camco Clean Energy plc. Under this agreement, Scott McGregor is entitled to a fee of £10,937.50 per month. Both agreements can be terminated by either party giving not less than three months' written notice to the other. The agreement may also be terminated without notice (summary termination) or payment in lieu of notice in certain circumstances including gross misconduct, negligence, breach of the Company's share dealing code, bankruptcy or material breach of the service agreement.

Jonathan Marren was appointed Chief Financial Officer pursuant to an employment contract with Camco Services UK Limited on 9 July 2012. Under this agreement, Jonathan Marren is entitled to a basic salary of £150,000 per annum, a pension contribution equivalent to five per cent. per annum of the basic salary and is eligible for a discretionary performance bonus of up to 100 per cent. of salary. During 2013 and 2014, Jonathan Marren unilaterally waived his entitlement to the pension contribution. The agreement can be terminated by either party giving not less than three months' written notice to the other. The agreement may also be terminated without notice (summary termination) or payment in lieu of notice in certain circumstances including gross misconduct, negligence, breach of the Company's share dealing code, bankruptcy or material breach of the service agreement.

Each of the non-executive Directors of the Company being Dr Jeff Kenna, Michael Farrow and Zainul Rahim bin Mohd Zain are subject to letters of appointments with Camco Clean Energy plc dated 31 January 2011, 16 March 2006 (amended 1 January 2010) and 3 January 2012 respectively governing the terms of their appointment as a Non-executive Director of the Company. Each of the letters of appointment provide for termination on three months written notice by either party. The appointments may also be terminated by the Company without notice in certain circumstances including incapacity for three months in any 12 month period, serious or repeated breach of obligations in connection with the appointment or unsatisfactory performance as determined by the Board.

Under the terms of the letters of appointment, the Company shall pay an annual fee of £50,000 to Overmoor Limited for the provision of the services of Dr Jeff Kenna as a non-executive director of the Company. Michael Farrow is entitled to an annual fee of £30,000 and Zainul Rahim bin Mohd Zain is entitled to a fee of £25,000. The Company will reimburse any expenses properly and reasonably incurred by the non-executive directors and Overmoor Limited in the performance of duties under the letters of appointment.

5. Material Contracts

5.1 The Placing Agreement

Pursuant to the terms of the Placing Agreement, N+1 Singer has conditionally agreed to use its reasonable endeavours, as agent for the Company, to procure the subscription of the Placing Shares by certain institutional and other investors. The Placing has not been underwritten by N+1 Singer. The Placing Agreement is conditional upon, *inter alia*, the Resolution being duly passed at the General Meeting and Admission becoming effective on or before 8.00 a.m. on 16 July 2014 (or such later time and/or date as the Company and N+1 Singer may agree, but in any event by no later than 5.00 p.m. on 30 July 2014).

The Placing Agreement contains warranties from the Company in favour of N+1 Singer in relation to, *inter alia*, the accuracy of the information in this document and other matters relating to the Group and its business. In addition, the Company has agreed to indemnify N+1 Singer in relation to certain liabilities it may incur in respect of the Placing. N+1 Singer has the right to terminate the Placing Agreement in certain circumstances prior to Admission, in particular, in the event of a breach of the warranties given to N+1 Singer in the Placing Agreement, the failure of the Company to comply in any respect with its obligations under the Placing Agreement, the occurrence of a *force majeure* event or a change or development in taxation adversely affecting any member of the Group.

Under the Placing Agreement and subject to it becoming unconditional in all respects and not being terminated in accordance with its terms, the Company has agreed to pay N+1 Singer a commission of 5 per cent. of the aggregate amount received by the Company in respect of New Ordinary Shares subscribed for by New Investors (as defined in the Placing Agreement) at the Placing Price and a commission of 3 per cent. of the aggregate amount received by the Company in respect of New Ordinary Shares subscribed for by Existing Investors (as defined in the Placing Agreement) at the Placing Price, together with any applicable value added tax. The Company has also agreed to pay N+1 Singer a corporate finance advisory fee of £75,000, together with any applicable value added tax. In addition, the Company has, subject to shareholder approval, agreed to issue warrants to N+1 Singer over 2,500,000 Ordinary Shares exercisable at the Issue Price at any time on or before 24 months after Admission.

5.2 Disposal of interest in Camco South East Asia Limited

On 7 May 2013, Camco Mauritius Limited, a wholly owned subsidiary of the Company, entered into a sale and purchase agreement to sell its entire interest of 60.1% (22,150,000 B shares of USD1.00) in Camco South East Asia Limited ("CSEAL") for a consideration of \$6,010,000 to Payar Investments Ltd (a wholly-owned subsidiary of Khazanah Nasional Berhad ("Khazanah")), the holder of the then remaining 39.1% shareholding in CSEAL. Standard representations, warranties and indemnities were provided in the share purchase agreement and the Company agreed not to compete with CSEAL or its subsidiaries in the South East Asia region.

5.3 Placing to Payar Investments Ltd

On 13 May 2013, Payar Investments Ltd (a wholly-owned subsidiary of Khazanah Nasional Berhad ("Khazanah")) and CCE entered into a Subscription Agreement whereby Khazanah subscribed for and were allotted 18,449,073 ordinary shares of EUR0.01 in CCE for a consideration of £218,252.53. The subscription agreement contained standard terms as are common for such subscriptions. The admission of shares for trading onto AIM was effected on 16 May 2013.

6. Consent

N+1 Singer has given and not withdrawn its written consent to the issue of this Circular with the inclusion herein of the references to its name in the form and context in which it is included.

7. Availability of Circular

This Circular will be available for a period of twelve months from the date of this Circular on the Company's website www.camcocleanenergy.com or from the registered office of the Company free of charge in accordance with the requirements of Rule 26 of the AIM Rules.

8. Taxation

General

The following information is based on the law and practice currently in force in Jersey. The information is not exhaustive and if prospective investors are in any doubt as to their financial position, they should consult their professional adviser. Investors should note that tax law and interpretation can change and that, in particular, the levels and bases of, and reliefs from, taxation may change and that changes may alter the benefits of investment in the Company. The information should not be regarded as legal or tax advice.

Company Taxation

Jersey has implemented a 'zero-ten' system for companies from the end of 2008 and introduced a standard rate of corporate income tax of 0% and a special rate of corporate income tax of 10%. Specifically, as a Jersey resident company, the Company, which is neither a "utility company" nor a "financial services company", will be charged Jersey income tax at a rate of 0% on its income (other than on receipts chargeable to tax under Schedule A of the Income Tax (Jersey) Law 1961, as amended, which relates broadly to income or profits derived from the ownership, disposal or development of land in Jersey).

Shareholders

Non-residents of Jersey will not be subject to any tax in Jersey.

No death, capital gains, gift, inheritance or capital transfer taxes are levied in Jersey, nor does Jersey levy value added tax or stamp duty on transactions in the Ordinary Shares. A probate fee of up to 0.75% is however, payable on the value of Ordinary Shares of a deceased sole Shareholder. Shareholders who are non-residents of Jersey will not be subject to any tax in Jersey in respect of distributions made by the Company or gains realised on the redemption or disposal of Ordinary Shares.

If any potential investor is in any doubt about the taxation consequences of acquiring, holding or disposing of Ordinary Shares, he should seek advice from his own independent professional adviser on the possible tax and other consequences of their investing in this Company under the laws of their country of incorporation, establishment, citizenship, residence or domicile.

Goods and Services Tax

The States of Jersey introduced a Goods and Services Tax ("GST") with effect from 6 May 2008. The Company does not suffer any irrevocable GST as it has applied to the Comptroller of Income Tax for inclusion on the list of International Service Entities of its Administrator Consortia Partnership Limited.

European Union Savings Tax Directive

On 3 June 2003, the European Union ("EU") Council of Economic and Finance Ministers adopted a directive on the taxation of savings income in the form of interest payments ("the EU Savings Tax Directive").

Jersey is not subject to the EU Savings Tax Directive. However the States of Jersey, in keeping with Jersey's policy of constructive international engagement, has introduced a retention tax system in respect of interest, or other similar income, made to an individual beneficial owner resident in an EU Member State

by a paying agent in Jersey (the terms “beneficial owner” and “paying agent” are defined in the EU Saving Tax Directive). The retention tax system does not apply to interest (or other similar income) payments to bodies corporate or non-EU Member States.

Jersey's retention tax system is implemented by means of bilateral agreements with each of the EU Member States, the Taxation (Agreements with European Union Member States) (Jersey) Regulations 2005, and Guidance Notes issued by the Policy & Resources Committee of the States of Jersey. Based on these provisions and what is understood to be the current practice of the Jersey tax authorities, dividend distributions to Shareholders by the Company and income realised by Shareholders on the sale, repurchase or redemption of Ordinary Shares do not constitute interest payments for the purposes of the retention tax system and therefore neither the Company nor any paying agent appointed by them in Jersey is obliged to levy retention tax in Jersey under these provisions in respect thereof.

9. Articles of association

The Articles contain, inter alia, provisions relating to the following:

(a) Voting rights

Subject as referred to below, all members shall have the right to receive notice of and to attend and to vote at all general meetings of the Company. Save as otherwise provided in the Articles, on a show of hands each holder of shares present in person (or in the case of a corporation by a representative) and entitled to vote shall have one vote and upon a poll every member present in person (or such representative) or by proxy/attorney and entitled to vote shall have one vote for each share held by him. A proxy cannot vote on a show of hands.

No member shall be entitled to vote at any general meeting if any call or other sum presently payable by him in respect of shares remains unpaid or if a member has been served by the Directors with a direction notice in the manner described in the Articles.

(b) Return of capital on a winding up

On a winding up of the Company any surplus assets will be divided between the members according to the respective amounts paid up or credited as paid up in respect of the nominal amount of the shares held by them, subject to any particular rights attaching to any shares.

The liquidator (or where there is no liquidator, the Directors) may, with the sanction of a special resolution of the Company and any other sanction required by the Law, divide the whole or any part of the assets of the Company in specie among the members, and the liquidator (or where there is no liquidator, the Directors) may for that purpose value any assets and determine how the division shall be carried out. No member shall be compelled to accept any assets upon which there is a liability.

(c) Dividends and other distributions

Subject to the Law, the Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Directors. Subject to any particular rights or limitations, all dividends shall be declared and paid according to the respective amounts paid up or credited as paid up in respect of the nominal amount of the shares in respect of which the dividend is paid (other than amounts paid up in advance of calls).

The Directors may pay such interim dividends (including any dividend payable at a fixed rate) as they think fit if they are of the opinion that the profits of the Company justify payment.

If the share capital of the Company is divided into different classes, the Board may pay such interim dividend on shares which rank after shares conferring preferential rights with regard to dividend as well as on shares conferring preferential rights.

Unless otherwise provided by the rights attached to any share, no dividend shall bear interest.

The Directors may, with the sanction of an ordinary resolution of the Company in general meeting, direct that payment of a dividend be satisfied by the distribution of specific assets and, in particular, of paid up shares or debentures of any other company instead of cash in respect of the whole or any part of the dividend.

Any dividend unclaimed for a period of 10 years after it was declared may be forfeited and cease to remain owing by the Company and thereafter shall belong to the Company absolutely.

(d) *Transfer of shares*

Subject to the provisions of the Articles in respect of uncertificated shares, all transfers of shares shall be effected by a transfer in writing in any usual or common form or in any other form approved by the Directors. An instrument of transfer in respect of certificated shares shall be signed by or on behalf of the transferor and in the case of an unpaid or partly paid share by the transferee. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered on the register of members of the Company in respect thereof.

The Directors may decline to register any transfer of a certificated share, unless (a) the instrument of transfer is deposited at the registered office of the Company or such other place as the Directors may appoint, accompanied by the certificate for the shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer provided that, in the case of a transfer by a recognised clearing house or a nominee of a recognised clearing house or of a recognised investment exchange, the lodgement of a share certificate will only be necessary if a certificate has been issued in respect of the share in question; (b) it is in respect of a share which is fully paid up; (c) it is in respect of a share upon which the Company has no lien; (d) the instrument of transfer is in respect of only one class of share; and (e) the instrument of transfer is in favour of not more than four transferees; provided that in the case of a class of shares which has been admitted to AIM, a market operated by London Stock Exchange plc, the Directors shall not refuse to register a transfer if the refusal would prevent dealings in those shares from taking place on an open and proper basis.

The Directors may also decline to register a transfer of any share (in certificated form) if they are not satisfied that the shares are to be transferred to a transferee that would not give rise to a compulsory transfer of shares (as described under "Compulsory transfer of shares" below).

The Directors shall register the transfer of any uncertificated shares in accordance with the Companies (Uncertificated Securities) (Jersey) Order 1999 and other applicable law and, where permitted by that Order and any other applicable law, the Directors may, in their absolute discretion and without giving any reason for their decision, refuse to register any transfer of an uncertificated share.

The registration of transfers of shares, or of any class of shares, may be suspended at such time and for such periods as the Directors may from time to time determine, provided always that the register shall not be closed for more than 30 days in any year.

Notwithstanding any other provision of the Articles to the contrary, any shares may be held in uncertificated form and title to shares may be transferred by means of a relevant system such as CREST.

There are no restrictions on the transferability of the shares in the Company subject to (a) compliance with the foregoing provisions of the Articles of Association relating to the transfer of shares as summarised above and (b) any restriction on transfer imposed by a direction notice served by the Directors in the manner described in the Articles (see below).

(e) Pre-emption on allotment and issue of new shares

The pre-emption rights in respect of the issue of new shares are set out in the Articles. These pre-emption rights would require the Company to offer new shares for allotment to existing members on a pro rata basis before allotting them to other persons (a “pre-emptive offer”).

The pre-emptive offer must be made by notice specifying the number of shares offered and the period (not being less than 21 days) within which the offer may be accepted. Any shares which are not accepted under the pre-emptive offer can be allotted by the Board to other persons. The members by special resolution (under Jersey law, which is the law applicable to the Company, this means a 2/3 majority) may waive the requirement to make such a pre-emptive offer.

There are no pre-emption rights on transfers of shares. The pre-emption provisions do not apply to the Placing Shares.

(f) Restrictions on shares

If a member has been served with a notice pursuant to the Articles and is in default in supplying to the Company information required within a prescribed period after the service of such notice, the Directors may serve on such member a notice (a “direction notice”) in respect of the shares in relation to which the default occurred (“default shares”) directing that in relation to such shares the member shall not be entitled to be present or to vote at any general meeting or class meeting of the Company. Where the default shares represent at least 0.25 per cent. of the class of shares the direction notice may in addition direct, among other things, that any dividend or other money which would otherwise be payable on such shares shall be retained by the Company without any liability to pay interest and that no transfer of any of the shares held by the member shall be registered. The direction notice will not, however, prohibit the registration of, among other things, a transfer pursuant to a sale of the whole beneficial ownership of the relevant shares to an unconnected party.

(g) Redemption provisions

Subject to the provisions of the Law, the Company may from time to time issue or convert any existing non-redeemable shares (whether issued or not) into shares which are to be redeemed or are liable to be redeemed at the option of the Company or at the option of the holder thereof and on such terms and in such manner as may be determined by special resolution. Subject to the provisions of the Law, the Company may purchase its own shares (including redeemable shares).

(h) Compulsory transfer of shares

- (1) If it shall come to the notice of the Directors that any shares are or may be owned or held directly or beneficially by any person in breach of any law or requirement of any country or jurisdiction or by virtue of which such person is not qualified to own those shares and, in the sole and conclusive determination of the Directors, such ownership or holding or continued ownership or holding of those shares (whether on its own or in conjunction with any other circumstance appearing to the Directors to be relevant) would in the reasonable opinion of the Directors, cause a pecuniary or tax disadvantage to the Company or any other holder of shares or other securities of the Company which it or they might not otherwise have suffered or incurred (any such ownership or holding being a “Disadvantageous Ownership”) then the Directors may serve written notice (hereinafter called a “Transfer Notice”) upon the person (or any one of such persons where shares are registered in joint names) appearing in the register as the holder (the “Vendor”) of any of the shares concerned (the “Relevant Shares”) requiring the Vendor within 21 days (or such extended time as in all the circumstances the Directors consider reasonable) to transfer (and/or procure the disposal of interests in) the Relevant Shares to another person whose ownership or holding of such shares would not, in the sole and conclusive determination of the Directors, result in Disadvantageous Ownership (such a person being hereinafter called an “Eligible Transferee”). On and after the date of such

Transfer Notice, and until registration of a transfer of the Relevant Share to which it relates pursuant to the provisions referred to in this paragraph or paragraph (ii) below, the rights and privileges attaching to the Relevant Shares will be suspended and not capable of exercise.

- (2) If within 21 days after the giving of a Transfer Notice (or such extended time as in all the circumstances the Directors consider reasonable) the Transfer Notice has not been complied with to the satisfaction of the Directors, the Company may sell the Relevant Shares on behalf of the holder thereof by instructing a London Stock Exchange member firm to sell them at the best price reasonably obtainable at the time of sale to any one or more Eligible Transferees. To give effect to a sale, the Directors may authorise in writing any officer or employee of the Company or any officer or employee of the secretary of the Company to transfer the Relevant Shares on behalf of the holder thereof (or any person who is automatically entitled to the shares by transmission or by law) or to cause the transfer of the Relevant Shares to the purchaser and in relation to an uncertificated share may require the operator of the relevant system (for the holding or transfer of uncertificated securities) to convert the share into a certificated form and an instrument of transfer executed by that person will be as effective as if it had been executed by the holder of, or the person entitled by transmission to, the Relevant Shares. The purchaser is not bound to see to the application of the purchase money and the title of the transferee is not affected by any irregularity in or invalidity of the proceedings connected to the sale. The net proceeds of the sale of the Relevant Shares, after payment of the Company's costs of the sale, shall be received by the Company, whose receipt shall be a good discharge for the purchase moneys, and shall belong to the Company and, upon their receipt, the Company shall become indebted to the former holder of the Relevant Shares, or the person who is automatically entitled to the Relevant Shares by transmission or by law, for an amount equal to the net proceeds of transfer, in the case of certificated shares, upon surrender by him or them of the certificate for the Relevant Shares which the Vendor shall forthwith be obliged to deliver to the Company. The Company is deemed to be a debtor and not a trustee in respect of that amount for the member or other person. No interest is payable on that amount and the Company is not required to account for money earned on it. The amount may be employed in the business of the Company or as it thinks fit. The Company may register or cause the registration of the transferee as holder of the Relevant Shares and thereupon the transferee shall become absolutely entitled thereto.
- (3) A member who becomes aware that his ownership or holding of shares in the Company is a Disadvantageous Ownership, shall forthwith, unless he has already received a Transfer Notice pursuant to the provisions referred to above, either transfer the shares to one or more Eligible Transferees or give a request in writing to the Directors for the issue of a Transfer Notice in accordance with the provisions referred to above. Every such request shall, in the case of certificated shares, be accompanied by the certificate(s) for the shares to which it relates.
- (4) Subject to the provisions of the Articles, the Directors will, unless any Director has reason to believe otherwise, be entitled to assume without enquiry that none of the shares are held in such a way as to entitle the Directors to serve a Transfer Notice in respect thereof. The Directors may, however, at any time and from time to time call upon any holder (or any one of joint holders or a person who is automatically entitled to the shares by transmission or by law) of shares by notice in writing to provide such information and evidence as they require upon any matter connected with or in relation to such holder of shares. In the event of such information and evidence not being so provided within such reasonable period (not being less than 21 clear days after service of the notice requiring the same) as may be specified by the Directors in the said notice, the Directors may, in their absolute discretion, treat any share held by such a holder or joint holders or person who is automatically entitled to the shares by transmission or by law as being held in such a way as to entitle them to serve a Transfer Notice in respect thereof.
- (5) The Directors will not be required to give any reasons for any decision, determination or declaration taken or made in accordance with these provisions. The exercise of the powers

conferred by the provisions referred to at paragraphs (1) and/or (2) and/or (4) above may not be questioned or invalidated in any case on the grounds that there was insufficient evidence of direct or beneficial ownership or holding of shares by any person or that the true direct or beneficial owner or holder of any shares was otherwise than as appeared to the Directors at the relevant date provided that the said powers have been exercised in good faith.

(i) Variation of rights

The rights attaching to shares are set out in the Articles and summarised above. For these rights to be varied or changed a special resolution would have to be passed at a general meeting of the Company. In the absence of appropriate consent to short notice, this would require 21 clear days' written notice to be given to each member. Every member, except as referred to above, has the right to attend the general meeting in person or by proxy and vote on the resolution to be proposed. Such resolution would be a special resolution of the Company and this requires a majority of not less than two-thirds of members voting in person or by proxy at such general meeting.

If at any time the share capital of the Company is divided into different classes of shares, the special rights attached to any class may (unless otherwise provided by the terms of issue of the shares of that class) be varied or abrogated, whether the Company is a going concern or during or in contemplation of its being wound up, either (i) with the consent in writing of the holders of two thirds of the issued shares of that class or (ii) with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting all the provisions of the Articles relating to general meetings of the Company or to the proceedings thereat shall apply mutatis mutandis except that (a) the necessary quorum at any such meeting (other than an adjourned meeting) shall be two persons holding or representing at least one-third in nominal amount of the issued shares of the class in question (b) at an adjourned meeting the holders present shall constitute a quorum.

(i) Alteration of share capital

There are no conditions imposed by the Company's memorandum of association or Articles regarding changes in the Company's capital which are more stringent than required by the laws of England and Wales, save that the prior written consent of the Jersey Financial Services Commission will be required for any increase in the Company's authorised share capital.

The Company may, by altering its memorandum, (a) increase its share capital by creating new shares of such amount and in such currency or currencies as it thinks expedient, (b) consolidate and divide all or any of its shares (whether issued or not) into shares of larger amount than its existing shares, (c) convert all or any of its fully paid shares into stock, and re-convert that stock into fully paid shares of any denomination; (d) sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the memorandum, (e) convert any of its fully paid shares the nominal value of which is expressed in one currency into fully paid shares of a nominal value of another currency, (f) in the case to which Article 38(1A) of the Law applies, denominate the nominal value of its issued or unissued shares in units of the currency into which they have been converted, and (g) cancel shares which, at the date of the passing of the resolution to cancel them, have not been taken or agreed to be taken by any person, and diminish the amount of the company's share capital by the amount of the shares so cancelled.

Subject to the Law, the Company may by special resolution reduce its share capital and any share premium account in any way.

(k) Directors

(1) *Appointment and removal of Directors*

Unless determined by the Company in general meeting, there is no maximum number of Directors and the minimum number is two. The Company may by ordinary resolution appoint and remove any person as a Director. The Board also has powers to appoint a person as a Director either to fill a casual vacancy or as an addition to the board and to remove a director. There is no shareholding qualification for officers or Directors.

There is no requirement to retire by rotation or to resign on attaining the age of 70 or any other age.

The office of a Director shall be vacated if the Director resigns, becomes bankrupt or is the subject of other insolvency-related proceedings, becomes of unsound mind, or if the Director is removed or becomes prohibited from being a Director under any provision of applicable law.

A Director may at his sole discretion and at any time and from time to time appoint any other Director or any other natural person (other than one disqualified or ineligible by law to act as a director of a company) as an alternate Director to attend and vote in his place at any meetings of Directors at which he is not personally present.

(2) *Meetings of Directors*

Board meetings must be held outside of the UK. At meetings of the Board questions are determined by a majority of votes and in the case of an equality of votes the Chairman of the board shall not have a second or casting vote. The quorum at Directors' meetings may be fixed by the Directors but otherwise shall be two. The Directors may delegate any of their powers to committees consisting of such Director(s) or other persons as they think fit.

(3) *Directors' interests*

A Director who has, directly or indirectly, an interest in a transaction entered into or proposed to be entered into by the Company or by a subsidiary of the Company which to a material extent conflicts or may conflict with the interests of the Company and of which he is aware, must disclose to the Company the nature and extent of his interest.

Subject to the provisions of the Law, a Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director for such period and on such terms as to tenure of office, remuneration and otherwise as the Directors may determine.

Subject to the provisions of the Law, and provided that he has disclosed to the Company the nature and extent of any of his material interests in accordance with the Articles, a Director notwithstanding his office, (a) may be a party to or otherwise interested in any transaction or arrangement with the Company or in which the Company is otherwise interested, (b) may be a Director or other officer of or employed by or a party to any transaction or arrangement with or otherwise interested in any body corporate promoted by the Company or in which the Company is otherwise interested, (c) shall not by reason of his office be accountable to the Company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit, and (d) may act by himself or his firm in a professional capacity for the Company and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.

(4) Directors' fees and expenses

The Directors shall be entitled to such remuneration as the Board in its discretion determines. The Directors are entitled to be paid all travelling, hotel and other expenses properly and necessarily incurred in attending meetings of the Directors or members or otherwise in connection with the business of the Company.

(l) General meetings

The Company must in each year hold a general meeting as its annual general meeting ("AGM"). Not more than 18 months can elapse between AGMs. An AGM must be convened, unless all members entitled to attend and vote agree to short notice, on giving 21 clear days' notice in writing to all members of the Company.

Other meetings can be convened by the Company from time to time, referred to as extraordinary general meetings. The length of written notice to convene such a meeting varies depending on the nature of the business to be transacted. If the meeting is for the passing of an ordinary resolution, then generally 14 clear days' written notice to convene an extraordinary general meeting is required. If the meeting is for the passing of a special resolution then 21 clear days' notice must be given.

Extraordinary general meetings can be convened on shorter notice with the agreement of members being a special majority in number who have the right to attend and vote at the meeting, being a majority together holding not less than 95 per cent. of the total voting rights of the members who have that right.

Members need not attend a meeting of the Company or class meeting of members in person but can do so by way of validly appointed proxy.

If a member is a body corporate, it can pass a resolution of its Directors or other governing body to authorise such person as it thinks fit to act as its representative at any meeting of the Company or class meeting of members.

(m) Change in control

There are no provisions in the Articles which would have the effect of delaying, deferring or preventing a change of control of the Company except as might arise under Transfer of shares (see (d) above).

(n) Disclosure of interests in shares

Where a member acquires a material interest in the shares in the Company or becomes aware of having acquired such an interest and the aggregate nominal value of such shares is equal to or more than three per cent. of the nominal value of the Company's share capital then that member has an obligation to disclose such interest. The Directors may serve notice on any member requiring him to disclose the identity of any person other than the member having an interest in the shares held by the member and the nature of that interest. Members holding not less than one tenth of the voting rights may make requisition for such a notice. In default of compliance with such notice, the relevant member or his shares can be subject to certain restrictions (see under (f) above).

Where a person's notifiable interest changes, then further disclosure obligations arise.

Dated: 27 June 2014

Notice of General Meeting

Camco Clean Energy PLC

Incorporated and registered in Jersey under the Companies (Jersey) Law 1991 with registered number 92432

NOTICE is hereby given that a General Meeting of Camco Clean Energy PLC (the **Company**) will be held at the offices of N+1 Singer on 15 July 2014 at 12 p.m. for the purpose of considering and, if thought fit, passing the following special resolution:

Resolution:-

"THAT:-

- 1.1 The directors be and they are hereby empowered to allot and issue equity securities as if the pre-emption provisions relating to, *inter alia* the allotment of shares in the Company contained in the Articles did not apply to any such allotment provided that this power shall be limited to the allotment of equity securities up to:-
- (a) a maximum number of 25,000,000 New Ordinary Shares at 4 pence each to raise £1 million before expenses by means of a placing by N+1 Singer; and
 - (b) an aggregate of 13,007,947 New Ordinary Shares, to raise approximately £0.5 million, on the basis of 1 New Ordinary Share for every 16 Existing Ordinary Shares held on the Record Date, at 4 pence each (the same price per Ordinary Share as the Placing). Shareholders subscribing for their full entitlement under the Open Offer may also request additional New Ordinary Shares through the Excess Application Facility.

AND THAT:-

- 1.2 The directors be and they are hereby empowered to issue warrants for equity securities as if the pre-emption provisions relating to, *inter alia*, the issue of warrants and subsequent allotment of shares in the Company contained in the Articles of the Company did not apply to any such issue or allotment provided that this power shall be limited to the issue of warrants and subsequent allotment of equity securities up to a maximum number of 2,500,000 Ordinary Shares of €0.01 each in the capital of the Company.

AND THAT:-

- 1.3 the resolution herein, when duly passed, is valid, effective and binding on the Company and was properly proposed by the directors of the Company, notwithstanding that the directors have not complied with Article 2.13.3 of the Articles.

AND THAT:-

- 1.4 the authority granted by this resolution is in substitution for all subsisting authorities conferred to the extent unused.

By order of the Board
Corporate Company Secretary
Consortia Partnership Limited
Secretary
27 June 2014

Registered Office:
Channel House
Green Street
St Helier
Jersey
JE2 4UH

SHAREHOLDER NOTES

1. Entitlement to attend and vote at the General Meeting will be determined by reference to the Company's Register of Members. In order to attend and vote at the General Meeting, a person must be entered on the Register of Members no later than 6:00 p.m. on 14 July 2014. A shareholder's voting entitlement will depend on the number of shares held at that time. If the General Meeting is adjourned, such entitlement is determined by reference to the Register of Members at 6:00 p.m. on the day two days preceding the date fixed for the adjourned meeting. In each case, changes to the Register of Members after such time shall be disregarded in determining the rights of any person to attend or vote at the General Meeting.
2. If you wish to attend the General Meeting in person, you should arrive at the venue in good time for the meeting which will commence at 12:00 p.m. Doors will open at 11:30 a.m. You may be asked to prove your identity.
3. A shareholder is entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the General Meeting. A shareholder may appoint more than one proxy in relation to the General Meeting, provided each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not also be a shareholder. To be valid, a Proxy Form, together with the original or duly certified copy of the power of attorney or other authority (if any) under which it is signed or authenticated, must reach the Company's Registrar, Computershare Investor Services (Jersey) Limited either by post care of, Computershare, Corporate Actions Projects, Bristol, BS99 6AH or by hand (during normal business hours only) to Computershare, The Pavilions, Bridgwater Road, Bristol, BS13 8AE, by no later than 12:00 p.m. on 11 July 2014. Shareholders who have completed a Proxy Form may still attend the General Meeting and vote in person should they wish to do so, but they are requested to bring the Attendance Card with them to the meeting.
4. If more than one valid proxy appointment is made in relation to the same share, the appointment last received before the latest time for the receipt of proxies will take precedence.
5. If two or more shareholders jointly hold shares in the Company, each shareholder may speak and vote at the General Meeting, appoint a proxy or give voting instructions. However, if more than one joint holder votes, appoints a proxy or gives voting instructions, the only vote, appointment or voting instruction which will count is the vote, appointment or voting instruction of the joint holder whose name is listed first in the Register of Members of the Company as regards that joint holding.
6. If an indirect shareholder (who holds shares via a stockbroker or other nominee) wishes to (i) attend the General Meeting or (ii) appoint a proxy speak and vote on their behalf at the General Meeting, or (iii) give voting instructions without attending the General Meeting, they must instruct the stockbroker or other nominee administrator accordingly. To do this, shareholders are advised to contact their stockbroker or other nominee administrator and advise them which of the three options they prefer.
7. Indirect shareholders who indicate they wish to attend the General Meeting will not receive an Attendance Card. They will therefore be asked to identify themselves at the General Meeting using a valid passport, identity card or photo driving licence.
8. If a shareholder does not specify how he or she wants the proxy to vote on the particular resolution, the proxy may vote or abstain as he or she sees fit. A proxy may also vote or abstain as he or she sees fit on any other business which properly comes before the General Meeting.
9. A Proxy Form is enclosed. The notes to the Proxy Form include instructions on how to appoint the Chairman of the General Meeting or another person as a proxy and also on how to appoint a proxy by using the CREST proxy appointment service. You can only appoint a proxy using the procedures set out in these Notes and in the notes to the Proxy Form.

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10. A corporation which is a shareholder may appoint one or more corporate representatives who may exercise on its behalf all of its powers as a shareholder, as if the corporation were an individual shareholder, provided that they do not do so in relation to the same share or shares. Shareholders considering the appointment of a corporate representative should check their own legal position, the Company's Articles of Association and the relevant provision of the Companies (Jersey) Law 1991.
 11. Voting on the resolution will be conducted by way of a poll rather than on a show of hands. The Company believes that a poll is more representative of the shareholders' voting intentions because shareholder votes are counted according to the number of shares held and all votes tendered are taken into account. The results of the poll will be made available on the company's website at www.camcocleanenergy.com as soon as practicable following the conclusion of the General Meeting.
 12. Any electronic address provided either in this Notice or any related documents (including the Form of Proxy) may not be used to communicate with the Company about proceedings at the General Meeting or the contents of this Notice or for any purposes other than those expressly stated.
 13. The total number of Camco Clean Energy plc ordinary shares of €0.01 in issue as at 27 June 2014 is 208,127,166. The Company holds no shares in treasury.

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Camco Clean Energy plc

Directors' report and financial statements

Jersey registered 92432

31 December 2013

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Chairman's report

Two years ago the Board approved a stability plan to re position our business in view of the collapse of the European carbon market. I am pleased to report that by the end of 2013 the plan was completed and our business has been repositioned in three key clean energy growth areas.

We entered the US market in 2007 and have built up a leading position in our sector. This was recognised by our recent award as Project Developer of the Year by the Climate Action Reserve - the first time this award has been given. Our focus has been on the development of cleaner gas projects where there are strong legislative drivers; not only energy and climate changes policies such as the White House Climate Action Plan but also legislation to divert food waste from landfill sites. We now have one of the leading biogas project development teams in the USA and we are operating the largest agricultural methane facility in the USA. Our plan is to build on the platform we have established and develop new assets with long term annuity cash flows.

We have been working in Africa for over 25 years and have seen the clean energy market change from donor funded demonstration projects to become a commercial necessity. Indeed, clean energy now often provides cheaper power than fossil fuel alternatives. There is a chronic shortage of power in sub Saharan Africa and a growing appetite to invest in the African clean energy sector. African governments are introducing supportive legislation and we have advised several governments on their clean energy policies. Our on the ground experience and relevant local experience puts us in a competitive position in this growth market.

Our third and highest growth area is energy storage. Our first investments in the REDT flow energy battery were in 2000 and while this was not a core area at that time, our storage team has worked hard to develop a commercial product culminating in the award of a £3.6m contract to build a 1.26MWh utility storage facility on the island of Gigha, Scotland. Electricity grids are becoming smarter with small distributed power generation. They will transform from a top down approach that was needed with large national power stations to a network of localised generation and demand. Electricity storage is a key element of this transformation and market forecasts of a multi-billion pound market in the next few years support this. This area is now key for us and our focus is to move from demonstration to commercial sales through the reduction in the cost of production of units, which the recently announced outsourced manufacturing contract with Jabil Circuit, Inc. will enable us to achieve.

Turning a business round is challenging and requires intensive work and our executive directors have worked extremely hard and diligently to deliver the stability plan. I would like to thank them and my fellow non-executive directors for the contributions that they have made to the Company in the past year. Finally I would also like to thank our management and staff for their support in 2013. We now have a leaner and fitter base from which we can rebuild our business in 2014.

Jeffrey Kenna
Chairman
27 June 2014

Chief executive officer's report

Summary and Outlook

2013 was a transformational year and we completed the year as a completely different company from that which we started. We commence the first half of 2014 with some exciting opportunities which we have already started to secure and progress. All of our staff have worked tirelessly to put the business in the position it is today and I want to personally thank each one for their hard work and dedication in often extremely challenging circumstances. It is rare that a company can survive a complete market collapse of its core business whilst securing growth opportunities in parallel, huge credit to all our team, partners and shareholders for their determination and conviction to ensure the Company's success.

We started 2013 on the back of the external market collapse of the Certified Emission Reduction unit ("CER") price by 96% in 2012 which had resulted in the elimination of revenue and cash flow from what had been our core business and a need to manage very carefully the resulting liability and contingent liability position. We also had an operational cost base misaligned to the remaining business units and as a result rapidly depleting financial resources.

The position at the start of 2014 is materially different with 3 clearly defined business units having demonstrable growth strategies, an operational cost base that has been reduced to the absolute minimum whilst retaining the necessary functionality and no contingent liabilities.

These 3 business units are focused on 3 key themes which we see developing across the wider clean energy sector being (i) the need for effective energy storage to accelerate the pace of the worldwide roll-out of renewable technology; (ii) the increasing demand for investment into African clean energy projects to alleviate poverty and increase electrification rates; and (iii) deployment of clean energy in developed world countries to reduce emissions from polluting industries but in a way that is cost effective for the industry in question.

Our task in 2014 is to now deliver these opportunities we have created and build on the foundations put in place last year. In doing so, we are focused on building long term equity value for shareholders which we believe, once recognised, will lead to increased investor demand and subsequent long term share price appreciation.

Operational review

Significant progress has been made across each of our 3 main business units; US Clean Energy, Africa Clean Energy and REDT Clean Energy Storage. In addition, our efforts to hibernate our CDM business were effectively completed which, together with the disposal of entities containing the majority of our liabilities, leaves us in a much more secure position than last year.

The financial information in these Report and Accounts split our operations into two segments, being Carbon and Projects. Given the growth potential of the business units within Projects and the focus generally away from carbon activity, the Board may in the future, look to report its operations on a different segmental basis.

US Clean Energy

The US Clean Energy business comprises the Jerome Facility, an operating 4.5MW biogas plant, our US Carbon business and the Twin Falls Facility, an operating 2.1MW biogas facility, which was acquired for \$2.7m in cash shortly before the year end.

The Jerome Facility commenced operation in July 2012 with 2013 being its full year of operation. The facility is situated on a dairy farm in Idaho comprising in excess of 17,000 dairy cows and is integral to the logistical operation of the dairy, significantly reducing the cost otherwise incurred in dealing with the vast amounts of cow manure generated and crucially reducing emissions for the

dairy owner and facilitating compliance with stringent US environmental regulations. Key for this facility is to match or exceed its monthly minimum forecast power production targets so as to ensure it receives its full power price available to it under the power purchase agreement which it did so for the whole of the year, as it did for 2012 and to date in 2014. The facility also generates a significant number of US carbon credits eligible for the California market and which will generate good cash flow when they are issued as California Carbon Offsets (see below) which we anticipate to occur in the next few months.

The majority of the construction capital for the Jerome Facility was sourced from project debt secured on the facility and a mezzanine facility which was repaid in 2012 upon receipt of the US grant of circa \$6.0m. As a result, the accounting treatment for the net value of the Jerome Facility represented within the Group's net asset position is nominal as the gross depreciated value of the assets are approximately offset by the value of the debt and the deferred income balance (relating to the 2012 US grant receipt). As anticipated, interest on and repayment of the debt does account for significant portion of the cash flow generated by the asset and therefore we were pleased in January 2014 to be able to refinance this debt on better terms thereby decreasing this cash outflow over the next two years.

The Twin Falls Facility is situated close to the Jerome Facility on a dairy farm in Idaho comprising in excess of 10,000 dairy cows and, like the Jerome Facility, is crucial to the operation of the dairy overall. The integration of the facility into our operations has progressed extremely well and we are very pleased with its first few months of operation under our ownership, which continues to be ahead of target. As with the Jerome Facility, the Twin Falls Facility needs to match or exceed its monthly minimum forecast power production targets and has done so for the 5 months since being acquired by the Group. The facility was acquired debt free and does not currently have any debt secured against it.

We have gained significant expertise in operating biogas assets through operating the Jerome Facility, the largest of its kind in the US. This expertise was evident during the evaluation process in acquiring the Twin Falls Facility where in particular the team were able to advise and have implemented improvements to the operating procedure in advance of the acquisition completing to ensure the smooth and efficient running of the facility when we took ownership. We are also confident that the Company will benefit operationally from the close proximity of these two plants.

Our US team continues to focus on further business development in the clean gas space and the ability to grow the pipeline is significantly enhanced by the credibility gained from our two operating assets.

In addition, in the second half of 2013 we were very pleased to see the first issuances of carbon credits (pursuant to the Ozone Depleting Substances and Agricultural Methane methodology) under California's cap-and-trade program (the "California Program") both in the form of California Carbon Offsets ("CCOs") from our portfolio of US carbon credits. At the year end, all our issued CCOs had been sold together with the voluntary credits issued from our forestry project in Afognak, Alaska which delivered good cash flow.

We anticipate issuing 405,000 CCOs in 2014 from our portfolio of Agricultural Methane projects that are managed on behalf of our dairy partners where we receive a revenue share as well as an additional 128,000 CCOs which we own from our Jerome and Twin Falls facilities. Further CCOs are anticipated to be delivered each year between 2015 through 2021 although not to the same volumes as 2014, as 2014 includes volumes held over from 2013 (as a result of delays in the issuance of CCOs caused by the slower than anticipated implementation of regulations governing offsets under California's cap-and-trade program).

Our policy is to sell CCOs when they are issued and where possible lock-in in advance prices to mitigate potential CCO price risk.

Chief executive officer's report (continued)

Africa Clean Energy

The Group's heritage can be traced back to East Africa in 1989 where it initially focused on environmental and energy projects. Today, it has a well developed presence across Africa serviced from 5 regional offices located in Togo, Kenya, Tanzania (2), and South Africa with 23 client focused full-time employees.

During the latter part of 2013, the team submitted, alongside its development partner MW1, a 5MW solar project into the first round of the Small IPP Procurement Program in South Africa and we were pleased to be notified in March 2014 that it had been shortlisted for the next round. The project will now be submitted to the final round which is expected to commence mid-2014.

Throughout 2013, our team in South Africa has been involved in on-going carbon and energy management, carbon foot printing and reporting for a number of long term private sector clients in the mining, industrial and hotel sectors. Other major projects include a World Bank programme on municipal energy efficiency planning for Nairobi, Accra and Addis Abba, on-going support to Durban's Solar City programme, and development of a Renewable Energy Feed-in-Tariff for Zimbabwe. Key projects for 2013 include providing support to the National Treasury on Electricity Trends and Offsets for the Carbon Tax, in addition to a major programme for the Department of Environmental Affairs on Climate Change Mitigation Potential Analysis. Camco has recently been awarded the follow-up contract to develop the Desired Emission Reduction Outcomes ("DEROs"), a cornerstone of the South African Government's approach to climate change mitigation. In addition, Camco has been awarded a contract by the South African Green Fund to assist in the design of a trading platform within the Johannesburg Stock Exchange for Emission Reductions under the proposed carbon tax.

In Tanzania the team was recently awarded a \$1 million contract through USAID's Powering Agriculture Grand Challenge to implement a project to establish biomass powered mini-grids for communities in Benin and Tanzania. The project will involve promoting and commercializing Village Industrial Power Plants ("VIPs") and will result in 50 village agro-processing centres with associated mini-village grids, all powered by agricultural waste (biomass). The mini-village grids will provide between 10-50kWp of electricity for households, social services and businesses. Local technology manufacturers will assemble and sell VIPs to rural enterprises. These rural enterprises will generate, use and sell electricity through a village ESCO (energy service company) model. Targeting initially palm oil producing communities, the VIP technology can also run on other forms of agricultural biomass waste, such as rice and coffee husks and maize cobs.

The Togo office is also designing a solar PV project for the Netherlands development agency SNV, based upon vocational and entrepreneurial training and quality control through a dedicated project logo. In Sierra Leone and Tanzania, we are completing national biomass energy strategies with support from those national governments and the European Union. Also in Tanzania, we continue to promote bulk procurements of solar home systems for rural farmers through our EU-supported Clusters PV Project. We are actively developing new initiatives related to solar PV, women entrepreneurship in clean energy, solar lighting for night time fishing, and improved cookstoves.

In Kenya, the team continues to grow in its business offerings focusing on (i) Climate Change Planning and Policy; (ii) Agriculture, Biomass, Land use and Forestry; and (iii) Rural Energy Development and Energy Services. The Team was recently awarded The Carbon Reduction, Resources and Opportunities Toolkit ("CaRROT") and Draft Voluntary Standards to strengthen Kenya's competitive position in global markets. The team has been awarded "Reduced Emissions through deforestation and forest degradation" – "REDD" – projects in Nepal (identifying and quantifying decreases and increases in forest carbon stocks and to project future trends) and Kenya (supporting the restoration of the Mau forest ecosystem in order to create a suitable basis for its conservation and management as a multiple asset system, to benefit local, national and

international stakeholders). In Rwanda, the team has also been working with the Ministry of Infrastructure to developing a sustainable charcoal production CDM Programme of Activities.

REDT Clean Energy Storage

REDT Clean Energy Storage, our joint venture in which we have a 49% economic interest, also has had a transformational year which culminated in the award of the £3.6m contract to build a 1.26MWh utility storage facility on the island of Gigha, Scotland designed to demonstrate a cost effective solution for the UK grid and to benefit long term energy prices in the UK and elsewhere. This followed the successful installation of a demonstration flow battery system in Evora, Portugal which has a 5kW rated power with 12 hours (60kWh) storage capacity.

REDT has developed a robust, reliable and low maintenance energy storage system following more than ten years of research. The REDT battery can be used for a number of applications including increasing the reliability of renewable energy or for off grid energy solutions and comes in a range of power and storage capacities so can be easily integrated with a range of energy systems.

Key features of the renewable energy storage system are:

- **Long Lasting** – the system can handle up to 10,000 cycles, matching the life of a typical renewable energy system.
- **Super-Efficient** – the system retains charge indefinitely when shut down and can discharge down to 0% and charge up to 95% without causing degradation.
- **Safe** – Non-flammable and non-explosive as result of the patented low pressure system design.
- **Environmentally Friendly** – No emissions or heavy metals.
- **Low Maintenance** – the systems only requires annual maintenance checks, and performance can be monitored remotely.

The system in Evora, Portugal will be used to maximise the efficiency of a 6.6kW PV array that has been installed on the roof of the building and will time shift energy with voltage and frequency control so that energy costs are reduced. The system is capable of delivering a high quality domestic 2kW load for 2 to 3 days during periods of low solar output. REDT was selected by the European Commission to build and supply its new flow battery system for the Photovoltaic Cost reduction, Reliability, Operational performance, Prediction and Simulation ("PVCROPS") project, which is administered out of the Polytechnica University of Madrid and is part of the EU Seventh Framework Programme ("FP7").

The objectives of the PVCROPS project are to develop improved methodology, management, efficiency and cost reduction for renewable energy generated from solar PV installations. REDT is working collaboratively on this project with 11 other academic and industry partners from across Europe. This project offers REDT an excellent opportunity to prove its Vanadium Redox Flow Battery ("VRFB") systems in conjunction with the most influential organisations in the European PV industry, and the potential for additional sales volume in this sector throughout Europe with the same partners.

Work has started in earnest on delivering the Gigha project with our partners with first funds drawn down on budget on the project. Our proposed 1.26MWh storage system will be located on the island of Gigha, situated a few miles off the Kintyre peninsula, and with limited connection to the mainland via an ageing subsea cable.

Chief executive officer's report (continued)

One of the UK's largest opportunities for energy storage lies in Scotland which has a target to produce the equivalent of 100% of electricity from renewables by 2020 and estimates that 7GW of storage could be required by 2030. The REDT energy storage demonstration will focus on one of the weakest areas of the UK grid in the highlands and islands of Scotland where there are significant network constraints – these are the same areas that have such excellent potential for renewable energy generation. These costly-to-alleviate constraints prevent timely and efficient transfer of clean energy to demand customers, place hurdles on national ambition – and represents a great opportunity for REDT products in the UK market and around the world.

Generation and distribution issues to be addressed on Gigha include storage of 'wrong time' wind energy produced by the established wind farm on the island and despatch at peak rates, peak shaving and power regulation, deferral of capital upgrades of over-utilised transmission assets, potential standby power for the island during network faults or power outages, and enabling a minimum 20% increase in wind and solar generation with associated additional income for the island.

The National Grid has an ever increasing need for balancing power to handle wind variability in the UK. The present practice of curtailing wind energy output at times of high output and low demand is costly and ineffective which is ultimately paid for by consumers.

Due to its variability, renewable generation cannot yet be directly compared with conventional generation. REDT flow battery storage has the potential to bring renewable generation into the mainstream, enabling UK energy storage targets to be met and ultimately fixing long term generation costs using clean and free natural fuel.

EU ETS compliance services

The EU ETS compliance services team works with installations covered by the ETS to help them manage their regulatory position. This consists of providing market updates and supplying the requisite number of allowances and offsets for them to meet their emissions obligations, or selling their surplus. Where possible offsets are sourced from the Company's portfolio, from which these installations have historically been buyers. The team also manages the legacy business associated with this portfolio.

CDM carbon business

As indicated in our annual report for 2012, we moved rapidly in 2013 to hibernate our CDM carbon business to avoid further downside risk from the collapse in the CER price which fell 96% in 2012 and barely recovered in 2013. That process was effectively completed through 2013 culminating in a reorganisation involving the disposal of 5 group entities which together held the majority of the Group's provided liabilities and all its contingent liabilities. The hibernation process involved the effective closure of the China office with associated headcount reduction in the region and elsewhere and I wish to take this opportunity of thanking those staff members that have left us for their efforts during their time with the business and for their patience and understanding as we have worked through this situation and those who remain with us for their tireless work and professionalism to protect the ongoing business.

Notwithstanding the CER price fall, we did manage to earn some net carbon gross margin in 2013 which broadly covered the operating expenditure of this area as we worked to wind down the operation. We do not however anticipate a further material contribution in 2014 and beyond.

In these financial statements for 2013 we have recorded a restructuring provision to address the final costs anticipated in closing out this part of the business.

Other activity

On 7 May 2013 the Group sold its entire 60.1% interest in Camco South East Asia Limited for consideration of \$6.01m in cash, the same as the book value attributed to the holding in 2012. The funds received were used to fund the acquisition of the Twin Falls Facility and for other working capital purposes to exploit the opportunities available in the remaining business units.

Scott McGregor

Chief Executive Officer
27 June 2014

Chief financial officer's report

Overall Group result

The Group reported a significantly reduced total comprehensive loss of €3.8m compared to a loss of €23.2m in 2012 and reported a gross profit of €7.0m compared to a gross profit of €0.1m in 2012.

Gross profit for the carbon business was €3.9m (2012: loss of €2.6m) and gross profit for the projects business was €3.1m (2012: €2.7m).

Revenue rose to €12.3m compared to revenue in 2012 of €6.5m (after taking account of the 2012 carbon fair value adjustment). Revenue for the carbon business was €6.7m (2012: €1.5m after taking account of the 2012 carbon fair value adjustment) and revenue for Projects was €5.6m (2012: €5.0m).

Cost of sales reduced to €5.3m compared to €6.5m in 2012. Cost of sales for the carbon business was €2.8m (2012: €4.1m) and cost of sales for Projects was €2.5m (2012: €2.3m).

Carbon segment

The Carbon segment comprises our CDM carbon business, our US Carbon business and the EU ETS compliance services business.

CDM carbon business

The CDM Carbon business (comprising Certified Emission Reduction units ("CERs") and Voluntary Emission Reduction Units ("ERUs")) recorded revenue of €4.0m in 2013 of which €1.6m related to the unwinding of CER/VER carbon balances held on the balance sheet at the end of 2012 and the remaining €2.4m related to direct activity in 2013. This segment recorded Cost of Sales of €0.2m of which €(0.9)m related to the unwinding of CER/VER carbon balances referred to above and the remaining €1.1m related to direct activity in 2013. This resulted in a gross profit from direct activities in 2013 of €1.3m, the majority of which was represented by cash receipts.

As we have set out at length in this report and previously, the nature of wider CER/VER market means that we are not expecting meaningful revenues in this business to be repeated for 2014 and beyond.

The following table sets out the value of the net CER/VER carbon balances included within Group assets as at 2013 and for prior years 2010-2012:

	2013 €'000	2012 €'000	2011 €'000	2010 €'000
Accrued Income	265	516	15,939	40,907
Intangible Assets – CER carbon in specie	–	–	644	2,030
Work in Progress – Carbon Development Contracts	–	–	3,199	6,053
Other CDC accruals	(1,245)	(3,175)	(7,668)	(9,207)
Payment on account received	–	(2,550)	(6,426)	(10,200)
Total net asset/(liability)	(980)	(5,209)	5,688	29,583

At the end of 2012, the CER Carbon business had an effective net liability position of €5.2m having reduced from a positive value of €5.7m in 2011 and €29.6m in 2010. In addition, at the date of signing the 2012 financial statements in June 2013, a number of fixed price CER carbon purchase agreements were held in various entities across the Group. As a result of the significant decline in the carbon price in 2011 and 2012, these fixed price contracts resulted in a then potential un-provided potential exposure across the Group of €20.7 million. This exposure, which was being experienced across the industry, arose where entities are required to purchase carbon credits

under fixed price purchase agreements at a price that is higher than the current market price at which those entities can sell the carbon credits.

As stated in the 2012 financial statements, the Directors considered that they had made adequate provision in those accounts for the costs that were likely to be borne and we are pleased to report that in these 2013 financial statements the Group no longer has potential un-provided exposure to such fixed price CER carbon purchase agreements. This has been achieved through either contract renegotiations or through a reorganisation at the end of 2013 which resulted in various entities across the Group holding certain fixed price CER carbon purchase agreements being disposed for nominal consideration.

At the end of 2013, the potential provided net liability had reduced from €5.2m to €1.0m, a reduction of €4.2m. €0.8m of this reduction resulted from the disposals referred to above with the remaining €3.4m due to diligent work in reducing the net liability position. The Directors will continue to work diligently in reducing the remaining potential provided net liability of €1.0m.

US Carbon

The US Carbon business recorded revenues of €0.8m and cost of sales of €0.6m giving a gross profit of €0.2m. The intangible asset (carbon in specie) balance of €0.3m as at 2012 relating to certain ODS (Ozone Depleting Substances) credits formed part of this cost of sales balance in 2013 as did the revenue of €0.4m received on their sale.

The remaining revenue and cost of sales relates to the sale of credits delivered from the agricultural methane projects for which CCOs had been issued under California Program. In general, the first issuances under California Program have mainly been focused on credits under the Ozone Depleting Substances methodology, with those under agricultural methane methodology only starting to be issued as CCOs towards the end of 2013. The majority of our agricultural methane methodology credits had not had CCOs issued by the end of 2013 but we do expect them to all have first issuances during 2014.

EU ETS compliance services

The EU ETS compliance services business generated a small net margin during the year from revenue and cost of sales of approximately €2.0m each. This small net margin is as expected given the nature of the activity but provides a useful additional cash flow which is expected to be more meaningful in 2014.

Projects segment

The Projects segment comprises our US Clean Energy projects business (being the Jerome Facility and Twin Falls Facility), the Africa Clean Energy Consulting business and other miscellaneous activities.

US Clean Energy projects business

The Jerome Facility was owned and operating for the entire year whereas the Twin Falls Facility was acquired on 20 December 2013 and was only held by the Group for 11 days in 2013.

Revenue for the Jerome Facility was \$3.2m (€2.3m) and other income was \$0.4m (€0.3m) reflecting the amortization of deferred income in connection with the grant received in 2012. As expected we did see seasonality in the revenue from power generated with the second half of the year benefiting from the higher prices set out in the power purchase agreement. Cost of sales were \$1.1m (€0.8m). Administration Expenses were \$1.4m (€1.0m) which includes depreciation of \$1.2m (€0.8m). Interest expense for the year was \$1.0m (€0.8m).

Chief financial officer's report (continued)

At the beginning of 2013, a loan of \$14.9m (€11.2m) was secured against the Jerome Facility and this had amortized to \$14.3m (€10.4m) at the end of 2013. The Deferred Income balance at the beginning of 2013 of \$6.3m (€4.8m) had amortized to \$5.9m (€4.3m). Project Plant & Equipment had also reduced from \$19.6m (€14.9m) to \$18.5m (€13.4m) through depreciation. Finally, the Jerome Facility also had access to cash and restricted cash of \$1.5m (€1.1m) (2012: \$1.6m (€1.2m)) in total.

On 20 December 2013 the Twin Falls Facility was acquired for gross consideration of \$2.9m (€2.1m) equating to net consideration of \$2.7m (€2.0m). The acquisition has been accounted for as a business combination and the full value of the net consideration reflected in project plant and equipment at the end of 2013. The income received in 2013 from the Twin Falls Facility was a nominal amount for the 11 days of the year that it was held by the Group.

Africa Clean Energy Consulting business

The Africa Clean Energy Consulting business includes the 5 offices in Africa, the principal ones being Dar es Salaam (Tanzania), Johannesburg (South Africa) and Nairobi (Kenya).

Revenue for the year was €2.9m (2012: €2.5m) and cost of sales was €1.6m (2012: €1.2m). Administration expenses were €1.2m (2012: €1.3m). In addition, there was a €0.1m impairment of receivables. At the end of the year, the Africa Clean Energy Consulting business had work in progress of €0.5m (2012: €0.6m), deferred income of €0.2m (2012: €0.1m) and direct project cost accruals of €0.2m (2012: €0.2m).

Group operating expenses

Overall administration expenses fell by €3.1m from €12.4m to €9.3m, a fall of 25% following a concerted effort to reduce operational costs. Administration expenses include a full year's cost for the Jerome Facility of €1.0m compared with a 6 month charge in 2012 of €0.5m and a 2013 non-cash charge for share based payments of €0.4m (2012: €Nil). Excluding the expenses in connection with the Jerome Facility and the share based payments charge, administration expenses fell by €4.0m from €11.9m to €7.9m, a fall of 34%. Noticeable reductions came from personnel and contractors of 16% (€5.3m (2012: €6.3m)), office costs 41% (€1.0m (2012: €1.7m)), professional costs (including non-executive director fees) 42% (€1.1m (2012: €1.9m)), and travel and marketing 43% (€0.4m (2012: €0.7m)).

The efforts to reduce such operational cost have been focused on China (€1.1m (2012: €2.1m)), US (€1.7m (2012: €2.3m)) and Group/other (€3.9m (2012: €6.1m)) (all excluding the Jerome Facility and the share based payments charge) which combined shows a fall of 36%. Administration expenses across our African Clean Energy Consulting business also fell by €0.1m from €1.3m to €1.2m, a fall of 8%.

Year on year operational costs are expected to fall further in 2014 which will show the full year impact of the efforts to reduce cost in 2013. This is particularly the case in China where operational costs are expected to be negligible in 2014.

In addition to the above expenses, the Group recorded a restructuring charge of €0.8m (2012: €0.1m), a gain on disposals of €1.4m (2012: €Nil), impairment of receivables €0.1m (2012: €1.2m). In 2013 there was no impairment of investment in associates and joint ventures (2012: €3.1m), no impairment of goodwill (2012: €0.4m) and impairment of development costs €0.1m (€2.5m).

€0.8m of the gain on disposal reflects the disposal of certain entities as part of the reorganisation at the end of 2013. These entities were disposed for nominal consideration and had a net liability position at the point of disposal which created this gain. The remaining gain on disposal of €0.5m

reflects the disposal of Camco South East Asia Limited but should be considered again the equal and opposite share of loss recorded for this entity before the date of disposal.

Cash and cash equivalents

At 31 December 2013, the Group had cash and cash equivalents of €4.5m (2012: €11.1m) with unsecured loans of €Nil (2012: €4.0m). Adjusting for the unsecured loan in 2012 gives an adjusted net cash position at the year-end of €4.5m (2012: €7.1m) as follows:

	2013 €'000	2012 €'000
Cash and cash equivalents	4,472	11,087
Less unsecured loans	–	(4,000)
Adjusted net cash	4,472	7,087

The adjusted net cash position includes cash held in a debt reserve in relation to the Jerome Facility of €1.0m (2012: €1.0m) which is not available to the Group for general working capital purposes.

The key movements in cash during 2013 were: the repayment of borrowings (€4.7m); receipt of proceeds from the sale of investments (€4.4m) including the sale of Camco South East Asia; net acquisition of plant, property & equipment (€0.7m) which includes the purchase of the Twin Falls Facility (€2.0m) and the disposal of certain other assets (€1.2m); interest paid (€0.8m); loans to joint ventures being REDH (€0.2m); proceeds from the issue of share capital (€0.3m) and a cash absorbed from operations (€4.5m).

On 27 June 2014, the Company announced that it was raising €1.25 million through the issue of 25,000,000 new ordinary shares at 4.0 pence (approximately €0.05) per share to new and existing investors ("Placing"). In addition, the Company announced an open offer to existing shareholders to raise up to an additional €0.65m through the issue of up to 13,007,947 ordinary shares at 4.0 pence (approximately €0.05) per share ("Open Offer").

Both the Placing and the Open Offer are subject to the approval of shareholders at the General Meeting proposed to be held on 15 July 2014.

Other Activities

On 7 May 2013 the Group sold its entire 60.1% interest in Camco South East Asia Limited to Khazanah Nasional Berhad for consideration of \$6.01m in cash. The Group's interest in Camco South East Asia Limited had a book value of \$6.01m as at 31 December 2012. In the period leading up to the disposal on 7 May 2013, the Group's share of loss in Camco South East Asia Limited was €0.5 which is recorded in the Consolidated Statement of Comprehensive Loss but offset by an equivalent gain on disposal with no net impact on the overall group result.

On 13 May 2013 the Group announced that it had agreed to issue 18,449,073 new ordinary shares to Khazanah Nasional Berhad at 1.138 cents per share (1.183 pence) raising €254,875 (£218,252).

Jonathan Marren
Chief Financial Officer
27 June 2014

Directors' report

The Directors present their Directors' report and financial statements for the year ended 31 December 2013 (the "year").

Tax and company status

Camco Clean Energy plc (the "Company") is a public company admitted to AIM, a market operated by London Stock Exchange plc ("AIM"). The Company is incorporated in Jersey under the Companies (Jersey) Law 1991 as a registered public company and regulated by the Jersey Financial Services Commission ("JFSC"). Effective 1 January 2009, Jersey's tax regime changed, the effect of this is limited to the change of status from exempt to liable to Jersey income tax at 0%. The Company will apply for and expects to be granted this status for future years.

Principal activities

The principal activity of the Company and its subsidiaries (together the "Group") is to identify and develop emission reduction and clean energy projects.

Business Review

The Business review of the Group can be found in the consolidated financial statements and Annual Report and Accounts of the Company for the year to 31 December 2013, prepared in accordance with the Companies (Jersey) Law 1991 and the AIM Rules of the London Stock Exchange; in the Chairman's report on page 3; the Chief Executive Officer's report on pages 4 to 9; and the Chief Financial Officer's report on pages 10 to 13 which are incorporated in this report by reference. The Annual Report also provides a description of the principal financial risks and uncertainties facing the Company as well as the risk management objectives and policies that are in place to assist in mitigating the potential impact. Details of the Company's financial risks can be found in Note 22 on pages 59 and 60 to these financial statements.

Results and Dividends

The audited accounts for the Group for the year ended 31 December 2013 are set out on pages 27 to 67. The Group loss for the year after taxation was €3.7m (2012: €23.2m loss). The Board does not recommend the payment of a dividend for the year.

The Directors

Details of the Directors who served during the year are as follows:

- Scott McGregor Chief Executive Officer
- Jonathan Marren Chief Financial Officer
- Jeffrey Kenna Non-executive Chairman
- Michael Farrow Non-executive
- Zainul Rahim bin Mohd Zain Non-executive

Directors' Liability Insurance and Indemnities

The Company maintains liability insurance for the Directors and officers of all Group companies. The policy does not provide cover in the event that a Director or officer is proved to have acted fraudulently or dishonestly. Indemnities are in force under which the Company has agreed to indemnify the Directors to the extent permitted by applicable law and the Company's articles of association in respect of all losses arising out of, or in connection with, the execution of their powers, duties and responsibilities as Directors of the Company or any of its subsidiaries.

Directors' interests

Details of Directors' interests in the Company's shares are shown in Note 30.

Share Capital

The issued share capital of the Company at 1 January 2013 was €1,896,780.93 comprised of 189,678,093 ordinary shares of €0.01. There were no shares held in treasury.

On 13 May 2013, the Company issued 18,449,073 new ordinary shares to Payar Investments Ltd (a wholly owned subsidiary of Khazanah Nasional Berhad).

The issued share capital of the Company at 31 December 2013 was €2,081,271.66 comprised of 208,127,166 ordinary shares of €0.01. There were no shares held in treasury.

Substantial shareholdings

As at 31 May 2014, the following shareholders own more than 3% of the issued share capital of the Company:

	% of issued share capital	Number of shares
Payar Investments Ltd (subsidiary of Khazanah Nasional Berhad)	29.9	62,229,986
Clearworld Energy Limited	7.1	14,761,837
Henderson Global Investors	5.6	11,145,000
TD Waterhouse	4.7	9,856,988
Greenergy International Limited	4.1	8,449,359
HSBC Private Bank	3.2	6,596,378

Political and charitable contributions

The Group has made no political or charitable contributions during the year (2012: €Nil).

Corporate governance

The Directors are committed to a high standard of corporate governance for which they are accountable to stakeholders and particularly shareholders. The Group applies, having regard to its size and nature, and so far as it considers practical and appropriate, the principles contained in Part 1 of the Combined Code appended to the Listing Rules published by the UK Listing Authority. The Company continues to monitor developments in the area of corporate governance.

The Board

The Board is ultimately responsible for the effectiveness of the Group's system of internal control. The roles and responsibilities of the Board and senior management are clearly defined and regularly reviewed. The Board includes an appropriate balance of executive and non-executive Directors and meets formally four times a year and on such other occasions as required by the demands of the business. It is supplied with information by senior management in a timely and accurate manner, appropriate to enable it to discharge its duties of reviewing and approving the Company's strategy, budgets, major items of capital expenditure and acquisitions.

Directors' report (continued)

The roles of the Chairman and the Chief Executive Officer

The division of responsibilities between Chairman of the Board and the Chief Executive Officer are clearly defined. Their responsibilities are outlined below.

The Chairman

The Chairman leads the Board in the determination of its strategy and in the achievement of its objectives. The Chairman is responsible for organising the business of the Board, ensuring its effectiveness and setting its agenda. The Chairman has no involvement in the day-to-day business of the Group. The Chairman facilitates the effective contribution of non-executive Directors and manages constructive relations between non-executive and executive Directors. The Chairman ensures that regular reports from the Company's brokers are circulated to the non-executive Directors to enable non-executive Directors to remain aware of shareholders' views. The Chairman ensures effective communication with the Company's shareholders.

The Chief Executive Officer

The Chief Executive Officer has direct charge of the Group on a day-to-day basis and is accountable to the Board for the financial and operational performance of the Group. The Chief Executive Officer has formed a Management Committee to enable him to carry out the responsibilities delegated to him by the Board. The Management Committee comprises all executive Directors and senior managers from each business region. The Management Committee meet on a regular basis to consider operational matters and implement the Group's strategy.

The Board's Committees

The Board has formally established three committees in accordance with the Combined Code to provide oversight to support the proper governance of the Company, these are outlined below.

The Audit Committee

The Audit Committee comprises Michael Farrow (Chairman), Zainul Rahim bin Mohd Zain and Jeffrey Kenna who are all non-executive Directors.

The Committee is responsible for the following functions recommended by the Combined Code including:

- Review of the annual financial statements and interim reports prior to approval, focusing on changes in accounting policies and practices, major judgemental areas, significant audit adjustments, going concern and compliance with accounting standards, Stock Exchange and legal requirements;
- Receiving and considering reports on internal financial controls, including reports from the auditors and report their findings to the Board;
- Considering the appointment of the auditors and their remuneration including reviewing and monitoring of independence and objectivity;
- Meeting with the auditors to discuss the scope of the audit, issues arising from their work and any matters the auditors wish to raise;
- Developing and implementing policy on the engagement of the external auditor to supply non-audit services;

-
- Review of the Group's corporate review procedures and any statement on internal control prior to endorsement by the Board.

The Remuneration Committee

The Remuneration Committee comprises Zainul Rahim bin Mohd Zain (Chairman), Jeffrey Kenna and Michael Farrow, who are all non-executive Directors.

The Committee has the following key duties:

- Reviewing and recommending the emoluments, pension entitlements and other benefits of the executive Directors and as appropriate other senior executives; and
- Reviewing the operation of share option schemes and Long Term Incentive Plans and the granting of such options.

The Nomination Committee

The Nomination Committee comprises Jeffrey Kenna (Chairman), Michael Farrow and Zainul Rahim bin Mohd Zain who are all non-executive Directors.

The Committee is responsible for considering all potential appointments to the Board and to make suitable proposals to the Board in relation to potential appointments.

The Company Secretary

The Company secretary is Consortia Partnership Limited, a Jersey-based limited liability company regulated by the Jersey Financial Services Commission. Michael Farrow is a Director of this company.

Relations with shareholders

The Company provides shareholders and stakeholders with relevant information in a timely and balanced manner. We understand and respect the rights of shareholders, will convene Annual General Meetings in full consideration of these rights, and encourage full participation of both institutional and private investors.

Internal control

The Audit Committee is responsible on behalf of the Board for the Group's system of internal control and has taken into account the relevant provisions of the Combined Code in formulating the systems and procedures in operation by the Group. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and provide only reasonable and not absolute assurance against material misstatement or loss. The Board is aware of the need to conduct regular risk assessments to identify any deficiencies in the controls currently operating over all aspects of the Group. The Board will conduct a formal risk assessment on an annual basis but will also report by exception on any material changes during the year.

Risk assessment

In determining what constitutes a sound system of internal control the Board considers:

- The nature and extent of the risks regarded as acceptable for the Company to bear within its particular business;

Directors' report (continued)

- The threat of such risks becoming reality;
- The Company's ability to reduce the incidence and impact on business if the risk crystallises;
- The costs and benefits resulting from operating relevant controls; and
- Recommendations from the Audit Committee as part of its overall responsibility for risk.

Policies

Through the regular meetings of the Board and the schedule of matters reserved for the Board's committees, the Board aims to maintain full and effective control over appropriate strategic, financial, operational and compliance issues. The Board has put in place an organisational structure with clearly defined lines of responsibility and delegation of authority. For each financial year, the Board considers and approves a strategic plan and financial budget. In addition, there are established procedures and processes for planning and controlling expenditure and making investments.

Processes

The Group utilises the following broad processes in order to further mitigate any risks it faces.

- Review of monthly management accounts with comparison of actual performance against budget; and consideration of the outturn for the year;
- Monthly reconciliation of all control accounts;
- Approval by the Board is required for major investments outside the budget; and
- Segregation of duties between relevant functions and departments.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Financial Review. The financial position of the Group, its cash flows and liquidity position are described in the same review. In addition, Notes 22 to 23 to the financial statements includes the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and its exposures to credit risk and liquidity risk.

The Group has sufficient financial resources together with long-term relationships with a number of customers across different geographic areas and industries. The Group also announced on 27 June 2014 that it was raising €1.25 million through the issue of 25,000,000 new ordinary shares at 4.0 pence (approximately €0.05) per share to new and existing investors. In addition, the Company announced an open offer to existing shareholders to raise up to an additional €0.65m through the issue of up to 13,007,947 ordinary shares at 4.0 pence per share. As a consequence, the Directors believe that the Group is well placed to manage its business risks successfully.

The Directors are satisfied that the Group has adequate resources to continue to operate for the foreseeable future. For this reason, they consider it appropriate for the financial statements to be prepared on a going concern basis.

Disclosure of information to auditor

Each of the Directors confirms that: (a) so far as they are aware, there is no relevant audit information of which the Group's auditor is unaware; and (b) they have taken all steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of such information.

Auditor

On 17 September 2013 the Company resolved to appoint KPMG LLP as the Group's auditors for the year ended 31 December 2013.

By Order of the Board

Michael Farrow

Consortia Partnership Limited
Company Secretary

Registered Office:
Channel House
Green Street
St Helier
JE2 4UH

27 June 2014

Report of the remuneration committee

Composition and terms of reference

The Remuneration Committee was established on admission to AIM on 25 April 2006 and comprises only independent non-executive Directors. Its members during the year were Zainul Rahim bin Mohd Zain (Chairman) Michael Farrow and Jeffrey Kenna. The Committee's terms of reference take into account the provisions of the Combined Code on corporate governance for smaller companies and ensure that processes designed to retain and remunerate the executive Directors and management are consistent with current best practice.

Directors' remuneration policy

Non-executive Directors

The Company's policy for non-executive Directors (including the Chairman) is to pay fees which are competitive with fees paid by other similar AIM listed companies of commensurate size and growth prospects. Non-executives are not currently eligible for bonuses, share options, long-term incentives, pensions or performance related remuneration.

Executive Directors

The Company's policy for executive Directors is to provide remuneration and other benefits sufficient to attract, retain and motivate executives of the calibre required. Total remuneration includes salary, performance related bonuses, share options and long-term incentives. Bonuses are provided at the discretion of the Remuneration Committee and are performance related. Share options and long-term incentives are provided to motivate and retain executive Director's services.

During 2013 each of the executive directors waived their contractual entitlement to pension contributions for the entire year.

Directors' remuneration during the year

	2013 Salaries and fees €'000	2013 Benefits in kind €'000	2013 Short-term performance related remuneration €'000	2013 Long-term performance related remuneration €'000	2013 Pension benefits €'000	2013 Total €'000
Executive Directors						
Scott McGregor	243	1	143*	224**	–	611
Jonathan Marren	177	2	108*	135**	–	422
Non-executive Directors						
Jeffrey Kenna	71	–	–	–	–	71
Michael Farrow	35	–	–	–	–	35
Zainul Rahim bin Mohd Zain	41	–	–	–	–	41
Total	567	3	251	359	–	1,180

* As at the date of signing these financial statements, this amount had not yet been paid.

** Long-term performance related remuneration relates to options issued in 2013 under the Camco 2006 Executive Share Plan.

	2012 Salaries and fees €'000	2012 Benefits in kind €'000	2012 Short-term performance related remuneration €'000	2012 Long-term performance related remuneration €'000	2012 Pension benefits €'000	2012 Total €'000
Executive Directors						
Scott McGregor	254	1	73*	–	5	333
Jonathan Marren	92	1	–	–	5	98
Yariv Cohen (resigned 26/01/12)	46	–	–	–	1	47
Non-executive Directors						
Jeffrey Kenna	74	–	–	–	–	74
Michael Farrow	41	–	–	–	–	41
Dr Herta von Stiegel (resigned 31/12/12)	41	–	–	–	–	41
Paolo Pietrogrande (resigned 29/11/12)	40	–	–	–	–	40
Zainul Rahim bin Mohd Zain	37	–	–	–	–	37
Total	<u>625</u>	<u>2</u>	<u>73</u>	<u>–</u>	<u>11</u>	<u>711</u>

* As at the date of signing these financial statements, this amount had not yet been paid.

Defined contribution retirement benefit plan

The Group operates a defined contribution retirement benefit plan for qualifying Directors and employees. The assets of this plan are held separately from those of the Group. The only obligation of the Group is to make the contributions. As set out above, during 2013 each of the executive directors waived their contractual entitlement to pension contributions for the entire year.

Long-Term Incentive Plan (the “LTIP”)

The Board has historically approved the LTIP under which Directors and employees were entitled to equity-settled payment following vesting years from 31 December 2008 up to 31 December 2012 and upon certain market and non-market performance conditions being met for those years.

The purpose of the LTIP was to incentivise Directors and employees to ensure profit and share price performance targets was met over the vesting year. The LTIP will align Director's objectives with those of the shareholders.

The Board now considers the LTIP closed and accordingly no further awards were made during the year. All outstanding awards either vested or were forfeited during the year as follows:

	At 31 December 2012 Share awards outstanding Number	Granted Number	Forfeited Number	Vested Number	At 31 December 2012 Share awards outstanding Number	Price payable (per share) €
Scott McGregor	1,500,000	–	(750,000)	(750,000)	–	0.01
Jonathan Marren	–	–	–	–	–	–
Total	1,500,000	–	(750,000)	(750,000)	–	

Report of the remuneration committee (continued)

The share-based payment charge booked in these financial statements for Scott McGregor is €Nil (2012: €500).

The Company's share price at the end of the year was 5.125 pence/€0.060 (2012: 2.125 pence/€0.026). The highest share price in the year was 8.375 pence/€0.101 (2012: 8.25 pence/€0.099) and the lowest 1.025 pence/€0.026 (2012: 2.125 pence/€0.026).

Camco 2006 Executive Share Plan (the "Plan")

On 27 July 2012, the Company resolved at the general meeting to amend the terms of the Plan such that awards could be made under the Plan, for a period of 10 years from 27 July 2012, over up to 10 per cent. of the ordinary shares in issue as 27 July 2012 and any shares subsequently issued from time to time.

Under the Plan the Company can now make awards of share options or conditional rights to receive shares ("awards") to selected Directors and employees.

The purpose of the Plan is to incentivise Directors and employees to ensure market (share price) and non-market (operational) performance targets are met over the vesting period.

The number of awards made to Directors of the Company and amounts payable per share are set out below.

	At 31 December 2013 Share awards outstanding Number	Granted Number	Forfeited Number	Vested Number	At 31 December 2013 Share awards outstanding Number	Price payable (per share) €
Scott McGregor	–	10,406,358	–	–	10,406,358	0.01
Jonathan Marren	–	6,243,814	–	–	6,243,814	0.01
Total	–	16,650,172	–	–	16,650,172	

The Company's share price at the end of the year was 5.125 pence/€0.060 (2012: 2.125 pence/€0.026). The highest share price in the year was 8.375 pence/€0.101 (2012: 8.25 pence/€0.099) and the lowest 1.025 pence/€0.026 (2012: 2.125 pence/€0.026).

The share-based payment charge booked in these financial statements for Scott McGregor is €224,000 and Jonathan Marren is €135,000 (2012: €Nil, only in respect of Scott McGregor).

Market-based performance condition The options currently issued under the Plan will vest at different levels depending on the Company's share price performance, subject to the non-market performance conditions being met. These options will vest in 3 equal tranches upon the Company's 45 day volume weighted average share price reaching or exceeding the levels of 3p, 5p and 7p during the life of the options.

Non market performance conditions The Plan will only vest if all the non-market performance conditions are met. These non-market performance conditions are based on specific and measurable operational targets set by the Board. The employee or Director must remain employed by the Group throughout the entire vesting year in order to remain entitled to Plan shares.

Directors' service contracts

Non-executive Directors, including the Chairman, hold office under the Company's Articles of Association and do not have service contracts. The Chairman is entitled to 6 months' notice prior to termination of his appointment. The other non-executive Directors are entitled to 3 months' notice prior to termination of their appointment. Following these notice periods there is no further entitlement to compensation or other benefits.

The Group's policy is that executive Directors' notice periods should not exceed one year. Scott McGregor and Jonathan Marren have employment contracts with the Group dated 16 March 2006 and 9 July 2012 respectively and are terminable with 3 months' notice given by the Group or employee. There are no provisions for compensation for early termination of these contracts, with the exception of change of role in the event of a merger or acquisition.

The tables above comprise part of the audited financial statements.

By Order of the Board

Zainul Rahim bin Mohd Zain

Remuneration Committee Chairman

27 June 2014

Statement of directors' responsibilities in respect of the annual report and the financial statements

The Directors are responsible for preparing the Annual Report and the Group financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare group financial statements for each financial year. As required by the AIM Rules for Companies of London Stock Exchange Plc, they are required to prepare the Group financial statements in accordance with IFRSs as adopted by the EU and applicable law.

Under Jersey Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and of its profit or loss for that period.

In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether they have been prepared in accordance with IFRSs as adopted by the EU; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that its financial statements comply with the Companies (Jersey) Law 1991. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The Directors have decided to prepare voluntarily a Directors' Remuneration Report in accordance with Schedule 8 to The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 made under the Companies Act 2006, as if those requirements were to apply to the Group. The Directors have also decided to prepare voluntarily a Corporate Governance Statement as if the Group was required to comply with the Listing Rules and the Disclosure Rules and Transparency Rules of the Financial Services Authority in relation to those matters.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in Jersey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the members of Camco Clean Energy Limited

We have audited the group financial statements of Camco Clean Energy Limited (the "company") for the year ended 31 December 2013 which comprise the Consolidated Statement of Financial Position, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flow and related Notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards as adopted by the EU.

This report is made solely to the company's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law 1991. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 24, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our audit.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's affairs as at 31 December 2013 and of the group's loss for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the EU;
- have been prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies (Jersey) Law 1991 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the company; or

Independent auditor's report (continued)

to the members of Camco Clean Energy Limited

- returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Mike Woodward (Senior Statutory Auditor)

for and on behalf of KPMG LLP,
Chartered Accountants and Recognised Auditor

8 Salisbury Square
London
EC4Y 8BB

27 June 2014

Notes:

- The maintenance and integrity of the www.camcocleanenergy.com website is the responsibility of the directors; the work carried out by auditors does not involve consideration of these matters and accordingly, KPMG LLP accepts no responsibility for any changes that may have occurred to the financial statements or our audit report since 27 June 2014. KPMG LLP has carried out no procedures of any nature subsequent to 27 June 2014 which in any way extends this date.
- Legislation in Jersey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. The directors shall remain responsible for establishing and controlling the process for doing so, and for ensuring that the financial statements are complete and unaltered in any way.
- Legislation in Jersey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. The directors shall remain responsible for establishing and controlling the process for doing so, and for ensuring that the financial statements are complete and unaltered in any way.

Consolidated statement of financial position

At 31 December 2013

	Notes	2013 €'000	Restated 2012 €'000
Non-current assets			
Property, plant and equipment	14	15,581	16,558
Intangible assets – carbon in specie		–	313
Investments in associates and joint ventures	16	2,576	7,181
Other investments	17	–	3
Deferred tax assets	11	32	22
		18,189	24,077
Current assets			
Prepayments and accrued income	18	1,452	1,318
Trade and other receivables	19	1,368	1,184
Cash and cash equivalents	20	4,472	11,087
		7,292	13,589
Total assets		25,481	37,666
Current liabilities			
Loans and borrowings	25	(492)	(4,764)
Trade and other payables	21	(4,162)	(7,564)
Deferred income	24	(434)	(409)
Tax payable		(239)	(173)
		(5,327)	(12,910)
Non-current liabilities			
Loans and borrowings	25	(9,884)	(10,797)
Deferred income	24	(4,024)	(4,489)
		(13,908)	(15,286)
Total liabilities		(19,235)	(28,196)
Net assets		6,246	9,470
Equity attributable to equity holders of the parent			
Share capital	26	2,081	1,897
Share premium		75,640	75,565
Share-based payment reserve		646	301
Retained earnings		(72,330)	(68,583)
Translation reserve		209	304
Own shares		–	(14)
Total equity		6,246	9,470

These financial statements were approved and authorised for issue by the board of directors on 27 June 2014 and were signed on its behalf by:

Michael Farrow

Director

Company Registration Number 92432

Consolidated statement of comprehensive income

For the year ended 31 December 2013

	Notes	2013 €'000	Restated 2012 €'000
Continuing operations			
Revenue:			
Earned in the year	3	12,305	15,765
Carbon price fair value adjustment	3	–	(9,219)
Revenue		12,305	6,546
Cost of sales		(5,336)	(6,478)
Gross profit		6,969	68
Other income	4	1,377	3
Other income – government grant income	24	276	118
Administrative expenses	5	(9,347)	(12,356)
Impairment of Investment in associates and joint ventures	5	(3)	(3,118)
Impairment of Goodwill	5	–	(433)
Impairment of development costs	5	(90)	(2,500)
Impairment of receivables	5	(109)	(1,206)
Restructuring charges	5	(783)	(116)
Results from operating activities		(1,710)	(19,540)
Financial income	9	169	76
Financial expenses	9	(1,447)	(1,184)
Net financing expense		(1,278)	(1,108)
Share of loss of equity-accounted investees		(603)	(2,573)
Loss before tax		(3,591)	(23,221)
Income tax (expense)	11	(84)	(107)
Loss from continuing operations		(3,675)	(23,328)
Discontinued operation			
Loss from discontinued operation (net of tax)	10	(72)	(339)
Loss for the year		(3,747)	(23,667)
Other comprehensive income			
<i>Items that are or may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations		(95)	(247)
Reclassification from cumulative exchange reserve arising on disposal of subsidiaries		–	706
Total comprehensive income for the year		(3,842)	(23,208)
Loss for the year attributable to:			
Equity holders of the parent		(3,747)	(23,667)
Total comprehensive income for the year attributable to:			
Equity holders of the parent		(3,842)	(23,208)
Basic loss per share in € cents			
From continuing operations	12	(1.89)	(12.34)
From continuing and discontinued operations	12	(1.93)	(12.52)
Diluted loss per share in € cents			
From continuing operations	12	(1.89)	(12.34)
From continuing and discontinued operations	12	(1.93)	(12.52)

Consolidated statement of changes in equity

For year ended 31 December 2013

							2013 Total equity attributable to shareholders of the Company	2013 Total equity
Note	2013 Share capital €'000	2013 Share premium €'000	2013 Share- based payment reserve €'000	2013 Retained earnings €'000	2013 Translation reserve €'000	2013 Own shares €'000	€'000	€'000
Balance as at 1 January 2013	1,897	75,565	301	(68,583)	304	(14)	9,470	9,470
Total comprehensive income for the year								
Loss for the year	-	-	-	(3,747)	-	-	(3,747)	(3,747)
Other comprehensive income								
Foreign currency transaction differences	-	-	-	-	(95)	-	(95)	(95)
Total comprehensive income for the year	-	-	-	(3,747)	(95)	-	(3,842)	(3,842)
Transactions with owners, recorded directly in equity								
<i>Contributions by and distributions to owners</i>								
Share-based payments	7	-	-	359	-	-	359	359
Issuance of shares		184	75	-	-	-	259	259
Own shares		-	-	(14)	-	14	-	-
Total contributions by and distributions to owners		184	75	345	-	14	618	618
Balance at 31 December 2013	2,081	75,640	646	(72,330)	209	-	6,246	6,246

Consolidated statement of changes in equity

For year ended 31 December 2012

							2012 Total equity attributable to shareholders of the Company	2012 Total equity
	Note	2012 Share capital €'000	2012 Share premium €'000	2012 Share- based payment reserve €'000	2012 Retained earnings €'000	2012 Translation reserve €'000	2012 Own shares €'000	2012 Total equity €'000
Balance as at 1 January 2012		1,892	75,542	559	(44,916)	(155)	(243)	32,679
Total comprehensive income for the year								
Loss for the year		–	–	–	(23,667)	–	–	(23,667)
Other comprehensive income								
Reclassification from cumulative exchange reserve arising on disposal of subsidiaries		–	–	–	–	706	–	706
Foreign currency transaction differences		–	–	–	–	(247)	–	(247)
Total comprehensive income for the year		–	–	–	(23,667)	459	–	(23,208)
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners								
Share-based payments	7	–	–	(1)	–	–	–	(1)
Issuance of shares		5	23	–	–	–	(28)	–
Own shares		–	–	(257)	–	–	257	–
Total contributions by and distributions to owners		5	23	(258)	–	–	229	(1)
Changes in ownership interests in subsidiaries that do not result in a loss of control								
Acquisition & settlement of non-controlling interest		–	–	–	–	–	–	–
Total changes in ownership interests in subsidiaries		–	–	–	–	–	–	–
Total transactions with owners		5	23	(258)	–	–	229	(1)
Balance at 31 December 2012		1,897	75,565	301	(68,583)	304	(14)	9,470

Consolidated statement of cash flow

For year ended 31 December 2013

	Notes	2013 €'000	Restated 2012 €'000
Cash flows from operating activities			
Cash absorbed by operations	a	(4,487)	(6,309)
Income tax paid		–	(125)
Net cash outflow from operating activities		(4,487)	(6,434)
Cash flows from investing activities			
Disposal of discontinued operations, net of cash disposed of		(72)	3,979
Proceed from sales of investments		4,357	36
Acquisition of property, plant and equipment	13	(1,973)	(1,113)
Disposal of property, plant and equipment		1,241	–
Loan to joint venture		(200)	(91)
Net cash inflow from investing activities		3,353	2,811
Cash flows from financing activities			
Proceeds from the issue of share capital		259	28
Proceeds from new loan		–	603
Proceeds from Capital Grants		–	5,170
Repayment of borrowings		(4,711)	(5,080)
Interest received		11	–
Interest paid		(850)	(537)
Net cash (outflow)/inflow from financing activities		(5,291)	184
Net decrease in net cash and cash equivalents		(6,425)	(3,439)
Net cash and cash equivalents at 1 January		11,087	14,270
Effect of foreign exchange rate fluctuations on cash held		(190)	256
Net cash and cash equivalents at 31 December	20	4,472	11,087

Consolidated statement of cash flow (continued)

For year ended 31 December 2013

	2013 €'000	Restated 2012 €'000
(a) Cash flows from operating activities		
Loss for the period	(3,747)	(23,667)
Adjustments for:		
Depreciation	1,097	616
Impairment of project plant and equipment	–	528
Gain on sale of fixed assets	(68)	–
Amortisation of deferred income	(276)	(111)
Impairment of investments in associates and joint ventures	3	3,118
Carbon price fair value adjustment	–	9,219
Impairment loss on CDC assets	–	3,203
Impairment of Goodwill	–	433
Impairment of receivables	109	1,206
Share of loss of equity accounted investees	603	2,573
Loss on sale of discontinued operation, net of tax	72	339
Gain on sale of investment	(547)	(3)
Gain on sale of subsidiary	(762)	–
Share-based payment transactions	359	1
Income tax expense	56	107
Finance cost	839	1,129
Foreign exchange loss on translation	229	23
Restructuring costs	783	116
Impairment loss on development costs	90	2,109
Operating cash (outflow)/inflow before movements in working capital	(1,160)	939
Changes in working capital		
Decrease in intangible assets	313	331
Decrease in prepayments	103	522
(Increase)/decrease in trade and other receivables	(154)	1,236
Change in CDC accruals and CDC accrued income	(5,733)	(2,710)
(Increase)/decrease in accrued income – Non CDC	(447)	120
Increase/(decrease) in trade and other payables – Non CDC	2,591	(6,747)
Cash generated by operations	(4,487)	(6,309)

Notes

(forming part of the financial statements)

1. Accounting policies

Camco Clean Energy plc (the "Company") is a public company incorporated in Jersey under the Companies (Jersey) Law 1991. The address of its registered office is Channel House, Green Street, St Helier, Jersey JE2 4UH. The consolidated financial statements of the Company for the year ended 31 December 2013 comprise of the Company, its subsidiaries and associates and jointly controlled entities (together the "Group"). The Company is admitted to the AIM, a market operated by London Stock Exchange Plc.

A. Statement of compliance

These consolidated financial statements have been prepared and approved by the Directors in accordance with International Financial Reporting Standards as adopted by the European Union ("adopted IFRS").

These consolidated financial statements have been prepared in accordance with and in compliance with the Companies (Jersey) Law 1991 an amendment to which means separate parent company financial statements are not required.

These consolidated financial statements were approved by the Board on 27 June 2014.

B. Basis of preparation

The financial statements are presented in Euros, the functional currency of the Company, rounded to the nearest thousand Euros.

The preparation of financial statements in conformity with adopted IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years. The most significant techniques for estimation are described in the accounting policies below and Note 31.

The accounting policies set out below have been applied consistently in the year and presented in these consolidated financial statements. The accounting policies have been consistently applied across all Group entities for the purposes of producing these consolidated financial statements.

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

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Financial Review. The financial position of the Group, its cash flows and liquidity position are described in the same review. In addition, Notes 22 and 23 to the financial statements include the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and its exposures to credit risk and liquidity risk.

Notes (continued)

The Group has sufficient financial resources together with long-term relationships with a number of customers across different geographical areas and industries. The Group also announced on 27 June 2014 that it was raising €1.25 million through the issue of 25,000,000 new ordinary shares at 4.0 pence (approximately €0.05) per share to new and existing investors. In addition, the Company announced an open offer to existing shareholders to raise up to an additional €0.65m through the issue of up to 13,007,947 ordinary shares at 4.0 pence per share. As a consequence, the Directors believe that the Group is well placed to manage its business risks successfully.

The Directors are satisfied that the Group has adequate resources to continue to operate for the foreseeable future. For this reason, they consider it appropriate for the financial statements to be prepared on a going concern basis.

Basis of consolidation

Subsidiaries Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that currently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group.

Associates and jointly controlled entities Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20 and 50 per cent. of the voting power of another entity. Joint ventures are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions.

Associates and jointly controlled entities are accounted for using the equity method and are initially recognised at cost. The Group's investment includes goodwill identified on acquisition, net of any accumulated impairment losses. The consolidated financial statements include the Group's share of the income and expenses and equity movements of equity accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases. When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

Transactions eliminated on consolidation Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Business Combinations

The Group adopted IFRS 3 Business Combinations (2008) and IAS 27 Consolidated and Separate Financial Statements (2008) for all business combinations occurring in the financial year starting 1 January 2009. All business combinations occurring on or after 1 January 2009 are accounted for by applying the acquisition method.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable. The acquisition date is the date on which control is transferred to the acquirer. Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another.

The Group adopted IFRS 3 Business Combinations (2008) and IAS 27 Consolidated and Separate Financial Statements (2008) for acquisitions of non-controlling interests occurring in the financial year starting 1 January 2009. The Group also applied IAS 27 (2008) for the disposal and acquisition of non-controlling interests that do not result in loss of control.

Acquisitions and disposals of non-controlling interests are accounted for as transactions with equity holders in their capacity as equity holders and therefore no goodwill is recognised as a result of such transactions. Previously, goodwill was recognised arising on the acquisition of a non-controlling interest in a subsidiary; and that represented the excess of the cost of the additional investment over the fair value of the interest in the net assets acquired at the date of exchange. The change in accounting policy was applied prospectively and had no material impact on earnings per share.

The Group applied IAS 27 (2008) in accounting for transactions which result in the loss of control of subsidiaries. Under the accounting policy transactions that result in loss of control are accounted for by derecognising the previously consolidated assets and liabilities of the subsidiary and the carrying amount of any non-controlling interests in the former subsidiary and recognising the retained investment at its fair value at the date when control is lost and any consideration received. The resulting difference, including any related gains or losses previously recognised in other comprehensive income that qualify to be recycled to profit or loss, is recognised in profit or loss as a gain or loss on the disposal.

C. Accounting for Carbon Development Contracts ("CDCs")

The Group enters into CDCs with clients from which carbon credits are received. Carbon credits under the Kyoto Protocol, also known as Certified Emission Reductions ("CERs") or Emission Reduction Units ("ERUs") are generated through the highly regulated Carbon Development Mechanism ("CDM") and Joint Implementation ("JI") processes respectively. These follow a number of steps including the approval of the project methodology and monitoring procedures, project design, project approval by the Designated National Authority ("DNA"), project validation by a Designated Operational Entity or equivalent ("DOE"), project acceptance by the host country, registration, verification and certification by a DOE. Verification of carbon credit production normally takes place at least once a year during the crediting period. The Group works with the client at all stages of the process using proprietary knowledge and experience to negotiate this complex process. Carbon credits are also generated outside the Kyoto Protocol under voluntary or regional emission reduction schemes.

Revenue recognition on CDC consultancy services

The Group derives revenue from the provision of consultancy services to carbon project clients under CDCs. The Group receives payment for the services by either cash commission or non-cash carbon credit. Revenue from CDCs is only recognised once the Group's services to secure the production of carbon credits are significantly complete and receipt of the consideration, be it cash or carbon credits, can be forecast reliably. Revenue is recognised once a CDC is registered by a DOE (where payment is due to Camco irrespective of a CDC's registration this criteria will not apply) and Camco has provided significantly all of its services.

Notes (continued)

The timing of revenue collection is uncertain as carbon credits may be generated over subsequent years as they are issued. The amount and timing of commission or carbon credits to be received may be dependent upon the number of carbon credits received by the customers, which is determined by assessing the specific technical, contract and economic risks identified on the project.

Revenue is recognised at the fair value of the consideration receivable from the contracts, at which point accrued income is recognised. If a CDC will result in a probable net outflow of economic benefit from the Group then this amount will be recognised in accrued expenses. The fair value is the estimated net value of the carbon credits to be received, which is dependent upon the expected number to be delivered and the intrinsic value. If the expected number or value of the carbon credits subsequently changes an adjustment is made to the accrued income balance with an associated credit or debit taken to revenue. The unwinding of any financing element of accrued income is recognised as finance income or expense.

The CDCs are scheduled to deliver of carbon credits under Clean Development Mechanism and other regional schemes until at least 2020. The Group and Company has taken advantage of the own use exemption in relation to carbon credits and as such does not account for the contract under IAS 39 and 32.

Treatment of CDC costs

CDC costs are presented under current assets as work in progress. CDCs acquired by the Group are recorded initially at cost (or fair value if through business combination).

Subsequently, the directly attributable costs are added to the carrying amount of CDCs. These costs are only carried forward to the extent that they are expected to be recouped through the successful completion of the contracts. The costs comprise consultancy fees, license costs, technical work and directly attributable administrative costs. All other costs are expensed as incurred. CDC costs carried as work in progress are stated at the lower of cost and net realisable value.

Once the revenue recognition criteria on these contracts are met the CDC costs incurred on them are expensed in full. Accrued income is derecognised when cash is received either as commission or in respect of sales of carbon credits or rights to carbon credits receivable under the CDC consultancy contracts.

D. Revenue recognition on other consultancy services

Advisory revenue from consultancy services provided is recognised in the income statement in proportion to the stage of completion of the consultancy contract. The stage of completion is assessed by reference to the overall contract value.

Project revenue consists of development fees, management service fees and revenue derived directly from projects where Camco holds an ownership interest.

E. Revenue Recognition on project related income

The Group also derives revenue from its US clean energy projects from the sale of electricity, fibre and renewable energy certificates ("RECs"). Electricity is sold under a long-term Power Purchase Agreement ("PPA") and the revenue recognised when electricity is delivered to the transmission point for distribution. Fiber revenue is recognised upon production and delivery of the fibre and RECs are recognised when the renewable energy is generated. The fiber and REC's are sold under the terms of existing contracts.

F. Goodwill

Subsidiary

Acquisition since 1 January 2009 The Group measures goodwill as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

The Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Transaction costs that the Group incurs in connection with a business combination, such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

Acquisitions prior to 1 January 2009 For acquisitions prior to 1 January 2009, goodwill represents the excess of the cost of the acquisition over the Group's interest in the recognised amount (generally fair value) of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess was negative, a bargain purchase gain was recognised immediately in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurred in connection with business combinations were capitalised as part of the cost of the acquisition.

Acquisitions of non-controlling interests Acquisitions of non-controlling interests are accounted for as transactions with equity holders in their capacity as equity holders and therefore no goodwill is recognised as a result of such transactions.

Subsequent measurement Goodwill is measured at cost less accumulated impairment losses. In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity accounted investee.

Goodwill is allocated to cash-generating units and is not amortised but is tested annually for impairment.

G. Intangible assets

Carbon in specie The Group has a number of carbon credit registry accounts used to receive carbon credits from its projects. These carbon credits are either transferred to buyers under existing sales contracts or, in the case of in specie consideration to the Group, sold for cash. Carbon credits held at the balance sheet date are recognised as an intangible asset and valued at the relevant market price or contract price.

H. Property, plant and equipment

Computer and office equipment Computer and office equipment is held at historical cost less accumulated depreciation and impairment losses. Depreciation is charged to the income statement on a straight line basis over the estimated useful life of three years.

Leasehold improvements Leasehold improvements are held at historical cost less accumulated depreciation and impairment losses. Depreciation is charged to the income statement on a straight line basis over the remaining life of the lease.

Construction in Progress items are held at historical cost and are depreciated from the date the asset is completed and ready for use.

Project plant and equipment Project plant and equipment is held at historical cost less accumulated depreciation and impairment losses. Depreciation is charged to the income statement on a straight line basis over the estimated useful life of the asset.

I. Investments in subsidiaries

Investments in subsidiaries are carried at cost less provision for impairment.

J. Impairment

The carrying amounts of the Group's property, plant and equipment, goodwill and other intangibles are reviewed at least annually to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For assets that have an indefinite useful life the recoverable amount is estimated at each balance sheet date.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised immediately in the income statement. The recoverable amount is the greater of the fair value less cost to sell and the value in use. Value in use is calculated as the present value of estimated future cash flows discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

An impairment loss is reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation and amortisation, if no impairment loss had been recognised. An impairment loss in respect of goodwill on acquisition is not reversed.

K. Non-current assets held for sale and discontinued operations

A non-current asset or a group of assets containing a non-current asset (a disposal group) is classified as held for sale if its carrying amount will be recovered principally through sale rather than through continuing use, it is available for immediate sale and sale is highly probable within one year.

On initial classification as held for sale, non-current assets and disposal groups are measured at the lower of previous carrying amount and fair value less costs to sell with any adjustments taken to profit or loss. The same applies to gains and losses on subsequent remeasurement although gains are not recognised in excess of any cumulative impairment loss. Any impairment loss on a disposal group first is allocated to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets and investment property, which continue to be measured in accordance with the Company's accounting policies. Intangible assets and property, plant and equipment once classified as held for sale or distribution are not amortised or depreciated.

A discontinued operation is a component of the Company's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative income statement is restated as if the operation has been discontinued from the start of the comparative period.

L. Foreign exchange

Foreign currency transactions Transactions in currencies different from the functional currency of the Group entity entering into the transaction are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rate at the date of transaction.

M. Available-for-sale financial assets

The Group's investments in equity securities are classified as available-for-sale financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses, and foreign exchange gains and losses on available-for-sale monetary items, are recognised directly in equity. When an investment is derecognised, the cumulative gain or loss in equity is transferred to profit or loss.

N. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. For the purposes of the cash flow statement, cash and cash equivalents comprise cash and short-term deposits as defined above and other short-term highly liquid investments that are readily convertible into cash and are subject to insignificant risk of changes in value, net of bank overdrafts.

O. Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to a business combinations, or items recognised directly in equity, or in comprehensive income.

Current tax is the expected tax payable or recoverable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to the tax payable in respect of previous years.

P. Employee benefits

Long-Term Incentive Plan and 2006 Plan

The Group enters into arrangements that are equity-settled share-based payments with certain employees (including Directors) under the Long-Term Incentive Plan and the 2006 Plan. These are measured at fair value at the date of grant, which is then recognised in the income statement on a straight line basis over the vesting year, based on the Group's estimate of shares that will eventually vest. Fair value is measured by use of an appropriate model (Black-Scholes or Binomial). In valuing equity-settled transactions, no account is taken of any vesting conditions, other than market conditions linked to the price of the shares of the Company. The charge is adjusted at each balance sheet date to reflect the actual number of shares expected to vest based on non-market performance conditions such as Group profit targets and employment service conditions where appropriate. The movement in cumulative charges since the previous balance sheet is recognised in the income statement, with a corresponding entry in equity.

Where the Company grants share based payment awards over its own shares to employees of its subsidiaries it recognises the corresponding movement directly in equity and recharges in full the share based payment charge to the relevant subsidiary.

Defined contribution pension scheme

In the UK, the Group operates two defined contribution retirement benefit plans for qualifying employees. A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Q. Own shares held by the Employee Benefit Trust ("EBT")

Transactions of the Company-sponsored EBT are treated as being those of the Company and are therefore reflected in the parent company and Group financial statements. In particular, the EBT's purchases of shares in the Company are debited directly to equity.

R. Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's CEO to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, corporate expenses, and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, and intangible assets other than goodwill.

S. Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

T. Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefit will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

U. Accrued income on carbon credits

The Group derives revenue from (CCOs) California Carbon Offset Credits that are generated through its US Biogas Operations. The policy is to recognise value for the credits generated during the period once a project has been registered and issued its first offsets under a California Air Resources Board (ARB) approved offsets protocol. To be registered and issued offsets the project must go through a process of being verified by an approved body and only once this has been carried out successfully does the Group have reasonable certainty that credits generated during each year will be issued at the end of that year in relation to the project. The value placed on the credits is based on the contracted price Camco will receive, or if the credits are not sold, the prevailing market rate.

V. Government grant

In August 2012, a federal grant was received from the United States in connection with a project asset. The grant was recognised as deferred income at fair value as there was reasonable assurance that all conditions associated with the grant would be complied with. The revenue is then recognised in the profit and loss as project revenue on a systematic basis over the useful life of the asset.

The grant is reimbursable to the United States Department of Treasury if the asset is disposed of to a disqualified person or ceases to qualify as a specified energy project within five years from the date the property is placed in service.

W. Leased assets

Payments made under operating leases are recognised in the profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Notes (continued)

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

X. Finance income and expense

Finance income comprises interest income on surplus funds, unwinding of the discount on provisions and accrued costs. Interest income is recognised as it accrues in the profit or loss using the effective interest method.

Finance expenses comprise interest expense on borrowings, finance leases and unwinding of the discount on provisions and accrued costs. All borrowing costs are recognised in the profit or loss using the effective interest method.

Foreign currency gains and losses arising from a group of similar transactions are reported on a net basis.

Y. Non-derivative financial liabilities

The Group has the following non-derivative financial liabilities: loans and borrowings, bank overdrafts, trade and other payables and payments on account. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

Z. Prior year restatement

During the year, the Company adjusted the classification of the US Government Grant received in 2012. In 2012, the grant was classified as deferred income within Current liabilities. Subsequent to the adjustment, €4,489,000 of the deferred income balance has been reclassified to Non-current liabilities.

In 2013, a decision was taken by management to disclose income from the US Government Grant separately. In the Consolidated Statement of Comprehensive Income, €118,000 was reclassified from Revenue to Other Income in 2012.

In 2013, management took the decision to disclose separately in the Cash Flow Statement, the loan to its joint venture. This resulted in a reclassification of €91,000 in 2012 to Loans to joint ventures.

AA. New accounting standards and interpretations not yet adopted

The following Adopted IFRSs have been issued but have not been applied in these financial statements. Their adoption is not expected to have a material effect on the financial statements unless otherwise indicated:

- IFRS 10 Consolidated Financial Statements and IAS 27 (2011) Separate Financial Statements (mandatory for year commencing on or after 1 January 2014): This standard is expected to result in additional disclosure in the consolidated financial statements.
- IFRS 11 Joint Arrangements and Amendments to IAS 28 (2008) Investments in Associates and Joint Ventures (mandatory for year commencing on or after 1 January 2014): This standard is expected to result in additional disclosure in the consolidated financial statements.
- IFRS 12 Disclosure of Interests in Other Entities (mandatory for year commencing on or after 1 January 2014). The application will result in additional disclosure in the consolidated financial statements.

2. Segmental reporting

The financial information in these Report and Accounts split our operations into two segments, being Carbon and Projects. Given the growth potential of the business units within Projects and the focus generally away from carbon activity, the Board may in the future, look to report its operations on a different segmental basis.

Operating segments

The Group comprises of the following two reporting segments:

1. **Carbon: The Carbon Project Development** teams provide CDC consultancy services on carbon asset development, commercialisation and portfolio management.
2. **Projects: The Clean Energy Project Development** teams collaborate with industry, project developers, equipment providers and investor groups to create emissions-to-energy projects and maximise sustainable energy production across a range of industries; including agricultural methane, industrial energy efficiency, coal mine methane, municipal solid waste, biomass and landfill gas. The teams also provide consultancy services with respect to the clean energy sector.

Inter segment transactions are carried out at arm's length.

Group also views its business geographically: EMEA (including Europe, Middle East and Africa), ASIA (China and South East Asia), and North America (mainly USA).

Notes (continued)

Operating segments

	Carbon		Projects		Consolidated	
	2013	2012	2013	2012	2013	2012
	€'000	€'000	€'000	€'000	€'000	€'000
Revenue	6,690	10,752	5,615	5,013	12,305	15,765
Re-measurement of past revenue estimates	–	(9,219)	–	–	–	(9,219)
Total segment revenue	6,690	1,533	5,615	5,013	12,305	6,546
Segment gross margin	3,904	(2,607)	3,065	2,675	6,969	68
Other income – gain on disposal	762	–	68	3	830	3
Other income – deferred income	–	–	276	118	276	118
Segment administrative expenses	(2,601)	(3,542)	(3,527)	(5,379)	(6,128)	(8,921)
Restructuring charges	(783)	(116)	–	–	(783)	(116)
Impairment of development costs	–	(391)	(90)	(2,109)	(90)	(2,500)
Impairment of investment	–	–	(3)	(3,118)	(3)	(3,118)
Segment result	1,282	(6,656)	(211)	(7,810)	1,071	(14,466)
Unallocated income – gain on disposal					547	–
Unallocated expenses					(2,860)	(3,434)
Share-based payments					(359)	(1)
Impairment of goodwill					–	(433)
Impairment of receivables					(109)	(1,206)
Results from operating activities					(1,710)	(19,540)
Finance income					169	76
Finance expense					(1,447)	(1,184)
Share of loss of equity accounted investees					(603)	(2,573)
Taxation					(84)	(107)
(Loss) from discontinued operation (net of income tax)					(72)	(339)
Loss for the year					(3,747)	(23,667)
Segment assets	276	1,123	21,579	25,044	21,855	26,167
Other investments	–	–	–	3	–	3
Unallocated assets	–	–	–	–	3,626	11,496
Total assets	276	1,123	21,579	25,047	25,481	37,666
Segment liabilities	(1,320)	(9,662)	(15,725)	(16,921)	(17,045)	(26,583)
Unallocated liabilities	–	–	–	–	(2,190)	(1,614)
Total liabilities	(1,320)	(9,662)	(15,725)	(16,921)	(19,235)	(28,197)
Capital expenditure	–	74	14	1,645	14	1,719
Depreciation	–	136	880	482	880	618
Impairment losses on intangible assets and property, plant and equipment	–	–	–	528	–	528

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of its customers, segment assets are based on the geographical location of the asset.

Geographical information

Revenue by geographical region of projects:

	2013 €'000	Restated 2012 €'000
EMEA	5,479	892
USA	3,354	1,124
ASIA	3,472	4,530
Total revenue	<u>12,305</u>	<u>6,546</u>

Revenue by domicile of Group entity that owns the projects:

	2013 €'000	Restated 2012 €'000
EMEA	8,128	4,295
USA	3,267	22
ASIA	910	2,229
Total revenue	<u>12,305</u>	<u>6,546</u>

The Group derives carbon revenue from the provision of consultancy services to carbon clients under CDCs as well as EU ETS compliance services, where the Group works with clients covered by the ETS to help them manage their regulatory position. With respect to this carbon revenue, the geographic analysis has been prepared based on the geographic location of the project that will generate the carbon credits. This location is not the geographic location of the carbon credit buyer and not necessarily where the services were performed.

Non-current assets by geographical region:

	2013 €'000	2012 €'000
EMEA	1,817	2,862
USA	15,507	16,647
ASIA	865	4,568
Non-current assets	<u>18,189</u>	<u>24,077</u>

Notes (continued)

3. Revenue

By reporting segments:

	2013 €'000	Restated 2012 €'000
Carbon	6,690	10,752
Carbon price fair value adjustment	–	(9,219)
Projects	5,615	5,013
Total revenue	12,305	6,546

Due to the carbon price fall in 2012 the accrued income balance was reduced by €9.2m for floating price and unsold contracts. There was no such adjustment required in 2013 as a result of there being no unsold contracts recorded in accrued income at the start of the year.

4. Other income

	2013 €'000	2012 €'000
Net gain on disposal of investment	547	3
Net gain on disposal of subsidiaries	762	–
Net gain on disposal of fixed asset (Note 14)	68	–
Total other income	1,377	3

Net Gain on Disposal of Investment

On 7 May 2013 the Group sold its entire 60.1% interest in Camco South East Asia Limited, resulting in a gain on disposal of €547,000. See investments Note 16 for details.

In November 2012, the Group disposed of its investment in Hekai Ventures, resulting in a gain on disposal of €3,000.

Net Gain on Disposal of subsidiaries

In December 2013, the Group disposed of 95% of its shareholding in Camco Advisory Services (Hong Kong) Limited resulting in a gain on disposal of €762,000. The sale was made to a related party as explained in Note 28.

Prior to the sale, the ownership of four of the Group's subsidiary special purpose companies were transferred from the Company to Camco Advisory Services (Hong Kong) Limited. All assets and liabilities held by these companies were disposed of upon completion of the sale.

Camco Advisory Services (Hong Kong) Limited was sold for \$14. The special purpose companies transferred to Camco Advisory Services (Hong Kong) Limited were together in net liability positions at the date of disposal, therefore resulting in a gain on disposal recognised in the Group's Statement of Comprehensive Income. In addition, the disposal of Camco Advisory Services (Hong Kong) Limited reduced the net liability position of the Group relating to the CDM Carbon Business by €0.8m and removed the Group's remaining contingent liability of €18.5m for potential unprovided exposure to fixed price CER carbon purchase agreements.

5. Expenses and auditor's remuneration

Included in comprehensive income are the following:

	2013 €'000	2012 €'000
Depreciation of property, plant and equipment – owned assets	1,097	618
Impairment loss of project plant and equipment (see Note 14)	–	528
Share-based payments	359	1
Impairment of investment (see Note 17/Note 16)	3	3,118
Impairment of goodwill (see Note 15)	–	433
Impairment of development costs	90	2,500
Impairment of receivables (see Note 23)	109	1,206
Other expenses – restructuring charges	783	116

The restructuring charges above relate to China operations and carbon segments.

Services provided by the Group's auditor:

During the year the Group obtained the following services from the Company's auditor, KPMG LLP:

	2013 €'000	2012 €'000
Audit of these financial statements	97	115
Amounts receivable by auditors and their associates in respect of:		
Audit of financial statements of subsidiaries pursuant to legislation	17	29
Non-audit services	–	3
Total services	114	147

Non-audit services These services are those that could be provided by a number of firms. Work is only allocated to the auditors if it is regarded by the Audit Committee that it does not impact the independence of the audit firm.

6. Staff numbers and costs

The average number of persons employed by the Group (including Directors) during the year, analysed by category, was as follows:

	Number of employees	
	2013	2012
Carbon	15	46
Projects	54	59
Group	9	22
	78	127

Notes (continued)

The aggregate payroll costs of continuing operations were as follows:

	2013 €'000	2012 €'000
Wages and salaries*	4,603	5,615
Share-based payments (see Note 7)	359	1
Social security costs	348	621
Contributions to defined contribution plans	–	93
	<u>5,310</u>	<u>6,330</u>

Wages and salaries shown above include salaries paid in the year and bonuses relating to the year. These costs are charged within administration expenses.

* Included within wages and salaries is €163,764 of redundancy payments (2012: €13,000).

7. Share-based payments

During the year, the Group operated share-based incentive plans called the Long-Term Incentive Plan (the "LTIP") and the Camco 2006 Executive Share Plan. The expense recognised in the year in respect to the plans is set out below.

	2013 €'000	2012 €'000
Long-Term Incentive Plan	–	1
Camco 2006 Executive Share Plan	359	–
	<u>359</u>	<u>1</u>

Long-Term Incentive Plan

The Board has approved the LTIP under which Directors and employees are entitled to equity-settled payment following vesting years after 31 December 2011 and 2012 and upon certain market and non-market performance conditions being met for the reporting years ending 31 December 2012 and 2013. The Board now considers the LTIP closed and accordingly no further awards were made during the year. All outstanding awards either vested or were forfeited during the year as follows:

	2013 Number of options	2012 Number of options
Outstanding at the beginning of the year	1,500,000	7,000,000
Granted during the year	–	–
Forfeited during the year	(750,000)	(5,000,000)
Vested during the year	(750,000)	(500,000)
Outstanding at the end of the year	<u>–</u>	<u>1,500,000</u>
Exercisable at the end of the year	<u>750,000</u>	<u>251,463</u>

Options outstanding at the end of the year

	2013	2012
Weighted average share price at grant (€ cents)	–	19.4
Weighted average fair value of option (€ cents)	–	2.2
Exercise price (€ cents)	–	1.0
Weighted average life at grant (years)	–	3.1

The 750,000 options which have vested and are now capable of exercise must be exercised by 31 December 2014 failing which they will lapse. These shares are exercisable at €0.01 per share.

Camco 2006 Executive Share Plan (the “Plan”)

On 27 July 2012, the Company resolved at general meeting to amend the terms of the Plan such that awards could be made under the Plan, for a period of 10 years from 27 July 2012, over up to 10 per cent. of the ordinary shares in issue as 27 July 2012 and any shares subsequently issued from time to time.

Purpose The purpose of the Plan is to incentivise Directors and employees to ensure market (share price) and non-market (operational) performance targets are met over the vesting period. The Plan will align management's objective with those of the shareholders.

Market-based performance condition The options currently issued under the Plan will vest at different levels depending on the Company's share price performance, subject to the non-market performance conditions being met. These options will vest in 3 equal tranches upon the Company's 45 day volume weighted average share price reaching or exceeding the levels of 3p, 5p and 7p during the life of the options.

Non market performance conditions The Plan will only vest if all the non-market performance conditions are met. These non-market performance conditions are based on specific and measurable operational targets set by the Board. The employee or Director must remain employed by the Group throughout the entire vesting year in order to remain entitled to Plan shares.

The Plan options are valued by multiplying the market price of the Company's ordinary shares at date of grant with a number of weighting factors that reflect the expected outcome given the criteria set out in the performance conditions. The market-based performance condition uses the Company's historic share price data to predict the most likely future percentage rank. The market-based performance condition is not updated at each valuation date. The non market-based performance conditions have not been included in the valuation of the awards.

	2013 Number of options	2012 Number of options
Outstanding at the beginning of the year	–	–
Granted during the year	16,650,172	–
Forfeited during the year	–	–
Vested during the year	–	–
Outstanding at the end of the year	16,650,172	–
Exercisable at the end of the year	–	–

Notes (continued)

Options outstanding at the end of the year

	2013	2012
Weighted average share price at grant (€ cents)	3.3	–
Weighted average fair value of option (€ cents)	2.8	–
Exercise price (€ cents)	1.0	–
Weighted average life at grant (years)	10.0	–

8. Retirement obligations

Defined contribution plans In the UK, the Group operates two defined contribution retirement benefit plan for qualifying employees. The assets of this plan are held separately from those of the Group. The only obligation of the Group is to make the contributions.

The total expense recognised in income statement is €Nil (2012: €93,000), which represents the contributions paid to the plan. There were no outstanding payments due to the plan at the balance sheet date.

9. Net finance income

	2013 €'000	2012 €'000
Finance income		
Interest on bank deposits	6	45
Unwinding of discount on accrued revenue	5	3
Foreign exchange movements – unrealised	158	28
	<u>169</u>	<u>76</u>
Finance expense		
Interest on borrowings	(777)	(811)
Other interest	(73)	(352)
Foreign exchange movements – realised	(597)	(21)
	<u>(1,447)</u>	<u>(1,184)</u>
Net finance expense	<u>(1,278)</u>	<u>(1,108)</u>

10. Non-current assets held for sale and discontinued operations

On 15 January 2012, the Company sold its entire UK advisory division, consisting of Camco Advisory Services Limited (UK) and its subsidiaries. In November 2011 the Company was committed to a plan to sell this division due to streamlining its focus on core geographical and business areas. The related assets and liabilities were classified as held for sale at 31 December 2011. No re-measurement gain or loss was recognised as the disposal group's carrying value was lower than its fair value less costs to sell.

Camco Advisory Services Limited (UK) was sold for a total maximum consideration of £4.5m comprising an initial £3.25m paid on closing (which was subject to a completion accounts procedure, which resulted in a reduction of €542,000) and up to £1.25m over the two years to 2014 through an earn-out structure.

During 2013 the Company made a payment of €72,000 in order to settle a warranty claim regarding the sale.

	2013 €'000	2012 €'000
Results of discontinued operations		
Revenue	–	203
Expenses	–	(167)
Results from operating activities	–	36
Tax credit on profit	–	–
Profit for the year	–	36
Loss on sale of discontinued operation	(72)	(375)
(Loss) for the year from discontinued operations	(72)	(339)
Basic earnings per share in € cents	(0.04)	(0.18)
Diluted earnings per share in € cents	(0.04)	(0.18)
Cash flows used in discontinued operations		
Net cash used in operating activities	(72)	(111)
Net cash used in investing activities	–	–
Net cash from financing activities	–	–
Net cash used in discontinued operations	(72)	(111)

11. Taxation

Recognised in the income statement

	2013 €'000	2012 €'000
Current tax expense:		
Jersey corporation tax	–	–
Foreign tax	94	55
Adjustments recognised in the current year in relation to the current tax of prior years	–	(58)
	94	(3)
Deferred tax expense:		
Movement in deferred tax asset in current year	(10)	110
Total income tax in the income statement	84	107

Notes (continued)

The tax charge for the period is higher (2012: higher) than the 0% rate of corporation tax in Jersey and the differences are explained below:

Reconciliation of effective tax rate

	2013 €'000	2012 €'000
Loss before tax	(3,591)	(23,221)
Loss before tax multiplied by 0% rate of corporation tax in Jersey (2012: 0%)	–	–
Effects of:		
Effect of different tax rates of subsidiaries operating in other jurisdictions	(9)	105
Non-deductible expenses/(income)	58	(176)
Change in temporary timing differences	18	76
Recognition of previously unrecognised tax losses	(17)	–
Deferred tax not recognised	(17)	160
Unutilised losses carried forward	51	–
Adjustments recognised in the current year in relation to prior years	–	(58)
Total income tax charge in the income statement	84	107

The Company is liable to Jersey income tax at 0%. The Company will apply for and expects to be granted Jersey tax status for future years.

The Company's subsidiaries carry on business in other tax regimes where the corporation tax rate is not zero. At 31 December 2013, the Group had UK tax losses carried forward for utilisation in future periods for continuing operations amounting to €1,841,000 (2012: €1,161,000). Within subsidiaries where future profits are expected to arise deferred tax assets have been recognised. However, in other subsidiaries, due to the uncertainty as to the timing and extent of future profits no deferred tax assets have been recognised in respect of these tax losses carried forward.

Deferred tax

Deferred tax assets, liabilities and movements in the period are shown as follows:

	2013 €'000	2012 €'000
Deferred tax asset at 1 January	22	132
Foreign exchange movement	–	7
Current year credit	10	(117)
Deferred tax asset 31 December	32	22
Deferred tax asset comprises of:		
	2013 €'000	2012 €'000
Share options	4	12
Accelerated capital allowances	28	10
Net Deferred tax asset 31 December	32	22

12. Loss per share

Loss per share attributable to equity holders of the Company is calculated as follows:

	2013 € cents per share	2012 € cents per share
Basic loss per share		
From continuing operations	(1.89)	(12.34)
From continuing and discontinued operations	(1.93)	(12.52)
Diluted loss per share		
From continuing operations	(1.89)	(12.34)
From continuing and discontinued operations	(1.93)	(12.52)
	€'000	€'000
Loss used in calculation of basic and diluted loss per share		
From continuing operations	(3,675)	(23,328)
From continuing and discontinued operations	(3,747)	(23,667)
Weighted average number of shares used in calculation		
Basic	194,316,128	189,018,078
Diluted	194,316,128	189,018,078

Weighted average number of shares used in calculation – basic and diluted

	2013 Number	2012 Number
Number in issue at 1 January	189,678,093	189,178,093
Effect of own shares held	–	(1,427,655)
Effect of share options exercised	–	985,448
Effect of shares issued in the year	4,638,035	282,192
Weighted average number of basic shares at 31 December	194,316,128	189,018,078

13. Acquisition

On 20 December 2013, the Group completed the acquisition of the Twin Falls Facility from Cargill Incorporated, for a combined 100% interest. Total net consideration under the Sale and Purchase Agreement was €1.97 million (\$2.7 million). The entire consideration was settled in cash.

The fair values of identifiable assets and liabilities acquired by the Group were as follows:

	Fair value to the Group €'000
Project plant and equipment assets	1,907
Other receivables	18
Power reimbursements (prepayments)	48
Fair value of share of net identified assets and liabilities	1,973
Total consideration	1,973
Goodwill recognised on acquisition	–

Notes (continued)

Acquisition related costs amounting to €65,281 (\$90,049) were recognised as an expense and were included in administrative expenses in the Consolidated Statement of Comprehensive Income for the year ended 31 December 2013.

14. Property, plant and equipment

Computer and office equipment

	2013 €'000	2012 €'000
Cost at 1 January	1,312	1,266
Additions	44	48
Disposals	(780)	–
Reclassification	(219)	–
Effect of movements in foreign exchange	(6)	(2)
Cost at 31 December	351	1,312
Accumulated depreciation at 1 January	(1,027)	(833)
Charge for the year	(152)	(195)
Disposals	899	–
Effect of movements in foreign exchange	4	1
Accumulated depreciation at 31 December	(276)	(1,027)
Net book value at 1 January	285	433
Net book value at 31 December	75	285

Leasehold improvements

	2013 €'000	2012 €'000
Cost at 1 January	688	578
Additions	3	106
Disposals	(689)	–
Effect of movements in foreign exchange	(2)	4
Cost at 31 December	–	688
Accumulated depreciation at 1 January	(504)	(439)
Charge for the year	(93)	(61)
Disposals	595	–
Effect of movements in foreign exchange	2	(4)
Accumulated depreciation at 31 December	–	(504)
Net book value at 1 January	184	139
Net book value at 31 December	–	184

Construction in Progress

	2013 €'000	2012 €'000
Cost at 1 January	1,752	15,416
Additions	–	1,593
Transfers	–	(15,255)
Disposals	(1,752)	–
Effect of movements in foreign exchange	–	(2)
Cost at 31 December	–	1,752
Accumulated depreciation and impairment losses at 1 January	(528)	–
Impairment Loss	–	(528)
Disposal	528	–
Accumulated depreciation and impairment losses at 31 December	–	(528)
Net book value at 1 January	1,224	15,416
Net book value at 31 December	–	1,224

Construction in progress (“CIP”) During 2013, the Group sold the project equipment held as CIP, resulting in a gain on disposal of \$94,000 (€68,000). At the time of sale the equipment was still not yet operational and was therefore not reclassified to project equipment prior to disposal.

Project plant and equipment

	2013 €'000	2012 €'000
Cost at 1 January	15,228	–
Acquired through business combination (Note 13)	1,907	–
Transfers	–	15,255
Reclassification	148	–
Effect of movements in foreign exchange	(675)	(27)
Cost at 31 December	16,608	15,228
Accumulated depreciation at 1 January	(363)	–
Charge for the year	(852)	(362)
Reclassification	71	–
Effect of movements in foreign exchange	42	(1)
Accumulated depreciation at 31 December	(1,102)	(363)
Net book value at 1 January	14,865	–
Net book value at 31 December	15,506	14,865

Notes (continued)

Total property, plant and equipment

	2013 €'000	2012 €'000
Cost at 1 January	18,980	17,260
Acquired through business combination	1,907	–
Additions	47	1,747
Disposals	(3,221)	–
Reclassification	(71)	–
Effect of movements in foreign exchange	(683)	(27)
Cost at 31 December	16,959	18,980
Accumulated depreciation and impairment losses at 1 January	(2,422)	(1,272)
Charge for the year	(1,097)	(618)
Disposals	2,022	–
Impairment loss	–	(528)
Reclassification	71	–
Effect of movements in foreign exchange	48	(4)
Accumulated depreciation and impairment losses at 31 December	(1,378)	(2,422)
Net book value at 1 January	16,558	15,988
Net book value at 31 December	15,581	16,558

15. Intangible Assets

Goodwill

	2013 €'000	2012 €'000
Goodwill	Goodwill	Goodwill
Cost at 1 January	12,093	12,093
Reclassified to assets held for sale	–	–
Cost at 31 December	12,093	12,093
Amortisation and impairment losses at 1 January	(12,093)	(11,660)
Impairment loss	–	(433)
Accumulated amortisation & impairment losses at 31 December	(12,093)	(12,093)
Net book value at 1 January	–	433
Net book value at 31 December	–	–

Carbon in specie

At 31 December 2013 the Group held carbon credits with a market value of €Nil (2012: €313,000) in its registry accounts.

16. Investments in Associates and Joint Ventures

Investments in Associates and Joint ventures held on Balance Sheet are as follows;

	CSEA €'000	AG Power LLC €'000	REDH €'000	ESD Biomass €'000	Total €'000
Balance at 1 January 2013	4,548	–	2,633	–	7,181
Share of loss	(547)	–	(56)	–	(603)
Disposals	(3,853)	–	–	–	(3,853)
Foreign exchange movement	(148)	–	(1)	–	(149)
Balance as 31 December 2013	–	–	2,576	–	2,576

On 7 May 2013 the Group sold its entire 60.1% interest in Camco South East Asia Limited for consideration of \$6.01m in cash. The Group's interest in Camco South East Asia Limited had a book value of \$5.29m resulting in a gain on sale of \$711,000 (€547,000).

Summary financial information for equity accounted investees, not adjusted for the percentage ownership held by the Group.

2013	Investment	Holding	Total assets €'000	Total liabilities €'000	Net assets €'000	Revenue €'000	Expenses €'000	Profit/ (loss) €'000
AG Power LLC	Joint Venture	40%	921	–	921	–	(31)	(31)
ESD Biomass Ltd	Joint Venture	50%	–	(74)	(74)	–	–	–
REDH	Joint Venture	53.8%	3,789	(1,708)	2,081	603	(703)	(100)

			Total assets €'000	Total liabilities €'000	Net assets €'000	Revenue €'000	Expenses €'000	Profit/ (loss) €'000
2012	Investment	Holding	€'000	€'000	€'000	€'000	€'000	€'000
CSEA	Joint Venture	60.1%	20,237	(7,554)	12,683	4	(3,312)	(3,308)
AG Power LLC	Joint Venture	40%	935	–	935	–	(1,517)	(1,517)
ESD Biomass Ltd	Joint venture	50%	–	(83)	(83)	–	–	–
REDH	Joint Venture	53.8%	3,172	(985)	2,187	–	(52)	(52)

The Group has made no provisions in respect of ESD Biomass Ltd and AG Power LLC as there is no constructive or legal obligation for the Group to settle any future liabilities on their behalf. Hence these investments which have nil or net liabilities are not recognised in these financial statements.

17. Other investments

	2013 €'000	2012 €'000
Net book value at 1 January	3	3
Impairment	(3)	–
Net book value at 31 December	–	3

During 2013, the investment was reviewed for impairment based on its fair value. The carrying value of the investment was higher than its fair value, therefore the investment was impaired.

The available for sale investments held at 31 December 2013 are listed below. The investments are recorded at fair value.

Notes (continued)

	Holdings	2013 €'000	2012 €'000
Energy Mixx AG	0.02%	–	3
Carrying Value at 31 December		–	3

18. Prepayments and accrued income

	2013 €'000	2012 €'000
Prepayments	164	230
Accrued income – CDC accruals	265	516
Accrued income – US Carbon from Jerome Facility	503	–
Accrued income – other	520	572
	1,452	1,318

19. Trade and other receivables

	2013 €'000	2012 €'000
Trade receivables	611	701
Other receivables	535	483
Cash on deposit against bank guarantee	222	–
	1,368	1,184

20. Cash and cash equivalents

	2013 €'000	2012 €'000
Cash on deposit	3,492	10,057
Cash held for restricted use*	980	1,030
Cash and cash equivalents in the cash flow statement	4,472	11,087

* Included within cash and cash equivalents is a debt reserve balance of €980,000 (2012: €1,030,000) in relation to the Jerome Facility.

21. Trade and other payables

	2013 €'000	Restated* 2012 €'000
Trade payables and non CDC accruals	2,917	1,839
Other accruals – CDC accruals	1,245	3,175
Payment on account received	–	2,550
	4,162	7,564

* The prior year numbers were restated to reclassify the non-current portion of deferred income previously held as a current liability into non-current liabilities.

22. Financial risk management

The Group Financial Risk Management framework addresses the following key risks:

Market risk The carbon market is subject to political and regulatory risk on a national, regional and global basis.

The consequence of the interaction of these frameworks and regulation is that the market price for carbon credits has been significantly affected by demand and supply considerations which have led to large fluctuations in market prices. The Group does not actively manage this risk however it does seek to lock in contract certainty with fixed or floor price when beneficial opportunities arise. Due to the lack of liquidity in the carbon market, the Group have only recognised accrued income where credits are being actively marketed to lock in a price.

Price risk The Group manages the carbon price risk exposure where it can through forward sales of the credits it is due to receive.

Counterparty Credit risk Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group's exposure to credit risk arises from the Group's operating activities, primarily its receivables from customers. The Group has implemented a credit scoring process for all new customers (and existing customers of a certain size) that highlights credit risk and aids the prevention of bad debt. Credit risk is analysed further in Note 23.

Liquidity risk Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach is to maintain sufficient funds on call to meet these requirements as they fall due with the rest of cash on term deposit in the relevant currencies as set out below. Liquidity risk is analysed further in Note 23.

Foreign exchange risk The Group is exposed to foreign exchange risk on sales, purchases and cash when transactions denominated in a currency other than the functional currency of the Group which is the Euro. The currency exposure on cash held is set out below:

Cash and cash equivalents

	Euro €'000	Sterling €'000	US Dollar €'000	Chinese Yuan €'000	South Africa €'000	Other €'000	Total €'000
Balances at							
31 December 2013	720	112	3,019	575	20	26	4,472
Balances at							
31 December 2012	7,826	1,226	1,789	167	66	13	11,087

The Group also faces exposure on other assets and liabilities such as intercompany debt and investments. The majority of this exposure is to the USD and GBP exchange rate. At the balance sheet date, a 5% movement, either positive or negative, in these rates would result in a €165,000 and €149,000 unrealised income statement gain or loss, respectively.

Interest rate risk The Group has €10.4m (2012: €11.3m) of borrowing in form of a secured loan and unsecured loan of €Nil (2012: €4m) over which interest is charged. All loans have a fixed rate interest charge in 2013 and 2012. Secured loans are secured against the assets and operations of the Jerome Facility. The Directors consider interest rate risk to be immaterial due to the fixed nature of the interest rate on the loans themselves. The majority of the Group's cash is deposited at a competitive money market rate based on LIBOR.

Notes (continued)

Fair value of financial assets and liabilities The Directors are of the view that there is no material difference between the carrying values and fair values of the Group's financial assets and liabilities.

Capital Management The Group's capital is solely equity. The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. From time to time the Group may purchase its own shares on the market primarily to be used for issuing shares under the Group's share option programme. The Group does not have a defined share buy-back plan or dividend policy. The Group is not subject to any externally imposed capital adequacy maintenance requirements.

23. Financial Instruments

Credit risk

The Directors consider that the carrying value of certain financial assets represents the maximum credit exposure. The maximum exposure to credit risk is as follows:

	2013 €'000	2012 €'000
Trade and other receivables	1,368	1,184
Cash on deposit	4,472	11,087
	<u>5,840</u>	<u>12,271</u>

The maximum exposure to credit risk for trade and other receivables by geographic region is as follows:

	2013 €'000	2012 €'000
EMEA	1,032	503
USA	336	497
ASIA	–	184
	<u>1,368</u>	<u>1,184</u>

The aging of trade and other receivables at the balance sheet date was:

	2013 €'000	2012 €'000
Current	252	376
Past due under 30 days	213	130
Past due between 31 and 120 days	399	353
Past due between 121 and 1 year	329	70
Past due more than 1 year	175	255
	<u>1,368</u>	<u>1,184</u>

Impairment losses

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows:

	2013 €'000	2012 €'000
Balance at 1 January	1,206	–
Written off against provision	(1,152)	–
Increase in provision	109	1,206
Balance at 31 December	163	1,206

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or other financial assets. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The following are the contractual maturities of financial liabilities including estimated interest payments and excluding the impact netting agreements for both continuing and discontinued operations:

Non-derivative financial instruments

	Carrying 2013 €'000	Contractual 2013 €'000	1 year or less 2013 €'000	1–2 years 2013 €'000	2–3 years 2013 €'000	3–4 years 2013 €'000	More than 4 years 2013 €'000
Secured loans	10,376	(10,376)	(492)	(493)	(528)	(569)	(8,294)
Non CDC trade and other payables	2,917	(2,917)	(2,917)	–	–	–	–
CDC Accruals	1,245	(1,245)	(1,245)	–	–	–	–

Non-derivative financial instruments

	Carrying 2012 €'000	Contractual 2012 €'000	1 year or less 2012 €'000	1–2 years 2012 €'000	2–3 years 2012 €'000	3–4 years 2012 €'000	More than 4 years 2012 €'000
Secured loans	11,561	(11,535)	(738)	(480)	(515)	(551)	(9,251)
Unsecured Loans	4,000	(4,000)	(4,000)	–	–	–	–
Non CDC trade and other payables	1,839	(1,839)	(1,839)	–	–	–	–
CDC Accruals	3,175	(3,175)	(3,175)	–	–	–	–

There are no derivative financial instruments. The Group has taken advantage of the own use exemption in relation to carbon credits.

Notes (continued)

24. Deferred Income

	2013 €'000	Restated* 2012 €'000
Non-current liabilities		
Deferred income – grant	4,024	4,489
	<u>4,024</u>	<u>4,489</u>
Current liabilities		
Deferred income – grant	276	288
Deferred income – other	158	121
	<u>434</u>	<u>409</u>

* The prior year numbers were restated to reclassify €4,489,000 of deferred income previously held as a current liability into non-current liabilities.

During 2013, the Group recognised \$380,496 (€275,846) of government grant income in the Statement of Comprehensive Income.

25. Loans and borrowings

	Currency	Nominal Rate	Maturity	2013 €'000	2012 €'000
Non-current liabilities					
Secured loans*	USD	Various	2018	9,884	10,797
				<u>9,884</u>	<u>10,797</u>
Current liabilities				€'000	€'000
Unsecured loans	EUR	Various	2013	–	4,000
Secured loans*	USD	Various	2013	492	760
Other liabilities	GBP	Various	2013	–	4
				<u>492</u>	<u>4,764</u>

* The secured loan of €10,376,000 (€492,000 current and €9,884,000 non-current) is secured against the assets and operations of the Jerome Facility.

26. Issued share capital and reserves

	Number 2013 '000	2013 €'000	Number 2012 '000	2012 €'000
Authorised				
Ordinary shares of €0.01	1,250,000	12,500	1,250,000	12,500
Issued and fully paid				
All ordinary shares of €0.01 (all classified in shareholders' funds)				
Issued on 1 January	189,679	1,897	189,179	1,892
Issued in the year	18,449	184	500	5
Issued at 31 December	<u>208,128</u>	<u>2,081</u>	<u>189,679</u>	<u>1,897</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. In May 2013, the Company issued 18,449,073 ordinary shares with a value of €184,491.

Share-based payment reserve

The share-based payment reserve comprises of the equity component of the Company's share-based payments charges.

Translation reserve

The translation reserve comprises of all foreign currency differences arising from the translation of the financial statements of foreign operations.

Own shares

The reserve for the Group and Company's own shares comprises of the cost of the Company's shares held by the Group.

27. Financial commitments

At the end of the reporting period, the Group's future minimum lease payments under operating leases were as follows:

Operating lease commitments

	2013 €'000	2012 €'000
Less than one year	215	328
Between 1 year and 5 years	165	263
	<u>380</u>	<u>591</u>

The leases relate to rent for properties within the Group.

28. Related parties

The Group has various related parties stemming from relationships with founding shareholders, a related business partner and key management personnel.

Shareholders and related business partners

The Group's related business partner is Consortia Partnership Limited ("Consortia") who has been appointed Company Secretary. Michael Farrow, a non-executive Director of the Company, is a Director of Consortia. Consortia also provide accounting services to the Company. The amounts charged to administration expenses in respect of these services are shown in the table below.

Mike Ashburn is a director of ClearWorld Energy Limited ("CWE"), who holds a significant interest in the Company, and was a director of Camco South East Asia Ltd (joint venture) until 1 August 2012. The amounts charged to administration expenses in respect of these services are shown in the table below.

Notes (continued)

Income statement

	2013 €'000	2012 €'000
Administrative expenses:		
Consortia Partnership Limited	36	83
Mike Ashburn	–	27

Balance sheet

	2013 €'000	2012 €'000
Trade and other payables:		
Consortia Partnership Limited	–	2
KWI Consulting AG	–	5

On 7 May 2013 the Company sold its entire 60.1% interest in Camco South East Asia Limited for consideration of \$6.01m to Khazanah Nasional Berhad ("Khazanah").

At the time of the sale, Khazanah had a significant interest in the Company, owning 23.08%. In addition, the Company issued 18,449,073 new ordinary shares to Khazanah at 1.138 cents per share (1.183 pence), taking their interest to 29.9%.

In December 2013, the Group disposed of 95% of its shareholding in Camco Advisory Services (Hong Kong) Limited. Prior to the sale, the ownership of four of the Group's subsidiary special purpose companies were transferred from the Company to Camco Advisory Services (Hong Kong) Limited. The sale was made to an overseas member of the management team, who continues to work in the business at the date of these accounts. Details of the disposal are set out in Note 4.

Key management personnel

The Group's key management personnel comprise the Board of Directors whose emoluments are shown in the Report of the Remuneration Committee. Directors' interests in the shares of the Company are disclosed in Note 30.

Equity accounted investees and joint ventures

The net amounts receivable from equity accounted investees and joint ventures is €386,772 (2012: €92,753), of which €199,813 was issued as a loan during the year. No amounts are receivable or payable to other joint venture participants.

The income statement impact of transactions with equity accounted investees and joint ventures in the year is €110,636 (2012: €8,742).

29. Group entities

Significant subsidiaries

Each of the following subsidiary undertaking is included in the consolidated accounts of the Group:

Investment	Country of incorporation	Principal activity	Ownership	
			2013	2012
Direct subsidiary undertakings				
Camco Services (UK) Limited	England & Wales	Support Services	100%	100%
Camco (Mauritius) Limited	Mauritius	Holding company	100%	100%
Camco Holdings UK Limited	England & Wales	Holding company	100%	100%
Camco Carbon Credits Limited	Jersey	Disposed	0%	100%
Camco Credit Pool Limited	Jersey	Disposed	0%	100%
Camco Sales Limited	England & Wales	Carbon Sales	100%	100%
Camco Voluntary Credits Limited	Jersey	Carbon contractor	100%	100%
Camco Yangquan Limited	Jersey	Disposed	0%	100%
Camco Carbon Ltd	Jersey	Disposed	0%	100%
Indirect subsidiary undertakings				
Camco International Carbon Assets Information Consulting (Beijing) Co. Ltd.	The People's Republic of China	Business Services	100%	100%
Camco Asset Management Company (Proprietary) Limited	Republic of South Africa	Business services	100%	100%
Camco Ventures Limited	England & Wales	Research & Consultancy Energy Storage	100%	100%
Re-Fuel Technology Limited	England & Wales	Research & Development	71%	71%
Camco International Group, Inc.	United States of America	Business services	100%	100%
Camco Advisory Services (Kenya) Limited	Kenya	Consultancy	100%	100%
Camco Advisory Services (Tanzania) Limited	Tanzania	Consultancy	100%	100%
Camco Advisory Services (Hong Kong) Limited	Hong Kong	Disposed	5%	100%
Camco Advisory Services (Beijing) Limited	China	Research & Consultancy	100%	100%
Camco Offsets I LLC	USA	Carbon contractor	100%	100%
Camco Advisory Services West Africa Sarl	Togo	Consultancy	100%	0%
AG Power Jerome LLC	United States of America	AG Methane project development	100%	100%
AG Power Visalia LLC	United States of America	AG Methane project development	100%	100%
AgInvestors I LLC	United States of America	Clean Energy Development	100%	100%
Ag Power DCD LLC	United States of America	Clean Energy Development	100%	0%

Notes (continued)

30. Directors' share interests

	Number	
	2013	2012
Executive Directors		
Scott McGregor	4,241,592	1,587,746
Jonathan Marren	3,310,892	–
Non-executive Directors		
Jeffrey Kenna	2,037,830	2,216,602
Michael Farrow	81,158	81,158

The beneficial interests of the Directors in the ordinary share capital of the Company are shown above. In addition, certain of the executive Directors have conditional rights to acquire shares arising from awards granted under the Long-Term Incentive Plan. These awards are detailed in the Report of the Remuneration Committee on pages 20 to 23.

31. Accounting estimates and judgements

Below is a discussion of the key assumptions concerning the future and key sources of estimation or uncertainty at the balance sheet date that may cause material adjustment to the carrying amounts of assets or liabilities within the next financial year.

For the majority of 2013, the estimates surrounding CDCs were no longer applicable.

Recoverability of work in progress CDCs

The Group policy is to perform regular realisable value reviews to ensure the carrying amount of CDCs is not above net realisable value. The net realisable value is determined by discounting the expected revenue from CDCs to identify the net present value of each specific contract. Contracts are defined as project or projects collectively under one legal contract (Carbon Asset Development Agreement ("CADA") or Emission Reduction Purchase Agreement (ERPA)). Each contract is considered an individual cash generating unit ("CGU").

The key assumptions made in this calculation relate to amount and timing of cash flows.

Fair value of consideration receivable under CDCs

Revenue is recognised from the provision of consultancy services to clients. Consideration receivable is a non cash consideration success fee contract in the form of commission share or receipt of carbon credits. The key assumptions made in this calculation relate to the amount and timing of cash flows (project development risk and price risk, see Note 22).

However, due to the significant fall in the CER carbon price, the Directors have therefore taken the view that CER carbon market is no longer liquid and revenue cannot be reliably measured and as a result not recognised value for carbon credits in the balance sheet at the year end and have therefore taken the decision to write off all outstanding balance other than in certain limited circumstances.

The project development risk is managed by the Group's internal control systems to forecast and maximise delivery of carbon credits. The forecast production of carbon credits is adjusted for specific technical, counterparty and economic risks identified on the project. The Group has considered the enforceability of CDC's, considering operational facts and commercial considerations and includes in its accounts the Director's best estimate of the amounts required for contract restructuring. Given the current market price of carbon, and the nature of the Group's contracts, the Group in recognising the fair value of consideration receivable has considered the

ability to convert the contract into cash and include consideration of regulatory risk and liquidity. The carbon credit price used in the calculation is a contracted sales price.

Future service costs

On determination of the fair value of consideration receivable under CDCs an estimate is made of any future service costs related to the revenue and an accrual recognised. The future service costs comprise the minimal verification and monitoring costs associated with ensuring that the carbon credits produced by the projects are issued and Camco receives consideration. These costs do not represent any significant services to be provided under the CDCs as almost all services are provided prior to revenue recognition.

Investments in associates and joint ventures

Certain investments held have been classified as joint ventures despite the Group shareholding. The reasons for this are outlined in Note 16.

32. Post balance sheet events

On 27 June 2014, the Company announced that it was raising €1.25 million through the issue of 25,000,000 new ordinary shares at 4.0 pence (approximately €0.05) per share to new and existing investors ("Placing"). In addition, the Company announced an open offer to existing shareholders to raise up to an additional €0.65m through the issue of up to 13,007,947 ordinary shares at 4.0 pence (approximately €0.05) per share ("Open Offer").

Both the Placing and the Open Offer are subject to the approval of shareholders at the General Meeting proposed to be held on 15 July 2014.

