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If you have sold or transferred your Ordinary Shares in the Company you should send this document along with the Form of Proxy at once to the purchaser or transferee or the stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

However, the foregoing must not be distributed, forwarded or transmitted in or into any Restricted Jurisdiction. If you have sold or transferred only part of your holding of Ordinary Shares, you should retain these documents and consult the stockbroker, bank or other agent through whom the sale or transfer was effected.

This document constitutes an admission document in accordance with the AIM Rules for Companies. This document is not an approved prospectus for the purposes of Sections 85 and 87 of FSMA and as such has not been approved by the Financial Services Authority as a prospectus. This document does not constitute a financial promotion and has not been approved for issue as such in the United Kingdom for the purposes of Section 21 of FSMA.

The Company, the Directors and the Proposed Directors, whose names appear on page 3, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Company, the Directors and the Proposed Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and contains no omission likely to affect the import of such information.

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 ("UKLA").

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.

The AIM Rules for Companies are less demanding than those of the Official List. It is emphasised that no application is being made for admission of the securities to the Official List. Further, neither the London Stock Exchange nor the UKLA has examined or approved the contents of this document.

Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers.

Application will be made for the Enlarged Issued Share Capital to be admitted to trading on AIM. The Ordinary Shares are not traded on any other recognised investment exchange and no application has been made for the Enlarged Issued Share Capital to be admitted to trading on any other recognised trading exchange. It is expected that Admission will become effective and that dealings in the Enlarged Issued Share Capital will commence on AIM on 28 April 2011.

Bidtimes plc

*(Incorporated and registered in England and Wales with registered number 3934451)
(ISIN: GB0007773046)*

Proposed acquisition of PowerHouse Energy, Inc., Proposed approval of a waiver of the obligations under Rule 9 of the City Code, Capital Reorganisation, Change of name to PowerHouse Energy Group plc, Notice of General Meeting and Admission to trading on AIM

Nominated Adviser and Broker



Merchant Securities

SHARE CAPITAL ON ADMISSION AND FOLLOWING CONSOLIDATION

	Issued and fully paid	
	Number	Amount
New Ordinary Shares of 1p each	283,670,473	£2,836,704
New Deferred Shares of 4p each	9,737,552	£389,502
Existing Deferred Shares of 4.5p each	17,373,523	£781,808

Merchant Securities Limited ("Merchant Securities"), which is authorised and regulated by the Financial Services Authority of the United Kingdom, is acting as nominated adviser and broker to Bidtimes plc for the purposes of the AIM Rules for Companies and will not be acting for any other person or otherwise be responsible to any person for providing the protection afforded to clients of Merchant Securities or for advising any other person in respect of the arrangements set out in this document. Merchant Securities' responsibilities as Bidtimes plc's nominated adviser under the AIM Rules for Nominated Advisers and responsibilities as broker are owed to London Stock Exchange plc and are not owed to Bidtimes plc or to any Director or Proposed Director or to any person in respect of his decision to acquire or dispose of shares in Bidtimes plc in reliance on this document (without limiting the statutory rights of any person to whom this document is issued). No representation or warranty, expressed or implied, is made by Merchant Securities as to any of the contents of this document and accordingly, no liability is accepted by Merchant Securities for the accuracy of any information or opinions contained in this document or for any omission of any material information for which it is not responsible.

The whole of this document should be read. Your attention is drawn, in particular, to Part I "Letter from the Chairman of Bidtimes plc" and Part II "Risk Factors" for a more complete discussion of the factors that could affect the Enlarged Group's future performance and the industry in which it will operate.

A notice convening a General Meeting of Bidtimes plc to be held at the offices of Merchant Securities, 51-55 Gresham Street, London EC2V 7HQ on 26 April 2011 commencing at 10.00 a.m. is set out at the end of this document. The Form of Proxy for use in connection with the General Meeting is enclosed with this document and should be returned as soon as possible and, in any event, so as to be received at the offices of the Company's registrars, Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands, B63 3DA as soon as possible but in any event not later than 10.00 a.m. on 20 April 2011, being 48 hours (excluding weekends and public holidays) before the time appointed for the holding of the General Meeting. The completion and depositing of a Form of Proxy will not preclude a Shareholder from attending and voting in person at the General Meeting.

No person has been authorised to give any information or make any representations other than those contained in this document and, if given or made, such information or representations must not be relied upon as having been so authorised. The delivery of this document or any subscriptions made hereunder shall not, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this document or that the information in this document is correct as of any time subsequent to the date of this document.

Contents

	<i>Page</i>
Directors, Proposed Directors and Advisers	3
Definitions	4
Glossary	9
Share capital statistics	10
Expected timetable of principal events	10
Executive Summary	11
PART I Letter from the Independent Director of Bidtimes plc	12
Introduction	12
Background information on the Company	13
Information on PowerHouse	14
Principal terms of the Acquisition	20
Capital Reorganisation	21
New Board and senior management	21
Lock-in and orderly market arrangements	24
Financial information on the Company and PowerHouse	25
Current trading and prospects for the Enlarged Group	25
Share Option Scheme	25
Warrants and replacement options	25
Corporate Governance	26
Dividend Policy	27
The City Code	27
Information on the Principal Concert Party and the Executive Concert Party	28
Management arrangements	29
Taxation	29
CREST	29
General Meeting	29
Action to be taken	30
Admission and dealings	30
Further information	30
Recommendation	30
PART II Risk Factors	31
PART III Financial information of Bidtimes plc	39
PART IV Accountant's Report on the financial information of PowerHouse Energy, Inc.	42
PART V Unaudited interim financial information for PowerHouse Energy, Inc.	59
PART VI Additional information	66
Notice of General Meeting	100

Directors, Proposed Directors and Advisers

Directors and Registered Office	Anthony Thomas Brennan (<i>Executive Chairman and Proposed Deputy Chairman</i>) (Nigel) Brent Fitzpatrick (<i>Non-executive Director</i>) Julian Peter Moore (<i>Non-executive Director and Proposed Interim Finance Director</i>) all of whose address for business is at the Company's registered office Meriden House 6 Great Cornbow Halesowen West Midlands B63 3AB
Proposed Directors	David Mason Moard (<i>Proposed Executive Director</i>) Ross Mitchell Lyndon-James (<i>Proposed Executive Chairman</i>) James Greenstreet (<i>Proposed Non-executive Director</i>)
Company Secretary	Headstream Capital Limited
Company website	Until Admission: www.bidtimes.com From Admission: www.powerhouseenergy.net
Nominated Adviser and Broker	Merchant Securities Limited 51-55 Gresham Street London EC2V 7HQ
Legal adviser to the Company as to English Law	Fladgate LLP 16 Great Queen Street London WC2B 5DG
Legal adviser to the Company as to US Law	Manatt, Phelps & Phillips LLP 11355 W. Olympic Blvd. Los Angeles CA 90064 United States
Legal adviser to the Nominated Adviser and Broker	Marriott Harrison Staple Court 11 Staple Inn Buildings London WC1V 7QH
Reporting Accountant	Crowe Clark Whitehill LLP St Bride's House 10 Salisbury Square London EC4Y 8EH
Registrars	Neville Registrars Limited Neville House 18 Laurel Lane Halesowen West Midlands B63 3DA

Definitions

The following words and expressions shall have the following meanings in this document unless the context otherwise requires:

“Act”	the UK Companies Act 2006 (as amended)
“Acquisition”	the proposed acquisition by the Company of the entire issued share capital of PowerHouse pursuant to the Acquisition Agreement
“Acquisition Agreement”	the conditional agreement dated 31 March 2011 between (1) the Company and (2) the Vendors, further details of which are set out in paragraph 11.1.1 of Part VI of this document
“Admission”	admission of the Enlarged Issued Share Capital to trading on AIM and such admission becoming effective in accordance with Rule 6 of the AIM Rules
“AIM”	AIM, the market of that name operated by the London Stock Exchange
“AIM Rules”	the AIM Rules for Companies published by the London Stock Exchange
“Australia”	the commonwealth of Australia, its possessions and territories and all areas subject to its jurisdiction or any political subdivision thereof
“Bidtimes Shareholders”	the holders of Existing Ordinary Shares
“Board” or “Directors”	the existing directors of the Company, whose names appear on page 3 of this document
“Business Day”	a day on which the London Stock Exchange is open for the transaction of business
“Canada”	Canada, its provinces and territories and all areas subject to its jurisdiction or any political sub-division thereof
“Capital Reorganisation”	the proposed consolidation, sub-division and re-designation of every 10 Existing Ordinary Shares into one New Ordinary Share and one New Deferred Share
“Capital Reorganisation Record Date”	6.00 p.m. on 27 April 2011 (or such later time and date as the Board (or duly authorised committee of the Board) may determine)
“certificated” or “certificated form”	in relation to a share or other security, a share or other security, a share or other security title which is recorded in the relevant register of the share or other security as being held in certificated form (that is, not in CREST)
“City Code” or “Code”	the City Code on Takeovers and Mergers
“Company” or “Bidtimes”	Bidtimes plc, a public limited company registered in England and Wales under registered number 3934451
“Consideration Shares”	the 273,766,453 New Ordinary Shares to be issued to the Vendors as consideration for the Acquisition pursuant to the Acquisition Agreement

Definitions (continued)

“CREST”	the computer-based system established under the CREST Regulations which enables title to units of relevant securities (as defined in the CREST Regulations) to be evidenced and transferred without a written instrument and in respect of which Euroclear UK & Ireland Limited is the operator (as defined in the CREST Regulations)
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755) (as amended)
“Current Articles”	the current articles of association of the Company, a summary of which is set out in paragraph 4 of Part VI of this document
“DTR” or “Disclosure and Transparency Rules”	the Disclosure and Transparency Rules (in accordance with section 73A(3) of FSMA) being the rules published by the Financial Services Authority from time-to-time relating to the disclosure of information in respect of financial instruments which have been admitted to trading on a regulated market or for which a request for admission to trading on such a market has been made
“Enlarged Group”	the Company as enlarged by the Acquisition, to include PowerHouse and its subsidiaries
“Enlarged Issued Share Capital”	the issued ordinary share capital of the Company on Admission, being 283,670,473 New Ordinary Shares made up of the Existing Ordinary Shares after the Capital Reorganisation, the Consideration Shares and the Fee Shares
“ERL”	EnviroEnergy Resources Limited, a company registered in Malta with number C44376
“Euroclear”	Euroclear UK & Ireland Limited
“Executive Concert Party”	Credit First Holding Limited, Credit First Asset Management Limited, Matthew Lyndon-James, Cameron Lyndon-James, David Moard, Thomas McMahon and Credal Trust Management Ltd
“Existing Deferred Shares”	the existing deferred shares of 4.5p each in the capital of the Company
“Existing Ordinary Shares”	the 97,373,523 Ordinary Shares of 0.5p each in the capital of the Company in issue at the date of this document
“Fee Shares”	the 166,667 New Ordinary Shares to be issued at Admission in satisfaction of certain fees due to Merchant Securities in connection with the Proposals
“Form of Proxy”	the form of proxy sent to holders of Existing Ordinary Shares enclosed with this document for use by Shareholders in connection with the General Meeting
“FSMA”	the Financial Services and Markets Act 2000

Definitions (continued)

“GCC”	The Gulf Co-operation Council comprising Kuwait, Bahrain, Saudi Arabia, Qatar, United Arab Emirates and Oman
“General Meeting”	the general meeting of the Company, to be held at the offices of Merchant Securities, 51-55 Gresham Street, London EC2V 7HQ on 26 April 2011 at 10.00 a.m. and any adjournment thereof to be held for the purpose of considering and, if thought fit, passing the Resolutions
“HMRC”	HM Revenue & Customs
“Independent Director”	Brent Fitzpatrick
“Independent Shareholders”	the Shareholders other than Wall Street Nominees Pty Ltd
“Introduction Agreement”	the agreement dated 31 March 2011 and made between the Company, the Directors, the Proposed Directors, Merchant Securities and ERL, further details of which are set out in paragraph 11.1.4 of Part VI of this document
“Japan”	Japan, its cities, prefectures and territories
“Joint Venture Company”	a joint venture company in which PowerHouse has an equity interest, formed to operate a Build-Own-Operate waste to energy system
“Joint Venture Partner”	a partner in a Joint Venture Company
“Linc Energy”	Linc Energy Ltd, a company quoted on the Australian Stock Exchange
“London Stock Exchange”	London Stock Exchange plc
“MENA”	an acronym which generally covers an extensive region, extending from Morocco in north west Africa to Iran in south west Asia, including all the Arab Middle East and North Africa countries
“Merchant Securities”	Merchant Securities Limited, the Company's nominated adviser and broker
“Neville Registrars”	a trading name of Neville Registrars Limited
“New Articles”	the new articles of association of the Company, a summary of which is set out in paragraph 5 of Part VI of this document, which it is proposed be adopted at the General Meeting
“New Board”	the Directors and the Proposed Directors, whose names appear on page 3 of this document
“New Deferred Shares”	the new deferred shares of 4p each in the capital of the Company arising from the Capital Reorganisation.
“New Ordinary Shares”	the new ordinary shares of 1p each in the capital of the Company arising from the Capital Reorganisation

Definitions (continued)

“Notice”	the notice convening the General Meeting, which is set out at the end of this document
“OEM”	original equipment manufacture
“Options” or “Share Options”	options to subscribe for New Ordinary Shares under the Share Option Scheme
“Ordinary Shares”	Existing Ordinary Shares or New Ordinary Shares as the case may be
“Overseas Shareholder”	a shareholder (or nominees of, or custodians or trustees for Shareholders) not resident in or citizens of a Restricted Jurisdiction
“PowerHouse”	PowerHouse Energy, Inc., a corporation registered in California, USA under number C3190913
“Panel”	the Panel on Takeovers and Mergers
“Principal Concert Party”	David Moard, Thomas McMahon and ERL
“Proposals”	means the proposals set out in this document including (a) the Capital Reorganisation; (b) the Acquisition; (c) the Waiver; (d) the change of name; and (e) Admission
“Proposed Directors”	the proposed directors of the Company whose names are listed as such on page 3 of this document and whose appointments will become effective on Admission
“Pyromex”	Pyromex Holding AG, a company registered in Switzerland with number CH-170.3.025.127-2
“Pyromex Licence”	the licence agreement dated 15 March 2009, as subsequently amended and varied, and made between Pyromex and PowerHouse, further details of which are set out in paragraph 11.2.1 of Part VI of this document
“Resolutions”	the resolutions set out in the Notice
“Restricted Jurisdiction”	any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if information concerning the Proposals is sent or made available to Shareholders in that jurisdiction
“Share Option Scheme”	the share option scheme which will be operated by the Company, a summary of which is set out in paragraph 10 of Part VI of this document
“Shareholders”	holder(s) of Ordinary Shares
“Surrounding Islands”	the islands surrounding within 500 nautical miles of North America and Central America, including the Caribbean islands
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“UKLA”	the Financial Services Authority acting in its capacity as the competent authority for the purposes Part V of FSMA

Definitions (continued)

“uncertificated” or “in uncertificated form”

an Ordinary Share recorded on the Company’s register 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

“Vendors”

ERL, David Moard and Thomas McMahon, Linc Energy and all the other shareholders of PowerHouse

“Waiver”

the waiver by the Panel of obligations under Rule 9 of the City Code as described in Part I of this document

“Warrants”

the warrants to subscribe for up to 9,737,353 New Ordinary Shares at an issue price of 20p per share, created pursuant to an instrument dated 31 March 2011 and to be issued to the holders of Existing Ordinary Shares as at 31 March 2011

Glossary

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

Fischer-Tropsch process

a set of chemical reactions that convert a mixture of carbon monoxide and hydrogen into liquid hydrocarbons. The process, a key component of gas to liquid technology, produces a petroleum substitute for use as a synthetic fuels

Gasification

gasification is a partial oxidation process whereby a carbon source, such as coal, organic waste or biomass, is broken down into carbon monoxide (CO) and hydrogen (H₂), plus carbon dioxide (CO₂) and possibly hydrocarbon molecules such as methane (CH₄) depending on the temperature and oxidizer used

***Ultra high temperature gasification
or UHTG***

high temperature gasification (1200 °C to 1700 °C) leads to few hydrocarbons in the syngas and a higher proportion of CO and H₂

Plasma arc gasification

a waste treatment technology that uses electrical energy and the high temperatures created by an electric arc gasifier. The arc breaks down waste primarily into elemental gas and solid waste

Pyrolysis

decomposition or transformation of a compound caused by pressure and high temperatures, especially above 430 degrees, in the absence of oxygen

Syngas or Synthesis gas

a gas mixture that comprises of carbon monoxide, carbon dioxide and hydrogen. The syngas is produced due to the gasification of a carbon containing fuel to a gaseous product that has some heating value. Syngas may be burned directly in internal combustion engines, used to produce methanol and hydrogen or converted via the Fischer-Tropsch process into synthetic fuels

tpd

tonnes per day

Share capital statistics

Number of Existing Ordinary Shares	97,373,523
Number of New Ordinary Shares in issue following the Capital Reorganisation but before the issue of the Consideration Shares	9,737,353
Number of Consideration Shares	273,766,453
Number of New Ordinary Shares in issue on Admission	283,670,473
Consideration Shares as a percentage of the Enlarged Issued Share Capital	96.5 per cent.
Number of outstanding Warrants on Admission	9,737,353

Expected timetable of principal events

Despatch and date of this document	31 March 2011
Record date for the Warrants	31 March 2011
Latest time and date for receipt of the completed Forms of Proxy to be valid at the General Meeting	10.00 a.m. on 20 April 2011
General Meeting	10.00 a.m. on 26 April 2011
Capital Reorganisation Record Date	6.00 p.m. on 27 April 2011 (or such later time and date as the Board (or duly authorised committee of the Board) may determine)
Completion of the Acquisition, Capital Reorganisation becomes effective, Admission and commencement of dealings on AIM in the Enlarged Issued Share Capital	28 April 2011
CREST accounts credited with New Ordinary Shares and the Consideration Shares in uncertificated form	28 April 2011
Despatch of definitive share certificates for the New Ordinary Shares, the Consideration Shares and the Warrants	by 10 May 2011
ISIN on Admission	GB00B4WQVY43
EPIC	PHE

Executive Summary

PowerHouse is a company with a solid background in the sale of clean power generation systems and is currently developing, on a global basis, an alternative energy business based on zero emission conversion of waste materials and sub-viable coal deposits (carbonaceous matter) into a range of clean energy products.

The Enlarged Group's initial focus will include synthesised gas (syngas), hydrogen and electricity and in the near future, there are plans to produce liquid transportation fuels. PowerHouse's primary advantage is a patent pending UHTG technology which is modular, scaleable and highly efficient. PowerHouse's technology and systems satisfy a potentially huge and growing market for efficient, emission free conversion of a broad range of waste materials and coal into useful clean energy products.

For the near term PowerHouse has outsourced its manufacturing to conserve its capital and is marketing its fully integrated UHTG waste to syngas technology in matched combinations with conventional clean power generating equipment. This strategy, driven by market demand, provides a small to medium scale turnkey waste to clean energy solution. PowerHouse markets through its expanding network of distributors and through its build-own-operate joint ventures. Localised joint venture partners will secure long term waste and coal supplies (feedstocks) for conversion to electricity, gas or fuel energy products under long term power purchase contracts.

PowerHouse's markets are very large and include both developed and developing countries. Of particular interest are island nations and stranded communities where diesel fuel is used to generate electricity at much higher costs than coal, hydro or nuclear powered generation.

PowerHouse has initiated the development of a resources division to access the vast deposits of lignite (brown coal), stranded coal and coal waste for conversion into electricity and liquid transportation fuels. This division will enter into strategic agreements and joint venture with the owners of existing coal resources that are not viable for conventional markets simply due to unviable resource logistics, location and/or poor resource quality.

PowerHouse is expanding its business to international markets by leveraging its US reputation in the clean energy sector. In the last two years it has developed a significant pipeline of potential sales and joint venture projects.

At the date of this document, PowerHouse has already secured unconditional sales contracts which the Directors believe will generate revenue for the Enlarged Group in 2010-11.

- The sale of a 5 tpd WTE turnkey system to PowerHouse Energy Australia Pty Ltd
- The sale of a 25 tpd UHTG unit – only to PowerHouse Energy Australia Pty Ltd
- The sale of a 25 tpd UHTG unit – only to Linc Energy
- The sale of a 5 tpd WTE system to PowerHouse Energy New Zealand

While these initial waste to energy equipment sale contracts vary between \$2.5 and \$5 million, the Directors expect that in the future average turnkey system sales will generally vary between \$5 million and \$30 million per project, dependent on the capacity of the system.

PowerHouse's board and executive management team includes professionals with extensive experience in gasification technology, clean energy and power generation, international business development, project finance and public company management.

PART I

Letter from the Independent Director of Bidtimes plc

Bidtimes plc

(Incorporated and registered in England and Wales with registered number 3934451)

Directors:

Anthony Brennan *(Executive Chairman)*
Brent Fitzpatrick *(Non-executive Director)*
Julian Moore *(Non-executive Director)*

Registered Office:

Meriden House
6 Great Cornbow
Halesowen
West Midlands
B63 3AB

31 March 2011

To all holders of Ordinary Shares and, for information purposes only, to holders of options over Existing Ordinary Shares

Dear Shareholder,

**Proposed acquisition of PowerHouse Energy, Inc.,
Proposed approval of a waiver of the obligations under Rule 9 of the City Code,
Capital Reorganisation,
Notice of General Meeting and
Admission to trading on AIM**

Introduction

On 16 December 2009, the Company released an announcement which sought to clarify its investing policy. The Company aimed to identify and pursue investments in mineral and energy resources, including renewable energy resources.

The Board believes that it has now identified a potential acquisition which fulfills its investment criteria.

On 22 March 2011, the Company announced that it was at an advanced stage of discussions to acquire a company which would constitute a reverse takeover under the AIM Rules and trading in Existing Ordinary Shares was suspended.

The Company has today announced that it has entered into the Acquisition Agreement conditional, amongst other things, on Shareholder approval, to acquire the entire issued share capital of PowerHouse, a company specialising in emission-free conversion of waste materials into a synthetic gas (syngas). The consideration will be satisfied by the issue of the Consideration Shares. Further details of the terms and conditions of the Acquisition are set out below under the heading "Principal Terms of the Acquisition".

The Acquisition will result in a fundamental change in the Company's business and will constitute a reverse takeover under the AIM Rules. As such, the Independent Director is seeking Shareholder approval for the Acquisition at the General Meeting.

Delta Capital Pty Ltd, a company of which Anthony Brennan is a director and controlling shareholder, acts as corporate adviser to ERL, one of the vendors of PowerHouse, and will receive a fee of £125,000 from ERL conditional upon the approval at the General Meeting of the Waiver. Julian Moore was a director of PowerHouse between October 2010 and March 2011 and has been acting as a consultant for ERL and PowerHouse since February 2010 and will receive a fee of £32,500 upon completion of the

Acquisition. In addition, Mr Moore has capitalised US\$131,250 of his fee into common stock in PowerHouse. Accordingly, Mr Brennan and Mr Moore have taken no part in the deliberations of the Board of the Proposals and have undertaken not to vote on the Waiver sought in Resolution 2.

The purpose of this letter is to give you further information regarding the matters described above and to seek your approval of the Proposals, which include the Waiver, at the General Meeting. The notice of General Meeting is set out at the end of this document.

Following completion of the Acquisition, the Principal Concert Party will have a holding of 225,672,048 New Ordinary Shares, representing 79.55 per cent. of the Enlarged Issued Share Capital. Following Admission and implementation of the Proposals, the Principal Concert Party will hold in excess of 30 per cent. of the Enlarged Issued Share Capital and would normally incur an obligation, under Rule 9 of the City Code, to make a general offer to the other Shareholders to acquire their shares. However, subject to the approval of the Independent Shareholders on a poll at the General Meeting, the Panel has agreed to waive this obligation. An explanation of the provisions and impact of the City Code in relation to the Principal Concert Party is set out in the paragraph entitled “the City Code” below.

The Proposals are conditional, *inter alia*, on the passing of the Resolutions and Admission. If the Resolutions are approved by Shareholders, it is expected that Admission will become effective and dealings in the Enlarged Issued Share Capital will commence on AIM on or around 28 April 2011.

Background information on the Company

Bidtimes was incorporated on 28 February 2000 and admitted to trading on AIM on 4 July 2000. The Company originally aimed to build a group providing e-commerce solutions in the retail and distribution sectors through selected acquisition of targets demonstrating significant growth prospects.

On 6 June 2008, the Company announced that it was seeking to extend its investment strategy to include the mineral and energy sector, subject to which it had raised £440,000 and signed a joint-venture agreement with Burey Gold Limited. As part of the agreement, the Company acquired a 10 per cent. joint venture interest in three tenements of mineral deposits located in Australia. Anthony Brennan and Julian Moore were simultaneously appointed as Executive Chairman and Non-executive Director, respectively, and the Company’s shares were readmitted to trading on AIM.

In December 2009, the Company announced that it could no longer justify expenditure in these tenements and that they had been dropped from the Company's exploration portfolio. They were replaced by another joint venture project with Burey Gold Limited, in the Kyber Pass Area, southeast of Marla, in Southern Australia. The Directors intend to give notice to terminate the joint venture agreement upon completion of the Acquisition.

Reasons for the Acquisition

Bidtimes believes that PowerHouse presents an attractive opportunity for the Company. PowerHouse recently secured a manufacturing and marketing licence with Pyromex for a patent pending low emission waste to energy gasification system, which is exclusive in North America, Central America and the Surrounding Islands and Nigeria and which is non-exclusive throughout MENA, GCC, French Polynesia, South Pacific, Asia and certain United States Territories. In Australia, PowerHouse has exclusive rights to manufacture and supply Pyromex equipment. In addition, in August 2010, PowerHouse acquired a 30 per cent. interest in Pyromex and holds an option to acquire a further 21 per cent.

PowerHouse is a company with a solid background in the sale of clean power generation systems and is currently developing, on a global basis, an alternative energy business based on zero emission conversion of waste materials and sub viable coal deposits (carbonaceous matter) into a range of clean energy products. These energy products will include synthesised gas (syngas), hydrogen and electricity and in the future, the Enlarged Group intends to explore the possibilities of producing liquid transportation fuels. PowerHouse's UHTG technology is modular, scaleable and highly efficient. With several sales contracts already secured, the Enlarged Group expects the Pyromex technology and systems will satisfy a potentially substantial and growing market for efficient, emission free conversion of a broad range of waste materials into useful clean energy.

The New Board believes that that the Enlarged Group will have significant expansion opportunities as a result of combining the Company's public listing with PowerHouse's experienced management team and rights to Pyromex's UHTG technology.

Information on PowerHouse

History and Overview

PowerHouse was originally founded in 2002 and is based in California, with representative offices in London and New York. Historically, the company's business has involved the design, procurement, installation and commissioning of conventional onsite power generating systems that yield environmentally responsible savings. Since it commenced trading in 2003, PowerHouse has installed over 50 on-site combined heat and power systems including advanced fuel cell power generating systems.

In August 2010, PowerHouse acquired a 30 per cent. shareholding in Pyromex, the developer and owner of a ultra-high temperature waste to energy thermal reactor technology, elements of which are patent pending, together with a zero emission gasification technology licence under which it is able to manufacture and sell an integrated waste to energy system. In January 2011, PowerHouse was granted a call option to acquire up to 21 per cent. of Pyromex's share capital. The first tranche of 1.8 per cent. of Pyromex's share capital must be exercised by 30 June 2011 and the second tranche, which is conditional upon the exercise of the first tranche, may be exercised on or before 30 June 2012.

In March 2011, Linc Energy, a company quoted on the Australian Stock Exchange (ASX: LNC), subscribed \$6,000,000 into PowerHouse. In addition Linc Energy has granted PowerHouse certain rights to use its proprietary Fischer-Tropsch process and knowhow in its own projects.

PowerHouse's New Business

PowerHouse's new business model is the production of systems to generate alternative energy in the form of syngas and the conversion of syngas into electricity that can be sold to end users. This will be achieved by the sale of equipment which enables the recovery and sale of energy from its on site waste to energy systems and the efficient and environmentally responsible conversion of waste materials into useful forms of energy. The net result is a convenient and safe elimination process for many types of organic waste, while simultaneously recovering a very high proportion of the energy contained in such waste.

Syngas can also be readily used as a fuel for generating power from fuel cells, micro turbines, ultra-clean gas powered engine generator systems or simple gas burners.

PowerHouse is represented in its target markets by its distributors and joint venture partners who aim to identify and develop business opportunities involving waste suppliers and power purchase customers. The New Board believes this marketing strategy to be a cost effective and low risk method of penetrating new markets which has enabled PowerHouse to develop a significant pipeline of potential business opportunities.

Manufacturing and Marketing Licence

Summary of the Pyromex Licence

PowerHouse has a technology licence agreement with Pyromex relating to various Pyromex intellectual property for its ultra-high temperature gasification process and equipment. The term of the licence is the longer of 20 years from 13 April 2009 or until the last of the patents which are the subject of the licence expires. PowerHouse has exclusive rights in North America, Central America, the Surrounding Islands and Nigeria and exclusive, but not sole, rights to manufacture and supply Pyromex equipment in Australia. PowerHouse also has non-exclusive rights in MENA, GCC, French Polynesia, South Pacific, Asia and certain United States Territories. The exclusive rights may be exploited without restriction as to field, while the non-exclusive rights to manufacture and supply Pyromex equipment may be exploited in relation to municipal solid waste and/or biomass and/or tyres. Non exclusive licences of the rights granted under the Pyromex Licence have been granted to third parties in Italy,

Great Britain, Benelux, Scandinavia, Greece and South Africa. Further details of the licence agreement are set out in paragraph 11.2.1 of Part VI of this document.

Option over Pyromex

PowerHouse's use of the Pyromex technology derives from the Pyromex Licence. As stated in Part II of this document, licensed rights can be terminated in certain circumstances and discretions of the licensor under the licence agreement may be exercised unreasonably, to the detriment of PowerHouse as licensee. To counter these risks and to obtain the economic benefit of being the recipient (indirectly as a shareholder in Pyromex) of licence fees and royalties, PowerHouse has acquired an option under which it may increase its shareholding in Pyromex from 30 per cent to 51 per cent. The first tranche of 1.825 per cent. must be exercised by 30 June 2011, with the balance of 19.075 per cent. being able to be exercised on or before 30 June 2012. The consideration for the first tranche is US\$2 million in cash. It is the intention of the New Board to exercise this option in full. The New Board intends to raise additional funds in order to exercise this option in full unless the timing of cashflows arising from sales enables the Company to pay the option price out of this additional working capital.

Extent of licensed intellectual property rights

The Pyromex Licence grants to PowerHouse a licence to exploit certain patents and a licence of knowhow relating to "Pyromex IP" and "Engineering IP". The former includes the intellectual property in reactor tubes and coatings, induction electrical system, gasification reactor control software and hardware, the air lock system, sprocket and material feed, reactor tube cooling, water/steam injection process and the scientific gasification reactions, feed rates, data and designs of certain components. The latter includes the knowhow in the engineering of the Pyromex IP.

The Pyromex technology is subject to certain granted and pending patents. A US patent is owned by Pyromex in respect of "fuel from industrial waste". This patent which expires in 2015, is not considered material to the Pyromex technology as currently deployed. International patent applications have been filed for three other inventions, as follows:

- molybdenum susceptor with boron-silicon coating used in a high temperature furnace. It is anticipated that it may be difficult to obtain patent protection for this invention but it is not considered core to the Pyromex technology;
- oxygen stripping in-feed using feedback of produced syngas. This application was filed in August 2007 and will allow patents to be granted in Europe and the USA. The Independent Director has received independent, specialist advice that the invention is patentable albeit that there is a small third party infringement risk which is discussed in Part II of this document; and
- high temperature furnace using centrally disposed resistive heater. This is the core technology for which a patent application was filed in October 2009. Again the Independent Director has received independent, specialist advice that the invention is patentable and that worldwide patents should be available if filed before 14 April 2012.

Manufacture and Supply

PowerHouse has identified manufacturing partners in the US and Europe and manufacturing of the waste to energy system will be subcontracted to such partners.

PowerHouse's New Business Model

PowerHouse is making use of its experience by combining its specialised expertise, historical power generating product range, business network and specialised expertise with its recently acquired Pyromex technology to deliver fully integrated waste to energy solutions to its pipeline of new business opportunities.

PowerHouse's waste to energy strategy combines three fundamental infrastructure segments:

- (i) an efficient, clean, low cost means of the elimination of organic waste materials as an alternative to landfill and incineration;
- (ii) energy recovery from organic waste materials into syngas fuel and electrical energy in a sustainable business not related to or dependent on fossil fuels; and
- (iii) the conversion of lignite, coal and coal waste into syngas and its use as a fuel for power generation and liquid transportation fuels.

Equipment Sales

PowerHouse sells alternative energy equipment to customers who have a capacity to provide the necessary waste to utilise the output energy and an ability to operate the alternative energy systems. PowerHouse intends to supply complete waste to energy systems including the design, manufacture, installation and commissioning of such systems. PowerHouse will also sell Pyromex units to customers who have the capacity to incorporate Pyromex systems into waste to energy systems. Typically on equipment sales PowerHouse will draw down milestone payments on an agreed basis during manufacture and installation.

Service income

PowerHouse will seek to provide a maintenance agreement on any equipment sales.

Annuity income - Build-Own-Operate

PowerHouse expects to sell its waste to energy equipment at market price to its Joint Venture Companies, which will operate the alternative energy system and sell the produced energy to customers under long term power purchase contracts (typically 25 years). This Build-Own-Operate strategy would enable PowerHouse to earn a profit margin on these sales as well as its share of any joint venture company profits over a 15 to 25 year period.

Typically, ownership of the Joint Venture Companies will comprise the interests of PowerHouse, the local partners/operator and the project financiers. The New Board expect that PowerHouse's joint venture interests will vary between 15 and 49 per cent. In providing potential joint venture partners the opportunity to participate in the project, it is envisaged that PowerHouse's joint venture interest will, in most cases, be at no additional cash cost to the Enlarged Group. Generally, every Build-Own-Operate project will require external project financing from a third-party.

Sales of waste to energy systems to date

PowerHouse has executed contracts for the following sales to date:

- PowerHouse Energy Australia Pty Ltd – sale of a 5 tpd waste to energy system and a 25 tpd Pyromex UHTG reactor
- Linc Energy Ltd – sale of a 25tpd Pyromex UHTG reactor
- PowerHouse Energy New Zealand Ltd – sale of a 5 tpd waste to energy system

World Energy Market

According to the International Energy Outlook 2010 ("IEO 2010") report, produced by the US Energy Information Administration and published in July 2010, world marketed energy consumption is expected to increase by 49 per cent. between 2007 and 2035, a figure which does not include prospective legislation or policies. Total energy demand in non-OECD countries is expected to increase by 84 per cent., compared with a projected increase of 14 per cent. in OECD countries. It is anticipated that total world energy use rises from 495 quadrillion British thermal units (Btu) in 2007 to 590 quadrillion Btu in 2020 and 739 quadrillion Btu in 2035. The New Board believes that the ability to establish a presence in the waste to energy market will lead to sustainable long term growth.

Although the waste to energy solution is not expected to replace the primary energy sources of a community, the New Board believes that it will become an increasingly popular and sustainable means of recovering energy from the simple recycling of organic material.

Alternative energy

The current demand for renewable energy is particularly high as organisations seek to reduce their carbon footprint and take advantage of various government financial incentives. Solar and wind have been the more prevalent sources of renewable energy, however these sources are limited in their abilities to supply continuous base load power generation which is necessary for on-demand energy supplies. The Directors expect that the waste to energy systems provided by PowerHouse will supplement traditional power supplies by supplying base load renewable energy on demand. Excess production can be sold into the power grid for wider distribution. Such systems can be complementary to electricity supplied via the grid or provide independent power generation, enabling the customer to avoid being subjected to interruptions and fluctuating supply pricing.

PowerHouse's waste to energy joint venture combination provides a financially attractive choice for established waste collection companies by enabling them to add a new revenue stream from the sale of energy, without the associated management and capital investment risks.

Waste to Energy Technology

Pyromex – ultra-high temperature gasification (1200°C – 1700°C)

Emission free (thus no tar or char) waste to energy recovery at levels of 90 to 95 per cent. can only be achieved in a temperature range between 1200°C-1700°C. In order to create thermal reactions within a controlled atmosphere with low energy consumption and low capital cost infrastructure Pyromex uses a proprietary electric energy induction (or resistance element) system within a suitable enclosed chamber. These methods constitute Pyromex's proprietary intellectual property. The New Board considers that Pyromex's knowledge and experience of material selection and design in the area of ultra-high temperature gasification provides potential competitors with significant barriers to entry.

The New Board considers that at present there are three other major competing methods discussed below which use thermal energy for burning or decomposing waste.

Incineration – high temperature combustion (760°C – 1000°C)

Historically combustion by incineration, which typically operates at temperatures around 900°C, has been used to burn waste, with the typical energy recovery levels being between 35 to 45 per cent. This method of disposal releases noxious gases and airborne pollutants into the atmosphere and creates highly undesirable residual tar and char. Due to these by products, its use in developed nations is being progressively eliminated.

Recent developments to scrub the exhaust gases and capture pollutants have reduced the harmful effects of combustion by incineration to a degree, but it has the added cost and servicing of additional equipment which is inherently an inefficient method of energy recovery. This method is further hampered by the difficulty of obtaining operating permits in certain areas.

Pyrolysis – higher temperature combustion (870°C – 1100°C)

Pyrolysis is another method of using combustion for waste disposal and it occurs at higher temperatures of around 1050°C. Although it is more efficient than incineration for waste disposal and energy recovery, it releases unwanted emissions into the atmosphere as well generating char and tar residual by products.

Plasma Arc – ultra-high temperature gasification (over 5500°C)

The plasma arc process uses high temperature plasma torches in a controlled atmosphere to subject waste to physical and chemical changes. The high temperatures generated by heat from the plasma arc at above 5,000°C prevents the formation of complex organic molecules and breaks down organics into

syngas. The hot syngas is then fed through a gas cleaning and conditioning system, where it is rapidly cooled and cleaned to remove any entrained particles and/or acid gases prior to re-use.

The plasma thermal destruction and waste to energy recovery process is a high maintenance technology which consumes more energy to operate and the Directors expect it to have a higher operating cost.

Pyromex Technology

The technology licensed to PowerHouse is the Pyromex thermal reactor which was developed over a 15 year period. The New Board believes that the Pyromex technology represents a technological breakthrough in materials gasification. Using a suitable waste stream and ultra-high temperatures ranging from 1200° to 1700°C in a controlled oxygen free environment, more than 90 per cent. of the energy content of any organic waste material can be converted into a high energy synthetic gas ('syngas') in a process which produces zero emissions and no harmful char or tar residues.

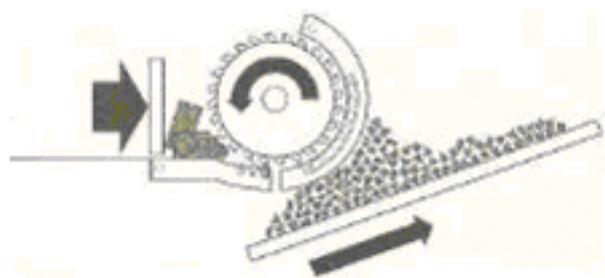
Pyromex technology uses electrical energy induction through a specially designed proprietary metal alloy thermal reactor to create an ultra-high temperature environment. This approach is a very efficient energy conversion and recovery process and eliminates the loss of energy to combustion.

The Pyromex System

The Pyromex system enables localised low emission or emission free conversion (disposal) of waste materials with energy recovery rates of approximately 90 to 95 per cent. The system uses approximately 15 per cent. of the syngas as fuel to generate its own electrical power requirement, resulting in approximately 80 per cent. of the produced energy available for sale. No toxic or harmful residues are formed during the thermal reduction of the waste material into fuel energy.

The Pyromex plant is a compact closed circuit system which includes waste preparation, energy conversion and syngas refinement. The key components in this process are the electrical induction technology, the ultra-high temperature thermal reactor and the remote temperature controls.

Prior to its conversion to syngas and depending on its nature and composition, waste can be stored separately, which provides the flexibility of combining various types of waste materials to optimise the energy content of a waste stream. A waste feed system generally includes dryers to achieve the correct moisture content and a shredder to size the waste and enable a continuous feed into the thermal reactor.

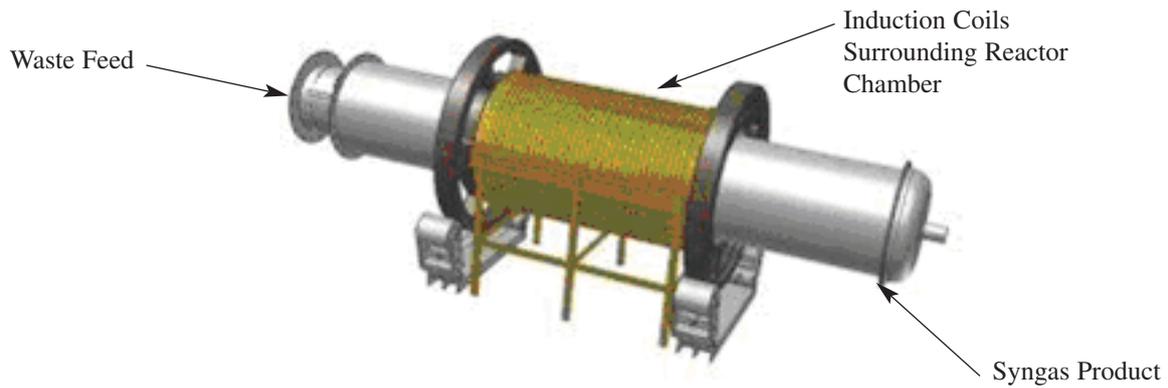


Waste Shredder

Thermal Reactor

The thermal reactor is the heart of the Pyromex system and it plays a vital role in the zero emission solution. It is an ultra-high temperature thermal degradation unit (working under neutral atmosphere) consisting of an electric inductively heated (or an internal resistance element) reaction chamber, remote temperature controls and precise steam injection which enables the complete gasification of the waste material.

The energy for the thermal reactor is provided by a specially constructed three stage electric induction process to heat the core of the reactor to temperatures of between 300°C and 1,700°C.



Thermal Reactor Chamber

The thermal reactor is able to produce a 90 to 95 per cent. yield of syngas (approximately 80 per cent. net following the deduction of energy to power the system) from waste with no emissions from the gasification process. This enables customers to meet obligations under the most stringent of environmental laws and regulations, such as the German BimSchG.

The small proportion of inorganic residue produced by the process (depending on the inorganic content, typically three to seven per cent. by volume of the original waste) is a safe, inert, non-leachable basalt-like material.

Although induction heating is not new technology, the combination of induction heating through Pyromex's proprietary metallurgy in an ultra-high temperature oxygen-free reaction chamber is considered by the New Board to be a new technology in the waste to energy sector. Pyromex has developed proprietary oxide and refractory coatings to protect the interior surface of the reactor chamber.

The syngas produced by the Pyromex system can be used to form hydrogen gas or liquid, as a fuel gas to generate electricity, or reformed in a subsequent process to produce ethanol, methanol and syndiesel, all of which can be used to supplement the energy needs of a consumer's operation or sold to generate revenue.

Approved for Broad Market Applications

The Pyromex technology is applicable to many different types of waste streams including municipal and industrial waste, biomass, toxic waste such as hospital/medical waste, tyres and sewage sludge. In Germany, a commercial unit capable of processing 25 tonnes of waste per day operated successfully over a four year period which included testing and performance verification. Pyromex meets the requirements of the German Federal BimSchG and 23 different types of waste have been environmentally approved for use in the Pyromex system as follows:

BimSchG Permitted Waste Fuel Sources

- Farming and animal waste/manure including dairy, poultry and swine
- Natural Fibres
- Plastic Waste including chlorinated plastics
- Wood chips
- Waste from the leather/fur industries including Chromium contamination
- Fly-ash from Power Plants including slag, dust, incinerator rust
- Packaging materials including paper, cardboard, plastic and wood
- Waste from car recycling including auto shredder residue, oils and tyres
- Medical waste including category A hospital waste
- Sewage sludge from wastewater treatment plants and other sources
- Shredder waste including light fractions and dust
- Residue from mechanical treatment, sorting, shredding and pelletisation

Linc Energy

Linc Energy is an Australian energy company which is listed on the Australian Securities Exchange and the OTCQX in New York. Through the combination of underground coal gasification (“UCG”) and conventional Fischer-Tropsch technology to produce gas-to-liquids (“GTL”), Linc Energy is developing a significant energy business based on the production of cleaner energy solutions for the future. Linc Energy has over 100 employees in Australia and the United States, focused on commercialising its UCG and GTL technologies. Linc Energy first began UCG trial operations in 1999 on farmland near Chinchilla, a rural community in the Surat Basin about 300 kilometres west of Brisbane, Queensland. Since that time, Linc Energy has further developed the site through the construction of additional UCG fields, a demonstration GTL plant, and a modern research laboratory.

In March 2011, Linc Energy invested \$6 million and granted PowerHouse the right to purchase and use its Fischer-Tropsch GTL system technology for PowerHouse’s waste to energy applications in return for a 10 per cent. interest in Pyromex. PowerHouse has granted Linc Energy a perpetual, exclusive licence to use, own, fabricate and operate Pyromex systems for above ground coal to syngas production of 1 MMcf per day and greater in all territories (with the exception of China which is non-exclusive and Italy which is excluded). Linc Energy will pay a licence royalty of US\$0.10 per barrel of Linc Energy’s liquid fuels generated by using the Pyromex system.

Research and Development

The Enlarged Group’s short term focus in the area of research and development will be the development of a 100 tpd unit with the support of Linc Energy, for whom this will be particularly applicable based on their substantial coal deposits.

Economic Incentives

There are certain financial incentives throughout the world that are applicable to equipment purchase and energy production. As an example, the US Federal Government has established capital cost reduction programs for cogeneration and waste to energy equipment. These cost reductions are in the form of grants and investment tax credits effectively resulting in a reduced cost of fuel for the producer/supplier. The US has additional incentives that can be linked to the Federal programs and government finance options are also available for renewable energy projects.

Internationally, carbon credits are available as incentive for the reduction of CO₂ emissions resulting from power generation. These credits must be certificated in a comparison process, which evaluates the reduction against conventional power generation methods to establish the quantum of the credits, which can be traded on the world market.

Europe is the most advanced region in this regard and has taken measures to ensure that CO₂ emission reductions include the recycling of organic material, through waste to energy methods in order to reduce landfill burdens. In the UK, schemes such as the “Renewable Heat Incentive” promote the development of systems such as pyrolysis to increase overall energy efficiency. In 2010, the EU undertook a public consultation “Towards a New Energy Strategy for Europe 2011-2020”, in which it was reported that it has seen broad agreement for the promotion of technological development. The European Commission has published its proposals for the promotion of renewable energy resources, in which it aimed to establish a directive for a minimum binding target for the proportion energy from renewable sources by the EU as a whole, and individual targets for each member state.

Principal terms of the Acquisition

On 31 March 2011, Bidtimes entered into the Acquisition Agreement pursuant to which it has conditionally agreed to acquire the entire issued share capital of PowerHouse. The consideration will be satisfied by the issue of the Consideration Shares (representing 96.5 per cent. of the Enlarged Issued Share Capital) on Admission.

The Acquisition Agreement contains warranties from the Vendors in relation to the business, assets and affairs of PowerHouse and certain indemnities from the Vendors.

The Acquisition is conditional upon, *inter alia*:

- (i) the approval by the Shareholders of the Resolutions proposed at the General Meeting convened for 26 April 2011;
- (ii) the Introduction Agreement becoming unconditional in all respects, save for any condition relating to completion of the Acquisition; and
- (iii) Admission having occurred not later than 8.00 a.m. on 28 April 2011 (or such later time and/or date as the Company and Merchant Securities may determine but in any event no later than 8.00 a.m. on 30 June 2011).

Further details of the Acquisition Agreement are set out in paragraph 11.1.1 of Part VI of this document.

Capital Reorganisation

The Capital Reorganisation is being proposed because, in recent times, the bid-offer spread for the Company's Existing Ordinary Shares has been a high percentage of the mid-market price. The Directors believe that the proposed Capital Reorganisation will help to reduce the spread and increase liquidity. Accordingly, the Directors have decided that a share reorganisation will be effected on the basis of one New Ordinary Share and one New Deferred Share for every 10 Existing Ordinary Shares.

Holders of fewer than 10 Existing Ordinary Shares will not be entitled to receive a New Ordinary Share following the Capital Reorganisation. Shareholders with a holding in excess of 10 Existing Ordinary Shares, but which is not exactly divisible by 10, will have their holding of New Ordinary Shares rounded down to the nearest whole number of New Ordinary Shares following the Capital Reorganisation. Fractional entitlements of New Ordinary Shares will be sold in the market and the proceeds will be retained for the benefit of the Company.

The Existing Ordinary Shares are admitted to CREST. Application will be made for the Enlarged Issued Share Capital to be admitted to CREST, all of which may then be held and transferred by means of CREST. It is expected that the New Ordinary Shares arising as a result of the Capital Reorganisation in respect of Existing Ordinary Shares held in uncertificated form, i.e. in CREST, will be credited to the relevant CREST accounts on 28 April 2011 and that definitive share certificates in respect of the New Ordinary Shares arising as a result of the Capital Reorganisation from Existing Ordinary Shares held in certificated form will be dispatched to relevant Shareholders by 10 May 2011. No temporary documents of title will be issued. Share certificates in respect of Existing Ordinary Shares will cease to be valid on 26 April 2011 and, pending delivery of share certificates in respect of New Ordinary Shares will be certified against the register. The record date of the Capital Reorganisation is 27 April 2011.

The rights attaching to the New Ordinary Shares will be identical in all respects to those of the Existing Ordinary Shares.

Like the Existing Deferred Shares, the New Deferred Shares will have no voting rights and will not carry any entitlement to attend general meetings of the Company; nor will they be admitted to AIM or any other market. They will carry only a right to participate in any return of capital once an amount of £100 has been paid in respect of each New Ordinary Share. The Company will be authorised at any time to effect a transfer of the New Deferred Shares without reference to the holders thereof and for no consideration.

Accordingly, the New Deferred Shares will, for all practical purposes, be valueless and it is the Board's intention, at an appropriate time, to have both the Existing Deferred Shares and the New Deferred Shares cancelled, whether through an application to the Companies Court or otherwise. No certificates will be issued in respect of the New Deferred Shares.

New Board and senior management

Anthony Brennan will remain on the board of the Company as Deputy Chairman following Admission, although in a non-executive role. I will continue on as a Non-executive Director and Julian Moore will become Interim Finance Director of the Company on Admission. Mr Moore intends to move to South Africa in the short to medium term hence his position is considered to be an interim one. Conditional

upon Admission, Ross Lyndon-James, David Moard and James Greenstreet will join the Board as Executive Chairman, Executive Director and Non-Executive Director respectively.

Brief details on the proposed New Board are set out below:

Anthony Brennan (aged 53), *Proposed Non-Executive Deputy Chairman*

Mr Brennan is a Chartered Accountant by profession with a career of over 30 years and has been a director of the Company since 30 June 2008. He was previously a partner in an Australian national accounting firm and has extensive experience in financial management. Since leaving the profession in 1990, Mr Brennan has played a leading role in a number of Australian resource companies, including the role of Managing Director of Mount Edon Gold Mines Limited for seven years. Mount Edon Gold Mines Limited was an ASX listed company that discovered and developed the multi million ounce Tarmoola Gold mine in Western Australia which in 1997 was subject of a \$A200+ million takeover by Canadian miner Teck.

In 2004, he founded Delta Capital Pty Limited to provide boutique investment banking and corporate advisory services and the company is the holder of a current Australian Financial Services licence (AFS licence number 277935). Delta Capital Pty Limited has provided corporate advice to, brokered transactions and raised capital for companies involved in the US oil and gas industry, the Australian gold mining industry, South African coal mining industry, minerals exploration in Australia, South America and Africa and the alternative energy sector. In recent years, Delta Capital has introduced clients in both the alternative energy and conventional energy sectors to the London capital markets from which those companies have raised funding in excess of US\$120 million in both alternative energy and conventional energy sectors.

Ross Lyndon-James (aged 63), *Proposed Executive Chairman*

Mr. Lyndon-James co-founded a number of publicly traded companies in Australia, the United States and the United Kingdom and has held the positions of Chairman, President and CEO in these companies. He was co-founder, Chairman and CEO of US publicly listed Ramtron Corporation, an advanced semiconductor memory chip company and was responsible for the leadership and development of that company from its inception to pilot plant manufacturing and its successful listing on NASDAQ.

Mr. Lyndon-James was co-founder and CEO of the Boston Equities Group from 1993 to 2005. As a founding shareholder, he has also served on the board of directors of a number of investee companies including Ocean Power Technologies Inc (OPT) and acted as a consultant to that company in the areas of business development and capital raising. OPT listed on the London Stock Exchange (AIM: OPT) in 2003 raising in excess of \$40 million and later went on to list on NASDAQ raising \$100 million.

Mr. Lyndon-James is a co founder and former Managing Director of Water Resources Group Ltd which listed on the ASX in December 2010. He is currently a director of ERL, PowerHouse Energy, Inc. and Credit First Australia Pty Ltd, City Farms Holdings Pty Ltd and City Farms International Pty Ltd.

David Moard (aged 55), *Proposed Executive Director*

Mr Moard is a seasoned executive with extensive experience in technical, market and business areas in the energy industry. He was responsible for identification, development and commercialisation of advanced energy systems for Southern California Gas/Sempra Utilities in the US for over 16 years, which included a temporary two year executive exchange with the Gas Research Institute and operating a subsidiary energy service business for them in distributed generation.

In 1993, Mr Moard founded Hydrogen Burner Technology (HBT) to advance hydrogen generation for stationary and transportation markets. Under his guidance as Chairman and CEO the company was awarded over 16 patents, grew to over 250 employees and had numerous contracts with the oil (Exxon and Cosmo Oil), automobile (Ford and Daimler-Chrysler) and government agencies (Department of Energy and California Energy Commission).

Mr Moard founded PowerHouse in 2002 and remains its Chairman and CEO. The company has grown during difficult times and become highly regarded in the energy industry. He has numerous published papers, board positions and patents to his credit during his 31-year professional career.

Brent Fitzpatrick (aged 61), *Non-Executive Director*

Mr Fitzpatrick is a corporate finance consultant and in the last fifteen years, Mr Fitzpatrick has been instrumental in identifying and advising a number of companies on their acquisitions and subsequent flotations. Mr Fitzpatrick has been a director of the Company since 9 March 2000. He was Non-executive Chairman of Global Marine Energy Plc, an AIM listed oil services company, prior to its takeover by TSC Offshore, a Hong Kong listed energy company, Non-executive Chairman of Risk Alliance Plc, an insurance broker consolidator, and Chairman of Aboyne-Clyde Rubber Estates of Ceylon Limited, an unquoted investment company. He is also an adviser to ECO Capital, a global clean energy fund and is a member of the Audit Committee Institute.

Julian Moore (aged 35), *Interim Finance Director*

Mr Moore qualified as a Chartered Accountant with KPMG in Dublin. He has over twelve years experience in the finance industry in the UK, Ireland and South Africa and has been a director of the Company since 30 June 2008.

Mr Moore worked as the Chief Financial Officer of Bluewater Bio International, a global specialist in the treatment of waste water from November 2008 to March 2010, prior to which he ran his own consultancy business advising a diverse range of public and private companies, and was a manager with Strand Partners Limited, a specialised corporate finance advisory and investment firm.

Mr Moore will be the finance director of the Company on an interim basis pending the Board appointing a chief financial officer in the short to medium term.

James Greenstreet (aged 45), *Non-executive Director*

Mr. Greenstreet has over 15 years experience in corporate finance, asset management and mergers and acquisitions. Over the course of his career, Mr. Greenstreet has held senior positions at British Aerospace, IBM and XL Capital. In 2001, Mr. Greenstreet founded Orbis Capital and has been instrumental in sourcing, structuring, packaging and managing transactions for a number of high profile clients across a wide range of sectors.

In addition to the Board, the Directors and Proposed Directors consider that the following persons will be key employees of the Enlarged Group:

Mark Johnston (aged 52), *Director of Finance*

Mr Johnston trained and qualified as a Chartered Accountant in the London office of KPMG. He has spent 25 years in various finance functions in industry both in the UK and Europe and in both PLC and private companies. He was finance director of Kingfield Heath Limited from 2005 to 2010. Previously he spent three years as finance director of the James Hull Group Limited and was finance director of Simon Carves Limited, part of the publicly quoted Simon Group from 1997 to 2005. Mr Johnston has extensive experience in managing growth situations and negotiating and managing transactions.

Thomas C. McMahon (aged 57), *Senior Vice President*

Thomas C. McMahon co-founded PowerHouse with Mr. Moard. Mr. McMahon possesses extensive design, construction and permitting experience of on-site energy systems and innovative building material/structures. As a principal and director for B3 Architects and an associate of Barry Berkus/Berkus Design Studios since 1979, Mr. McMahon has served as project director for many innovative prototype structures and homes — all of which incorporate new technologies, energy systems and advanced building materials. From 1985 to 1990, Mr. McMahon managed the design and production of NEST (New Expanding Shelter Technology) homes as demonstration modules for the National Association of Home Builders, sponsored by 35 material manufacturers. Mr. McMahon's expertise in building and alternative energy systems has included the production of modular housing,

mobile emergency shelters, and demonstration facilities for passive and active energy systems. He has also served as an architectural consultant for residential and commercial fuel cell system integration. Mr. McMahon is a member of the American Institute of Architects and the National Council of Architectural Registration Boards (NCARB).

Kevin Butler (aged 50), Vice President of Renewable Technology Development

Prior to joining PowerHouse, Mr. Butler was the Co-Founder and President of GAGE, a renewable energy company specialising in thermal conversion of solid carbonaceous feedstock material to syngas and technology development of downstream processes from syngas to liquid fuels and synthetic natural gas. Mr. Butler has experience in various settings in the renewable energy arena, material handling, technology assessment, overseeing testing programs, fuel development programs.

Jerry Dorn (aged 69), Director of Construction & OEM Services

Mr. Dorn has over 40 years experience in the on-site energy and mechanical systems industry. Mr. Dorn will direct all OEM, manufacturing, construction and installation activities for PowerHouse's renewable energy and waste to energy systems/projects.

C.E. "Chuck" Burgeson (aged 69), Director of Engineering

Mr Burgeson is a specialist in the design, engineering and construction of heating, ventilating and air conditioning, renewable and cogeneration systems. Mr Burgeson has over 50 years experience in the design, engineering, management, implementation, construction and operation of commercial, industrial, institutional and Governmental projects across the United States. Mr Burgeson has been a senior consultant to Government agencies, GSA, the US Navy, US Air Force, US Marines, UC Educational System and a number of co-generation OEM/packagegers and developers. He has also worked with Lennox Industries, Carrier Corporation, The Trane Company, Honeywell, Bell and Gossett, RSES and Cention in product development.

Lock-in and orderly market arrangements

Under the terms of the lock-in agreements referred to in paragraph 11.1.5 of Part VI of this document, each of the New Board and Credit First Holdings Limited, Credit First Asset Management Limited and Thomas McMahon have undertaken to the Company and Merchant Securities that he or she will not (and will procure that any person with whom he or she is connected will not) sell or otherwise dispose of any interest in New Ordinary Shares beneficially owned or otherwise held or controlled by him or her for a period of 12 months following Admission without the consent of Merchant Securities, save in limited circumstances such as, *inter alia*, a takeover becoming or being declared unconditional; the giving of an irrevocable undertaking to accept an offer; or a disposal pursuant to a court order, or required by law or any competent authority.

The same covenantors have also undertaken that for a further period of 12 months after the first anniversary of the date of Admission, he or she will not (and will use all reasonable endeavours to procure that no person connected with him or her shall) dispose of any New Ordinary Shares, save in certain limited circumstances, without the consent of Merchant Securities, such consent not to be unreasonably withheld or delayed.

ERL has undertaken to the Company and Merchant Securities that for a period of 12 months after Admission, it will not dispose of any New Ordinary Shares, save in certain limited circumstances, without the consent of Merchant Securities, such consent not to be unreasonably withheld or disposed.

Linc Energy has undertaken to PowerHouse that for a period of six months after Admission it will not dispose of any of its New Ordinary Shares, except in limited circumstances, and that for six months thereafter it will only dispose of New Ordinary Shares through the Company's broker provided that the commission payable is equivalent to commissions payable on institutional execution-only broking.

Financial information on the Company and PowerHouse

The Company's annual report and accounts for the 10 month period ended 31 December 2009 have been posted to shareholders and are available for download from the Company's website, www.bidtimes.com. In addition, the unaudited interim results for the six months ended 30 June 2010 are also available from the Company's website. Your attention is also drawn to the "Current Trading and Prospects" section in this Part I below.

The Accountants' Report on PowerHouse for the three year period ended 31 December 2009 is set out in Part IV of this document. Unaudited interim financial information for PowerHouse for the six month period ended 30 June 2010 is set out in Part V of this document.

Current trading and prospects of the Enlarged Group

PowerHouse has secured four sales contracts and it is focusing on executing these near term system sales in order to generate its first revenues from its new waste to energy business. A key focus will be the sale of units to Linc Energy and PowerHouse Energy Australia Pty Ltd as these initial sales have the potential to unlock more business in this attractive market. In addition, the Enlarged Group will continue to focus on securing new sales contracts to build its growing sales pipeline.

PowerHouse is also working closely with Pyromex to complete the commissioning of Pyromex's first commercial system in Munich, Germany. This is a 25 tpd system using refuse derived fuel as a feedstock and is based on a waste station close to Munich airport and is due to commence operation following testing in Q2 of 2011. The successful launch of this unit is expected to unlock additional sales as it will be the first commercial operation of the technology. PowerHouse has generated negligible revenues in the six months to 31 December 2010.

Share Option Scheme

The New Board believes that the recruitment, motivation and retention of key employees is vital for the successful growth of the Enlarged Group. The Board considers that an important element in achieving these objectives is the ability to incentivise and reward staff (including executive directors) by reference to the market performance of the Company in a manner which aligns the interests of those staff with the interest of shareholders generally. The Company is seeking Shareholder approval of the Share Option Scheme at the General Meeting pursuant to which Options to acquire New Ordinary Shares will be granted to directors and employees of the Enlarged Group, as appropriate, having been approved for grant by the Remuneration Committee and the New Board. It is intended that following Admission, James Greenstreet will be issued with options over 2,789,265 New Ordinary Shares to be granted at the prevailing market price on the date of grant. The total number of New Ordinary Shares that may be committed under the scheme will represent a maximum of 10 per cent. of the Company's issued New Ordinary Share capital from time to time. Further details of the Share Option Scheme are set out in paragraph 10 of Part VI of this document.

Warrants and replacement options

The Board has resolved to issue, conditional upon the passing of Resolutions 3, 6 and 7 at the General Meeting and Admission, a warrant to subscribe for 9,737,353 New Ordinary Shares in aggregate to Shareholders as at 31 March 2011 on the basis of one Warrant per New Ordinary Share held. The Warrant will be exercisable on or before the second anniversary of Admission at a price of 20 pence per share. The Warrant will be transferable but will not be admitted to trading on AIM.

The rationale behind the issue of the Warrants is to provide the Company with a source of additional capital over the two years following Admission and to provide potential additional benefit for Shareholders.

Further details of the Warrants are set out in paragraph 3.8.2 of Part VI of this document.

Pursuant to the Acquisition Agreement, the Company will grant Linc Energy an option to acquire New Ordinary Shares up to a value of US\$6,000,000, exercisable at any time in the 30 month period

following Admission at a price equal to a 20 per cent. discount to the previous 60 day volume weighted price of a New Ordinary Share.

Pursuant to the Acquisition Agreement, the Company will also grant Hill Grove Investments Pty Ltd an option to acquire New Ordinary Shares up to a value of US\$3,000,000 on the same terms as Linc Energy above.

In addition, at Admission, there will be in existence further options over 5,833,332 New Ordinary Shares as follows:

Number of options over New Ordinary Shares	Exercise Price	Exercise Period
2,499,999	US\$0.30	Any time up to 10 June 2013
3,333,333	US\$0.30	Any time in 30 month period following Admission

Corporate Governance

The New Board recognises the importance of sound corporate governance and the New Board intends to ensure that, following Admission, the Company adopts minimum policies and procedures which reflect the Corporate Governance Guidelines for AIM companies published by the Quoted Companies Alliance (“QCA”).

Following the implementation of the Proposals, the New Board will meet regularly to review key operational issues and the strategic development of the Enlarged Group. The financial performance of the Enlarged Group will be reported and monitored. All matters of a significant nature will continue to be discussed in the forum of a board meeting. The New Board will be responsible for internal controls to minimise the risk of financial or operational loss or material misstatement. The controls established will be designed to meet the particular needs of the Company having regard to the nature of its business.

The Company has also established an Audit Committee and a Remuneration Committee with formally delegated duties and responsibilities. The Remuneration committee will initially consist of Tony Brennan, James Greenstreet and Brent Fitzpatrick with Mr Brennan chairing the committee. The Audit committee will initially consist of Tony Brennan, James Greenstreet and Brent Fitzpatrick with Mr Brennan chairing the committee.

The Audit Committee will determine the terms of engagement of the Enlarged Group's auditors and will determine, in consultation with the auditors, the scope of the audit. The Audit Committee will receive and review reports from management and the Enlarged Group's auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Enlarged Group. The Audit Committee will have unrestricted access to the Enlarged Group's auditors.

The Remuneration Committee will review the scale and structure of the executive directors' and senior employees' remuneration and the terms of their service or employment contracts, including share option schemes and other bonus arrangements. The remuneration and terms and conditions of the non-executive directors will be set by the entire board.

The Company has an obligation to comply with the AIM Rules for Companies. In particular, rule 31 of such rules requires the Company to have in place sufficient procedures, resources and controls to ensure compliance with the rules and to ensure that directors disclose to the Company all information which the Company is obliged to announce to the AIM Market. In order to ensure compliance with rule 31 of the AIM Rules for Companies, the Board will consider AIM compliance matters at each Board meeting. The Company's chairman will have primary responsibility for liaison between the Company and its nominated adviser.

The Enlarged Group will ensure, in accordance with Rule 21 of the AIM Rules, that the New Board and applicable employees do not deal in any Ordinary Shares during a close period (as defined in the AIM Rules) and will take all reasonable steps to ensure compliance by the Directors, the Proposed Directors and applicable employees.

The Directors and the Proposed Directors believe that the Company has sufficient experience in accounting systems and controls which will provide a reasonable basis for them to make proper judgements as to the financial position and prospects of the Enlarged Group.

Dividend Policy

The New Board's objective is to grow the Enlarged Group's business. Future income generated by the Enlarged Group is likely to be re-invested to implement its growth strategy. In view of this, it is unlikely that the New Board will recommend a dividend in the early years following Admission.

However, the New Board intends that the Company will recommend or declare dividends at some future date once they consider it commercially prudent for the Company to do so, bearing in mind the financial position and resources required for its development.

The City Code

The issue of the Consideration Shares to the Principal Concert Party gives rise to certain considerations under the Code. Brief details of the Panel, the Code and the protections they afford to Shareholders are described below.

The Code is issued and administered by the Panel. Bidtimes is a company to which the Code applies and its shareholders are entitled to the protection afforded by the Code.

Under Rule 9 of the Code ("Rule 9"), when: (i) a person acquires an 'interest' (as defined in the Code) in shares which (taken together with shares in which he is already interested and in which persons 'acting in concert' with him are interested (as defined in the Code)) carry 30 per cent. or more of the voting rights of a company that is subject to the Code; or (ii) any person who, together with persons acting in concert with him is interested in shares which in aggregate carry not less than 30 per cent. of the voting rights of a company, but does not hold shares carrying more than 50 per cent. of the voting rights of the company subject to the Code, and such person, or any persons acting in concert with him, acquires an interest in any other shares which increases the percentage of the shares carrying voting rights in which he is interested, then in either case, that person together with the persons acting in concert with him, is normally required to make a general offer in cash, at the highest price paid by him, or any persons acting in concert with him, for any interest in shares in the Company during the 12 months prior to the announcement of the Offer, for all the remaining equity share capital of the Company.

Under the Code, a concert party arises where persons acting together pursuant to an agreement or understanding (whether formal or informal) co-operate to obtain or consolidate control of that company or to frustrate the successful outcome of an offer for a company. Control means an interest or interests in shares carrying an aggregate of 30 per cent. or more of the voting rights of the company, irrespective of whether the holding or holdings give *de facto* control.

The members of the Principal Concert Party are deemed to be acting in concert for the purposes of the Code. On Admission, the Principal Concert Party will be interested in 225,672,048 New Ordinary Shares, representing 79.55 per cent. of the Enlarged Issued Share Capital.

A table showing the interests in New Ordinary Shares of the members of the Principal Concert Party on Admission, subject to passing of the Resolutions, is as set out below:

	Holdings at Admission	
	Number of New Ordinary Shares	Percentage of Enlarged Issued Share Capital
ERL	141,300,043	49.81
David Moard	58,031,989	20.46
Thomas McMahon	26,340,017	9.29
	225,672,048	79.55

It is intended that immediately following Admission ERL will distribute its entire holding in Bidtimes to its shareholders. The Panel has determined that at that time certain shareholders of ERL will be deemed to be in concert with David Moard and Thomas McMahon ("the Executive Concert Party"). On the basis that the entire holding in Bidtimes is distributed to its shareholders by ERL and that the shareholdings in ERL are as they are at the date of this document, the shareholdings of the members of the Executive Concert Party will be as follows:

	Number of New Ordinary Shares	Percentage of Enlarged Issued Share Capital
David Moard	58,031,989	20.46
Thomas McMahon	26,340,017	9.29
Credit First Holdings Limited	18,061,099	6.37
Credal Trust Management Limited	15,643,901	5.51
Credit First Asset Management Limited	9,681,529	3.41
Matthew Lyndon-James	171,611	0.06
Cameron Lyndon-James	152,000	0.05
	128,082,145	45.15

The Panel has agreed however, subject to Resolution 2 being passed on a poll by the Independent Shareholders at the General Meeting, to waive the obligations on the Principal Concert Party and the Executive Concert Party under Rule 9 to make a general offer for the entire issued share capital of the Company which would otherwise arise as a result of the Proposals. Accordingly, approval of the Independent Shareholders (on a poll) to the Waiver is sought in Resolution 2.

Independent Shareholders should note that, if Resolution 2 is passed, the Principal Concert Party will between them be interested in New Ordinary Shares carrying more than 50 per cent. of the voting rights of the Company and, for as long as they continue to be treated as acting in concert, will be able to acquire further New Ordinary Shares, without incurring an obligation to make an offer to shareholders of the Company under Rule 9, although individual members of the Principal Concert Party will not be able to increase their percentage interests in shares through 30 per cent. of the voting rights of the Company without Panel consent.

Independent Shareholders should also note that, if Resolution 2 is passed, the Executive Concert Party, assuming ERL distributes its entire shareholding in Bidtimes to its shareholders, would between them, at that time, be interested in New Ordinary Shares carrying more than 30 per cent but less than 50 per cent. of the voting rights of the Company and, for as long as they continue to be treated as acting in concert, would not be able to acquire any further New Ordinary Shares, without incurring an obligation to make an offer to shareholders of the Company under Rule 9 without Panel consent.

Information on the Principal Concert Party and the Executive Concert Party

The Principal Concert Party comprises certain of the vendors of PowerHouse, namely ERL (being a 54 per cent. shareholder of PowerHouse), David Moard and Thomas McMahon.

ERL is a company formed for the purpose of investing in PowerHouse, which is registered in Malta owned by approximately 65 shareholders, most of whom are based in Australia, and of which the largest, Credit First Holding Limited, holds 19.99 per cent of ERL. The Directors of ERL are Ross Lyndon-James, Denise Pickering and Brian Harcourt. Credit First Holding Limited is beneficially owned by Brian Harcourt and Ross Lyndon-James, who is the proposed executive Chairman. The sole director of Credit First Holding Limited is Roberto d'Alessandro.

David Moard is a founder of PowerHouse and a Proposed Director. Further information about Mr Moard is in the section headed "New Board and Senior Management" above.

Thomas McMahon is a founder of PowerHouse and the Senior Vice President of PowerHouse. Further information about Mr McMahon is in the section headed "New Board and Senior Management" above.

The Executive Concert Party comprises Ross Lyndon-James, David Moard, Thomas McMahon, Credit First Holding Limited, Credal Trust Management Ltd, Cameron Lyndon-James and Matthew Lyndon-James.

Further details on the shareholders of ERL is set out in paragraph 7.6.3 of Part VI of this document.

Management arrangements

Delta Capital Pty Ltd, a company of which Anthony Brennan is a director and controlling shareholder, acts as corporate adviser to ERL, one of the vendors of PowerHouse, and will receive a success fee of £125,000 from ERL conditional upon the approval of the waiver of the obligations on the Principal Concert Party and the Executive Concert Party under Rule 9 to make a general offer for the entire issued share capital of the Company which would otherwise arise as a result of the Proposals. Under Rule 16.2 of the City Code, the arrangements with Delta Capital Pty Ltd require the approval of independent shareholders. Accordingly, an ordinary resolution will be proposed at the General Meeting and voting on this resolution will be taken on a poll, on which Anthony Brennan will not be entitled to vote.

For the purposes of Rule 16.2 of the City Code, Merchant Securities considers the terms of the fee payable by ERL to Delta Capital Pty Ltd to be fair and reasonable in so far as the Bidtimes Shareholders as a whole are concerned.

Taxation

Further information regarding UK taxation with relation to the New Ordinary Shares, is set out in paragraph 14 of Part VI of this document. These details are intended as a general guide only to the position under current UK taxation law as at the date of this document. If a Shareholder is in any doubt as to his or her tax position he or she should consult his or her own independent financial adviser immediately.

CREST

The New Ordinary Shares are eligible for CREST settlement. Accordingly, following Admission, settlement of transactions in the New Ordinary Shares may take place within the CREST system if the relevant shareholder so wishes. CREST is a voluntary system and shareholders who wish to receive and retain share certificates will be able to do so.

General Meeting

The notice convening the General Meeting is set out at the end of this document. A General Meeting has been convened for 10.00 a.m. on 26 April 2011 at the offices of Merchant Securities, 51-55 Gresham Street, London EC2V 7HQ for the purpose of considering and, if thought fit, passing the following resolutions:

Ordinary resolutions to:

- (1) approve, for the purposes of Rule 14 of the AIM Rules, the Acquisition;
- (2) approve the Waiver;
- (3) authorise the Directors to allot relevant equity securities under Section 551 of the Act;
- (4) approve and adopt the Share Option Scheme;
- (5) approve the arrangements with Delta Capital Pty Ltd for the purposes of Rule 16.2 of the Takeover Code;

Special resolutions to:

- (6) approve the Capital Reorganisation;
- (7) disapply statutory pre-emption rights;
- (8) adopt the New Articles to reflect certain provisions of the Act as set out in paragraph 5 of Part VI of this document;

- (9) permit a general meeting other than an annual meeting to be called on not less than 14 clear days notice; and
- (10) change of the Company's name to PowerHouse Energy Group plc.

To be passed, Resolutions 1 to 5 require a majority of more than 50 per cent. and Resolutions 6, 7, 8, 9 and 10 will require a majority of not less than 75 per cent. of the Shareholders voting in person or by proxy in favour of each Resolution. In addition, in accordance with the requirements by the Panel, Resolutions 2 and 5 shall be taken on a poll of Independent Shareholders.

Action to be taken

A Form of Proxy is enclosed with this document for use by Shareholders in connection with the General Meeting. Whether or not you intend to be present at the General Meeting, Shareholders are asked to complete, sign and return the Form of Proxy in accordance with the instructions printed thereon. To be valid, completed Forms of Proxy must be received by the Company's Registrars, Neville Registrars, Neville House, 18 Laurel Lane, Halesowen, West Midlands, B63 3DA, as soon as possible and in any event so as to arrive not later than 10.00 a.m. on 20 April 2011, being 48 hours (excluding weekends and public holidays) before the time appointed for the holding of the General Meeting. The completion and return of the Form of Proxy will not preclude Shareholders from attending the General Meeting and voting in person should they wish to do so. Accordingly, whether or not Shareholders intend to attend the General Meeting they are urged to complete and return the Form of Proxy to the Company's Registrars as soon as possible.

Admission and dealings

Application will be made to the London Stock Exchange for the Enlarged Issued Share Capital to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings in the Enlarged Issued Share Capital will commence on 28 April 2011.

Further information

The attention of Shareholders is drawn to the information contained in Parts II to VI of this document which provide additional details on the Proposals and the Enlarged Group.

Recommendation

The Independent Director, having been so advised by Merchant Securities, considers the terms of the Proposals to be fair and reasonable and in the best interests of the Independent Shareholders and the Company as a whole. In providing advice to the Independent Director, Merchant Securities has taken into account the Independent Director's commercial assessments.

Tony Brennan and Julian Moore have financial arrangements with ERL and Julian Moore was previously a director of PowerHouse and received consultancy fees from PowerHouse and ERL and, as a result, have a conflict of interest for the purpose of Rule 25.1 (Note 3) of the City Code and therefore have taken no part in the deliberations of the Board and have been excluded from the recommendation of the Board.

Accordingly, as the Independent Director, I recommend that Shareholders vote in favour of the Resolutions, as I have undertaken to do in respect of my holding of 1,034,599 Existing Ordinary Shares, representing approximately 1.06 per cent. of the Existing Ordinary Shares.

Yours faithfully

Brent Fitzpatrick
Non-Executive Director

PART II

Risk factors

Potential investors should carefully consider the risks described below before making a decision to invest in the Company. This Part II contains what the Directors and the Proposed Directors believe to be the principal risk factors associated with an investment in the Company. It should be noted that this list is not exhaustive and that other risk factors will apply to an investment in the Company. If any of the following risks actually occur, the Enlarged Group's business, financial condition and/or results or future operations could be materially adversely affected. In such circumstances, the trading price of the Ordinary Shares could decline and an investor may lose all or part of his investment.

There can be no certainty that the Enlarged Group will be able to implement successfully the strategy set out in this document. Additional risks and uncertainties not currently known to the Directors or Proposed Directors or which the Directors or Proposed Directors currently deem immaterial, may also have an adverse effect on the Enlarged Group.

This document contains forward-looking statements that involve risks and uncertainties. The Enlarged Group's actual results could differ materially from those anticipated in the forward-looking statements as a result of many factors, including the risks faced by the Enlarged Group which are described below and elsewhere in this document. Prospective investors should carefully consider the other information in this document. The risks listed below do not necessarily comprise all the risks associated with an investment in the Enlarged Group.

An investment in the Company may not be suitable for all recipients of this document. Investors are accordingly advised to consult an independent financial adviser duly authorised under the Financial Services and Markets Act 2000 and who specialises in advising upon the acquisition of shares and other securities before making a decision to invest.

Specific risks relating to the Enlarged Group

Reliance on the Pyromex Licence

PowerHouse's prospects are materially reliant on its exploitation of the Pyromex technology pursuant to the Pyromex Licence. As is normal in licence agreements, the granted rights can be withdrawn by termination of the licence for non-payment, material breach which is not remedied or on the insolvency of PowerHouse.

The Pyromex Licence granted exclusive rights in some territories but only non-exclusive rights in other territories (these territories are listed in Part I of this document). The rights granted in the non-exclusive territories are limited to exploitation in relation to municipal solid waste and/or biomass and/or tyres. In addition, Pyromex has the right to require PowerHouse to "step back" from a non-exclusive territory if Pyromex is able to sell exclusive rights in that territory. There is a risk therefore that PowerHouse could develop its business in a non-exclusive territory and then be required to surrender that business (on what terms, if any, is not specified) to make way for a new exclusive licensee.

PowerHouse is not permitted to sub-licence its manufacturing rights under the Pyromex Licence without the prior written approval of Pyromex. There is no requirement for Pyromex to act reasonably or promptly in exercising its right of approval or veto. There is a risk, therefore, that valuable sub-licensing opportunities may be denied PowerHouse by reason of Pyromex unreasonably withholding its consent to sub-licence.

The Pyromex Licence includes the right to exploit certain granted and pending patents owned by Pyromex. As referred to in Part I of this document, the Company has doubts over the patentability of the "molybdenum susceptor with boron-silicon coating used in a high temperature furnace", although this is not considered a core technology. Whilst the Independent Director has been advised that the inventions for "oxygen stripping in-feed using feedback of produced syngas" and "high temperature

furnace using centrally disposed resistive heater” are patentable, there is no guarantee that these patent applications will proceed to grant, and accordingly that protection will be forthcoming. As referred to in Part I of this document, specialist advice has been obtained to the effect that if the arrangements disclosed in the “*oxygen stripping in-feed using feedback of produced syngas*” application are put into effect commercially, there may be found to be an infringement of any patent granted on an independent third party patent application. The specialist advice that has been obtained doubted whether any patent will in fact be issued on the third party application in question and has taken the view that the risk of infringement by PowerHouse currently represents only a theoretical risk that the Company should consider monitoring. In addition, it should be noted that patent protection is limited to the territory in which the patent in question is granted and it may not be economically viable to obtain patent protection in every country in which the Enlarged Group may operate.

In addition to the patented and patentable rights, the Pyromex Licence grants a right to use the knowhow of Pyromex. As with all knowhow, this comprises the working knowledge and experience of certain individuals within Pyromex, particularly its founder Peter Jeney, and is not necessarily reduced to writing. PowerHouse will, therefore, rely on the continued involvement of these individuals to transfer knowhow to PowerHouse. There may be an adverse effect on PowerHouse to the extent such individuals are or become unavailable to it or such knowhow or knowledge is not effectively transferred.

Patent applications

The patent applications that are the subject of the Patent Licence have been assigned by the inventor, Peter Jeney, to Pyromex. Specialist advice was obtained by the Independent Director in relation to the ownership of the patent applications.

That advice indicated that in relation to both the *molybdenum susceptor with boron-silicon coating used in a high temperature furnace* patent application and the *oxygen stripping in-feed using feedback of produced syngas* patent application, the respective United States and European applications are recorded as being owned by Pyromex.

If the patents are granted in the United States, they will be issued in the name of Pyromex. The position is slightly complicated in relation to the European patent applications as different countries have different legal requirements relating to the assignment of patents and applications. At application stage, the European Patent Convention has minimum requirements. However, if a European patent is granted, the patent in question will become a collection of national patents with their own legal identity, subject to the different legal requirements of those territories.

The assignment by Peter Jeney to Pyromex does not necessarily conform with the requirements in all countries in which the patent will have effect. The Independent Director has, however, received independent, specialist advice to the effect that it would be unusual for a recorded transfer in the European Patent Office that validly meets the European Patent Convention requirements to be subsequently held to be invalid. The European Patent Office has recorded both the assignment of the *molybdenum susceptor with boron-silicon coating used in a high temperature furnace* patent application and the *oxygen stripping in-feed using feedback of produced syngas* patent application in the name of Pyromex, and the Independent Director has accordingly been advised that the assignments are unlikely to subsequently be held invalid.

The advice obtained by the Independent Director in relation to the *high temperature furnace using centrally disposed resistive heater* patent application was that until the international patent application is published (expected to be in April 2011), it cannot authoritatively be independently confirmed in whose name the application resides or whether the assignment from Peter Jeney to Pyromex has been recorded. To the extent that *high temperature furnace using centrally disposed resistive heater* patent applications are made in Europe and the United States, one would expect the Company to be able to rely on the analysis set out above.

Reliance on intellectual property

The Enlarged Group will rely on intellectual property laws and third party non-disclosure agreements to protect its intellectual property rights. Despite precautions which may be taken by the Enlarged

Group to protect its products, unauthorised parties may attempt to copy, or obtain and use its products. To the extent that intellectual property rights protect the Enlarged Group, litigation may be necessary to protect such rights and could result in substantial costs to, and diversification of effort by, the Enlarged Group with no guarantee of success. The failure or inability of the Company to protect its proprietary information, and the expense of doing so, could have a material adverse effect on its operating results and financial condition.

Technical risk

The Pyromex waste to energy gasification technology has been in development for over 10 years. The process has involved extensive research and development and addresses various technical issues. Although the New Board believes that all major technical issues have been addressed, there can be no guarantee that further, as yet unforeseen, issues will not arise, leading to delays and incurring additional costs and expenses over and above those anticipated or allowed for by the New Board, which could affect adversely the Enlarged Group's on-going technical development, growth and business performance.

In addition, although PowerHouse has undertaken frequent testing of waste to energy systems of varying capacities, the Pyromex technology is at an early stage of commercialisation, with such testing taking place over short periods of time and long term commercial viability of any such system has yet to be assessed. Technical problems and delays may be encountered during periods of long-term use that were previously unforeseen and there can be no assurance that the Pyromex technology will be commercially successful.

Attraction and retention of key management, employees and technicians

The successful operation of the Enlarged Group will depend partly upon the performance and expertise of its current and future management, employees and technicians, particularly Ross Lyndon-James and David Moard. The loss of the services of certain of these members of the Enlarged Group's key management or employees, or a loss of the ability to continue to attract and retain qualified employees and technicians may have a material adverse effect on the Enlarged Group.

Rapid Growth

If the Enlarged Group's business and operations experience rapid growth and its systems and controls have not been developed to manage this growth effectively, the Enlarged Group's business and operating results could be harmed and the Enlarged Group may have to incur significant expenditure to implement the additional operational and control requirements necessary to meet such growth.

Requirement for further funds

The resources of the Company and PowerHouse may not be sufficient for the future working capital requirements of the Enlarged Group after the first anniversary of Admission or allow the Enlarged Group to exploit new or existing opportunities. It may therefore be necessary for the Company to raise further funds in the future, which may be by way of issue of further Ordinary Shares on a non-pre-emptive basis. Any additional equity financing may be dilutive to Shareholders and debt financing, if available, may involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Group or at all. If the Group is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion, incur financial penalties and reduce or terminate its operations.

Entry into new markets and development of new products

The Enlarged Group's future growth will be highly dependent on its ability to generate business in new sectors and additional geographic markets. Whilst the Directors and Proposed Directors believe that the areas they are targeting in the medium term will prove rewarding there is no guarantee that the Enlarged Group will be able to generate the level of sales or profitability anticipated if the costs of entry into and operating in these new areas prove to be higher than expected or demand for the Enlarged Group's products and services proves to be lower than anticipated.

The business of the Enlarged Group exposes it to potential product liability risks

The business of the Enlarged Group may expose it to potential product liability risks which are inherent in the research, development, manufacturing, marketing, sale and use of its waste to energy equipment. Although the Pyromex technology has never been subject to any product liability claims in the past, it has not yet been fully tested in a commercial environment and the Enlarged Group intends to put product liability insurance in place. While the New Board believes it can obtain levels of coverage which are sufficient for the waste to energy equipment, there can also be no assurance that [such product liability insurance can be obtained on favourable terms or that] the level of insurance carried will be adequate to cover the financial damages resulting from a product liability claim or judgement. Any product liability claim or judgement which exceeds the Enlarged Group's insurance coverage limits could have a material adverse effect on the business, financial condition, results of operations and cash flows of the Enlarged Group.

Insurance coverage is increasingly expensive and the Enlarged Group may not have and it may not be able to maintain adequate protection against potential liabilities. If the Enlarged Group is unable to maintain insurance at acceptable cost or otherwise protect against potential product liability claims, it will be exposed to significant liabilities, which may materially and adversely affect its business and financial position.

General insurance risks

Although the Enlarged Group proposes to maintain insurance which the Directors consider to be appropriate, there may be circumstances where such insurance will not cover or be adequate to cover the consequences of certain events. Moreover, there can be no assurance that the Enlarged Group will be able to maintain adequate insurance in the future at rates the Directors consider reasonable. Thus the Enlarged Group may become subject to liability for hazards which cannot be insured against or against which it may elect not to be insured because of high premium costs or other commercial reasons. There can be no assurance that the Enlarged Group will be able to obtain insurance at reasonable rates (or at all), or that any coverage it obtains will be adequate and available to cover any such claims.

Limited operating revenues

It is intended that the annuity income from the sale of energy generated from build-own-operate systems owned by Joint Venture Companies over the long-term will be sufficient for reinvestment by the Enlarged Group in the manufacture of new Pyromex systems. Although the New Board has confidence in the Enlarged 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 or from its joint venture interests.

Current operating results as an indication of future results

The Enlarged Group's operating results may fluctuate significantly in the future due to a variety of factors, many of which are outside its control. Accordingly, Shareholders or potential investors should not rely on comparison with the PowerHouse's results to date as an indication of future performance. Factors that may affect the Enlarged Group's operating results include increased competition, and anticipated costs and expenses and slower than expected growth. It is possible that, in the future, the Enlarged Group's operating results will fall below the expectations of securities analysts or investors. If this occurs, the trading price of the New Ordinary Shares may decline significantly.

General risks relating to the Enlarged Group

Competition

PowerHouse may face significant competition, including from domestic and overseas competitors who have greater capital and other resources and superior brand recognition than the Enlarged Group and may be able to provide better products or adopt more aggressive pricing policies. Additionally, the Enlarged Group will operate in a rapidly developing market. Product and technology development by existing and/or new competitors may be more effective than the New Board expects, which may result

in the Enlarged Group's technology becoming outdated. There is no assurance that the Enlarged Group will be able to compete successfully in such a marketplace.

Litigation

While the Enlarged Group currently has no material outstanding litigation, there can be no guarantee that the current or future actions of the Enlarged Group will not result in litigation, both with and without merit. The Enlarged Group may therefore in future be party to litigation in the course of its business. Any litigation, by the Enlarged Group or against it, may be costly and lengthy and there can be no assurance that the Enlarged Group will prevail. Litigation could also involve a significant diversion of resources and management attention and be disruptive to normal business operations. An unfavourable resolution of a particular law suit or the costs or adverse publicity associated with substantial litigation could have a material adverse effect on the Enlarged Group's business, operating results or financial condition.

The Enlarged Group's objectives may not be fulfilled

The value of an investment in the Enlarged Group is dependent upon the Enlarged Group achieving the aims set out in this document. There can be no guarantee that the Enlarged Group will achieve the level of success that the New Board expects.

The Company will be exposed to foreign currency and exchange rate risks

The financial records of the Enlarged Group will be maintained in US dollars. However, a portion of the Enlarged Group's revenues may be denominated in other currencies. Hence, changes in currency exchange rates may negatively affect the monetary value of such revenues. Converting revenues will also incur costs for the Enlarged Group.

Internal Systems and Controls

The Enlarged Group does not currently have all the internal systems and controls which investors would expect from a larger, more established business. On Admission, the New Board intends to take steps to ensure that systems and controls (appropriate for a group of the size and of the nature of the Enlarged Group) are adopted and reviewed regularly.

Other directorships/interests

It is possible that members of the New Board may, following Admission, be interested in or act, in a limited capacity, in the management or conduct of the affairs of other companies. Should any conflicts of interest be identified, they will be declared to the New Board and dealt with appropriately.

Controlling Shareholders

Following Admission, the Principal Concert Party will hold 79.40 per cent. of the Enlarged Issued Share Capital (as described in Part I of this document). The Principal Concert Party will, therefore, be able to exercise significant influence over the Enlarged Group's corporate actions and activities and the outcome in general of matters pertaining to the Enlarged Group, including the appointment of the Enlarged Group's board of directors and the approval of significant change of control transaction. This control may in the future have the effect of making certain transactions more difficult without the support of the members of the Principal Concert Party and may have the effect of delaying or preventing an acquisition or other change in control of the Enlarged Group.

The Group is obliged to comply with health and safety and environmental regulations and cannot guarantee that it will be able to comply with these regulations

The Group's operations are subject to laws and regulations relating to the protection of human health and safety and the environment. Failure, whether inadvertent or otherwise, by the Group to comply with applicable legal or regulatory requirements may give rise to significant liabilities. The Group's health, safety and environment policy will be to observe local and national, legal and regulatory requirements and generally to apply best practice where local legislation does not exist.

Economic, political, judicial, administrative, taxation or other regulatory matters

The Enlarged Group may be adversely affected by changes in economic, political, judicial, administrative, taxation or other regulatory factors, as well as other unforeseen matters.

The share price of publicly traded companies can be highly volatile. The price at which the Company's issued shares will be publicly traded and the price which investors may realise for their shares in the Company will be influenced by a large number of factors, some specific to the Enlarged Group and its operations and some which may affect the sector in which the Enlarged Group operates or publicly traded companies generally.

General

If any or all of the above risks actually occur, the Enlarged Group's business, financial conditions, results or future operations could be adversely affected. In such a case, the price of the Ordinary Shares could decline and investors may lose all or part of their investment. Additional risks and uncertainties not presently known to the Directors and Proposed Directors, or which the Directors and Proposed Directors currently deem immaterial, may also have an adverse effect upon the Enlarged Group.

Risks specific to countries in which the Group operates or intends to operate

Risks associated with emerging and developing markets

The disruptions recently experienced in the international and domestic capital markets have led to reduced liquidity and increased credit risk premiums for certain market participants and have resulted in a reduction of available financing. Companies located in countries in the emerging markets may be particularly susceptible to these disruptions and reductions in the availability of credit or increases in financing costs, which could result in them experiencing financial difficulty. In addition, the availability of credit to entities operating within the emerging and developing markets is significantly influenced by levels of investor confidence in such markets as a whole and as such any factors that impact market confidence (for example, a decrease in credit ratings, state or central bank intervention in one market or terrorist activity and conflict) could affect the price or availability of funding for entities within any of these markets.

Since the advent of the global economic crisis in 2007, certain emerging market economies have been, and may continue to be, adversely affected by market downturns and economic slowdowns elsewhere in the world. As has happened in the past, financial problems outside countries with emerging or developing economies or an increase in the perceived risks associated with investing in such economies could dampen foreign investment in and adversely affect the economies of these countries.

In addition, ongoing terrorist activity and armed conflicts in North Africa, the Middle East and elsewhere have also had a significant effect on international finance and commodity markets. Any future national or international acts of terrorism or armed conflicts could have an adverse effect on the financial and commodities markets and the wider global economy. Any acts of terrorism or armed conflicts in countries in which the Company operates or may operate could adversely affect the Group's business, financial condition, results of operations or prospects.

Investors in emerging markets should therefore be aware that these markets are subject to greater risk than more developed markets, including in some cases significant legal, fiscal, economic and political risks. Accordingly, investors should exercise particular care in evaluating the risks involved in an investment in the Company and must decide for themselves whether, in the light of those risks, their investment is appropriate. Generally, investment in emerging and developing markets is suitable only for sophisticated investors who fully appreciate the significance of the risks involved. Investors are urged to consult with their own legal and financial advisers before making an investment in the Ordinary Shares.

Political situation

The political situation in certain emerging markets may introduce a degree of risk with respect to the Group's activities. Risks may include, among other things, labour disputes, delays or invalidation of governmental orders and permits, corruption, uncertain political and economic environments, civil

disturbances and terrorist actions, arbitrary changes in laws or policies, foreign taxation and exchange controls, limitations on foreign ownership, limitations on the repatriation of earnings, infrastructure limitations and increased financing costs.

The Group's activities may require protracted negotiations with the host government, national energy companies and third parties and may be subject to economic and political considerations such as the risks of war, actions by terrorist or insurgent groups, community disturbances, expropriation, nationalisation, renegotiation, forced change or nullification of existing contracts or royalty rates, unenforceability of contractual rights, changing taxation policies or interpretations, adverse changes to laws (whether of general application or otherwise) or the interpretation thereof, foreign exchange restrictions, inflation, changing political conditions, the death or incapacitation of political leaders, local currency devaluation, currency controls, and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, the local jurisdiction. Any of these factors detailed above or similar factors could have a material adverse effect on the Group's business, results of operations or financial condition. If a dispute arises in connection with operations, in developing countries, the Group may be subject to the exclusive jurisdiction of foreign courts or foreign arbitration tribunals or may not be successful in subjecting foreign persons, especially governments and nationalised industries, to the jurisdiction of England and Wales or the United States.

Judicial system

Uncertainties in the interpretation and application of laws and regulations may affect the Group's ability to comply with such laws and regulations which may increase the risks with respect to the Group's operations.

The courts in some emerging markets may offer less certainty as to the judicial outcome or a more protracted judicial process than is the case in more established economies. Businesses can become involved in lengthy court cases over simple issues when rulings are not clearly defined, and the poor drafting of laws and excessive delays in the legal process for resolving issues or disputes compound such problems. Accordingly, the Group could face risks such as: (i) effective legal redress in the courts being more difficult to obtain, whether in respect of a breach of law or regulation, or, in an ownership dispute, being more difficult to obtain, (ii) a higher degree of discretion on the part of governmental authorities and therefore less certainty, (iii) the lack of judicial or administrative guidance on interpreting applicable rules and regulations, (iv) inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions, or (v) relative inexperience of the judiciary and courts in such matters.

Enforcement of laws may depend on and be subject to the interpretation placed upon such laws by the relevant local authority, and such authority may adopt an interpretation of an aspect of local law which differs from the advice that has been given to the Group by local lawyers or even previously by the relevant local authority itself. There can be no assurance that contracts, joint ventures, licences, licence applications or other legal arrangements will not be adversely affected by the actions of government authorities and the effectiveness of and enforcement of such arrangements in the jurisdiction. The commitment of local businesses, government officials and agencies and the judicial system to abide by legal requirements and negotiated agreements may be more uncertain and may be susceptible to revision or cancellation, and legal redress may be uncertain or delayed.

Market risks

AIM

Potential investors should be aware that the value of shares can go down as well as up and that an investment in a share that is traded on AIM may be less readily realisable and may carry a higher degree of risk than an investment in a share listed on the Official List of the UK Listing Authority. The price which investors may realise for their holding of Ordinary Shares, as and when they are able to do so, may be influenced by a large number of factors, some of which are specific to the Company and others of which are extraneous.

It may be difficult for an investor to sell his or her Ordinary Shares and he or she may receive less than the amount paid by him or her for them. The market for shares in smaller public companies, including the Company's, is less liquid than for larger public companies. Consequently, the share price may be subject to greater fluctuation on small volumes of shares, and thus the Ordinary Shares may be difficult to sell at a particular price.

The market price of the Ordinary Shares may not reflect the underlying value of the Company's profits or net assets.

Share price volatility and liquidity

Whilst the Company is applying for the re-admission of its shares to trade on AIM, there can be no assurance that an active trading market for the Enlarged Issued Share Capital will be maintained.

Taxation Framework

This document has been prepared in accordance with current UK tax legislation, practice and concession and interpretation thereof. Any change in the Company's tax status or in taxation legislation could affect the Company's ability to provide returns to its shareholders or alter post tax returns to its shareholders. Statements in this document concerning the taxation of investors in Ordinary Shares are based on current tax law and practice which is subject to change. The taxation of an investment in the Company depends on the individual circumstances of investors.

Forward looking statements

This document contains forward looking statements. These statements relate to the Enlarged Group's future prospects, developments and business strategy. Forward looking statements are identified by their use of terms and phrases, including without limitation, statements containing the words "believe", "anticipated", "expected", "could", "envisage", "estimate", "may" or the negative of those, variations or similar expressions including references to assumptions. Such forward looking statements involve unknown risk, uncertainties and other factors which may cause the actual results, financial condition, performance or achievement of the Enlarged Group, or industry results to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Factors that might cause such a difference include, but are not limited to, those discussed in "Risk Factors" set out in Part II of this document. Given these uncertainties, prospective investors are cautioned not to place any undue reliance on such forward looking statements. These forward looking statements speak only as at the date of this document. The Company disclaims any obligations to update any such forward looking statements in this document to reflect events or developments.

PART III

Financial information on Bidtimes plc

Incorporation of the relevant information by reference

The information listed below relating to Bidtimes is hereby incorporated by reference into this document.

No.	Information	Source of Information
1.	Turnover, net profit or loss before and after taxation, the charge for tax, extraordinary items, minority interests, the amount absorbed by dividends and earnings and dividends per share for Bidtimes for each of the three years ended 28 February 2009 and for the 10 month period ended 31 December 2009	<p>Bidtimes Annual Report & Accounts 31 December 2009, Consolidated Income Statement on page 10 and note 6 on Taxation on page 17.</p> <p>If you are reading this document in hard copy, please enter the below web address in your web browser to be brought to the relevant document. If you are reading this document in soft copy, please click on the web address below to be brought to the relevant document.</p> <p>http://www.bidtimes.com/Downloads/Bidtimes% 20PE%2031 DEC2009%20Accounts.pdf</p> <p>Bidtimes Annual Report & Accounts 28 February 2009, Consolidated Income Statement on page 11 and note 5 on Taxation on page 18.</p> <p>If you are reading this document in hard copy, please enter the below web address in your web browser to be brought to the relevant document. If you are reading this document in soft copy, please click on the web address below to be brought to the relevant document.</p> <p>http://www.bidtimes.com/Downloads/Bidtimes%202009% 20Accounts.pdf</p> <p>Bidtimes Annual Report & Accounts 2008, Consolidated Income Statement on page 10 and note 5 on Taxation on page 16.</p> <p>If you are reading this document in hard copy, please enter the below web address in your web browser to be brought to the relevant document. If you are reading this document in soft copy, please click on the web address below to be brought to the relevant document.</p> <p>http://www.bidtimes.com/Downloads/Bidtimes%202008% 20Accounts.pdf</p> <p>Bidtimes Annual Report & Accounts 2007, Consolidated Income Statement on page 10 and note 5 on Taxation on page 16.</p> <p>If you are reading this document in hard copy, please enter the below web address in your web browser to be brought to the relevant document. If you are reading this document in soft copy, please click on the web address below to be brought to the relevant document.</p> <p>http://www.bidtimes.com/Downloads/Bidtimes%202007% 20Accounts.pdf</p>

No.	Information	Source of Information
2.	A statement of the assets and liabilities shown in the audited accounts for Bidtimes for the 10 month period ended 31 December 2009	<p>Bidtimes Annual Report & Accounts 31 December 2009, Group Balance Sheet on page 11.</p> <p>If you are reading this document in hard copy, please enter the below web address in your web browser to be brought to the relevant document. If you are reading this document in soft copy, please click on the web address below to be brought to the relevant document.</p> <p>http://www.bidtimes.com/Downloads/Bidtimes%20PE%2031DEC2009%20Accounts.pdf</p>
3.	A cash flow statement as provided in the audited accounts for Bidtimes for the 10 month period ended 31 December 2009	<p>Bidtimes Annual Report & Accounts 31 December 2009, Consolidated Cash Flow Statement on page 12.</p> <p>If you are reading this document in hard copy, please enter the below web address in your web browser to be brought to the relevant document. If you are reading this document in soft copy, please click on the web address below to be brought to the relevant document.</p> <p>http://www.bidtimes.com/Downloads/Bidtimes%20PE%2031DEC2009%20Accounts.pdf</p>
4.	Significant accounting policies together with any points from the notes to the accounts which are of major relevance to an appreciation of the figures	<p>Bidtimes Annual Report & Accounts 31 December 2009, the Principal Accounting Policies on pages 14 and 15 and Notes to the Financial Statements on pages 14 to 23.</p> <p>If you are reading this document in hard copy, please enter the below web address in your web browser to be brought to the relevant document. If you are reading this document in soft copy, please click on the web address below to be brought to the relevant document.</p> <p>http://www.bidtimes.com/Downloads/Bidtimes%20PE%2031DEC2009%20Accounts.pdf</p> <p>Bidtimes Annual Report & Accounts 28 February 2009, the Principal Accounting Policies on pages 15 to 16 and Notes to the Financial Statements on pages 15 to 26.</p> <p>If you are reading this document in hard copy, please enter the below web address in your web browser to be brought to the relevant document. If you are reading this document in soft copy, please click on the web address below to be brought to the relevant document.</p> <p>http://www.bidtimes.com/Downloads/Bidtimes%202009%20Accounts.pdf</p> <p>Bidtimes Annual Report & Accounts 2008, the Principal Accounting Policies on pages 14 to 15 and Notes to the Financial Statements on pages 14 to 28.</p> <p>If you are reading this document in hard copy, please enter the below web address in your web browser to be brought to the relevant document. If you are reading this document in soft copy, please click on the web address below to be brought to the relevant document.</p> <p>http://www.bidtimes.com/Downloads/Bidtimes%202008%20Accounts.pdf</p>

No. Information

4. (continued)

Source of Information

Bidtimes Annual Report & Accounts 2008, the Principal Accounting Policies on pages 14 to 15 and Notes to the Financial Statements on pages 14 to 25.

If you are reading this document in hard copy, please enter the below web address in your web browser to be brought to the relevant document. If you are reading this document in soft copy, please click on the web address below to be brought to the relevant document.

<http://www.bidtimes.com/Downloads/Bidtimes%202007%20Accounts.pdf>

5. Interim results of Bidtimes for the six months ended 30 June 2010

The unaudited interim results of Bidtimes for the six months ended 30 June 2010, as announced on 30 September 2010.

If you are reading this document in hard copy, please enter the below web address in your web browser to be brought to the relevant document. If you are reading this document in soft copy, please click on the web address below to be brought to the relevant document.

<http://www.bidtimes.com/Downloads/Bidtimes%202010%20Interim%20Results.pdf>

PART IV

Section A

Accountants' Report on the financial information of PowerHouse Energy, Inc.



31 March 2011

The Directors and Proposed Directors
Bidtimes plc
Meriden House
6 Great Cornbow
Halesowen
West Midlands B63 3AB

The Directors
Merchant Securities Limited
51-55 Gresham Street
London EC2V 7HQ

Dear Sirs

PowerHouse Energy, Inc. (“PowerHouse”)

Introduction

We report on the financial information set out in Part IV (Section B). This financial information has been prepared for inclusion in the Admission Document dated 31 March 2011 of Bidtimes plc (the “Document”) on the basis of the accounting policies set out in note 1 to the financial information. This report is required by Paragraph (a) of Schedule Two of the AIM Rules for Companies and is given for the purposes of complying with that paragraph and for no other purpose.

Responsibilities

The Directors and Proposed Directors are responsible for preparing the financial information on PowerHouse on the basis of preparation set out in note 1 to the financial information and in accordance with applicable International Financial Reporting Standards as adopted by the European Union.

It is our responsibility to form an opinion as to whether the financial information gives a true and fair view, for the purposes of the Document, and to report our opinion to you.

Save for any responsibility arising under Paragraph (a) of Schedule Two of the AIM Rules for Companies to any person as and to the extent there provided, to the fullest extent permitted by the law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Paragraph (a) of Schedule Two of the AIM Rules for Companies, consenting to its inclusion in the Document.

Basis of Opinion

We conducted our work in accordance with Standards of Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of the significant estimates and judgements made by those responsible for the preparation of the financial information and

whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in jurisdictions outside the United Kingdom, including the United States of America, and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion, the financial information gives, for the purposes of the Document, a true and fair view of the state of affairs of PowerHouse as at the dates stated and of its losses, cash flows and changes in equity for the periods then ended in accordance with the basis of preparation set out in note 1 to the financial information and has been prepared in accordance with applicable International Financial Reporting Standards as adopted by the European Union as described in note 1 to the financial information.

Declaration

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules for Companies, we are responsible for this report as part of the Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Document in compliance with Paragraph (a) of Schedule Two of the AIM Rules for Companies.

Yours faithfully

Crowe Clark Whitehill LLP

Section B

Financial information

Statement of Comprehensive Income

The statements of comprehensive income of PowerHouse for each of the three years ended 31 December 2009 are set out below:

	Note	2009 US\$	2008 US\$	2007 US\$
Revenue	2	2,126,933	1,540,679	2,667,164
Cost of sales		(1,855,825)	(1,411,791)	(2,602,005)
Gross profit		271,108	128,888	65,159
Administrative expenses		(1,331,482)	(893,775)	(533,575)
Operating loss	3	(1,060,374)	(764,887)	(468,416)
Finance income	4	9,272	3,349	3,600
Other income		1,788	—	—
Finance costs	5	(51,934)	(21,972)	(7,839)
Loss on impairment of non current assets	9	(600,000)	—	—
Loss before taxation		(1,701,248)	(783,510)	(472,655)
Income tax expense	6	—	—	—
Loss after taxation				
being loss for the financial year		(1,701,248)	(783,510)	(472,655)
Other comprehensive income		—	—	—
Total comprehensive expense		(1,701,248)	(783,510)	(472,655)
Loss attributable to :				
Owners of the Company		(1,701,248)	(783,510)	(472,655)
Total comprehensive expense attributable to:				
Owners of the Company		(1,701,248)	(783,510)	(472,655)

The notes numbered 1 to 18 are an integral part of the financial information

Statement of Changes in Equity

The statements of changes in equity of PowerHouse for each of the three years ended 31 December 2009 are set out below:

	Members' Capital US\$	Common stock US\$	Retained earnings US\$	Total US\$
Balance at 1 January 2007	169,645	—	(175,093)	(5,448)
Total comprehensive expense for the year				
Net loss	—	—	(472,655)	(472,655)
Balance at 31 December 2007	169,645	—	(647,748)	(478,103)
Members contribution	1,150,000	—	—	1,150,000
Total comprehensive expense for the year				
Net loss	—	—	(783,510)	(783,510)
Balance at 31 December 2008	1,319,645	—	(1,431,258)	(111,613)
Members contribution	500,000	—	—	500,000
Transfer of members' capital to common stock	(1,819,645)	1,819,645	—	—
Total comprehensive expense for the year				
Net loss	—	—	(1,701,248)	(1,701,248)
Balance at 31 December 2009	—	1,819,645	(3,132,506)	(1,312,861)

Statement of Financial Position

The statements of financial position of PowerHouse as at 31 December 2007, 31 December 2008 and 31 December 2009 are set out below:

	Note	2009 US\$	2008 US\$	2007 US\$
Assets				
Non-current Assets				
Intangible assets	7	479,167	—	—
Property, plant and equipment	8	69,709	106,883	179,539
Other non current assets	9	1,000,000	600,000	150,000
Total non – current assets		1,548,876	706,883	329,539
Current Assets				
Cash and cash equivalents		—	500,649	100,940
Trade and other receivables	10	285,143	625,310	232,037
Total current assets		285,143	1,125,959	332,977
Total assets		1,834,019	1,832,842	662,516
Equity and Liabilities				
Members' capital		—	1,319,645	169,645
Common stock	13	1,819,645	—	—
Retained earnings		(3,132,506)	(1,431,258)	(647,748)
Total equity attributable to equity holders of the Company		(1,312,861)	(111,613)	(478,103)
Liabilities				
Current liabilities				
Trade and other payables	11	3,146,880	1,944,455	1,140,619
Current liabilities		3,146,880	1,944,455	1,140,619
Total liabilities		3,146,880	1,944,455	1,140,619
Total Equity and Liabilities		1,834,019	1,832,842	662,516

The notes numbered 1 to 18 are an integral part of the financial information

Cash Flow Statement

The statements of cash flows of PowerHouse for each of the three years ended 31 December 2009 are set out below:

	2009 US\$	2008 US\$	2007 US\$
Cash flows from operating activities			
Operating loss	(1,060,374)	(764,887)	(468,416)
Adjustments for:			
Depreciation and amortisation	59,335	74,049	98,316
Bad debt charges		113,139	
Changes in working capital:			
Decrease/(Increase) in trade and other receivables	340,167	(406,412)	44,947
(Decrease)/Increase in trade and other payables	(574,371)	719,438	668,931
Net cash (used in)/generated from operations	(1,235,243)	(264,673)	343,778
Cash flows from investing activities			
Purchase of other non current assets	(1,000,000)	(550,000)	(150,000)
Purchase of intangible assets	(500,000)	—	—
Purchase of plant, property and equipment	(1,328)	(1,393)	—
Net cash flows (used in) investing activities	(1,501,328)	(551,393)	(150,000)
Cash flows from financing activities			
Members capital contribution	500,000	1,150,000	—
Share purchase advance received	1,399,944	—	—
Finance income	9,272	3,349	3,600
Finance costs	(51,934)	(21,972)	(7,839)
Other income	1,788		
Issuance of convertible debt	275,000	—	—
Loans received/(repaid)	97,723	74,747	(99,730)
Net cash flows from financing activities	2,231,793	1,206,124	(103,969)
Net (decrease)/increase in cash and cash equivalents	(504,778)	390,058	89,809
Cash and cash equivalents at beginning of year	490,998	100,940	11,131
Cash and cash equivalents at end of year	(13,780)	490,998	100,940

Notes (forming part of the financial information)

1. Summary of significant accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial information.

Basis of preparation

PowerHouse has prepared the financial information in accordance with applicable International Financial Reporting Standards (“IFRS”) and interpretations issued by the International Accounting Standards Board as adopted by the European Union.

On 1 September 2009 the activities of PowerHouse Energy LLC were transferred to PowerHouse Energy, Inc. The financial information has been prepared in manner which presents the results, financial position and cash flows for the business throughout the three year period reported as if the business had been operated as a single entity throughout the three year reporting period and as such does not include any fair value adjustments which may have been necessary at the date of transfer.

The financial statements have been prepared assuming the Company will continue as a going concern. In assessing whether the going concern assumptions is appropriate management takes into account available information for the foreseeable future, in particular for the twelve months from the date of approval of the financial information. Based on budgets and cash flow forecasts prepared and equity raised post year end management believe that it is reasonable to adopt the going concern assumption.

Adoption of new and revised standards

As at the date of approval of the financial information, the following standards and interpretations were in issue but not yet effective:

IFRS 1 *First time adoption of International Financial Reporting Standards (revised 2008)*

IFRS 3 *Consolidated financial statements (revised 2008)*

IFRS 9 *Financial instruments (replacement of IAS 39) **

Amendments to IFRS 1 *Additional Exemptions for First-time Adopters**

IFRS 1 Amendment – *Limited exemption from IFRS 7 Disclosures for first time adopters**

IFRS 2 Amendment - *Group Cash-settled Share-based Payment Transactions**

IFRS 7 *Improving Disclosures about Financial Instruments Amendments to IFRS 7 Financial Instruments: Disclosures*

Amendment to IAS 32 *Classification of Rights Issues*

IAS 24 (Revised) *Related Party Disclosures**

IAS 39 *Financial instruments: recognition and measurement (Amendment) – eligible hedged items*

IFRIC 17 *Distribution of non-cash assets to owners*

IFRIC 18 *Transfer of assets from customers*

IFRIC 19 *Extinguishing financial liabilities with equity instruments**

IFRIC 14 (Amendment) *Prepayments of a minimum funding requirement**

Pronouncements marked “*” have not yet been adopted by the European Union.

In addition, there are certain requirements of *Improvements to IFRSs* which are not yet effective.

1. Summary of significant accounting policies (continued)

The Directors do not anticipate that the adoption of these standards and interpretations in future reporting periods will have a material impact on the Company's results.

Functional and presentational currency

The financial information is presented in US dollars which is the Company's functional currency. All financial information presented is rounded to the nearest US dollar.

Revenue

Revenue represents the amounts (excluding sales tax) derived from sales of power generation and gasification equipment, plus associated services.

Income from services is recognised over the period of performance of the services.

The amount of profit attributable to the stage of completion of a long term contract is recognised when the outcome of the contract can be foreseen with reasonable certainty. Revenue for such contracts is stated at the cost appropriate to their stage of completion plus attributable profits, less amounts recognised in previous years. Provision is made for any losses as soon as they are foreseen.

Contract work in progress is stated at costs incurred, less those transferred to the income statement, after deducting foreseeable losses and payments on account not matched with revenue.

Construction work in progress is included in receivables and represent revenue recognised in excess of payments on account. Where payments on account exceed turnover a payment received on account is established and included within payables.

The stage of completion for contracts is determined according to the level of progress of each item that is included in the contract and the estimated cost to complete.

Plant, property and equipment

Plant property and equipment are stated at cost less accumulated depreciation. Cost represents the cost of acquisition or construction, including the direct cost of financing the acquisition or construction until the asset comes into use.

Depreciation is provided to write off the cost or valuation of plant, property and equipment less the estimated residual value by equal instalments over their estimated useful economic lives of 5 to 7 years.

The expected useful lives and residual values of plant, property and equipment are reviewed on an annual basis and, if necessary, changes in useful life or residual value are accounted for prospectively.

The carrying value of plant, property and equipment is reviewed for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable.

An item of plant, property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the period the item is derecognised.

Intangible assets

Intangible assets are stated at cost less accumulated amortisation. Amortisation is provided to write off the cost of the asset of its estimated useful economic life. This is the length of the licence period, 20 years. Amortisation charges are included within administrative expenses in the Statement of Comprehensive Income.

1. Summary of significant accounting policies (continued)

The carrying value of intangible assets is reviewed for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable.

Trade receivables

Trade and other receivables are stated at their cost less impairment losses.

Trade payables

Trade and other payables are stated at cost.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand form an integral part of the Company's cash management and are included as a component of cash and cash equivalents for the purpose of the cash flow statement.

Non current assets

Non current assets are recorded at cost less impairment losses.

Leases

Operating lease rentals are charged to the income statement on a straight line basis over the period of the lease. Assets held under finance leases are recognised as assets of the Company at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date except as otherwise required by IAS 12.

A deferred tax asset is recognised where, having regard to all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Equity and members' capital

Equity instruments issued by the Company are recorded at net proceeds after direct issue costs, if any. Members' capital in the LLC is recognised at net proceeds received and has been recorded as equity for the purposes of the financial information on the basis that each member of the LLC was issued shares in PowerHouse Energy, Inc, in the same proportion as their percentage interest in the LLC.

Classification of financial instruments issued by the Company

In accordance with IAS 32, financial instruments issued by the Company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and

1. Summary of significant accounting policies (continued)

- (b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Finance payments associated with financial liabilities are dealt with as part of finance charges.

Significant judgements made by management, key assumptions and sources of estimation

The Company has estimated the percentage of completion on its uncompleted customer contracts which determines the amount of revenue and cost of sales reported. The Company estimates the percentage of completion by comparing the cost incurred on a project compared to its total estimated cost.

Provisions require management estimates and judgments. Provision has been made against a note receivable due to substantial doubt about its collectability.

The Company's management reviews, at least annually, its non current assets and intangible assets for impairment. It evaluates a wide range of assumptions and circumstances for this evaluation including recent information such as the progress of a project, the current value of underlying technology and whether an asset continues to be operational.

2. Revenue

	2009 US\$	2008 US\$	2007 US\$
Sale of goods	1,912,065	1,312,074	2,302,307
Provision of services	214,868	228,605	364,857
Total	2,126,933	1,540,679	2,667,164

3. Operating loss

	2009 US\$	2008 US\$	2007 US\$
<i>Operating loss is stated after charging:</i>			
– Depreciation of fixed assets	38,502	74,049	98,316
<i>Amortisation</i>			
– intellectual property licence	20,833	—	—
<i>Impairment of financial assets</i>			
– note receivable including interest	10,646	101,674	—
<i>Operating lease costs</i>			
– land and buildings	32,760	30,150	29,450
Key management short term employment benefit	488,080	137,143	186,344

Key management from 1 September 2009 comprises the board of directors and until that date comprised the members of PowerHouse Energy LLC and accordingly key management remuneration is as noted above for directors/members emoluments.

4. Finance income

	2009 US\$	2008 US\$	2007 US\$
Interest receivable	9,272	3,349	3,600

5. Finance costs

	2009 US\$	2008 US\$	2007 US\$
Bank interest payable	43,866	21,972	7,839
Other interest payable	8,068	—	—
Total	51,934	21,972	7,839

6. Taxation

No current or deferred tax charge has been recognised in the financial information for any of the years ended 31 December 2009, 2008 and 2007.

The Company formed a corporation on 20 February 2009, to which it transferred its operations effective September 1, 2009. Prior to the transfer of its operations, the Company operated as an LLC (the "LLC"). The LLC was treated as a "pass through" entity for income tax purposes, the income tax responsibility or benefit was "passed on" to its members. Therefore, there was no income tax or deferred tax assets recorded for us for the years ended 31 December 2008 or 2007 both of which occurred prior to the transfer of our operations from the LLC to the Inc.

Factors affecting the tax charge for the current year

The current tax charge for the year is higher than the standard rate of tax in the US (34%). The differences are explained below:

	2009 US\$
<i>Current tax reconciliation</i>	
(Loss) on ordinary activities before tax	(1,701,248)
Current tax at 34%	(578,425)
<i>Effects of:</i>	
Loss arising in period prior to conversion to LLC	220,056
Impairment loss not chargeable to taxation	204,000
Deferred tax not recognised	153,000
Other	1,369
Total current tax charge (see above)	—

Factors effecting future tax charges

The Company has a federal net operating loss carry forward of \$450,000 which expires in 2029.

Deferred taxation

	2009 US\$
Deferred tax on net operating loss carry forward	153,000
Less deferred tax not recognised	(153,000)
Deferred tax asset	—

Given the history of recent operating losses the Directors do not consider it appropriate to recognise a deferred tax asset in the financial information.

7. Intangible assets

	Licence agreements US\$	Total US\$
<i>Cost</i>		
As at 1 January 2007, 2008 and 2009	—	—
Additions	500,000	500,000
As at 31 December 2009	500,000	500,000
<i>Amortisation</i>		
As at 1 January 2007, 2008 and 2009	—	—
Charge for the year	20,833	20,833
As at 31 December 2009	20,833	20,833
<i>Net book value</i>		
At 31 December 2009	479,167	479,167
At 31 December 2008	—	—
At 31 December 2007	—	—

Intangible assets comprise a technology licence agreement with Pyromex relating to various Pyromex intellectual property for its ultra-high temperature gasification process and equipment. The term of the licence is the longer of 20 years from 13 April 2009 or until the last Pyromex patent expires. PowerHouse has exclusive rights in North America, Central America, the surrounding islands (including the Caribbean islands) and Nigeria and exclusive, but not sole, rights in Australia. PowerHouse also has non-exclusive rights in MENA (Middle East and North Africa), GCC (the countries of the Gulf Corporation Council), French Polynesia, South Pacific, Asia and United States Territories.

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8. Property, plant and equipment

	Energy service equipment US\$	Office equipment US\$	Motor vehicles US\$	Total US\$
Cost				
As at 1 January 2007	531,257	—	13,146	544,403
Additions	—	—	—	—
As at 1 January 2008	531,257	—	13,146	544,403
Additions	—	1,393	—	1,393
As at 1 January 2009	531,257	1,393	13,146	545,796
Additions	—	1,328	—	1,328
As at 31 December 2009	531,257	2,721	13,146	547,124
Depreciation				
As at 1 January 2007	257,346	—	9,202	266,548
Charge for the year	95,687	—	2,629	98,316
As at 1 January 2008	353,033	—	11,831	364,864
Charge for the year	72,595	139	1,315	74,049
As at 1 January 2009	425,628	139	13,146	438,913
Charge for the year	37,958	544	—	38,502
As at 31 December 2009	463,586	683	13,146	477,415
Net book value				
At 31 December 2009	67,671	2,038	—	69,709
At 31 December 2008	105,629	1,254	—	106,883
At 31 December 2007	178,224	—	1,315	179,539

9. Other non current assets

	2009 US\$	2008 US\$	2007 US\$
Deposit in respect of Megaflora assets	—	600,000	150,000
Loan in respect of Pyromex stock purchase	1,000,000	—	—
Total	1,000,000	600,000	150,000

During 2007 the Company entered into an agreement to invest in a root farm producing Megaflora trees for use as a biofuel. \$150,000 was advanced under this agreement in 2007 with the remaining \$450,000 advance during 2008. Of the monies advanced \$300,000 was to pay for the purchase and planting of 30,000 Megaflora trees, \$150,000 for the construction of four greenhouses and other supporting infrastructure and \$150,000 was an advance that was to be repaid out of the first revenues earned.

The project commenced during 2009 with the delivery of the first 5,000 live trees and with the construction of two greenhouses and other infrastructure to support the growth of the trees. The growth of the trees was, however, less than expected and the delivery of the remaining trees due under the agreement has not occurred. During 2009 a number of factors have led to indications of impairment and the Directors undertook an impairment review having consideration to whether the greenhouses and remaining live trees have any value after the deduction of sale costs and if there is any impairment of the remaining deposit that has been made in respect of the Megaflora assets. As a result of this review the Directors took the decision to write the entire amount off during the 2009 financial year.

9. Other non current assets (continued)

During 2008 a loan of \$100,000 was made. Repayments were not received as scheduled and the loan was therefore fully provided for during the 2008 financial year and a bad debt charge recognised in administrative expenses in this respect.

During 2009 the Company entered into a share purchase agreement with the Pyromex AG whereby it agreed to purchase an equity interest in Pyromex for \$4,000,000. The equity in Pyromex is to be issued to the Company after receipt of \$2,500,000 of proceeds from the Company. Until the \$2,500,000 has been paid, the amount advanced by the Company to Pyromex is to be considered a non-interest-bearing loan. At 31 December 2009, the Company had advanced the licensor \$1,000,000 for the purchase of shares under this agreement which is included as a non current asset in the Company's Balance Sheet at 31 December 2009.

10. Trade and other receivables

	2009 US\$	2008 US\$	2007 US\$
Trade receivables	192,668	623,244	227,037
Construction work in progress	92,475	2,066	—
Prepayments and other amounts	—	—	5,000
	285,143	625,310	232,037

11. Trade and other payables

	2009 US\$	2008 US\$	2007 US\$
Bank overdraft	13,780	9,651	—
Accounts payable	202,824	346,945	382,726
Accrued liabilities and provisions	152,220	88,007	98,463
Other current liabilities	797,300	1,202,370	446,548
Due to related party	1,980,756	297,482	212,882
	3,146,880	1,944,455	1,140,619

Included within other current liabilities are \$275,000 of convertible loan notes which were issued on 30 September 2009. Principal and interest, accrued at an annual rate of 12%, was due on the notes on 31 March 2010, the maturity date ("Maturity"). On 31 March 2010 the loan notes were converted into 45,298 shares of Series A preferred stock (see note 18).

Included within amount due to related party is an amount of \$1,399,944 which has been received from ERL under an agreement to purchase common stock in the Company. As all amounts due under the agreement had not been received at the year end the Company was not required to issue the stock, as such the balance is included as a liability. Subsequent to the year end additional payments were received from ERL and the Company issued 2,593,841 common shares valued at \$3,995,020.

12. Construction contracts

	2009 US\$	2008 US\$	2007 US\$
<i>For contracts in progress the details are:</i>			
Aggregate costs incurred	193,697	1,156,286	1,981,508
Aggregate recognised profit	72,082	143,845	172,230
Advances received	175,000	825,779	329,842

13. Common stock

2009
US\$

<i>Allotted, called up and fully paid</i>	
3,424,286 shares of common stock	1,819,645

On 20 February 2009, the members of PowerHouse Energy LLC (the “LLC”) formed PowerHouse Energy, Inc. (the “Inc.”) Each member of the LLC was issued shares in the Inc. in the same proportion as their percentage interest in the LLC. The Inc. issued 3,424,286 shares to the members upon conversion of their interest in the LLC.

Common stock has no par value.

14. Reserves

The Company formed a corporation on 20 February 2009, to which it transferred its operations effective 1 September 2009. At that date the gross value of members capital was converted into common stock with a value of \$1,819,645 and the cumulative losses totalling \$2,078,482 were transferred to retained earnings.

These accounts present the results as if PowerHouse Energy Inc had been one entity throughout. Losses made during the period as an LLC are therefore taken to retained earnings.

15. Operating lease commitments/Financial commitments

Operating lease commitments where the Company is the lessee.

The Company has the following total future lease payments under non-cancellable operating leases:

	2009	2008	2007
	US\$	US\$	US\$
Within one year	9,880	9,880	9,880

The lease relates to premises occupied by the Company and expires in April of each year, the lease was renewed for a further one year term in 2007, 2008 and 2009.

16. Financial instruments and risk management

The Company finances its operations through a mixture of debt and equity. Finance requirements are reviewed by the Board to ensure that the Company has the appropriate level of working capital to continue to meet its obligations and to fund its future plans.

The Company's primary financial risks are credit and liquidity. The Company's management regularly monitors risk and potential exposures to which it is exposed and seeks to take action, where appropriate, to minimise any potential impact on the Company's performance.

The Company has no financial exposure to foreign currency exchange risk and it has historically had little interest-bearing funds or borrowings.

(a) Credit risk

The Company's credit risk primarily relates to its trade receivables. Responsibility for managing credit risks lies with the Company's management.

The Company's management has extensive industry experience and often has a great familiarity with the financial credit history of its potential customers. The Company's major customers are typically large companies which have strong credit ratings assigned by credit rating agencies. The Company generally requires a significant initial payment from its customers in addition to progress payments which relate to project milestones. The Company will not begin work, or to spend money, on a project until a deposit is received. Typically the final payment at project completion is a relatively small percentage of the contract. The Company may halt work on a project if a milestone payment is not made on a timely basis. This allows the Company to also halt spending on a project and match advance payments with its project spending.

The Company's Chief Executive Officer is regularly briefed by the Company's project managers on the status of each project and customer payments and any receivables. All decisions as to the extension of credit or continuance of a project if a payment has not been made, are made by the Chief Executive Officer.

The aging of trade receivables at year-end was:

	2009 US\$	2008 US\$	2007 US\$
Not past due	10,161	567,166	153,138
Past due 0-30 days	—	1,694	52,101
Past due 30+ days	182,507	54,384	21,798
	192,668	623,244	227,037

(b) Liquidity risk

The Company has historically financed its operations through partner contributions, equity financing and operations. The management of funds to ensure the Company is able to fund investment opportunities and its continuation as a going concern is reviewed primarily by the Chief Executive Officer.

In order to assist with the financing of the business the Company has taken out a loan of \$100,000 with its bankers. The amount is repayable on demand and has been personally guaranteed by the Directors of the Company. A floating rate of interest is payable on the loan.

All assets and liabilities are denominated in US dollars and there is no difference between the book and fair values.

The Company has one lease commitment, an operating lease for its current office facilities. [The current lease expires on 30 April 2010 and subsequent to the year end the Company renewed this lease until 30 April 2011. Total 2010 obligation for this lease until its expiration is \$9,880.

17. Related parties

As at the year end the following balances were due to related parties:

	2009 US\$	2008 US\$	2007 US\$
Amounts due to key management	354,457	63,024	47,632
Loans due to key management (at 5% annual interest)	226,355	234,458	165,250
Amounts due to other related parties (see note 11)	1,399,944	—	—
	1,980,756	297,482	212,882

18. Events after the balance sheet date

On 31 March 2010 the outstanding convertible loan stock of \$275,000 was converted into 45,298 shares of Series A preferred stock. Each share of Series A preferred stock is convertible into one share of common stock. Series A preferred stock is entitled to certain preferences including a right to receive a minimum annual dividend. The preferred stock may vote as if converted into common stock and will have various preferences including registration rights and anti-dilution provisions.

On 29 July 2010 the Company entered into a loan agreement with a related party for \$1,700,000 originally repayable on 30 November 2010. The loan was secured against the Company's shareholding in Pyromex AG and bears interest at 10% per annum. The loan was repaid on 15 March 2011 along with interest and penalties, the total amount repaid being \$2,035,892, and the security over the shareholding in Pyromex AG was released.

In August 2010 the Company issued 2,593,841 shares of common stock to ERL. The Company received \$3,995,020 from the related party in connection with this purchase. In December 2010 ERL invested \$600,000 into the Company and was issued with 72,273 shares of common stock.

On 9 August 2010 the Company paid to Pyromex AG the final installment of the \$4,000,000 required to acquire a 30% equity interest in Pyromex AG. Subsequent to 30 June 2010 the balance advance to Pyromex AG historically recognised as a loan within "Other Non Current Assets", was converted into 1,200 common shares in Pyromex AG representing 30% of Pyromex AG's issued share capital.

In January 2011 PowerHouse was granted a call option to acquire up to 21 per cent. of Pyromex's share capital. The first tranche of 1.8 per cent. of Pyromex's share capital must be exercised by 30 June 2011 and the second tranche, which is conditional upon the exercise of the first tranche, may be exercised on or before 30 June 2012.

In December 2010 and March 2011 ERL subscribed for a further 505,914 shares, settlement for which included a cash consideration of US\$2,850,000.

In March 2011 Linc Energy Ltd, a company quoted on the Australian Stock Exchange, invested \$6,000,000 into PowerHouse and was issued with 819,576 shares of common stock. Since December 2010 there have been additional investments from five new investors into PowerHouse which amounted to a total of \$1,550,000 and for which 191,957 shares of common stock have been issued, with none of these new investors holding more than 3% of the issued share capital of PowerHouse.

Between November 2010 and March 2011 ERL was reimbursed for expenses incurred on behalf of the Company and was repaid \$1,200,000. These direct expenses incurred by the related party in raising funds for the Company and business development activity.

PART V

Unaudited interim financial information for PowerHouse Energy, Inc. for the six months ended 30 June 2010

Statement of Comprehensive Income

	Note	(unaudited) Six months ended 30 June 2010	(unaudited) Six months ended 30 June 2009	(audited) Year ended 31 December 2009
Revenue		296,457	1,579,454	2,126,933
Cost of sales		(308,218)	(1,364,660)	(1,855,825)
Gross profit		(11,761)	214,794	271,108
Administrative expenses		(812,177)	(596,585)	(1,331,482)
Operating loss		(823,938)	(381,791)	(1,060,374)
Finance income		5,734	5,605	9,272
Other income		9,569	—	1,788
Finance costs		(5,480)	(16,509)	(51,934)
Loss on impairment of non current assets		—	—	(600,000)
Loss before taxation		(814,115)	(392,695)	(1,701,248)
Income tax expense		—	—	—
Loss after taxation being loss for the financial year		(814,115)	(392,695)	(1,701,248)
Other comprehensive income		—	—	—
Total comprehensive expense		(814,115)	(392,695)	(1,701,248)
Total comprehensive expense attributable to:				
Owners of the Company		(814,115)	(392,695)	(1,701,248)

The notes numbered 1 to 5 are an integral part of the interim financial information

Statement of Changes in Equity

	Members' Capital US\$	Preferred stock US\$	Common stock US\$	Retained earnings US\$	Total US\$
Balance at 1 January 2009					
(audited)	1,319,645	—	—	(1,431,258)	(111,613)
Members contribution	500,000	—	—	—	500,000
Total comprehensive expense					
for the six month period					
Net loss	—	—	—	(392,695)	(392,695)
Balance at 30 June 2009					
(unaudited)	1,819,645	—	—	(1,823,953)	(4,308)
Transfer of members' capital to common stock	(1,819,645)	—	1,819,645	—	—
Total comprehensive expense					
for the six month period					
Net loss	—	—	—	(1,308,553)	(1,308,553)
Balance at 31 December 2009					
(audited)	—	—	1,819,645	(3,132,506)	(1,312,861)
Conversion of convertible debt	—	275,000	—	—	275,000
Total comprehensive expense					
for the six month period					
Net loss	—	—	—	(814,115)	(927,115)
Balance at 30 June 2010 (unaudited)	—	275,000	1,819,645	(3,946,621)	(1,851,976)

The notes numbered 1 to 5 are an integral part of the interim financial information

Statement of Financial Position

		(unaudited) As at 30 June 2010 US\$	(unaudited) As at 30 June 2009 US\$	(audited) As at 31 December 2009 US\$
	Note			
Assets				
Non-current Assets				
Intangible assets		466,667	491,667	479,167
Property, plant and equipment		56,231	88,959	69,709
Other non current assets	2	3,013,000	600,000	1,000,000
Total non – current assets		3,535,898	1,180,626	1,548,876
Current Assets				
Cash and cash equivalents		25,189	10,621	—
Trade and other receivables		79,259	375,695	285,143
Total current assets		104,448	386,316	285,143
Total assets		3,640,346	1,566,942	1,834,019
Equity and Liabilities				
Members' capital		—	1,819,645	—
Common stock		1,819,645	—	1,819,645
Retained earnings		(3,946,621)	(1,823,952)	(3,132,506)
Total equity attributable to equity holders of the Company		(2,126,976)	(4,307)	(1,312,861)
Liabilities				
Current liabilities				
Trade and other payables		5,767,322	1,571,249	3,146,880
Total liabilities		5,767,322	1,571,249	3,146,880
Total liabilities		5,767,322	1,571,249	3,146,880
Total Equity and Liabilities		3,640,346	1,566,942	1,834,019

The notes numbered 1 to 5 are an integral part of the interim financial information

Cash Flow Statement

	(unaudited) Six months ended 30 June 2010 US\$	(unaudited) Six months ended 30 June 2009 US\$	(audited) Year ended 31 December 2009 US\$
Cash flows from operating activities			
Operating loss	(823,938)	(381,791)	(1,060,374)
Adjustments for:			
Depreciation and amortisation	25,978	27,584	59,335
Changes in working capital:			
Decrease/(Increase) in trade and other receivables	205,884	249,615	340,167
(Decrease)/Increase in trade and other payables	108,283	(496,846)	(574,371)
Net cash (used in)/generated from operations	(483,793)	(601,438)	(1,235,243)
Cash flows from investing activities			
Purchase of other non current assets	(2,013,000)	—	(1,000,000)
Purchase of intangible assets	—	(500,000)	(500,000)
Purchase of plant, property and equipment	—	(1,328)	(1,328)
Net cash flows (used in) investing activities	(2,013,000)	(501,328)	(1,501,328)
Cash flows from financing activities			
Members capital contribution	—	500,000	500,000
Share purchase advance received	2,530,738	25,000	1,399,944
Finance income	5,734	5,605	9,272
Finance costs	(5,480)	(16,509)	(51,934)
Other income	9,569	—	1,788
Issuance of convertible debt	—	—	275,000
Loans received/(repaid)	(4,799)	108,293	97,723
Net cash flows from financing activities	2,535,762	622,389	2,231,793
Net (decrease)/increase in cash and cash equivalents	38,969	(480,377)	(504,778)
Cash and cash equivalents at beginning of period	(13,780)	490,998	490,998
Cash and cash equivalents at end of period	25,189	10,621	(13,780)

The notes numbered 1 to 5 are an integral part of the interim financial information

Notes (forming part of the interim financial information)

1. Summary of significant accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial information.

Basis of preparation

This interim consolidated financial information is for the six months ended 30 June 2010 and has been prepared in accordance with International Accounting Standard 34 “Interim Financial Statements”. The accounting policies applied are consistent with International Financial Reporting Standards (IFRS) adopted for use by the European Union. The accounting policies and methods of computation used in the interim consolidated financial information are consistent with those expected to be applied for the year ended 31 December 2010.

The interim results for the six months ended 30 June 2010 are not necessarily indicative of the results to be expected for the full year ended 31 December 2010.

On 1 September 2009 the activities of PowerHouse Energy LLC were transferred to PowerHouse Energy, Inc. The financial information has been prepared in manner which presents the results, financial position and cash flows for the business throughout the periods reported as if the business had been operated as a single entity throughout the reporting period and as such does not include any fair value adjustments which may have been necessary at the date of transfer.

The Company has estimated the percentage of completion on its uncompleted customer contracts which determines the amount of revenue and cost of sales reported. The Company estimates the percentage of completion by comparing the cost incurred on a project compared to its total estimated cost.

Provisions require management estimates and judgments. Provision has been made against certain loan notes receivable due to substantial doubt about its collectability.

The Company’s management reviews, at least annually, its investments for impairment. It evaluates a wide range of assumptions and circumstances for this evaluation including recent information such as the progress of a project, the current value of underlying technology and whether an asset continues to be operational.

This interim financial information is the responsibility of and has been approved by the directors.

The directors continue to believe that the going concern basis of presentation remains appropriate based upon its belief of the Company’s ability to realise profit from the sale of its products and to raise capital from investors.

Functional and presentational currency

This interim financial information is presented in US dollars which is the Company’s functional currency. All financial information presented is rounded to the nearest US dollar.

Seasonality

The Company’s business is not subject to any consistent seasonal fluctuations.

2. Other non current assets

During the period the company paid an additional \$1,900,000 to Pyromex AG in respect of the agreement to purchase an equity interest in Pyromex AG for a total of \$4,000,000. Under the terms of the agreement the shares are not issued until all monies due have been paid and amounts paid are classed as non-interest bearing loans. As at 30 June 2010 the total amount recognised as a loan to Pyromex AG was \$2,900,000. Subsequent to 30 June the balance of the monies was paid and the loan converted into 1,200 shares in Pyromex AG, representing 30% of the issued share capital.

During the period the company also paid \$113,000 to finance a waste to energy project. The company has received a 10% equity stake and will receive an additional 40% stake upon the payment of an additional \$192,000 which is due when a definitive agreement with a customer is signed.

3. Preferred stock

On March 31, 2010 an outstanding convertible loan of \$275,000 was converted into 45,298 shares of Series A preferred stock ("Series A"). Each share of Series A is convertible into one share of common stock. Series A is to be automatically converted to common stock upon the earlier of: i) after the holder of Series A has received total dividends equal to the amount invested; ii) a public listing of the Company's securities. Series A preferred stock is entitled to certain preferences including a right to receive a minimum annual dividend of \$3,000 for each \$25,000 investment until each holder has received a total dividend equal to the investment, a right to one vote per share equal to common stock, anti-dilution protection if any future preferred stock is issued by the Company at a price lower than Series A, standard and unlimited piggyback registration rights and standard information and tag-along rights.

In accordance with IAS 32 – Financial Instruments, the preference shares are considered a liability rather than equity as there is a contractual obligation to deliver cash by a guaranteed minimum annual dividend. Therefore the preference shares are reported within *Trade and other payables* in this interim financial information.

4. Related party transactions

As at 30 June 2010 the following balances were due to related parties:

	30 June 2010 US\$	31 December 2009 US\$
Amounts due to key management	555,143	354,457
Loans due to key management (at 5% annual interest)	226,355	226,355
Amounts to ERL (see below)	3,930,682	1,399,944
	297,482	1,980,756

The balance due to ERL at 30 June 2010 of \$3,930,682 had been advanced under an agreement to purchase common stock in the Company. As all amounts due under the agreement had not been received at the 30 June 2010 the Company was not required to issue the stock, and as such the balance is included as a liability. Subsequent to 30 June 2010 additional payments were received from the related party and the Company issued 2,593,841 common shares valued at \$3,995,020 (Note 5).

5. Events after the balance sheet date

On 29 July 2010 the Company entered into a loan agreement with a related party for \$1,700,000 originally repayable on 30 November 2010. The loan was secured against the Company's shareholding in Pyromex AG and bears interest at 10 per cent. per annum. The loan was repaid on 15 March 2011 along with interest and penalties, the total amount repaid being \$2,035,892, and the security over the shareholding in Pyromex AG was released.

In August 2010 the Company issued 2,593,841 shares of common stock to ERL. The Company received \$3,995,020 from the related party in connection with this purchase. In December 2010 ERL invested \$600,000 into the Company and was issued with 72,273 shares of common stock.

On 9 August 2010 the Company paid to Pyromex AG the final installment of the \$4,000,000 required to acquire a 30 per cent. equity interest in Pyromex AG. Subsequent to 30 June 2010 the balance advance to Pyromex AG, historically recognised as a loan within "Other Non Current Assets", was converted into 1,200 common shares in Pyromex AG representing 30 per cent. of Pyromex AG's issued share capital.

In January 2011 PowerHouse was granted a call option to acquire up to 21 per cent. of Pyromex's share capital. The first tranche of 1.8 per cent. of Pyromex's share capital must be exercised by 30 June 2011 and the second tranche, which is conditional upon the exercise of the first tranche, may be exercised on or before 30 June 2012.

In December 2010 and March 2011 ERL subscribed for a further 505,914 shares, settlement for which included a cash consideration of US\$2,850,000.

In March 2011 Linc Energy Ltd, a company quoted on the Australian Stock Exchange, invested \$6,000,000 into PowerHouse and was issued with 819,576 shares of common stock. Since December 2010 there have been additional investments from five new investors into PowerHouse which amounted to a total of \$1,550,000 and for which 191,957 shares of common stock have been issued, with none of these new investors holding more than 3 per cent. of the issued share capital of PowerHouse.

Between November 2010 and March 2011 ERL was reimbursed for expenses incurred on behalf of the Company and was repaid \$1,200,000. These direct expenses incurred by the related party in raising funds for the Company and business development activity.

PART VI

Additional information

1. Responsibility

- 1.1 The Company, the Directors and the Proposed Directors accept responsibility, both individually and collectively, for the information contained in this document and confirm that to the best of their knowledge and belief (having taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.2 Each member of the Principal Concert Party accepts responsibility for the information contained in this document relating to himself and to the best of their knowledge and belief (who having taken all reasonable care to ensure that such is the case), the information contained in this document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.3 Each member of the Executive Concert Party accepts responsibility for the information contained in this document relating to himself and to the best of their knowledge and belief (who having taken all reasonable care to ensure that such is the case), the information contained in this document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.4 The directors of ERL accept responsibility for the information contained in this document relating to ERL and to the best of their knowledge and belief (having taken all reasonable care to ensure that such is the case), the information contained in this document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.5 The directors of PowerHouse accept responsibility for the information contained in this document relating to PowerHouse and to the best of their knowledge and belief (having taken all reasonable care to ensure that such is the case), the information contained in this document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. The Company and its subsidiaries

- 2.1 The Company was incorporated in England and Wales on 28 February 2000 as a private limited company under the Companies Act 1985, with registered number 3934451. On 22 June 2000 the Company was re-registered as a public limited company. The liability of the members of the Company is limited.
- 2.2 The registered office and principal place of business of the Company is Meriden House, 6 Great Cornbow, Halesowen, West Midlands B63 3AB. The principal place of business of the Company is 2nd Floor, Berkeley Square House, Berkeley Square, London W1J 6BD.
- 2.3 The principal legislation under which the Company operates is the Act and the regulations made thereunder. The Ordinary Shares have been created pursuant to the Act.
- 2.4 On Admission, the Company will be the holding company of the Enlarged Group and will, directly or indirectly, own or hold an investment interest in the following companies:
 - 2.4.1 PowerHouse Energy, Inc., which was registered in California as a corporation and registered under number C3190913. On Admission it will be a wholly owned subsidiary of the Company;
 - 2.4.2 PowerHouse Energy Group Limited which was registered in England and registered under number 07153153, as a private limited company. It is wholly owned by Bidtimes.

- 2.4.3 PowerHouse Energy Africa Limited which was registered in Nigeria and is owned as to 45 per cent. by PowerHouse.
- 2.4.4 PowerHouse EnergyAustralia Pty Ltd which was registered in Australia and is owned as to 25 per cent. by PowerHouse.
- 2.4.5 PowerHouse Energy De Mexico which was registered in Mexico and is owned as to 20 per cent. by PowerHouse.
- 2.4.6 United Renewable Energy LLC which was formed as a limited liability company under the laws of the State of Idaho with a file number W92688. It is owned as to 49 per cent. by PowerHouse and 51 per cent. by PAC LLC.
- 2.4.7 Pyromex Holdings AG which was registered in Switzerland and is owned 30 per cent. by PowerHouse.

3. Share Capital

- 3.1 The authorised and issued share capital of the Company at the date of this document and immediately following Admission assuming passing of the Resolutions are as follows:

	As at the date of this document		On Admission	
	Number	Nominal value	Number	Nominal value
Authorised Share Capital*	261,011,816	£2,000,000	—	—
Issued Existing Ordinary Shares **	97,375,523	£486,877.62	—	—
Issued Existing Deferred Shares	17,373,523	£781,808.54	17,373,523	£781,808.54
Issued New Ordinary Shares	—	—	283,670,473	2,836,704.73
Issued New Deferred Shares	—	—	9,737,552	£389,502.08

* As permitted by the Act and subject to the passing of Resolution 8 at the General Meeting the Company will cease to have an authorised share capital.

** Prior to the Capital Reorganisation there were 97,375,523 Ordinary Shares in issue. Assuming the Capital Reorganisation is approved at the General Meeting, there will be 9,737,552 New Ordinary Shares in issue.

- 3.2 At the date of its incorporation, the authorised share capital of the Company was £1,000 divided into 1,000 ordinary shares of £1 each, of which one subscriber share was in issue, fully paid.
- 3.3 On 19 June 2000, each ordinary share of £1 was subdivided into 20 ordinary shares of 5p each. On 19 June 2000, the authorised share capital of the Company was increased from £1,000, to £400,000 by the creation of a further 7,980,000 ordinary shares of 5p each.
- 3.4 On 8 December 2006, each ordinary share of 5p was subdivided into one Existing Ordinary Share of 0.5p and one Existing Deferred Share of 4.5p each.
- 3.5 During the period covered by the Company's historic financial information in Part III of this document, the only change to the Company's share capital was on 1 July 2008 when 80,000,000 New Ordinary Shares were issued at a price of 0.55p per share.

- 3.6 Save as disclosed in paragraphs 11.1.2 and 11.1.3 of this Part VI, the following 3,000,000 Existing Ordinary Shares are held under option. Information on the Share Option Scheme is set out in paragraph 10 of this Part VI.

Name	Share Option Plan	Number of Existing Ordinary Shares held under option	Date of grant	Exercise price
Richard Griffiths	Agreement dated 6 June 2008	1,000,000	6 June 2008	500,000 exercisable at 1p and 500,000 exercisable at 2p
Julian Moore	Agreement dated 6 June 2008	1,000,000	6 June 2008	500,000 exercisable at 1p and 500,000 exercisable at 2p
Ocean Park Developments Limited	Agreement dated 6 June 2008	1,000,000	6 June 2008	500,000 exercisable at 1p and 500,000 exercisable at 2p

- 3.7 Save as referred to in this paragraph 3 and in paragraph 10 and 11, no share or loan capital of the Company is under option or has been agreed, conditionally or unconditionally, to be put under option.
- 3.8 It is proposed that:
- 3.8.1 under the terms of the Acquisition, the Consideration Shares will be issued credited as fully paid to the Vendors; and
- 3.8.2 the Warrants will be issued to Shareholders at 31 March 2011 on the basis of one Warrant per New Ordinary Share held.
- 3.9 The Consideration Shares will rank *pari passu* in all respects with the New Ordinary Shares including the right to receive all dividends and other distributions declared, made or paid after Admission on the issued share capital.
- 3.10 Save as set out in this paragraph 3, the Company does not have any securities in issue not representing the share capital.
- 3.11 No shares in the capital of the Company are held by or on behalf of the Company or by any subsidiaries in the Company.
- 3.12 There are no acquisition rights or obligations over authorised but unissued capital or undertakings to increase the capital of the Company.
- 3.13 Except as set out in this document, there are no convertible, exchangeable securities or securities with warrants in the Company.

4. Memorandum and Current Articles

- 4.1 The objects for which the Company was established are to carry on business as a general commercial company.

The rights attaching to the Ordinary Shares, as set out in the Current Articles, contain, amongst others, the following provisions:

Votes of members

- 4.2 Subject to any special terms as to voting or to which any shares may have been issued or, no shares having been issued subject to any special terms, on a show of hands every member who being an individual is present in person or, being a corporation is present by a duly authorised representative, has one vote, and on a poll every member has one vote for every share of which he is the holder.
- 4.3 Unless the Directors determine otherwise, a member of the Company is not entitled in respect of any shares held by him to vote at any general meeting of the Company if any amounts payable by him in respect of those shares have not been paid or if the member has a holding of at least 0.25 per cent. of any class of shares of the Company and has failed to comply with a notice under section 212 Companies Act 1985.

Pre-emption rights of Shareholders

- 4.4 New Ordinary Shares are to be issued on a pre-emptive basis except to the extent that Shareholders disapply pre-emption rights by special resolution (as is proposed at the General Meeting).

Variation of rights

- 4.5 Subject to the provisions of Companies Act 1985, if at any time the capital of the Company is divided into different classes of shares, the rights attached to any class may be varied or abrogated with the consent in writing of the holders of at least three fourths in nominal value of that class or with the sanction of an extraordinary resolution passed at a separate meeting of the holders of that class but not otherwise. The quorum at any such meeting is two or more persons holding, or representing by proxy, at least one third in nominal value of the issued shares in question.

Transfer of shares

- 4.6 Subject to the provisions of the articles relating to CREST, all transfers of shares will be effected in the manner authorised by the Stock Transfer Act 1963 and must be signed by or on behalf of the transferor and, in the case of a partly paid share, by or on behalf of the transferee. The transferor is deemed to remain the holder of the share until the name of the transferee is entered in the register of members in respect of it.
- 4.7 The Directors may, in their absolute discretion and without assigning any reason, refuse to register the transfer of a share in certificated form if it is not fully paid or if the Company has a lien on it, or if it is not duly stamped, or if it is by a member who has a holding of at least 0.25 per cent. of any class of shares of the Company and has failed to comply with a section 212 notice.
- 4.8 The articles of association contain no restrictions on the free transferability of fully paid ordinary shares provided that the transfers are in favour of not more than four transferees, the transfers are in respect of only one class of share and the provisions in the articles of association, if any, relating to registration of transfers have been complied with.

Payment of dividends

- 4.9 Subject to the provisions of Companies Act 1985 and to any special rights attaching to any shares, the Shareholders are to distribute amongst themselves the profits of the Company according to the amounts paid up on the shares held by them, provided that no dividend will be declared in

excess of the amount recommended by the Directors. A member will not be entitled to receive any dividend if he has a holding of at least 0.25 per cent. of any class of shares of the Company and has failed to comply with a section 212 notice. Interim dividends may be paid if profits are available for distribution and if the Directors so resolve.

Unclaimed dividends

4.10 Any dividend unclaimed after a period of 12 years from the date of its declaration will be forfeited and will revert to the Company.

Untraced Shareholders

4.11 The Company may sell any share if, during a period of 12 years, at least three dividends in respect of such shares have been paid, no cheque or warrant in respect of any such dividend has been cashed and no communication has been received by the Company from the relevant member. The Company must advertise its intention to sell any such share in both a national daily newspaper and in a newspaper circulating in the area of the last known address to which cheques or warrants were sent. Notice of the intention to sell must also be given to the London Stock Exchange.

Return of capital

4.12 On a winding-up of the Company, the balance of the assets available for distribution will, subject to any sanction required by Companies Act 1985, be divided amongst the members. On a return of capital, the Deferred Shares will have the right to receive the amount paid up on the shares after the holders of Ordinary Shares have received the amount paid up on each shares plus £100 per share.

Borrowing powers

4.13 Subject to the provisions of Companies Act 1985, the Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and assets, including its uncalled or unpaid capital, and to issue debentures and other securities and to give guarantees.

4.14 The Directors must restrict the borrowing of the Company and exercise all voting and other rights and powers of control exercisable by the Company in relation to subsidiary companies, if any, so as to secure, as regards subsidiary companies so far as by such exercise they can secure, that the aggregate amount for the time being remaining outstanding of all money borrowed by the Company and its subsidiaries, if any, and for the time being owing to persons outside the Company and its subsidiaries does not at any time, without the previous sanction of an ordinary resolution of the Company, exceed an amount equal to two times the adjusted share capital and consolidated reserves of the Company.

Directors

4.15 No shareholding qualification is required by a Director.

4.16 The Directors are entitled to fees at the rate decided by them, subject to an aggregate limit of £100,000 per annum for non executive directors or such additional sums as the Company may by ordinary resolution determine. Any fee will be in addition to or in lieu of any remuneration payable to a director as Board determines by reason of his appointment to executive office. The Company may by ordinary resolution also vote extra fees to the Directors which, unless otherwise directed by the resolution by which it is voted, will be divided amongst the Directors as they agree, or failing agreement, equally. The Directors are also entitled to be repaid all travelling, hotel and other expenses incurred by them in connection with the business of the Company.

4.17 At every annual general meeting, one third of the Directors who are subject to retirement by rotation, or as near to it as may be, will retire from office. A retiring Director is eligible for reappointment.

- 4.18 The Directors may from time to time appoint one or more of their body to be the holder of an executive office on such terms as they think fit.
- 4.19 Except as provided in paragraphs 4.19 and 4.20 below, a Director may not vote or be counted in the quorum present on any motion in regard to any contract, transaction, arrangement or any other proposal in which he has any material interest, which includes the interest of any person connected with him, otherwise than by virtue of his interests in shares or debentures or other securities of or otherwise in or through the Company. Subject to Companies Act 1985, the Company may by ordinary resolution suspend or relax this provision to any extent or ratify any transaction not duly authorised by reason of a contravention of it.
- 4.20 In the absence of some other material interest than is indicated below, a Director is entitled to vote and be counted in the quorum in respect of any resolution concerning any of the following matters:
- 4.20.1 the giving of any security, guarantee or indemnity to him in respect of money lent or obligations incurred by him or by any other person at the request of or for the benefit of the Company or any of its subsidiaries;
 - 4.20.2 any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiaries for subscription or purchase in which offer he is or is to be interested as a participant in its underwriting or sub-underwriting;
 - 4.20.3 any contract, arrangement, transaction or other proposal concerning any other company in which he and persons connected with him do not, to his knowledge, have any interest representing one per cent. or more of its equity share capital or voting rights;
 - 4.20.4 any contract, arrangement, transaction or other proposal for the benefit of employees of the Company or any of its subsidiaries and which does not award to any Director any privilege or advantage not generally accorded to the employees to whom such a scheme relates; and
 - 4.20.5 any contract, arrangement, transaction or proposal concerning insurance which the Company proposed to maintain or purchase for the benefit of Directors or for the benefit or persons including the Directors.
- 4.21 If any question arises at any meeting as to the materiality of a Director's interest or as to the entitlement of any Director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question must be referred to the chairman of the meeting and his ruling in relation to any other Director will be final and conclusive except in a case where the nature or extent of the interest of such Director has not been fully disclosed.
- 4.22 The Directors may provide or pay pensions, annuities, gratuities and superannuation or other allowances or benefits to any Director, ex-Director, employee or ex-employee of the Company or any of its subsidiaries or any wife, widow, children and other relatives and dependants of any such Director, ex-Director, employee or ex-employee.

CREST

- 4.23 The Directors may implement such arrangements as they think fit in order for any class of shares to be held in uncertificated form and for title to those shares to be transferred by means of a system such as CREST in accordance with the Uncertificated Securities Regulations 2001 and the Company will not be required to issue a certificate to any person holding such shares in uncertificated form.

Disclosure notice

- 4.24 The Company may by notice in writing require a person whom the Company knows or has reasonable cause to believe to be or, at any time during the three years immediately preceding the date on which the notice is issued, to have been interested in shares comprised in the Company's relevant share capital:

- 4.24.1 to confirm that fact or (as the case may be) to indicate whether or not it is the case; and
- 4.24.2 where he holds or has during that time held an interest in shares so comprised, to give such further information as may be required in the notice.

General meetings

- 4.25 An annual general meeting and an extraordinary general meeting for the passing of a special resolution must be called by at least 21 days' notice, and all other general meetings must be called by at least 14 days' notice.
- 4.26 Notices must be given in the manner stated in the articles to the members, other than those who under the provisions of the articles or under the rights attached to the shares held by them are not entitled to receive the notice, and to the auditors.
- 4.27 No business may be transacted at any general meeting unless a quorum is present which will be constituted by two persons entitled to vote at the meeting each being a member or a proxy for a member or a representative of a corporation which is a member. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened on the requisition of, or by, members, will be dissolved.
- 4.28 At a general meeting a resolution put to the vote will be decided on a show of hands unless, before or on the declaration of the show of hands, a poll is demanded by the chairman or by at least five members present in person or by proxy and entitled to vote or by a member or members entitled to vote and holding or representing by proxy at least one tenth of the total voting rights of all the members having the right to vote at the meeting. Unless a poll is demanded as above, a declaration by the chairman that a resolution has been carried, or carried unanimously or by a particular majority, or lost, or not carried by a particular majority, and an entry to that effect in the book containing the minutes of the proceedings of general meetings of the Company is conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
- 4.29 No member shall be entitled to vote at any general meeting either personally or by proxy or to exercise any privilege as a member, unless all calls or other sums presently payable to him in respect of shares in the Company have been paid.
- 4.30 The instrument appointing a proxy must be in writing in any usual or common form, or such other form as may be approved by the Directors, and will be signed by the appointor or by his agent duly authorised in writing or if the appointor is a corporation, must be either under its common seal or signed by an officer or agent so authorised. The Directors may, but will not be bound to, require evidence of authority of such officer or agent. An instrument of proxy need not be witnessed.
- 4.31 The proxy will be deemed to include the right to demand or join in demanding a poll and generally to act at the meeting for the member giving the proxy.
- 4.32 The Directors may direct that members or proxies wishing to attend any general meeting must submit to such searches or other security arrangements or restrictions as the Directors consider appropriate in the circumstances and may, in their absolute discretion, refuse entry to, or eject from, such general meeting any member or proxy who fails to submit to such searches or otherwise to comply with such security arrangements or restrictions.

Electronic communication

- 4.33 The Articles of Association provide that notices and other documents may be sent by the Company to, and received from, shareholders by electronic communication, subject to certain conditions, in addition to other methods of communication. Documents may also be made available to shareholders on a website.

Other relevant laws and regulations

4.34 Disclosure of interests in shares

A shareholder in a public company incorporated in the UK whose shares are admitted to trading on AIM is required pursuant to rule 5 of the Disclosure and Transparency Rules to notify the Company of the percentage of his voting rights if the percentage of voting rights which he holds as a shareholder or through his direct or indirect holding of financial instruments reaches, exceeds or falls below certain thresholds.

Pursuant to Part 22 of the Act and the Articles, the Company is empowered by notice in writing to require any person whom the Company knows, or has reasonable cause to believe to be or, at any time during the three years immediately preceding the date on which the notice is issued, within a reasonable time to disclose to the Company particulars of any interests, rights, agreements or arrangements affecting any of the shares held by that person or in which such other person as aforesaid is interested.

5. New Articles

At the General Meeting Resolution 8 will be proposed to adopt the New Articles. The main differences between the Current Article and the New Articles are set out below.

5.1 Articles which duplicate statutory provisions

Provisions in the current Articles of Association which replicate provisions contained in the Act are in the main amended to bring them into line with the Act. Certain examples of such provisions include provisions as to the form of resolutions, the variation of class rights, and provisions regarding the period of notice required to convene general meetings. The main changes made to reflect this approach are detailed below.

5.2 The Company's objects

The provisions regulating the operations of the Company are currently set out in the Company's memorandum and articles of association. The Company's memorandum contains, among other things, the objects clause which sets out the scope of the activities the Company is authorised to undertake. This is drafted to give a wide scope.

The Companies Act 2006 significantly reduces the constitutional significance of a company's memorandum. The Companies Act 2006 provides that a memorandum will record only the names of subscribers and the number of shares each subscriber has agreed to take in the company. Under the Companies Act 2006 the objects clause and all other provisions which are contained in a company's memorandum, for existing companies at 1 October 2009, are deemed to be contained in the company's articles of association but the company can remove these provisions by special resolution.

Further the Companies Act 2006 states that unless a company's articles provide otherwise, a company's objects are unrestricted. This abolishes the need for companies to have objects clauses. For this reason at the General Meeting the Company is proposing to remove its objects clause together with all other provisions of its memorandum which, by virtue of the Companies Act 2006, are treated as forming part of the Company's articles of association as of 1 October 2009. Resolution 8 confirms the removal of these provisions for the Company. As the effect of this resolution will be to remove the statement currently in the Company's memorandum of association regarding limited liability, the New Articles also contain an express statement regarding the limited liability of shareholders.

5.3 Authorised share capital and unissued shares

The Companies Act 2006 abolishes the requirement for a company to have an authorised share capital and the New Articles reflect this. The Directors will still be limited as to the number of shares they can at any time allot because allotment authority continues to be required under the Companies Act 2006, except in respect of employee share schemes.

5.4 Redeemable shares

Under the Companies Act 1985, if a company wished to issue redeemable shares, it had to include in its articles the terms and manner of redemption. The Companies Act 2006 enables directors to determine such matters instead provided they are so authorised by the articles. The New Articles contain such an authorisation. The Company has no plans to issue redeemable shares but if it did so the directors would need shareholders' authority to issue new shares in the usual way.

5.5 Authority to purchase own shares, consolidate and sub-divide shares, and reduce share capital

Under the Companies Act 1985, a company required specific enabling provisions in its articles to purchase its own shares, to consolidate or sub-divide its shares and to reduce its share capital or other undistributable reserves as well as shareholder authority to undertake the relevant action. The Current Articles include these enabling provisions. Under the Companies Act 2006 a company will only require shareholder authority to do any of these things and it will no longer be necessary for articles to contain enabling provisions. Accordingly the relevant enabling provisions have been removed in the New Articles.

5.6 Suspension of registration of share transfers

The Current Articles permit the directors to suspend the registration of transfers. Under the Companies Act 2006 share transfers must be registered as soon as practicable. The power in the Current Articles to suspend the registration of transfers is inconsistent with this requirement. Accordingly, this power has been removed in the New Articles.

5.7 Form of resolution

The current Articles of Association contain a provision that, where for any purpose an ordinary resolution is required, a special or extraordinary resolution is also effective and that, where an extraordinary resolution is required, a special resolution is also effective. This provision is being amended as the concept of extraordinary resolutions has not been retained under the Act.

5.8 Variation of class rights

The current Articles of Association contain provisions regarding the variation of class rights. The proceedings and specific quorum requirements for a meeting convened to vary class rights are contained in the Act. The relevant provisions have therefore been removed in the proposed new Articles of Association.

5.9 Convening extraordinary and annual general meetings

The provisions in the Current Articles dealing with the convening of general meetings and the length of notice required to convene general meetings are being removed in the New Articles because the relevant matters are provided for in the Companies Act 2006. In particular an extraordinary general meeting to consider a special resolution can be convened on 14 days' notice whereas previously 21 days' notice was required. The Shareholders' Rights Regulations, however, requires all meetings to be held on 21 days notice unless shareholders are offered an electronic voting facility and agree by special resolution to a shorter notice period (of not less than 14 days). This is the purpose of Resolution 9. Annual general meetings will continue to be held on at least 21 clear days' notice.

5.10 Votes of members

Under the Companies Act 2006 proxies are entitled to vote on a show of hands whereas under the Current Articles proxies are only entitled to vote on a poll.

The Shareholders' Rights Regulations have amended the Companies Act 2006 so that it now provides that each proxy appointed by a member has a vote on a show of hands unless the proxy is appointed by more than one member in which case the proxy has a vote for and a vote against if the proxy has been instructed by one or more members to vote for the resolution and by one or more members to vote against the resolution.

The time limits for the appointment or termination of a proxy appointment have been altered by the Companies Act 2006 so that the articles cannot provide that they should be received more than 48 hours before the meeting or in the case of a poll taken more than 48 hours after the meeting, more than 24 hours before the time for the taking of a poll, with weekends and bank holidays being permitted to be excluded for this purpose.

Multiple proxies may be appointed provided that each proxy is appointed to exercise the rights attached to a different share held by the shareholder. Multiple corporate representatives may be appointed and under the Shareholders' Rights Regulations multiple representatives appointed by the same corporate member may vote in different ways on a show of hands and a poll.

The New Articles reflect all of these new provisions.

5.11 Age of directors on appointment

The current Articles of Association contain a provision requiring a director's age to be disclosed if he has attained the age of 70 years or more in the notice convening a meeting at which the director is proposed to be appointed or re-appointed. Such provision could now fall foul of the Employment Equality (Age) Regulations 2006 and so has been removed from the proposed new Articles of Association.

5.12 Conflicts of interest

The Act sets out directors' general duties which largely codify the existing law but with some changes. Under the Act, from 1 October 2008 a director must avoid a situation where he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict with the company's interests. The requirement is very broad and could apply, for example, if a director becomes a director of another company or a trustee of another organisation. The Act allows directors of public companies to authorise conflicts and potential conflicts, where appropriate, where the articles of association contain a provision to this effect. The Act also allows the articles of association to contain other provisions for dealing with directors' conflicts of interest to avoid a breach of duty. The proposed new Articles of Association give the directors authority to approve such situations and to include other provisions to allow conflicts of interest to be dealt with in a similar way to the current position.

There are safeguards which will apply when directors decide whether to authorise a conflict or potential conflict. First, only directors who have no interest in the matter being considered will be able to take the relevant decision, and secondly, in taking the decision the directors must act in a way they consider, in good faith, will be most likely to promote the company's success. The directors will be able to impose limits or conditions when giving authorisation if they think this is appropriate. It is also proposed that the proposed new Articles of Association should contain provisions relating to confidential information and attendance at board meetings to protect a director being in breach of duty if a conflict of interest or potential conflict of interest arises. These provisions will only apply where the position giving rise to the potential conflict has previously been authorised by the directors.

5.13 Notice of board meetings

Under the current Articles of Association, when a director is abroad it is not necessary to serve notice on him of directors' meetings (but an alternate director can be appointed in his place). This provision has been amended as modern communications mean that there may be no particular obstacle to giving notice to a director who is abroad. It has been replaced with a more general provision that it shall not be necessary to serve a director with notice of a meeting when he is not in the United Kingdom unless he supplies the Company with the information necessary to ensure that he receives notice of a meeting before it takes place. Notice to directors of Board meetings may now also be given by e-mail at an e-mail address provided to the Company by that director.

5.14 Distribution of assets otherwise than in cash

The Articles contain provisions dealing with the distribution of assets in kind in the event of the Company going into liquidation. These provisions have been removed in the new articles of

association on the grounds that a provision about the powers of liquidators is a matter for insolvency law rather than the articles and that the Insolvency Act 1986 confers powers on the liquidator which would enable it to do what is envisaged by the Articles.

5.15 Directors' indemnities and loans to fund expenditure

The Act has in some areas widened the scope of the powers of a company to indemnify directors and to fund expenditure incurred in connection with certain actions against directors. In particular, a company that is a trustee of an occupational pension scheme can now indemnify a director against liability incurred in connection with the company's activities as trustee of the scheme. In addition, the existing exemption allowing a company to provide money for the purpose of funding a director's defence in court proceedings now expressly covers regulatory proceedings and applies to associated companies.

5.16 Change of name

Under the Companies Act 1985, a company could only change its name by special resolution. Under the Companies Act 2006 a company will be able to change its name by other means provided for by its articles. To take advantage of this provision, the New Articles enable the directors to pass a resolution to change the Company's name.

6. Directors' and other's interests

6.1 The interests of the New Board and the persons connected with them (within the meaning of section 252-254 of the Act) in the share capital of the Company as at the date of this document (which have been notified to the Company pursuant Chapter 3 of the Disclosure Rules and Transparency Rules or could, with reasonable diligence, be ascertained by the Directors and Proposed Directors) and as they are expected to be immediately following Admission are as follows:

	As at the date of this document		On Admission	
	Number of Ordinary Shares	Percentage of Issued Ordinary Share Capital	Number of New Ordinary Shares	Percentage of Enlarged Issued Ordinary Share Capital
Anthony Brennan*	5,000,000	5.15	500,000	0.18
Brent Fitzpatrick	1,034,599	1.06	103,459	0.04
Julian Moore	—	—	437,500	0.15
David Moard	—	—	58,031,989	20.46
Ross Lyndon-James	—	—	—	—
James Greenstreet**	—	—	—	—

* These shares are held by Wall Street Nominees Pty Ltd as trustee for the Brennan Superannuation Fund, in which Mr Brennan has a financial interest.

** It is intended that following Admission, James Greenstreet will be issued with options over 2,789,265 New Ordinary Shares to be granted at the prevailing market price on the date of grant.

6.2 Save as disclosed above, the Directors and Proposed Directors are not aware of any interests of persons connected with them which would, if such connected person were a Director, be required to be notified to the Company pursuant to Chapter 3 of the Disclosure Rules and Transparency Rules and would be required to be entered in the register of directors' interests pursuant to section 809 of the Act.

- 6.3 So far as the Directors and Proposed Directors are aware, the following persons (other than as disclosed in paragraph 6.1 above) are or will be directly or indirectly interested (beneficial unless otherwise disclosed) in three per cent. or more of the issued share capital of the Company as at the date of this document and on Admission:

	As at the date of this document		On Admission	
	Number of Ordinary Shares	Percentage of Issued Ordinary Share Capital	Number of New Ordinary Shares	Percentage of Enlarged Issued Ordinary Share Capital
ERL	—	—	141,300,043	49.81
Linc Energy	—	—	28,350,000	10.00
Credal Trust Management Limited	—	—	10,000,000	3.53
Thomas McMahon	—	—	26,340,017	9.29

- 6.4 Save as disclosed in paragraphs 6.1 and 6.3 above, the Directors and Proposed Directors are not aware of any interest (within the meaning of Part 22 of the Act) in the Company's ordinary share capital which, at the date of this document and/or immediately on Admission, would amount to three per cent. or more of the Company's issued ordinary share capital.
- 6.5 The Company's significant shareholders do not have and on Admission will not have different voting rights to the Company's other shareholders.
- 6.6 As at 30 March 2011 (being the latest practicable date prior to publication of this document) and save as disclosed in this paragraph 6, the Directors and the Proposed Directors are not aware of any person or persons who, directly or indirectly, jointly or severally, own or exercise or could own or exercise control over the Company.
- 6.7 Save as disclosed in this document in respect of the Vendors, the Company is not aware of any arrangements which may at a subsequent date result in a change of control in the Company.
- 6.8 There are no mandatory takeover bids outstanding in respect of the Company and none has been made either in the last financial year or the current financial year of the Company. No public takeover bids have been made by third parties in respect of the Company's issued share capital in the current financial year nor in the last financial year.
- 6.9 Save as set out in this paragraph 6, following Admission neither the Directors nor the Proposed Directors nor any person connected with the Directors or Proposed Directors (within the meaning of section 809 of the Act) is expected to have any interest, beneficial or non-beneficial, in the share or loan capital of the Company.
- 6.10 Save as disclosed in this document, none of the Directors nor any of the Proposed Directors have any interest, direct or indirect, in any assets which have been or are proposed to be acquired or disposed of by, or leased to, the Company and no contract or arrangement exists in which a Director or Proposed Director is materially interested and which is significant in relation to the business of the Enlarged Group.
- 6.11 There are no outstanding loans granted by the Company to any of the Directors, nor are there any guarantees provided by the Company for their benefit.
- 6.12 Save as disclosed in this paragraph 6, none of the Directors nor any of the Proposed Directors has any interest, whether direct or indirect, in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company taken as a whole and which was effected by the Company since its incorporation and which remains in any respect outstanding or unperformed.
- 6.13 Neither the Directors nor the Proposed Directors, nor any member of their respective families, has a related financial product (as defined in the AIM Rules) referenced to the Ordinary Shares.

7. Information required by the Code:

Shareholdings, arrangements and dealings:

- 7.1 No member of the Principal Concert Party or of the Executive Concert Party nor any member of their immediate families or persons connected with them, nor any director of any member of the Principal Concert Party or of the Executive Concert Party, nor any person who has a dealing arrangement with any member of the Principal Concert Party or the Executive Concert Party in accordance with Note 11 on the definition of Acting in Concert as defined in the Code nor any connected persons (as defined below), nor any person acting in concert with such persons, owns or controls, or has borrowed or lent, or is interested in, or has any right to subscribe for, or any arrangement concerning, directly or indirectly, any of the Company's relevant securities, nor has any such person dealt for value therein during the disclosure period or has any short position (whether conditional or absolute and whether in the money or otherwise), including a short position under a derivative or right to require any person to take delivery of any of the Company's relevant securities.
- 7.2 Save as disclosed in paragraph 6.1 above, none of the Directors, their immediate families or persons connected with them, nor any person who has a dealing arrangement with any member of either the Principal Concert Party or the Executive Concert Party in accordance with Note 11 on the definition of Acting in Concert as defined in the Code, owns or controls or is interested in, or has any right to subscribe for, or any arrangement concerning, directly or indirectly, any of the Company's shares or relevant securities convertible into shares or rights to subscribe for the Company's shares, options, including traded options, in respect of them and derivatives referenced to them nor has any such person dealt for value in them during the disclosure period or has any short position or right to require any person to take delivery of any of the Company's shares.
- 7.3 Julian Moore holds, through Headstream Capital Limited, 12,648 Shares in PowerHouse, which were issued on 28 March 2011 in satisfaction of a liquidated sum at a price of \$10.38 per Share. Save as disclosed in this paragraph, neither the Company nor any of the Directors, their immediate families or persons connected with them, nor any person who has a dealing arrangement with any member of either the Principal Concert Party or the Executive Concert Party in accordance with Note 11 on the definition of Acting in Concert as defined in the Code, owns or controls or is interested in, or has any right to subscribe for, or any arrangement concerning, directly or indirectly, any of the relevant PowerHouse securities convertible into shares or rights to subscribe for the relevant PowerHouse securities, options, including traded options, in respect of them and derivatives referenced to them nor has any such person dealt for value in them during the disclosure period or has any PowerHouse short position or right to require any person to take delivery of any of the relevant PowerHouse securities.
- 7.4 None of the Directors or anyone acting in concert with the Company has borrowed or lent any of the Company's relevant securities.
- 7.5 Principal Concert Party interests
- As at the close of business on the disclosure date and as they are expected to be immediately after Admission, the interests in the share capital of the Company of the members of the Principal Concert Party and their immediate families, related trusts and persons connected with them were as set out below:

	Holdings at Admission	
	Number of New Ordinary Shares	Percentage of Enlarged Issued Share Capital
ERL	141,300,043	49.81
David Moard	58,031,989	20.46
Thomas McMahan	26,340,017	9.29
	225,672,048	79.55

7.6 Profiles of the members of the Principal Concert Party

- 7.6.1 David Moard is the chief executive and a founder of PowerHouse and the proposed chief executive of the Company on Admission. His business address is 145 N. Sierra Madre Blvd., Suite 4 Pasadena, California 91107 USA. Further details on Mr Moard are set out in the section headed “New Board and Senior Management” in Part I of this document;
- 7.6.2 Thomas McMahon is the senior vice president and a founder of PowerHouse. His business address is 145 N. Sierra Madre Blvd., Suite 4 Pasadena, California 91107 USA. Further details on Mr McMahon are set out in the section headed “New Board and Senior Management” in Part I of this document; and
- 7.6.3 ERL is a company incorporated in Malta with a registered office at 33/4 Abate Rigord Street, Ta Xbiex, Malta. The shareholders of ERL at the disclosure date are as follows:

Shareholder	Number of shares held	Percentage holding
Credit First Holding Ltd	23,764,604	13.01%
Hill Grove Investments Pty Ltd	19,736,842	10.81%
Credit First Asset Management Ltd	12,738,854	6.98%
Ileveter Pty Ltd	10,000,000	5.48%
Dilato Holdings Pty Ltd	9,116,666	4.99%
Yodambao Pty Ltd	9,063,943	4.96%
Credaltrust Management Limited	7,426,185	4.07%
Blue Sea Investment Holdings Pty Ltd	6,000,000	3.29%
Hunter Street Capital Pty Ltd	6,000,000	3.29%
Buline Pty Ltd	5,700,000	3.12%
Francis L Sweeney	4,852,968	2.66%
Aspermont Limited	3,666,667	2.01%
Yeppoon Property Group Pty Ltd	3,333,333	1.83%
Moshe Ambarchi	3,000,000	1.64%
Tesla Nominees Pty Ltd	2,800,000	1.53%
Rassman Pty Ltd	2,765,890	1.51%
Rassman Pty Ltd	2,767,632	1.52%
Yamte Investments Pty Ltd	2,292,727	1.26%
Jaronach Pty Ltd	2,000,000	1.10%
Global House Limited	1,933,333	1.06%
Ethel Adler	1,750,000	0.96%
Ladali Pty Ltd	1,743,333	0.95%
Robert O Bylin	1,708,011	0.94%
Advance Publicity Pty Ltd	1,400,000	0.77%
The Herbert Group	1,250,000	0.68%
Miss M Corporations	1,200,000	0.66%
Piemonte P/L ATF WE & RB Superannuation Fund No. 1	1,131,164	0.62%
Piemonte P/L ATF WE & RB Superannuation Fund No. 2	1,131,164	0.62%
Cupania Investments Pty Ltd	1,100,000	0.60%
Rocket Science Enterprises Pty Ltd	1,025,000	0.56%
Blackcourt (NSW) Pty Ltd	1,000,000	0.55%
Evano Limited	1,000,000	0.55%
Aurora King Limited	1,000,000	0.55%
Aspac Hotel Mgmt Pty	1,000,000	0.55%
Leiser 2 LLC	1,000,000	0.55%
Emerald Planet	1,000,000	0.55%
Kannalink Pty Ltd	1,000,000	0.55%
9047-1913 Quebec Inc	1,000,000	0.55%
Herbert Superannuation Fund	944,444	0.52%
Mint Financial Group Pty Ltd	833,333	0.46%

Shareholder	Number of shares held	Percentage holding
George Callianiotis	800,000	0.44%
Karma Sikkim Pty Ltd	770,000	0.42%
OIC Nominees	750,000	0.41%
British & Colonial Finance Pty Ltd	700,503	0.38%
Laya Manasseh Protected Estate	700,000	0.38%
Birch Super Fund	630,000	0.34%
Property Magic Aust. Pty Ltd	625,000	0.34%
BWC Properties Pty Ltd	600,000	0.33%
Dovecot Grove Super Fund	600,000	0.33%
Financing Solutions Pty Ltd	599,999	0.33%
Kieran Wulff	580,199	0.32%
B W Nash & M A Nash atf The Nash Super	576,076	0.32%
Alexander Forcke	571,195	0.31%
Richard Gelski	570,134	0.31%
43 shareholders holding 0.3% or less	11,382,438	6.23%
Total	182,631,637	100.00%

7.7 Executive Concert Party interests

As at the close of business on the disclosure date and as they are expected to be immediately after Admission, the interests in the share capital of the Company of the members of the Executive Concert Party and their immediate families, related trusts and persons connected with them were as set out below:

	Number of New Ordinary Shares	Percentage of Enlarged Issued Share Capital
David Moard	58,031,989	20.46
Thomas McMahon	26,340,017	9.29
Credit First Holding Limited	18,061,099	6.37
Credal Trust Management Limited	15,643,901	5.51
Credit First Asset Management Limited	9,681,529	3.41
Matthew Lyndon-James	171,611	0.06
Cameron Lyndon-James	152,000	0.05
	128,082,145	45.15

7.8 Profiles of the members of the Executive Concert Party

7.8.1 The profile of David Moard is set out in paragraph 7.6.1 above;

7.8.2 The profile of Thomas McMahon is set out in paragraph 7.6.2 above;

7.8.3 Credit First Holding Ltd (“CFHL”) is a company incorporated in Malta with a registered office at 189/2 The Strand, Gzira, GZR1024, Malta. The beneficial owners of CFHL are Brian Harcourt and Ross Lyndon-James, the proposed executive chairman of the Company on Admission. The sole director of CFHL is Robert d’Alessandro;

7.8.4 Credal Trust Management Ltd (“CTM”) is a company incorporated in Malta with a registered office at 189/2 The Strand, Gzira, GZR1024, Malta. The beneficial owners of CTM are Robert d’Alessandro, Denise Pickering and d’Alessandro & Associates and the directors are Robert d’Alessandro, Denise Pickering and Stephen d’Alessandro;

7.8.5 Credit First Asset Management Ltd (“CFAM”) is a company incorporated in Malta with a registered office at 189/2 The Strand, Gzira, GZR1024, Malta. The beneficial owners of CFAM are Brian Harcourt and Ross Lyndon-James, the proposed executive chairman of the Company on Admission. The sole director of CFAM is Robert d’Alessandro;

7.8.6 Cameron Lyndon-James is a nephew of Ross Lyndon-James. His business address is PO Box 473 Mona Vale, NSW 2103, Australia;

7.8.7 Matthew Lyndon-James is the adult son of Ross Lyndon-James. His business address is 68 Keane Street, Wembley, WA 6014 Australia.

7.9 Intentions of Principal Concert Party and the Executive Concert Party

Other than the changes set out in this document, the Principal Concert Party and the Executive Concert Party are not intending to seek any changes to the board of directors of the Company and have confirmed their intention that the business of the Company will be the business of PowerHouse. There is no intention to relocate the business, or to redeploy any of the Company's fixed assets. However, were overhead cost savings or other such efficiencies to arise out of the creation of the Enlarged Group, then these would be implemented. The Principal Concert Party and the Executive Concert Party's are also not intending to prejudice the existing employment or employment rights, including pension rights, of any of the employees or management of the Group nor to procure any material change in the conditions of employment of any such employees or management. It is the Principal Concert Party's intention that the sole business of the Enlarged Group will be to develop the business of PowerHouse.

7.10 Definitions for the purposes of this paragraph 7:

"acting in concert" has the meaning attributed to it in the Code;

"arrangement" includes an indemnity or option arrangement and any agreement or understanding, formal or informal, of whatever nature relating to relevant securities which may be an inducement to deal or refrain from dealing;

"connected adviser" has the meaning attributed to it in the Code;

"connected person" has the meaning attributed to it in section 252 of the Act;

"control" means a holding, or aggregate holdings, of shares carrying 30 per cent. or more of the voting rights attributable to the share capital of a company which are currently exercisable at a general meeting, irrespective of whether the holding or aggregate holding gives *de facto* control;

"dealing" or **"dealt"** includes the following:

- (i) the acquisition or disposal of relevant securities or relevant PowerHouse securities, of the right, (whether conditional or absolute) to exercise or direct the exercise of voting rights attached to relevant securities, or of general control of relevant securities or relevant PowerHouse securities;
- (ii) the taking, granting, acquisition, disposal, entering into, closing out, termination, exercise (by either party) or variation of an option, (including a traded option contract) in respect of any relevant securities or relevant PowerHouse securities;
- (iii) subscribing or agreeing to subscribe for relevant securities or relevant PowerHouse securities;
- (iv) the exercise or conversion of any relevant securities or relevant PowerHouse securities carrying conversion or subscription rights;
- (v) the acquisition of, disposal of, entering into, closing out, exercise (by either party) of any rights under, or variation of, a derivative referenced, directly or indirectly, to relevant securities or relevant PowerHouse securities;
- (vi) entering into, terminating or varying the terms of any agreement to purchase or sell relevant securities or relevant PowerHouse securities; and
- (vii) any other action resulting, or which may result, in an increase or decrease in the number of relevant securities or relevant PowerHouse securities in which a person is interested or in respect of which he has a short position;

“**derivative**” includes any financial product whose value in whole or in part is determined directly or indirectly by reference to the price of an underlying security;

“**disclosure date**” means 30 March 2011, being the latest practicable date prior to the posting of this document;

“**disclosure period**” means the period commencing on 30 March 2010, being the date 12 months prior to the disclosure date and ending on the disclosure date;

“**exempt principal trader**” or “**exempt fund manager**” has the meaning attributed to it in the Code;

being “**interested**” in relevant securities includes where a person:

- (i) owns relevant securities;
- (ii) has the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to relevant securities or has general control of them;
- (iii) by virtue of any agreement to purchase, option or derivative, has the right or option to acquire relevant securities or call for their delivery or is under an obligation to take delivery of them, whether the right, option or obligation is conditional or absolute and whether it is in the money or otherwise; or
- (iv) is party to any derivative whose value is determined by reference to their price and which results, or may result, in his having a long position in them;

“**relevant securities**” means shares in the Company or derivatives referenced to them and securities convertible into, rights to subscribe for and options, including traded options in respect of, them; and

“**short position**” means any short position, whether conditional or absolute and whether in the money or otherwise, including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery.

being “**interested**” in relevant PowerHouse securities includes where a person:

- (i) owns relevant PowerHouse securities;
- (iii) has the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to relevant PowerHouse securities or has general control of them;
- (iii) by virtue of any agreement to purchase, option or derivative, has the right or option to acquire relevant PowerHouse securities or call for their delivery or is under an obligation to take delivery of them, whether the right, option or obligation is conditional or absolute and whether it is in the money or otherwise; or
- (iv) is party to any derivative whose value is determined by reference to their price and which results, or may result, in his having a long position in them;

“**relevant PowerHouse securities**” means shares in PowerHouse or derivatives referenced to them and securities convertible into, rights to subscribe for and options, including traded options in respect of, them; and

“**PowerHouse short position**” means any short position in relevant PowerHouse securities, whether conditional or absolute and whether in the money or otherwise, including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery.

- 7.11 Delta Capital Pty Ltd, a company of which Anthony Brennan is a director and controlling shareholder, acts as corporate adviser to ERL, one of the vendors of PowerHouse, and will receive a success fee of £125,000 from ERL conditional upon the approval of the waiver of the obligations on the Principal Concert Party and the Executive Concert Party under Rule 9 to make a general offer for the entire issued share capital of the Company which would otherwise arise as

a result of the Proposals. Under Rule 16.2 of the City Code, the arrangements with Delta Capital Pty Ltd require the approval of independent shareholders. Accordingly, an ordinary resolution will be proposed at the General Meeting and voting on this resolution will be taken on a poll, on which Anthony Brennan will not be entitled to vote. Julian Moore will receive a fee of £32,500 upon completion of the Acquisition. In addition, Mr Moore has capitalised US\$131,250 of his fee into New Ordinary Shares. Save as disclosed in this paragraph and for the service contracts and letter of appointment referred to in paragraph 8 of this Part VI, no agreement, arrangement or understanding, including any compensation arrangement, exists between the members of either the Principal Concert Party or the Executive Concert Party or any person acting in concert with any member of the Principal Concert Party or the Executive Concert Party, any Director, recent director of the Company, Shareholder or recent shareholder of the Company having any connection with or dependence upon, or which is conditional upon, the Acquisition.

- 7.12 Immediately following Admission, ERL will be issuing 833,333 New Ordinary Shares to each of Andrew Forbes, Kailing Wang and John Carter Brookhart, in satisfaction of loans provided to ERL amounting to \$600,000. Other than the proposed distribution by ERL of its shareholding in the Company to its shareholders and as disclosed in this paragraph, there are no agreements, arrangements or understandings between the Principal Concert Party or the Executive Concert Party and any other person pursuant to which any Ordinary Shares which they will acquire pursuant to the Acquisition will be transferred.
- 7.13 There are no financing arrangements in place in connection with the Acquisition and there are no arrangements relating to payment of interest on, repayment of, or security for any liability, (contingent or otherwise) of the Principal Concert Party or the Executive Concert Party which depend to any significant extent on the business of the Company.

8. Directors' Service Contracts, Letters of Appointment and Consultancy Agreement

8.1 The Company has entered into the following agreements and letters of appointment:

- 8.1.1 a consultancy agreement between the Company and Credit First Asset Management Limited ("CFAM") dated 31 March 2011 pursuant to which the latter will provide the services of Ross Lyndon-James to the Company as executive chairman, conditional upon Admission. CFAM is to be paid an annual fee of £190,000 (exclusive of VAT), payable in arrears in monthly instalments. This agreement is terminable upon (i) six months' notice from CFAM, or (ii) 12 months' notice from the Company. In the event that CFAM's engagement under this agreement is terminated, the Company will reimburse CFAM in respect of the costs associated with Ross Lyndon-Jones's relocation to Australia, up to a maximum of £50,000. However, these relocation expenses will not be paid if CFAM terminates the agreement within the first 12 months of the consultancy arrangement or if the Company is entitled to terminate the agreement immediately in accordance with its terms. An example of a situation allowing the Company to terminate the agreement immediately would be if CFAM and/or Ross Lyndon-James were in material breach of their respective obligations under the agreement. Ross Lyndon-James has also entered into a separate agreement with the Company under which he agrees to comply with the terms of the consultancy agreement;
- 8.1.2 David Moard will be appointed to the Board of the Company while continuing in his role as Chief Executive Officer of PowerHouse. His employment agreement with PowerHouse is dated 31 March 2011 and is conditional upon Admission. Mr Moard will receive an annual base salary of US \$325,000 and will report to the Board of the Company. The agreement will be terminable on (i) 30 days' notice by either side, or (ii) immediately if Mr Moard is, among other things, in material breach of his obligations in respect of PowerHouse and/or the Company. Mr Moard is eligible for the following benefits: (a) sick pay of up to 90 days at full pay per annum, (b) death benefits of one month's salary for each full year of employment with PowerHouse; The maximum severance package, which Mr Moard will be due on termination of his employment with PowerHouse is 12 months' salary, and, if his employment terminates within 12 months

of Admission, Mr Moard will also be entitled to the remainder of his salary for that initial 12-month period (subject to executing a waiver and release of all claims against PowerHouse, its parents, subsidiaries and affiliates and his health insurance will continue to be paid for a period of up to 12 months following the termination of his employment. Mr Moard may also be eligible for an annual bonus at the discretion of the Company's Board. Mr Moard has also entered into a deed of covenant with the Company dated 31 March 2011 which sets out the provisions in respect of the termination of his directorship with the Company as well as his non-competition obligations;

- 8.1.3 an agreement with Tony Brennan dated 6 June 2008, pursuant to which he was appointed as executive chairman of the Company. A fee of £15,000 per annum is payable to Mr Brennan. The appointment is terminable on one month's notice on either side. No compensation is payable for loss of office and the appointment may be terminated immediately if, among other things, Mr Brennan is in material breach of the terms of the appointment. This agreement will be replaced by an agreement dated 31 March 2011 which is conditional upon Admission which is on substantially the same terms except that Mr Brennan's role will be that of non-executive deputy chairman; he will be entitled to an annual fee to £37,500 per annum, effect from Admission; and the notice period will be three months either side;
- 8.1.4 an agreement with Julian Moore dated 6 June 2008, pursuant to which he was appointed as a non-executive director of the Company. A fee of £6,000 per annum is payable to Mr Moore and an option over 1,000,000 Ordinary Shares was granted to Mr Moore, details of which are set out in paragraph 3.6 of this Part VI. The appointment is terminable on one month's notice on either side. No compensation is payable for loss of office and the appointment may be terminated immediately if, among other things, Mr Moore is in material breach of the terms of the appointment. In addition the Company has entered into an agreement with Headstream Capital Limited, of which Mr Moore is the sole shareholder, pursuant to which Headstream Capital Limited provides company secretarial and other assistance to the Company for a fee of £9,000 pa. The agreement is terminable on one month's notice on either side. These arrangements will be replaced from Admission by a conditional service agreement dated 31 March 2011 under which Mr Moore will be appointed as the Company's interim finance director. Under this new agreement, Mr Moore will be paid a salary of £125,000 per annum. This agreement will be terminable either (i) on three months' notice from either side, or (ii) on one month's notice from either side if the Company appoints an additional finance director. The Company is entitled to terminate the agreement immediately if Mr Moore is, amongst other things, in material breach of his obligations under the agreement;
- 8.1.5 an agreement with Ocean Park Developments Limited and Brent Fitzpatrick dated 6 June 2008, which superceded a prior agreement relating to Mr Fitzpatrick's appointment as a non-executive director of the Company. A fee of £6,000 per annum is payable to Mr Fitzpatrick and an option over 1,000,000 Ordinary Shares was granted to Mr Fitzpatrick, via Ocean Park Developments Limited, upon signing of the agreement, details of which are set out in paragraph 3.6 of this Part VI. The appointment is terminable on one month's notice on either side. No compensation is payable for loss of office and the appointment may be terminated immediately if, among other things, Mr Fitzpatrick is in material breach of the terms of the appointment. This agreement will be replaced by an agreement dated 31 March 2011 which is conditional upon Admission which is on substantially the same terms except that Mr Fitzpatrick will be entitled to an annual fee to £27,500 per annum; and the notice period will be three months on either side; and
- 8.1.6 a letter of appointment with James Greenstreet dated 31 March 2011, pursuant to which he will be appointed as a non-executive director, conditional upon Admission. A fee of £36,000 per annum is payable to Mr Greenstreet. The appointment is terminable on three months' notice on either side. No compensation is payable for loss of office and the

appointment may be terminated immediately if, among other things, Mr Greenstreet is in material breach of the terms of the appointment.

- 8.2 The aggregate emoluments (including benefits in kind and pension contributions) of the Directors for the year ended 31 December 2010 was £27,000 and it is estimated that, assuming Admission occurs, the aggregate emoluments of the New Board as employees or in respect of their services to the Enlarged Group (including benefits in kind and pension contributions, but excluding any performance-related bonuses) for the year ending 31 December 2011 will amount to approximately £428,000 under the arrangements in force at the date of this document.
- 8.3 There are no Directors service contracts, or contracts in the nature of services, with the Company, other than those which expire or are terminable without payment of compensation on no more than 12 months' notice.
- 8.4 Save as set out above, there are no existing or proposed service contracts between any Directors or Proposed Directors and the Company or PowerHouse and there are no such service contracts which have been entered into or amended with six months' notice.

9. Additional Information on the New Board

- 9.1 In addition to the Company, the Directors and the Proposed Directors hold or have held the following public company directorships or are or have been partners in the following partnerships within the five years prior to the date of this document:

Director	Current Directorships/Partnerships	Past Directorships/Partnerships
Anthony Brennan	Delta Capital PTY Limited Wall Street Nominees Pty Ltd	Chaus Capital Pty Ltd Gleneagle Gold Limited Redfork Energy Limited Tomahawk Energy Limited Structural Monitoring Systems plc
Brent Fitzpatrick	Aboyne-Clyde Rubber Estates of Ceylon Limited Double V Limited Fitz Samuel (Insurance Services) Limited Forward Catering (Yorkshire) Limited J Burdon & Partners Limited Low Wave Limited NIM Engineering Limited Ocean Park Developments Limited Pondermatters Limited RiskAlliance Consulting Limited RiskAlliance Group plc RiskAlliance Finance Limited RiskAlliance Management Services Limited	Ansell Jones Limited Ansell Jones (Cranes) Limited Conferacom Limited Holly Benson Communications Limited IMP Group Limited MOS International plc Springfield Land Limited TSC Engineering Limited TSC Offshore (UK) Limited

Director	Current Directorships/Partnerships	Past Directorships/Partnerships
Julian Moore	Diamondtech Inc. Headstream Capital Limited Headstream Holdings PowerHouse Energy Group Limited Tygra Financial Solutions Limited	Earlyworx 959 (Pty) Limited Primus Special Projects (Pty) Limited PowerHouse Energy, Inc.
David Moard	PowerHouse Energy, Inc. PowerHouse Finance Group LLC	Hydrogen Burner Technology, Inc. Phoenix Gas Systems, LLC
Ross Lyndon-James	Aronite Industries, Inc. Boston Equities Corporation Cap Systems Limited Credit First Australia Pty Limited Engineering and Software System Solutions, Inc. EnviroEnergy Resources Limited Water Resources International Limited WRI Mena Holdings Limited WRI Systems Limited	Boston Equities Corporation Ocean Power Technologies, Inc. Rebillow Pty. Limited Renergy Pacific Corporation Water Resources Group Limited
James Greenstreet	Merchant Ventures Investments Limited Orbis Capital Limited	Bastion Surety Limited Galahad Finance Limited Decon Sciences Limited

- 9.2 Mr Brennan was a director of Gleneagle Gold Limited which was placed into administration in May 2007 but has since been reinstated to the ASX Official List.
- 9.3 Julian Moore was a director of Earlyworx 959 (Pty) Limited (“EW”) and its subsidiary Primus Special Projects (Pty) Ltd (“PSP”); both companies are incorporated in South Africa and are subsidiaries of DiamondTech Inc, which was admitted to trading on AIM in May 2007 and which was de-listed in December 2009, of which Mr Moore is a director. EW and PSP went into insolvent liquidation in June 2009 (a few months after Mr Moore resigned as a director of both companies) following the failure of an equity investor to complete on its funding obligations.
- 9.4 Brent Fitzpatrick was appointed as a director of Conferacom Limited on 22 February 2008. The company was placed into administration on 28 May 2008 and Mr Fitzpatrick resigned as a director on 14 August 2008. The company was wound-up via voluntary creditors’ liquidation with a deficiency with regards to creditors of approximately £5.8 million.
- 9.5 Brent Fitzpatrick was appointed as a director of Holly Benson Communications Limited, a subsidiary of Real Affinity PLC, on 22 February 2008 and resigned as a director on 1 October 2008. The company was placed into administration on 28 November 2008 and subsequently moved into voluntary creditors’ liquidation on 27 May 2009 with a potential deficiency to creditors of approximately £1.1 million.
- 9.6 Brent Fitzpatrick was appointed as a director of Onyx Media Limited on 1 May 2003 and resigned as a director on 15 June 2005. The company was placed in to voluntary creditors’ liquidation on 20 June 2005. The company is due to be dissolved on 7 April 2011.

- 9.7 Brent Fitzpatrick was appointed as a director of NIM Engineering Limited on 29 January 2004. The company was placed into administration on 20 March 2007 and subsequently moved into voluntary creditors' liquidation on 29 March 2008.
- 9.8 Ross Lyndon-James was a director of Boston Equities Corporation and resigned upon the change of control of the company in early 2006. The company was subsequently put into liquidation following a substantial restructuring of the company by the new owners.
- 9.9 Except as set out in paragraphs 9.2 to 9.8, none of the Directors nor any of the Proposed Directors has:
- 9.9.1 any unspent convictions in relation to indictable offences;
 - 9.9.2 any bankruptcy order made against him or entered into any individual voluntary arrangements;
 - 9.9.3 been a director of a company which has been placed in receivership, compulsory liquidation, creditors' voluntary liquidation, administration, been subject to a company voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors whilst he was a director of that company or within the 12 months after he ceased to be a director of that company;
 - 9.9.4 been a partner in any partnership which has been placed in compulsory liquidation, administration or been the subject of a partnership voluntary arrangement whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;
 - 9.9.5 been the owner of any assets or a partner in any partnership which has been placed in receivership whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership; or
 - 9.9.6 been publicly criticised by any statutory or regulatory authority (including recognised professional bodies) or been disqualified by a court from acting as a director of any company or from acting in the management or conduct of the affairs of a company.

10. Share Option Scheme

- 10.1 The Company is proposing to adopt an employee share option scheme at the General Meeting. This scheme is an Enterprise Management Incentive Scheme ("EMI"), which is tax efficient for the Company and the optionholder. There is the ability to grant further options outside the EMI scheme which will not be tax efficient.

The Company intends to grant options under the scheme over a maximum of 10 per cent. of the Enlarged Issued Share Capital of which the following grants will be made to the Directors:

Name	Ordinary Shares under option
James Greenstreet	2,789,265

- 10.2 A summary of the rules of the scheme is set out below.

Grant of options

- 10.2.1 Grant of an option may be renounced by the grantee within 30 days. No option can be transferred, assigned or charged. No amount is payable on grant of an option. Options may be granted to directors, employees and consultants to the Group.

Subscription price

- 10.2.2 The price per share to be paid on exercise of an option will be the market value as agreed with the Share Valuation Division of HM Revenue & Customs at the time of the grant of the option.

Exercise of options

- 10.2.3 Options may be exercised in whole or part in accordance with the rules and any objective exercise conditions imposed by the Company. Earlier exercise is permitted notwithstanding that performance conditions have not been met in the event of death of the optionholder (where exercise is permitted by his personal representatives for 12 months) or earlier if determined by the Company. For persons who leave the employment of the Group by reason of injury, disability, redundancy or retirement, options may be exercised up to 30 months after their leaving date to the extent that they have vested.
- 10.2.4 Where the grantee becomes bankrupt or otherwise deprived of legal or beneficial ownership of the option, the option will lapse.

Takeovers

- 10.2.5 The grantee will be notified of any bid and may exercise any options that have vested within six months of an offer becoming unconditional, after which period the option will lapse. The grantee may make an agreement with an acquiring company to release his rights in exchange for a new option whereby the market value of the shares at the date of grant is the same as for the shares under the old option and shall be treated as having been granted at the date of the old option.

Liquidation

- 10.2.6 The Board must immediately notify the grantee and options may be exercised to the extent they have vested in the period between the date on which notice is given and the passing of any resolution for the winding-up of the Company. The shares will be deemed to have been issued prior to the passing of such a resolution.

Adjustment of options

- 10.2.7 In the event of a reorganisation of the Company, the number of shares subject to option and the exercise price may be adjusted as the Company may determine and may be confirmed to be reasonable by the Company's auditors and approved by HM Revenue & Customs. This may be retrospective if relevant to an already exercised option.

Costs

- 10.2.8 Costs of administration of the scheme are to be borne by the Company.

Termination

- 10.2.9 If the scheme is terminated the existing options will remain in full force. The scheme is not intended to form any contract of employment and individuals who participate will not have any rights to damages for any loss, or potential loss of benefit, in the event of termination of office.

11. Material contracts

11.1 *The Company*

There are no contracts (not being in the ordinary course of business) entered into by the Company in the last two years which are or may be material or which contain any provision under which the Company has any obligation or entitlement which is material to the Company as at the date of this document save as follows:

Agreements relating to the Acquisition

- 11.1.1 The Acquisition Agreement, pursuant to which the Company has agreed to acquire the entire issued share capital of PowerHouse, conditional on certain conditions precedent, including the passing of the Resolutions and Admission occurring no later than 30 June 2011.

The total consideration payable to the Vendors on Admission is to be satisfied by the issue of the Consideration Shares.

The Vendors have each given certain representations and warranties customary for a transaction of this type which concern the business, assets and affairs of PowerHouse and its subsidiaries. The warranties relating to tax issues continue for the statutory limitation period from completion of the Acquisition, and the non-tax warranties continue for 24 months from completion of the Acquisition. Claims for breach of warranty are subject to certain de minimis and threshold provisions, and a total aggregate cap of approximately £51.3 million.

During the period from entering into the Acquisition Agreement to the earlier of completion of the Acquisition or termination the Vendors have each agreed to ensure that the business of PowerHouse and its subsidiaries is conducted in the ordinary and usual course and each of the Vendors has agreed not to take certain specified action in relation to the business without the consent of the Company.

In addition, each of the Vendors has entered into non-competition and non-solicitation covenants in respect of the business of PowerHouse and PowerHouse's employees, clients and suppliers in the territories in which each of the Vendors are principally engaged with the PowerHouse Group. The restrictive covenants continue for a period of 2 years from completion of the Acquisition.

The Company and Linc Energy will negotiate an exclusive licence agreement on terms which reflect normal market practice to include standard warranties and indemnities to be granted by PowerHouse and guaranteed by the Company in accordance with the terms of the agreement provided in paragraph 11.2.7, save that Linc Energy may sub licence to its subsidiaries with the consent PowerHouse, such consent not to be unreasonably withheld or delayed. The Company will use their reasonable endeavours to agree and sign the licence as soon as reasonably possible and in any event prior to Admission.

- 11.1.2 An option agreement dated 31 March 2011, conditional upon Admission, between the Company, as grantor, and Linc Energy as grantee. The option was granted in consideration of Linc Energy agreeing to cancel its options over PowerHouse as referred to in paragraph 11.2.4 of this Part VI and entitle Linc Energy to subscribe for (i) up to US\$6,000,000 of New Ordinary Shares in the 30 months from Admission at a 20 per cent discount to the 60 day volume weight average price of a Bidtimes share and (ii) up to US\$1,000,000 of New Ordinary Shares in the year following Admission at US\$0.30 per share.
- 11.1.3 An option agreement dated 31 March 2011 between the Company, as grantor, and Hill Grove Investments Pty Ltd as grantee. The options were granted for US\$1 and entitles the grantee to acquire New Ordinary Shares up to a value of US\$3,000,000 on the same terms as described in paragraph 11.1.2 above.

Agreements relating to Admission

- 11.1.4 The Introduction Agreement dated 31 March 2011 made between (1) the Company, (2) the Directors, (3) the Proposed Directors, (4) ERL, (5) Credit First Holdings Limited and Credit Asset Management Limited and (6) Merchant Securities pursuant to which Merchant Securities has agreed to act as nominated adviser and broker to the Company in respect of the admission of the Enlarged Issued Share Capital to trading on AIM, conditionally upon, *inter alia*, Admission taking place by no later than 30 June 2011. Under the terms of the Introduction Agreement the Company has agreed to pay Merchant Securities a corporate finance fee. The Introduction Agreement contains certain representations and warranties given by the Directors, the Proposed Directors, ERL and after ERL distributes its New Ordinary Shares, Credit First Holdings Limited and Credit First Asset Management Limited and the Company and in respect only of the Company an indemnity in favour of Merchant Securities, together with provisions which enable

Merchant Securities to terminate the Introduction Agreement in certain circumstances prior to Admission, including circumstances where any warranties are found to be untrue or inaccurate in any material respect.

- 11.1.5 An undertaking dated 31 March 2011, given by each of the New Board, Credit First Holdings Limited, Credit First Asset Management Limited and Thomas McMahon in favour of (1) the Company and (2) Merchant Securities, pursuant to which such Shareholders have each undertaken on behalf of themselves and others deemed to be connected with them, not to dispose of any Ordinary Shares, save in the event of, *inter alia*, an intervening court order, a takeover becoming or being declared unconditional, or as regards an individual, in the event of the death of an individual for a period of 12 months following Admission. In addition, the covenantors have undertaken not to dispose of any Ordinary Shares for a further period of 12 months except with the prior written consent of Merchant Securities, which consent shall not be unreasonably withheld or delayed.

An undertaking dated 31 March 2011, given by ERL in favour of (1) the Company and (2) Merchant Securities, pursuant to which it has undertaken on behalf of itself and others deemed to be connected with it not to dispose of any Ordinary Shares for a period of 12 months from Admission except with the prior written consent of the Company and Merchant Securities, which consent shall not be unreasonably withheld or delayed.

- 11.1.6 A Nominated Adviser and Broker Agreement dated 31 March 2011 between (1) the Company; (2) the New Board and (3) Merchant Securities pursuant to which Merchant Securities has agreed to act as nominated adviser to the Company for the purposes of the AIM Rules and as financial adviser to the Company. The appointment as nominated adviser continues for a fixed term of two years from Admission and thereafter is terminable on three months' notice given by either the Company or Merchant Securities. Merchant Securities will receive a fee of £25,000 per annum in the first year, rising to £30,000 per annum in the second year for its services as nominated adviser. The appointment as broker continues for a fixed term of one year from Admission and thereafter is terminable on three months' notice given by either the Company or Merchant Securities. Merchant Securities will receive an annual fee of £10,000 for its services as broker.

The agreement contains indemnities and warranties from the Company and warranties from the New Board in favour of Merchant Securities together with provisions which enable Merchant Securities to terminate the agreement in certain circumstances prior to Admission, including, but not limited to, circumstances where any warranties are found not to be true or accurate in any material respects.

- 11.1.7 A warrant instrument by way of deed poll dated 31 March 2011 pursuant to which the Company is authorised to issue 9,737,353 New Ordinary Shares in aggregate to the Shareholders at 31 March 2011 on the basis of one Warrant per New Ordinary Share held. The Warrants will be exercisable on or before the second anniversary of Admission at a price of 20p per share. The Warrants are transferrable but will not be admitted to trading on AIM. The Warrants are conditional on the passing of resolutions 3, 6 and 7 at the General Meeting and on Admission.

Agreements relating to trading and other activities

- 11.1.8 Option agreements dated 6 June 2008, as subsequently varied, between the Company and each of Julian Moore, Richard Griffiths and Ocean Park Developments Limited ("Ocean", Brent Fitzpatrick's service company) under which Bidtimes granted options to subscribe for 1,000,000 option shares to each of Mr Moore, Mr Griffiths and Ocean, in each case at 1p per option share in respect of half of the option shares and 2p per option share in respect of the other half of the option shares. Each option is exercisable until the third anniversary of the date of grant following which each will lapse.

- 11.1.9 A joint venture agreement dated 6 June 2008 between the Company and Burey Gold Limited (“BGL”) to explore, develop and possibly mine the tenements described for all minerals. In December 2009, the Company announced that it could no longer justify expenditure in these tenements and that they had been dropped from the Company’s exploration portfolio. They were replaced by another joint venture project with Burey Gold Limited, in the Kyber Pass Area, southeast of Marla, in Southern Australia. The Company is expected to meet the first year’s expenditure commitments of approximately \$A65,000 but may withdraw from this agreement at any time by giving Burey Gold Limited 30 days written notice. Upon readmission it is the intention of the Company to notify Burey Gold Limited of its decision to withdraw from the joint venture.
- 11.1.10 Option agreements dated 10 December 2010 between the Company, as grantor, and each of Kailing Wang, John Carter Brookhart and Andrew Forbes as grantees. The options were granted for US\$1 each and entitle each grantee to require the Company to allot and issue 833,333 New Ordinary Shares to each grantee, upon payment by the grantee of US\$0.30 per share. The option is exercisable, conditional upon completion of the Acquisition, for 30 months from 10 December 2010. By undated side letters, signed by the Company on or around the same date as the option agreements, the Company confirmed its intention to permit exercise of the options in a cashless manner;
- 11.1.11 An unwritten loan agreement pursuant to which Bidtimes borrowed £481,462.76 and \$51,050.77 from PowerHouse in order to meet costs associated with the Acquisition and Admission. The loans are interest free and repayable on demand. The debt will be forgiven if the Acquisition does not proceed.

11.2 *PowerHouse*

There are no contracts (not being in the ordinary course of business) entered into by PowerHouse in the last two years which are or may be material or which contain any provision under which PowerHouse has any obligation or entitlement which is material to PowerHouse as at the date of this document save as follows:

Pyromex

- 11.2.1 A technology transfer and licence agreement dated 15 March 2009 (but effective from 13 April 2009), as subsequently varied by an agreement dated 10 August 2010, between PowerHouse and Pyromex pursuant to which Pyromex has granted a licence of knowhow relating to various Pyromex intellectual property relating to the high temperature gasification process and equipment. The term of the licence is 20 years from 13 April 2009 or until the last patent which is the subject of the licence expires, whichever is longer.

Pyromex granted to PowerHouse a sole and exclusive licence to exploit certain patents, intellectual property and knowhow in North America, Central America, the Surrounding Islands and Nigeria. Pyromex is not entitled to exploit the rights granted by it to PowerHouse in these exclusive territories. This sole and exclusive licence is not restricted as to field or defined application or otherwise.

In addition, Pyromex granted to PowerHouse a non-exclusive licence to exploit certain patents, intellectual property and knowhow in MENA (but excluding Nigeria), the GCC, French Polynesia, South Pacific, Asia and certain United States Territories. The non-exclusive licence is limited to exploitation in relation to municipal solid waste and/or biomass and/or tyres. In addition, Pyromex has the right to require PowerHouse to “step back” from a non-exclusive territory if Pyromex is able to sell exclusive rights in that territory.

Pyromex also granted to PowerHouse an exclusive (but not sole) right in Australia to manufacture and supply Pyromex equipment and, in addition, Pyromex has undertaken

to use its best efforts to cause any existing agent or distributor arrangements to be channelled through PowerHouse or its Australian joint venture.

PowerHouse is not permitted to sub-license its rights under the Pyromex Licence without the prior written approval of Pyromex. There is no requirement for Pyromex to act reasonably or promptly in exercising its right of approval or veto.

PowerHouse is required to make the following payments to Pyromex:

- an annual US\$200,000 technology maintenance payment;
- a five per cent. royalty on net sales under the exclusive licence of products utilising the Pyromex IP and Engineering IP (but PowerHouse is not required to make any royalty payments in relation to net sales of such products until 20 April 2012); and
- if, after 20 April 2012, PowerHouse wishes to maintain its sole and exclusive status in all of those exclusive territories, PowerHouse must pay US\$2,000,000 per year for each year that such sole and exclusive rights are granted to PowerHouse as well as a royalty payment of ten per cent. on the Pyromex IP.

PowerHouse is not obliged to make royalty payments if it purchases any products and/or reactor pipe and/or any other components from Pyromex. To the extent that these are purchased from Pyromex, the price will be the cost to Pyromex up to the point of transfer, less any costs, liens or taxes, plus a (profit) margin of 20 per cent. on those costs.

If there is a change of control of PowerHouse or Pyromex by way of sale, merger or third party investment, the parties are obliged to ensure that the provisions of the licence are fully preserved.

The agreement is governed by the laws of Switzerland.

- 11.2.2 A call option agreement between PowerHouse and Peter Jeney dated 31 January 2011 pursuant to which Mr Jeney granted to PowerHouse an option under which PowerHouse may increase its shareholding in Pyromex from 30 per cent to 51 per cent. The consideration for the grant of the option was US\$50,000 which has been paid in full. The option is exercisable in two tranches: the first in respect of shares equivalent to 1.825 per cent of Pyromex's share capital, exercisable on or before 30 June 2011 for US\$2,000,000 in cash; and the second tranche in respect of up to 19.075 per cent of Pyromex's share capital, exercisable in the 12 months following, and subject to, the exercise of the first tranche, the consideration for which is up to US\$20,000,000 in, at PowerHouse's option, either cash or securities (in Bidtimes).
- 11.2.3 An acquisition and shareholders' agreement dated 2 December 2009 (as amended by an agreement dated 9 August 2010) between PowerHouse as buyer and Peter Jeney as seller pursuant to which PowerHouse acquired 30 per cent of the entire issued share capital of Pyromex for US\$4,000,000 in cash paid in instalments between 19 November 2009 and 12 August 2010. Peter Jeney gave warranties to PowerHouse as to his title to the shares being sold and agreed to transfer any intellectual property relating to the Pyromex technology registered in his name to Pyromex. He further agreed that any intellectual property relating to the Pyromex technology existing or created would be vested in Pyromex. The parties agreed that certain matters relating to the management and operation of Pyromex required their respective consent. PowerHouse was granted the right to a seat on the board of Pyromex.

Linc Energy

- 11.2.4 A subscription, licence and option agreement between PowerHouse and Linc Energy dated 9 February 2011 under which Linc Energy agreed to subscribe for 819,576 new shares of common stock in PowerHouse in consideration of the payment of US\$6,000,000 in cash and the grant by Linc Energy to PowerHouse of a non-exclusive licence to use Linc Energy's Fischer-Tropsch technology to produce gas-to-liquids for

facilities of not more than 1,000 barrels per day for Pyromex produced syngas. Linc Energy undertook not to dispose of the new shares for six months from Admission and thereafter for a further six months only to dispose of shares through the company's broker provided that the commission payable is equivalent to commissions payable on institutional execution-only broking.

In addition, PowerHouse granted Linc Energy two options to subscribe for additional equity. The first entitles Linc Energy to invest a further US\$6,000,000 in the 30 months from the subscription date at a 20 per cent. discount to the 60 day volume weight average price of a PowerHouse share. The second entitles Linc Energy to subscribe up to US\$1,000,000 in the year following completion of the Acquisition at US\$0.30 per share. On Admission both of these options will be cancelled and replaced by the options granted by Bidtimes referred to in paragraph 11.1.2 of this Part VI.

The terms of the licence granted to Linc Energy were expanded by agreement between Linc Energy and PowerHouse on 31 March 2011. PowerHouse granted to Linc Energy an exclusive royalty bearing licence to use, own, assemble and install and operate Pyromex UHTG systems for above ground coal to syngas production of 1,000 barrels per day and greater per site in all locations other than Italy. The licence will be converted into a non exclusive licence if certain performance conditions are not satisfied. The royalty payable to PowerHouse is \$0.10 per barrel of Linc Energy's Pyromex-produced liquid fuels. Pyromex has, in a letter dated 31 March 2011, provided its express consent to PowerHouse entering into the agreement with Linc Energy, granting to Linc Energy the exclusive licence referred to above. Pyromex has, in addition, agreed to do such further things and provide such assistance as may be required to give effect to such licence.

PowerHouse agreed to use best endeavours to develop and make available to Linc Energy a 100 tonne per day Pyromex UHTG system within two years of Admission and a 25 tonne per day system by 9 April 2012.

Capital structure

- 11.2.5 A share purchase and shareholders' agreement dated 9 November 2009, as amended by an agreement dated 27 July 2010, between PowerHouse, ERL, David Moard, Thomas McMahon and Credit First Holding Limited pursuant to which ERL subscribed for a 59 per cent shareholding in PowerHouse in consideration of US\$5,500,000. It also procured a loan of US\$1,700,000 Credit First Holding Limited to PowerHouse to be used for the acquisition of PowerHouse's shareholding in Pyromex (this loan has been repaid). In December 2010 and March 2011 ERL subscribed for a further 505,914 shares, settlement for which included a cash consideration of US\$2,850,000. The shareholders' agreement element of this agreement will be terminated with effect from Admission.
- 11.2.6 A stock purchase agreement dated 30 November 2009 between Steven Tarino (the Seller) and EnviroEnergy Resources Limited (the Buyer). An agreement pursuant to which the Seller agreed to sell 588,000 shares in PowerHouse to the Buyer. The shares will be transferred in two tranches for a total purchase price of US\$850,295.00. An initial deposit of US\$42,515.00 had to be paid upon signing the agreement and was to be credited against the portion of the purchase price owed upon the closing of the second tranche. The first tranche "closed" 90 days after the date of the agreement. On the first closing date the Buyer was required to deliver the closing deliverables to the Seller along with US\$382,632.00. Seller had to deliver the Seller's closing deliverables and 264,600 shares. On the second closing date (135 days from the date of the agreement) the Buyer must deliver to the Seller all the Buyer's closing deliverables and US\$467,662. The Seller is required to deliver the entire Seller's closing deliverables and 323,400 shares. If the Buyer fails to provide the money on time the second closing date can be extended by 30 days if an extension fee of US\$5,000 is paid by the Buyer. Prior to completion of the agreement the Seller was required to have received US\$75,000 representing accrued but unpaid salary for service rendered to PowerHouse.

- 11.2.7 An option agreement dated 31 March 2011 between PowerHouse, as grantor, and ERL as grantee. The option was granted for US\$1 and requires PowerHouse to allot and issue to ERL 72,276 new ordinary shares in PowerHouse, upon payment by ERL of US\$10.38 per share. The option is exercisable, conditional upon the Acquisition not completing, for 30 months from 10 December 2010. The option may be assigned by ERL to those persons to whom it granted a similar option over PowerHouse shares in consideration of such persons advancing loans to ERL.

Distributors

- 11.2.8 A distributor agreement dated 4 August 2009 between PowerHouse and International for Energy Technology Industries (IETI), a company registered in Jordan. The agreement grants IETI the exclusive right to sell waste to energy equipment produced by PowerHouse in Jordan. Principally they must sell to businesses based in Jordan or businesses that will use the equipment in Jordan. If IETI fails to make the minimum level of orders in the first 12 months of the agreement then the distribution right will be non-exclusive for the remainder of the agreement and any extensions. IETI will pay PowerHouse their listed prices for the equipment and will bear any transportation costs or applicable taxes. Payment for the equipment must be cash upon delivery initially unless PowerHouse decides that satisfactory credit has been established in which case IETI will have 30 days in which to pay invoices. PowerHouse maintains control of all IP rights. The duration of the agreement is 24 months, however, it will renew automatically at the end of the 24 months unless either party terminates the agreement in writing.
- 11.2.9 A distributor agreement dated 17 November 2009 between PowerHouse and Joules Power Inc. (Joules), a company registered in Oregon. The agreement is similar to the agreement with IETI detailed above and grants Joules the exclusive right to sell PowerHouse's waste to energy equipment in Oregon provided they meet the minimum order in the first 12 months of the agreement. PowerHouse may allow Joules to sell equipment outside of Oregon but this will be approved by PowerHouse on a case by case basis. Pricing, transportation costs, taxes and payment terms are dealt with in the same way as in the IETI agreement. The duration of the agreement is 24 months, however, it will renew automatically at the end of the 24 months unless either party terminates the agreement in writing.
- 11.2.10 A distributor agreement dated 25 October 2010 between PowerHouse and PowerHouse Energy Australia Pty Ltd ("PHEA"). The agreement grants PHEA an exclusive, non-assignable licence to sell, use, own and operate the waste to energy equipment of PowerHouse in Australia. PowerHouse may allow PHEA to sell equipment outside of Australia but this will be approved by PowerHouse on a case by case basis. PHEA will pay PowerHouse their listed prices for the equipment and will bear any transportation costs or applicable taxes. PHEA will receive a 20 per cent. discount on approved contracts. The duration of the agreement is 10 years (unless terminated), provided at least one sale has occurred within a 24 month period. The agreement shall automatically renew every 10 years thereafter unless either party notifies the other in writing within 6 months of the expiration of the term. The agreement is governed by the laws of California. PHEA cannot compete for 24 months after termination/expiration of the agreement. Pyromex has, in a letter dated 30 March 2011, provided its express consent to PowerHouse entering into this agreement with PHEA. Pyromex has, in addition, agreed to do such further things and provide such assistance as may be required to give effect to such agreement.
- 11.2.11 An agreement dated 24 March 2010 between PowerHouse and Elite Energy Systems, LLC (Elite) pursuant to which Elite will supply PowerHouse with product design, packaging, testing and other services relating to producing gas reformation equipment on a cost plus fixed fee basis. In addition, Elite will make office space available to PowerHouse on a twelve month renewable lease at a rate of US\$500 per month. The term

of the agreement is two years with two one year extensions. The contract sets out Elite's hourly rates for the various services that they offer. Elite agrees under the contract that they will not provide services for competitive gasification products for the term of the agreement.

11.2.12 A sales and supply agreement dated 25 October 2010 between PowerHouse Energy Australia Pty Ltd ("PHEA") and PowerHouse for the purchase, manufacture, scope of supply and standard warranty of 5tpd (tons per day) waste to energy equipment by PowerHouse in Australia. PHEA will pay PowerHouse the total installed cost of US\$2,700,000 (inclusive of a 20 per cent. distributor discount) in phases. The agreement is governed by the laws of California. PowerHouse may only terminate the agreement with 30 days written notice to PHEA after PHEA's failure to pay invoices due.

11.2.13 An agreement between ERL and PowerHouse dated 31 March 2011 under which PowerHouse agreed to reimburse ERL for the fee of £125,000 due to Tony Brennan on Admission.

12. Litigation

12.1 *The Company*

Except as set out in paragraph 12.2, the Company is not involved in any governmental, legal or arbitration proceedings which may have or have had during the 12 months preceding the date of this document a significant effect on the Company's financial position and, so far as the Directors and the Proposed Directors are aware, there are no such proceedings pending or threatened against the Company.

12.2 In February 2011, the Company's former nominated adviser and broker, WH Ireland Limited, threatened legal proceedings against the Company in respect of six unpaid invoices amounting to £27,267 plus accrued interest. The Company has since paid £16,669 inclusive of VAT, interest and costs in settlement of four invoices. The Company is chasing payment of the other two invoices from a former director who has agreed to discharge the liability.

12.3 *PowerHouse and its subsidiaries*

PowerHouse and its subsidiaries are not involved in any governmental, legal or arbitration proceedings, which may have or have had during the 12 months preceding the date of this document a significant effect on their financial position and, so far as the Proposed Directors are aware, there are no such proceedings pending or threatened against them.

13. Working capital

The New Board are of the opinion that, having made due and careful enquiry, the working capital available to the Enlarged Group will be sufficient for its present requirements, which is for at least 12 months from Admission.

14. Taxation

14.1 Introduction

The information in this section is based on the Directors' understanding of United Kingdom current tax law and HM Revenue & Customs' published practice. The following should be regarded as a summary and should not be construed as constituting advice. Prospective shareholders are strongly advised to take their own independent tax advice but certain potential tax benefits are summarised below in respect of an individual resident in the UK for tax purposes.

On issue, the Ordinary Shares will not be treated as either "listed" or "quoted" securities for tax purposes. Provided that the Company remains one which does not have any of its shares quoted on a recognised stock exchange (which for these purposes does not include AIM) and assuming that the Company remains a trading company or the holding company of a trading group for UK tax purposes, the Ordinary Shares should continue to be treated as unquoted securities qualifying for certain reliefs from UK taxation.

The following information is based upon the laws and practice currently in force in the UK and may not apply to persons who do not hold their Ordinary Shares as investments.

14.2 Capital Gains Tax (“CGT”)

14.2.1 *Disposals*

Changes were made to the rules relating to the holdings of shares from 6 April 1998 so that the "pooling" of shares (i.e. treating them as one asset) no longer applies. Therefore, any disposal of shares is treated on a last in, first out basis for the purposes of calculating gains which are chargeable to tax, subject to rules dealing with same day purchases or acquisitions within 30 days of a disposal.

14.2.2 *CGT Gift Relief*

If shares in an unquoted trading company or the holding company of a trading group, are transferred, by an individual or by trustees other than at arm's length, the deemed capital gain can be "held over" (except in circumstances where the shares are transferred to a trust of which the transferor is a beneficiary), i.e. the CGT liability is postponed until a subsequent arm's length disposal by the transferee, who effectively inherits the transferor's base cost. The relief must be claimed jointly by both the transferor and the transferee within five years and ten months of the end of the relevant tax year in which the gift was made and the transferee must be resident or ordinarily resident in the UK and remain so for six years. Where the shares have not qualified throughout the period of ownership as business assets, then the amount of the gain that can be held over will be restricted. CGT gift relief will not currently apply since the Company is not a trading company but may apply once the Acquisition has been completed. CGT gift relief is available in respect of shares in an AIM company if that company is a trading company or the holding company of a trading group.

14.3 Inheritance Tax (“IHT”)

Shares in qualifying trading companies or holding companies of a trading group can attract 100 per cent. business property relief from IHT provided that the shares are held for at least two years before a chargeable transfer for IHT purposes. As the Company does not currently trade, business property relief will not be available but may apply once the Acquisition has been completed. The shares would only qualify for business property relief once they had been held for two years from the date the Company became a trading company or the holding company of a trading group. Business property relief applies to shares in an AIM company if that company is a trading company or the holding company of a trading group. To the extent that the value of a shareholding is attributable to assets owned by the Company, but not utilised for the purposes of its trade, the value qualifying for business property relief will be restricted.

14.4 Income Tax

14.4.1 *Taxation of Dividends*

14.4.1.1 Under current UK tax legislation no tax is withheld from dividends paid by the Company.

14.4.1.2 UK resident individual shareholders are treated as having received income of an amount equal to the sum of the dividend and its associated tax credit, currently 10 per cent. of the gross amount of the dividend and the tax credit (i.e. the tax credit will be one ninth of the dividend). The tax credit will effectively satisfy a UK resident individual shareholder's basic rate (but not higher rate) income tax liability in respect of the dividend. UK resident individual shareholders who are subject to tax at the higher rate (currently 40 per cent. on taxable income between £42,475 and £150,000, and 50 per cent. on taxable income over £150,000) will have to account for additional tax. Dividend income received by a higher rate taxpayer with taxable income between £42,475 and £150,000 will incur a upper dividend rate of 32.5 per cent., a notional tax credit of 10 per cent. leaving a further tax liability equal

to 25 per cent. of the net dividend received. Dividend income received by higher rate taxpayer with taxable income over £150,000 will incur an upper dividend rate of 42.5 per cent., the same notional tax credit of 10 per cent. leaving a further tax liability equal to 36 1/9 per cent. of the net dividend received. In determining what tax rates apply to a UK resident individual shareholder, dividend income is treated as his top slice of income.

14.4.1.3 A UK resident (for tax purposes) corporate shareholder will generally not be liable to UK corporation tax on any dividend received and will be entitled for tax purposes to treat any such dividend as franked investment income.

14.4.2 *Loss Relief*

If a loss arises on the disposal of shares in a trading company, such shares being originally acquired on a subscription for new shares, the loss may be relieved against income of that year or the previous year (with priority for relief in the current year where income of both years is utilised). Any loss remaining after claiming relief against income, may be available for relief against capital gains in either the current or subsequent years. The New Board believe that losses will not be available for offset against income to holders of existing ordinary share as the Company does not currently trade.

14.5 Stamp Duty and stamp duty reserve tax (“SDRT”)

Transfers or sales of Ordinary Shares (other than transfers for no consideration) will be subject to ad valorem stamp duty (payable by the purchaser and generally at the rate of 50p per £100 or part thereof rounded up to the nearest £5) and an unconditional agreement to transfer such shares, if not completed by a duly stamped stock transfer form within two months of the day on which such agreement is made or becomes unconditional, will be subject to SDRT (payable by the purchaser and generally at that rate). However, if within 6 years of the date of the agreement an instrument of transfer is executed pursuant to the agreement and stamp duty is paid on that instrument, any liability to SDRT will be cancelled or repaid.

15. Market quotations

The following table shows the closing middle market quotation for the Existing Ordinary Shares as derived from the London Stock Exchange Daily Official List on the first dealing day of each month from October 2010 to March 2011 and the closing middle market quotation on 30 March 2011 being the latest date practicable prior to the publication of this document:

Date	Price
1 October 2010	0.75p
1 November 2010	0.5p
1 December 2010	0.5p
4 January 2011	0.5p
1 February 2011	0.5p
1 March 2011	0.5p
30 March 2011	2.5p*

* Price under suspension

16. Premises

The Company is a tenant of an office at 2nd Floor, Berkeley Square House, Berkeley Square, London W1J 6BD, which it occupies under a licence at a cost of £4,600 per month, renewable monthly. PowerHouse is the tenant of an office building at 145N Sierra Madre Blvd, Suite 4, Pasadena, California. The lease expires on 30 April 2011 and the rent payable is US\$2,470.00 per month with US\$20.00 per month for operating expenses and US\$30.00 per month for common area facility charges.

17. Employees

As at 31 March 2011 Bidtimes had no employees (excluding Directors all of whom are self employed consultants). PowerHouse has five full time employees, all of whom are based at 145 N Sierra Madre Blvd., Suite 4, Pasadena, California.

18. General

- 18.1 The accounting reference date of the Company is currently 31 December.
- 18.2 Crowe Clark Whitehill LLP has given and has not withdrawn its written consent to the issue of this document with the inclusion of its name in the form and context in which it appears. The report from Crowe Clark Whitehill LLP, for which it accepts responsibility, is dated the same date as this document. Crowe Clark Whitehill is a member firm of the Institute of Chartered Accountants in England and Wales.
- 18.3 Merchant Securities has given and has not withdrawn its written consent to the issue of this document with the inclusion of its name in the form and context which it appears.
- 18.4 Merchant Securities, which is regulated by the Financial Services Authority, has its registered office at 51-55 Gresham Street, London EC2V 7HQ.
- 18.5 The Company's financial statements for the three years ended 28 February 2009 and for the period ended 31 December 2009 were audited by Charles Lovell & Co Limited, Chartered Certified Accountants and Registered Auditors, of Royal House, Market Place, Redditch, B98 8AA.
- 18.6 There are no arrangements in force for the waiver of future dividends. There are no specified dates on which entitlement to dividends or interest thereon on Ordinary Shares arises.
- 18.7 The total costs and expenses relating to the Proposals (including those fees and commissions referred to in paragraph 11 above) payable by the Company are estimated to amount to approximately £864,000 (including VAT).
- 18.8 No person (excluding professional advisers otherwise disclosed in this document and trade suppliers) has received, directly or indirectly, from the Enlarged Group within the 12 months preceding the date of this document or has entered into any contractual arrangements (not otherwise disclosed in this document) to receive, directly or indirectly, from the Enlarged Group on or after Admission fees totalling £10,000 or more or securities in the Enlarged Group having a value of £10,000 or more calculated by reference to the expected opening price or any other benefit with a value of £10,000 or more at the date of Admission.
- 18.9 The financial information contained in this AIM Admission Document does not constitute statutory accounts of the Company within the meaning of Section 434 (3) of the Act.
- 18.10 There has been no significant or material change in the financial or trading position of Bidtimes since 31 December 2009, the date to which the last audited financial information on Bidtimes has been published. There has been no significant or material change in the financial or trading position of PowerHouse since 31 December 2009, the date to which the last audited financial information on PowerHouse has been published.
- 18.11 Save as disclosed in this document, as far as the Directors and Proposed Directors are aware there are no known trends, uncertainties, demands, commitments or events that are reasonably expected to have a material effect on the Enlarged Group's prospects for at least the current financial year.
- 18.12 As far as the Directors and Proposed Directors are aware, there are no environmental issues that may affect the Enlarged Group's utilisation of its tangible fixed assets.
- 18.13 Save as disclosed in this document, as regards the Company's three previous financial years the Company has had no principal investments and there are no principal investments in progress and there are no principal future investments on which the Board has made a firm commitment.

- 18.14 Where information has been sourced from a third party this information has been accurately reproduced. So far as the Company, the Directors and the Proposed Directors are aware and are able to ascertain from information provided by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.
- 18.15 Save as disclosed in this document, there are no patents, intellectual property rights, licences or any industrial, commercial or financial contracts which are or may be material to the business or profitability of the Enlarged Group.
- 18.16 Details of related party transactions (which for these purposes are those set out in the Standards adopted according to the Regulation (EC) No 1606/2002) entered into by the Company during the period covered by the historical financial information and up to the date of this document are contained in the notes to the financial statements for the years ended 28 February 2008 and 2009 and for the periods ended 31 December 2009 and 2010, respectively. The annual reports and financial statements are available from the Company's website at www.bidtimes.com
- 18.17 During the period covered by the historic financial information on PowerHouse in Part IV of this document, PowerHouse's market has been the United States of America, with revenue being generated from equipment sales in that country.

19. Documents Available For Inspection

Copies of the following documents may be inspected at the offices of Fladgate LLP, 16 Great Queen Street, London WC2B 5DG, during the usual business hours on any weekday (Saturdays and public holidays excepted) from the date of this document until one month from the date of Admission. In addition, documents in this paragraph are available for viewing on Bidtimes' website at www.bidtimes.com

- 19.1 the Current Articles and the New Articles;
- 19.2 the byelaws of PowerHouse;
- 19.3 the audited financial statements of the Company for the three years ended 28 February 2009 and the 10 months ended 31 December 2009 and the unaudited interim results for the six months ended 30 June 2010;
- 19.4 the audited financial statements of PowerHouse for the three years ended 31 December 2009 and the unaudited interim results for the six months ended 30 June 2010;
- 19.5 the service contracts and letters of appointment referred to in paragraph 8 of this Part VI;
- 19.6 the material contracts referred to in paragraph 11 above;
- 19.7 the written consents referred to in paragraph 18 above; and
- 19.8 this document.

Dated 31 March 2011

Copies of this document are available to the public, free of charge, from the Company's website www.bidtimes.com and at the registered office of the Company and at the offices of Merchant Securities Limited, 51-55 Gresham Street, London EC2V 7HQ during normal business hours on any weekday (Saturdays and public holidays excepted) for a period of one month from the date of Admission.

Bidtimes plc

NOTICE OF GENERAL MEETING

Notice is given that a general meeting of the members of the Company will be held at 10.00 a.m. on 26 April 2011 at the offices of Merchant Securities Limited at 51-55 Gresham Street, London EC2V 7HQ to consider and, if thought fit, pass the following resolutions, of which resolutions 2 and 5 will be conducted on a poll:

ORDINARY RESOLUTIONS

1. That, subject to the passing of resolutions 2, 3, 6 and 7, the Acquisition, as defined in the Company's admission document dated 31 March 2011 (**Admission Document**), of which this notice forms part, be approved for the purposes of Rule 14 of the AIM Rules for Companies and the Company's directors be authorised to take all steps necessary, expedient or desirable in order to complete the Acquisition.
2. That, the grant of the waiver by the Panel on Takeovers and Mergers described in the Admission Document of any obligation which would otherwise arise under Rule 9 of the City Code on Takeovers and Mergers for the Principal Concert Party or the Executive Concert Party (as defined in the Admission Document) or any members of the Principal Concert Party or the Executive Concert Party to make a general offer to shareholders of the Company as a result of the allotment and issue of the Consideration Shares (as defined in the Admission Document) giving the Principal Concert Party an interest in the Company of 225,672,048 New Ordinary Shares, being approximately 79.55 per cent. of the Enlarged Issued Share Capital (as defined in the Admission Document) and the Executive Concert Party an interest in the Company of 128,082,145 New Ordinary Shares, being approximately 45.15 per cent. of the Enlarged Issued Share Capital be and is hereby approved.
3. That, subject to the passing of resolution 7, in accordance with section 551 Companies Act 2006 (**CA 2006**), the directors are generally and unconditionally authorised, and in substitution for any previous authority, to allot the equity securities, as defined in section 560 CA 2006, up to an aggregate nominal amount of £5,000,000 (5 million pounds), such authority, unless previously revoked or varied by the company in general meeting, to expire on 31 March 2012 or, if earlier, the date of the company's next annual general meeting, except that the directors may allot relevant securities pursuant to an offer or agreement made before the expiry of the authority.
4. That, the Share Option Scheme summarised in paragraph 10 of Part VI of the Admission Document to be approved and adopted.
5. That, subject to the passing of resolution 2, the arrangements between EnviroEnergy Resources Limited ("ERL") and Delta Capital Pty Ltd ("Delta") (summarised in Part I of the Admission Document in the section headed 'Management arrangements'), a company of which Anthony Brennan is a director and controlling shareholder, pursuant to which Delta will be entitled to receive a success fee of £125,000 from ERL be and they are hereby approved in or substantially in such form for the purposes of Rule 16 of the City Code on Takeovers and Mergers.

SPECIAL RESOLUTIONS

6. That, subject to the passing of Resolution 8 and immediately prior to Admission: (i) every 10 issued ordinary shares of 0.5p each in the capital of the Company be consolidated into one ordinary share of 5p; and (ii) each resulting issued ordinary share of 5p then be subdivided into one new ordinary share of 1p each and one new deferred share of 4p each; having the rights set out in the articles to be adopted under resolution 8.
7. That, subject to the passing of Resolution 3, under section 570 CA 2006, the directors are authorised, in substitution for any previous authority, to allot equity securities, as defined in section 560 CA 2006, wholly for cash for the period commencing on the date of this resolution and expiring on 31 March 2012, as if section 561 CA 2006 did not apply to such allotment, except

that the directors may allot relevant securities following an offer or agreement made before the expiry of the authority and provided that the authority is limited to:

- 7.1 the allotment of equity securities in connection with a rights issue in favour of ordinary shareholders where their holdings are proportionate, as nearly as possible, to the respective number of ordinary shares held, or deemed to be held, by them, but subject to any exclusions or arrangements the directors think necessary or expedient for the purpose of dealing with fractional entitlements or legal or practical problems under the laws of any territory or the requirements of any recognised regulatory body or stock exchange in any territory; and
 - 7.2 the allotment of equity securities up to a maximum nominal value of £97,374 upon conversion of the Warrants (as defined in the Admission Document);
 - 7.3 the allotment of equity securities up to a maximum nominal value of £279,756 upon exercise of the share options granted to the directors, employees and consultants of the Company and its subsidiaries from time to time;
 - 7.4 the allotment of equity securities up to a maximum nominal value of £5,625,000 (which assumes that the options are exercised at par) upon exercise of the option agreements described in paragraphs 11.1.2, 11.1.3 and 11.1.10 of Part VI of the Admission Document;
 - 7.5 the allotment of equity securities, otherwise than in accordance with paragraphs 7.1 to 7.4, up to a maximum nominal value of £419,534.
8. That with effect immediately prior to Admission:
- 8.1 the articles of association of the Company be amended by deleting all the provisions of the Company's memorandum of association which, by virtue of section 28 Companies Act 2006, are to be treated as provisions of the Company's articles of association; and
 - 8.2 the articles of association produced to the meeting and initialled by the chairman of the meeting for the purpose of identification be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association.
9. That, subject to the passing of resolution 8, a general meeting other than an annual general meeting may be called on not less than 14 clear days notice.
10. That, the company's name be changed to PowerHouse Energy Group plc with effect from completion of the Acquisition.

31 March 2011

By order of the Board

Headstream Capital Limited

Company Secretary

Registered Office:

Meriden House
6 Great Cornbow
Halesowen
West Midlands
B63 3AB

Registered in England and Wales No. 3934451

Notes to the notice of General Meeting

Appointment of proxies

1. As a member of the Company, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
2. A proxy does not need to be a member of the Company but must attend the meeting to represent you. Details of how to appoint the chairman of the meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the meeting you must appoint your own choice of proxy (not the chairman) and give your instructions directly to the relevant person.
3. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, you must complete a separate proxy form for each proxy and specify against the proxy's name the number of shares over which the proxy has rights. If you are in any doubt as to the procedure to be followed for the purpose of appointing more than one proxy you must contact the Company's registrars, Neville Registrars Limited at Neville House, 18 Laurel Lane, Halesowen, West Midlands, B63 3DA.
4. If you do not indicate to your proxy how to vote on any resolution, your proxy will vote or abstain from voting at his discretion. Your proxy will vote (or abstain from voting) as he thinks fit in relation to any other matter which is put before the meeting.

Appointment of proxy using the hard copy proxy form

5. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold his vote.
6. To appoint a proxy using the proxy form, it must be:
 - 6.1. completed and signed;
 - 6.2. sent or delivered to the Company's registrars, Neville Registrars Limited at Neville House, 18 Laurel Lane, Halesowen, West Midlands, B63 3DA; and
 - 6.3. received by the Company's registrars no later than 10.00 a.m. on 20 April 2011.
7. In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.
8. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.
9. The Company, pursuant to regulation 41 of The Uncertificated Securities Regulations 2001, specifies that only those ordinary shareholders registered in the register of members of the Company 48 hours before the meeting shall be entitled to attend or vote at the meeting in respect of the number of Ordinary shares registered in their name at that time. Changes to entries on the relevant register of securities after that time will be disregarded in determining the rights of any person to attend or vote at the meeting.

Appointment of proxies through CREST

10. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

11. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's (EUI) specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID: 7RA11) by 10.00 a.m. on 20 April 2011. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.
12. CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as are necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
13. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Appointment of proxy by joint members

14. In the case of joint holders of shares, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder (being the first named holder in respect of the shares in the Company's register of members) will be accepted.

Changing proxy instructions

15. To change your proxy instructions simply submit a new proxy appointment using the method set out in paragraph 6 above. Note that the cut off time for receipt of proxy appointments specified in that paragraph also applies in relation to amended instructions. Any amended proxy appointment received after the specified cut off time will be disregarded.
16. Where you have appointed a proxy using the hard copy proxy form and would like to change the instructions using another hard copy proxy form, please contact the Company's registrar as indicated in paragraph 3 above.
17. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

Termination of proxy appointments

18. In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to the Company's registrar as indicated in paragraph 3 above. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.
19. The revocation notice must be received by the Company no later than 10.00 a.m. on 20 April 2011.
20. If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to paragraph 21 below, your proxy appointment will remain valid.

21. Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.

Nominated persons

22. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (**Nominated Person**) may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the GM. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
23. The statement of the rights of shareholders in relation to the appointment of proxies in paragraphs 1 and 2 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.

Documents available for inspection

24. Documents available for inspection are listed in the circular that accompanies the notice of GM.

Total voting rights

25. As at noon on today's date, the Company's issued share capital comprised 97,375,523 ordinary shares of 0.5p each and 17,373,523 deferred shares of 4.5p each. Each ordinary share carries the right to one vote at a general meeting of the Company and the deferred shares carry no voting rights. Therefore, the total number of voting rights in the Company as at noon on today's date is 97,375,523.

Communication

26. Except as provided above, members who have general queries about voting by proxy should contact the Company's registrar, Neville Registrars Limited at Neville House, 18 Laurel Lane, Halesowen, West Midlands, B63 3DA.