

**FOR IMMEDIATE RELEASE**

**NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF THAT JURISDICTION**

27 April 2017

**Recommended Share Offer**  
by  
**Encor Power PLC (“Encor” or the “Offeror”)**  
for  
**IPSA Group PLC (“IPSA” or the “Company”)**

The Independent Director of IPSA Group PLC and the Board of Encor announce that they have reached an agreement on the terms of a recommended offer to be made by Encor for the entire issued ordinary share capital of IPSA (the “Offer”)

**Summary of the Offer**

- Under the terms of the Offer, IPSA Shareholders will be entitled to receive 0.62 New Encor Shares for each IPSA Share.
- The Offer values the entire issued share capital of the Company at approximately £2m on the basis of an implied value of £0.03 per New Encor Share.
- The Offer values each IPSA Share at c.£0.019 which represents a premium of approximately 33 per cent. to the closing price of £0.014 per IPSA Share as at the close of business on 15 September 2015, being the last date on which the IPSA Shares were traded on AIM.
- The Independent Director of the Company, being Susan Laker, has considered the Offer and, given that Shareholders who do not accept the Offer may not see dividends or other returns of capital and may have no other effective opportunity to sell their Ordinary Shares following IPSA’s delisting from AIM, is recommending Shareholders to accept the Offer.
- **The Independent Director, who has been so advised by Optiva Securities Limited (“Optiva”) on the financial terms of the Offer, considers the terms of the Offer to be fair and reasonable.** In providing its advice to the Independent Director, Optiva has taken into account the commercial assessments of the Independent Director. Optiva is providing independent financial advice to the Independent Director for the purposes of Rule 3 of the Code.
- The Offer will be conditional upon, amongst other things, Encor receiving valid acceptances (which have not been withdrawn) in respect of and/or having otherwise acquired IPSA Shares which represent not less than 50.1 per cent. in nominal value of IPSA Shares to which the Offer relates and of the voting rights attached to those shares.
- Irrevocable undertakings to accept the Offer have been received by Encor from both IPSA Directors in respect of, in aggregate, 2,400,000 IPSA Shares, representing approximately 2.23 per cent. of the share capital of IPSA in issue on 26 April 2017 (being the last Business Day prior to the date of this Announcement). Each of the IPSA Directors’ irrevocable undertakings are binding.
- In addition, Irrevocable undertakings to accept the Offer have been received by Encor from Sterling Trust Limited (in administration), WH Ireland Nominees Limited, Mr S Hargrave, Ms E Shaw and Technology Finance Limited in respect of 50,923,225 IPSA Shares in aggregate, representing approximately 47.37 per cent. of the share capital of IPSA in issue on 26 April 2017 (being the last Business Day prior to the date of this Announcement). Each of these irrevocable undertakings is binding.

- Accordingly, Encor has received irrevocable undertakings to accept the Offer over, in aggregate, 53,323,225 IPSA Shares, representing approximately 49.60 per cent. of the share capital of IPSA in issue on 26 April 2017 (being the last Business Day prior to the date of this Announcement).

Commenting on the Offer, Mr Edward Cowdery, Chief Executive of Encor Power, said: “We are delighted to be bringing together the long established expertise of IPSA with Encor Power’s innovative approach to the delivery of grid services to the UK energy market.”

Commenting on the Offer, Peter Earl, CEO of IPSA, said: “We believe that this offer provides IPSA shareholders with a rapid route to liquidity and value for their shares as part of a larger power development group with an exciting portfolio of projects in the United Kingdom, a less unpredictable market than that of South Africa where IPSA has suffered many setbacks over the last ten years. The offer permits Encor shareholders to benefit from IPSA’s own international power development experience so that lessons learned through past developments overseas may benefit the enlarged group in the future.”

**The Offer will be subject to the Conditions and certain further terms of the Offer set out in Appendix I to this Announcement. Appendix II sets out the sources of information and bases of calculations used in this Announcement. Appendix III contains details of the irrevocable undertakings given to Encor. Appendix IV contains the definitions of certain terms used in this summary and in the full text of this Announcement.**

**The above summary should be read in conjunction with, and is subject to, the full text of this announcement and the Appendices.**

The Offer Document will be posted as soon as practicable and in any event within 28 days from the date of this Announcement, unless otherwise agreed with the Panel, other than to certain Overseas IPSA Shareholders in a Restricted Jurisdiction in the circumstances permitted under the Code or in accordance with any dispensation given by the Panel. The full terms of and conditions to the Offer will be set out in the Offer Document and the Form of Acceptance. In deciding whether or not to accept the Offer, IPSA Shareholders should rely solely on the information contained in, and follow the procedures set out in, the Offer Document and Form of Acceptance.

#### **Enquiries:**

##### **Encor Power plc**

Edward Cowdery

Tel. +44 (0) 20 3621 8310

##### **IPSA Group plc**

Peter Earl

Tel. +44 (0)20 7793 5600

##### **Optiva Securities Limited (Financial Adviser to IPSA)**

Jonathan Brown

Tel. +44 (0) 20 3137 1902

#### **Responsibility Statements**

##### **Encor**

*The Encor Directors (including those who may have delegated detailed supervision of the preparation of this announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this announcement (other than any information relating to IPSA or any opinion expressed by IPSA) are fair and accurate and no material facts have been omitted from this announcement, the omission of which would make any statement in this announcement misleading, and they jointly and severally accept responsibility accordingly.*

*Where any information has been extracted from published, publicly available sources or obtained from IPSA, the sole responsibility of the Encor Directors has been to ensure that, through reasonable enquiries, such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this announcement. The Encor Directors do not accept any responsibility for any information relating to or opinions expressed by IPSA.*

## **IPSA**

*The IPSA Directors (including those who may have delegated detailed supervision of the preparation of this announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this announcement (other than any information relating to Encor or any opinion expressed by Encor) are fair and accurate and no material facts have been omitted from this announcement, the omission of which would make any statement in this announcement misleading, and they jointly and severally accept responsibility accordingly.*

*Where any information has been extracted from published, publicly available sources or obtained from Encor, the sole responsibility of the IPSA Directors has been to ensure that, through reasonable enquiries, such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this announcement. The IPSA Directors do not accept any responsibility for any information relating to or opinions expressed by Encor.*

### **Further information**

*This announcement is not intended to and does not constitute or form part of any offer to sell or to subscribe for or buy or an invitation to purchase or subscribe for any securities in any jurisdiction pursuant to the Offer or otherwise, nor shall there be any sale, issuance or transfer of securities in any jurisdiction in contravention of applicable law. The Offer will be made solely pursuant to the Offer Document which will contain further information in relation to the Acquisition and, together with the Forms of Acceptance, will contain the full terms and conditions of the Offer. Any decision in respect of, or other response to, the Acquisition should be made only on the basis of the information contained in the Offer Document.*

*This announcement does not constitute a prospectus or prospectus equivalent document.*

*The Executive has granted IPSA and Encor a dispensation from the requirements under the Code that announcements must be published via a Regulatory Information Service (“RIS”). Encor and IPSA are instead required to publish all announcements on IPSA’s website at [www.ipsagroup.co.uk](http://www.ipsagroup.co.uk). No announcements other than this announcement will be sent in hard copy form to IPSA shareholders. The Executive has also granted a dispensation from the requirements in Note 3 on Rule 8 of the Code that disclosures made under Rule 8 of the Code must be made to a RIS. Therefore, any Opening Position Disclosures and Dealing Disclosures required under Rule 8 of the Code may be made to Encor by email to [pearl@indpow.co.uk](mailto:pearl@indpow.co.uk) and will be published on IPSA’s website at [www.ipsagroup.co.uk](http://www.ipsagroup.co.uk). A copy must also be sent to the Panel’s Market Surveillance Unit by email ([monitoring@disclosure.org.uk](mailto:monitoring@disclosure.org.uk)).*

*In accordance with Rule 2.10 of the Code, the current issued share capital of the Company comprises 107,504,081 Ordinary Shares of £0.02 each. These shares are not admitted to trading on any public market since being delisted from AIM on 16 September 2016.*

### **Overseas jurisdictions**

*The laws of relevant jurisdictions may affect the availability of the Offer to persons who are not citizens or nationals of the United Kingdom. Persons who are not resident in the United Kingdom, or who are citizens or nationals of a jurisdiction outside of the United Kingdom, should inform themselves about and observe any applicable legal and regulatory requirements. Any failure to comply with the laws and regulatory requirements of the relevant jurisdiction may constitute a violation of the securities laws of such jurisdiction.*

*Unless otherwise determined by the Offeror or required by the Code and permitted by applicable law and regulation, the Offer will not be made, directly or indirectly, in or into, or by the use of the mails of, or by any means or instrumentality (including, without limitation, by mail, telephonically or electronically by way of internet or otherwise) of interstate or foreign commerce of, or by any facilities of a national, state or other securities exchange of, any Restricted Jurisdiction, and the Offer may not be accepted by any other such use, means, instrumentality or facility from or within any Restricted Jurisdiction. Accordingly, unless otherwise determined by the Offeror or required by the Code and permitted by applicable law and regulation, copies of this announcement, the Offer Document, the Form of Acceptance and any other documents related to the Offer are not being, and must not be, directly or*

*indirectly, mailed or otherwise forwarded, distributed or sent in, into or from any Restricted Jurisdiction. All persons receiving this announcement (including, without limitation, custodians, nominees and trustees) should observe these restrictions and any applicable legal or regulatory requirements of their jurisdiction and must not mail or otherwise forward, send or distribute this announcement in, into or from any Restricted Jurisdiction.*

*The release, publication or distribution of this announcement, the Offer Document and the Form of Acceptance in jurisdictions other than the United Kingdom may be restricted by law and/or regulation and therefore any persons who are subject to the laws and regulations of any jurisdiction other than the United Kingdom should inform themselves about, and observe, any applicable requirements. This announcement has been prepared in accordance with English law and the Code and the information disclosed may not be the same as that which would have been prepared in accordance with the laws of any jurisdiction outside of the United Kingdom.*

### **Cautionary note regarding forward-looking statements**

*This announcement, including information included or incorporated by reference in this announcement, may contain "forward-looking statements" concerning the Offer, the Offeror and the Company. Generally, the words "will", "may", "should", "could", "would", "can", "continue", "opportunity", "believes", "expects", "intends", "anticipates", "estimates" or words or terms of similar substance or the negative thereof are forward-looking statements. These statements are based on assumptions and assessments made by the board of directors of the Offeror or the Company (as applicable) in light of its experience and its perception of historical trends, current conditions, future developments and other factors which it believes appropriate. The forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements. Forward-looking statements include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of the Offeror's or the Company's operations and potential synergies resulting from the Offer; and (iii) the effects of government regulation on the Offeror's or the Company's business. Many of these risks and uncertainties relate to factors that are beyond the companies' abilities to control or estimate precisely, such as future market conditions and the behaviours of other market participants, and therefore undue reliance should not be placed on such statements. There are several factors which could cause actual results to differ materially from those expressed or implied in forward-looking statements. Among the factors that could cause actual results to differ materially from those described in the forward-looking statements are changes in the global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax rates, tax regimes and future business combinations or dispositions.*

### **Disclosure Requirements of the Code**

*Under Rule 8.3(a) of the Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.*

*Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these*

details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk), including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on **+44 (0) 20 7638 0129** if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

### **Information relating to IPSA Shareholders**

Please be aware that addresses, electronic addresses and certain other information provided by IPSA Shareholders, persons with information rights and other relevant persons for the receipt of communications from the Company may be provided to the Offeror during the Offer Period as required under Section 4 of Appendix 4 of the Code.

### **Rounding**

Certain figures included in this announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

### **Time**

All times shown in this announcement are London times.

### **Documents for inspection**

Copies of the irrevocable undertakings will be made available for inspection during normal business hours at IPSA's registered office from the date of this announcement and during the Offer Period.

### **Publication on websites**

In accordance with Rule 26.1 of the Code, a copy of this announcement will be available, subject to certain restrictions in relation to persons resident in Restricted Jurisdictions, on the Company's website ([www.ipsagroup.co.uk](http://www.ipsagroup.co.uk)) by no later than 12 noon on 28 April 2017. Neither the contents of the Company's website, nor the content of any other website accessible from hyperlinks on the Company's website, is incorporated into or forms part of this announcement.

**27 April 2017**

**FOR IMMEDIATE RELEASE**

**NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF THAT JURISDICTION**

27 April 2017

**Recommended Share Offer**  
**by**  
**Encor Power PLC (“Encor” or the “Offeror”)**  
**for**  
**IPSA Group PLC (“IPSA” or the “Company”)**

**1 Introduction**

The Independent Director of IPSA and Encor announce that they have reached an agreement on the terms of a recommended offer to be made by Encor for the entire issued ordinary share capital of IPSA.

The Offer values the entire issued share capital of the Company at approximately £2m.

**2 The Offer**

Encor will offer to acquire, subject to certain further terms set out in **Appendix 1**, and to be set out in full in the formal Offer Document and also (in respect of Ordinary Shares held in certificated form) in the Form of Acceptance, the entire issued share capital of the Company on the following basis:

**for each Ordinary Share in IPSA, 0.62 New Encor Shares.**

The Offer values the whole of IPSA’s issued share capital at approximately £2m. With an implied value of £0.03 each, the 0.62 New Encor Shares per Ordinary Share offered represent £0.019, a premium of c.33 per cent. to the closing price of £0.014 per Ordinary Share on 15 September 2015, being the last dealing day on which the Company’s Ordinary Shares were quoted on AIM.

IPSA shares will be acquired by Encor fully paid and free from all liens, equities, charges, equitable interests, Encumbrances, rights of pre-emption and other third party rights and/or interests of any nature whatsoever and together with all rights attaching to them, now or in the future, including the right to receive and retain all dividends, interest and other distributions paid or made on or after the date of this announcement.

**3 Information on Encor**

Encor together with its subsidiary Demand Power Limited (“**Encor Group**”) is to offer distributed power generation and grid management services including Demand Side Response, Back-up Generation, Frequency Response, Capacity Management, Triad Management and Energy Storage Services to the National Grid. Encor Group will also generate electricity for the purpose of commercial trading to energy suppliers and other commercial clients in the UK. Demand Power, a UK developer of distributed demand side generation projects, was acquired in September 2016 by way of a share-for-share exchange.

The business of Encor Group currently comprises options to acquire leases over 8 sites on which generation facilities can be built and connected to the Grid and a further pipeline of potential sites in earlier stages of development. One such site already has planning permission for the construction of a 20MW generating facility and each site has received a connection offer from its local DNO. The expected aggregate export capacity of these sites is estimated at 325MW.

Encor Group’s strategy is to develop its business through the continued development, construction and operation of generation assets, delivering revenues through the sale of grid

management services and commercial trading. Encor Group will also seek to acquire sites, with or without planning permission, from time to time.

Encor intends to make an application to list its entire enlarged ordinary share capital (including the New Encor Shares) to the Standard List of the Main Market of the London Stock Exchange and admission to trading is expected to take place in Q2 2017.

#### **4 Information on IPSA**

IPSA was established to develop, own and manage power generation plants in southern Africa. The company listed on AIM in September 2005 and since October 2006 had a secondary listing on the Altx market of the Johannesburg Stock Exchange.

The Company sold its only revenue generating asset on 29 February 2016 and so became an AIM Rule 15 cash shell requiring the Company to make an acquisition or acquisitions which will constitute a reverse takeover under AIM Rule 14 within six months of that disposal.

The Company failed to make an acquisition within the six month period and on 16 September 2016, the admission of the Company's Ordinary Shares to trading on AIM was cancelled.

Since 29 February 2016 the principal activities of IPSA have been to resolve historic issues with Rurelec plc ("**Rurelec**") and Ethos Energy Spa. Final agreement on these issues was achieved on 27 March 2017, the net effect of which is to leave IPSA holding equipment which the directors estimate has a value of £2m of which some is held under option in favour of Rurelec exercisable by 30 September 2017 for £1 million.

#### **5 Background to and reasons for the Offer**

Encor was founded in 2016 to offer distributed power generation and grid management services in the UK. Its strategy may be achieved through the direct acquisition of sites or through the acquisition of companies owning sites and/or complementary assets. Encor Power completed its first acquisition in 2016 by acquiring 100% of the issued share capital of Demand Power Limited, a UK based development company.

Through the acquisition of IPSA, Encor will be acquiring a company with a ten year continuous track record of developing gas fired power plants using both gas turbines and gas engines of the type similar to those which Encor plans to install in the United Kingdom. Encor also is seeking to strengthen its tangible net assets through the inclusion of certain plant and equipment owned by IPSA. In turn, IPSA will benefit from being part of a larger group trading in an OECD country rather than Southern Africa to develop small power plants offering services which are in high demand in the United Kingdom given current generation and transmission network constraints.

Encor believes that by offering a share for share transaction to IPSA shareholders, such shareholders can benefit from Encor's development pipeline and the significant growth opportunities that exist in the UK for the supply of electrical power and grid management services.

#### **6 Irrevocable undertakings**

Encor has received irrevocable undertakings to accept the Offer from each of the IPSA Directors in respect of their own beneficial shareholdings and their immediate family's beneficial shareholdings being, in aggregate, a total of 2,400,000 IPSA Shares, representing approximately 2.23 per cent. of IPSA's issued share capital. Each of these irrevocable undertakings is binding in all circumstances.

In addition, irrevocable undertakings to accept the Offer have also been received by Encor from Sterling Trust Limited (in administration), WH Ireland Nominees Limited, Mr S Hargrave, Ms E Shaw and Technology Finance Limited in respect of 50,923,225 IPSA Shares, in aggregate, representing approximately 47.37 per cent. of the share capital of IPSA in issue on 26 April 2017 (being the last Business Day prior to the date of this Announcement). Each of these irrevocable undertakings is binding in all circumstances.

## 7 **Recommendation of the Independent Director**

The Independent Director, who has been so advised by Optiva, considers the terms of the Offer to be fair and reasonable. In providing advice to the Independent Director, Optiva has taken into account the commercial assessments of the Independent Director. Optiva is providing independent financial advice for the purposes of Rule 3 of the Code to the Independent Director.

**Accordingly, the Independent Director has agreed to recommend that all IPSA Shareholders accept the Offer, as she has irrevocably undertaken to do in respect of her own beneficial shareholdings of a total of 650,000 IPSA Shares, representing approximately 0.60 per cent. of IPSA's issued share capital.**

**The Independent Director strongly urges all IPSA Shareholders to accept the Offer as soon as possible following the despatch of the Offer Document.**

As Peter Earl will be joining the board of Encor in the event of the Offer becoming unconditional, he is not considered to be independent and therefore cannot recommend the Offer to IPSA Shareholders.

## 8 **Additional factors for consideration by IPSA Shareholders**

In considering the merits of the Offer, the Independent Director has taken into account the fact that IPSA shareholders should be aware that there is currently no market in IPSA shares following the de-listing of IPSA Ordinary shares from AIM on 16 September 2016 and no cash flow from operations available to IPSA following the sale on 29 February 2016 of its last operating power generation business.

## 9 **Management and employees**

Encor attaches great importance to the skills, expertise and knowledge of the existing management of IPSA and, assuming that the Offer becomes unconditional, envisages that operations will continue from IPSA's London head office and that the on-going development and expansion of the business will be implemented under the leadership of the Encor board. Peter Earl will be joining the Encor Board. IPSA currently has no employees.

Encor confirms that if the Offer is declared unconditional in all respects, it intends to safeguard fully the existing employment and pension rights of IPSA's management in accordance with applicable law. Encor's plans for IPSA do not involve any material change in the conditions of employment of its employees as there are no IPSA employees. Encor does not intend to make any changes to the locations of IPSA's places of business.

If the Offer is declared unconditional in all respects, Susan Laker will resign from the IPSA Board and Encor may nominate new directors to the IPSA Board, as appropriate.

## 10 **Offer-related arrangements**

Encor and IPSA entered into the Confidentiality Agreement pursuant to which each party has undertaken to, amongst other things: (i) keep confidential information made available by the other party confidential and not to disclose it to third parties (other than to permitted disclosees) unless required by law or regulation; and (ii) comply with customary non-solicitation provisions other than in connection with ordinary course matters unconnected with the Offer.

## 11 **Offer Document**

The Offer will be subject to the further terms set out in Appendix 1 and the terms to be set out in the Offer Document together with, for Ordinary Shares held in certificated form, the Form of Acceptance when published.

It is expected that the Offer Document and the Form of Acceptance will be published as soon as practicable and, in any event, (save with the consent of the Panel) within 28 days of this

announcement. The Offer Document will be made available to all Shareholders, other than those in Restricted Jurisdictions, at no charge to them on the Company's website (at [www.ipsagroup.co.uk](http://www.ipsagroup.co.uk)).

The Offer Document will contain important information on the Offer and how IPSA Shareholders may accept it and, accordingly, all IPSA Shareholders are urged to read the Offer Document and the accompanying Form of Acceptance when published.

## 12 **Conditions**

The Conditions to the Offer, along with certain further terms of the Offer are set out at Appendix 1.

## 13 **Compulsory Acquisition**

If the Offeror receives acceptances under the Offer in respect of, and/or otherwise acquires or contracts to acquire, 90 per cent. or more in nominal value of the Ordinary Shares to which the Offer relates and of the voting rights attaching to those Ordinary Shares, the Offeror intends to exercise its rights in accordance with Chapter 3 of Part 28 of the Companies Act 2006, as amended, to acquire compulsorily the remaining Ordinary Shares on the same terms as the Offer.

It is also proposed that, in due course following the Offer becoming or being declared unconditional in all respects, Encor will seek to procure the re-registration of IPSA as a private limited company under the relevant provisions of the Companies Act 2006.

## 14 **Issued Share Capital**

In accordance with Rule 2.9 of the Code, IPSA confirms that it currently has 107,504,081 ordinary shares of £0.02 each in issue. The ISIN reference for these securities is GB00B0CJ3F01.

In addition, in accordance with Rule 2.9 of the Code, Encor confirms that it currently has 270,750,000 ordinary shares of £0.01 pence each in issue.

## 15 **General**

Appendix 1 sets out further terms of the Offer. Appendix 2 sets out the bases of calculation and sources relating to certain information contained in this announcement. Appendix 3 sets out details of the Irrevocable Undertakings. Certain terms used in this announcement are defined in Appendix 4.

This announcement does not constitute an offer to sell nor an invitation to purchase any securities in any jurisdiction pursuant to the Offer or otherwise.

There are no agreements or arrangements to which Encor is a party which relate to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition of the Offer.

## 16 **Disclosures of Interests**

Encor confirms that it has no holding of IPSA Shares that is required to be disclosed by it under Rule 8.1(a) of the Code, other than pursuant to the irrevocable undertakings referred to in paragraph 6 above.

As at the close of business on 26 April 2017, being the last practicable date prior to the publication of this Announcement, save for irrevocable undertakings referred to in paragraph 6 above, neither Encor nor any of the Encor Directors nor, so far as the Encor Directors are aware, any person acting, or deemed to be acting, in concert with Encor:

- had an interest in, or right to subscribe for, relevant securities of IPSA;

- had any short position in (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 of, relevant securities of IPSA;
- had procured an irrevocable commitment or letter of intent to accept the Offer in respect of relevant securities of IPSA; or
- had borrowed or lent any IPSA Shares.

Furthermore, no arrangement exists with Encor or any person acting in concert with Encor in relation to IPSA Shares. For these purposes, an "arrangement" includes any indemnity or option arrangement, any agreement or any understanding, formal or informal, of whatever nature, relating to IPSA Shares which may be an inducement to deal or refrain from dealing in such securities

#### 17 **Expected timetable for posting the Offer Document**

The Offer Document, containing further information about the Offer and the terms and conditions of the Offer, together with a Form of Acceptance will, unless otherwise permitted by the Panel, be published within 28 days of this Announcement (or such later date as the Panel may agree) and will be made available on IPSA's website at [www.ipsagroup.co.uk](http://www.ipsagroup.co.uk).

#### 18 **Display documents**

The following documents will, by no later than 12:00 noon on the Business Day following the date of this Announcement, be made available on IPSA's website at [www.ipsagroup.co.uk](http://www.ipsagroup.co.uk) until the date on which the Offer becomes unconditional as to acceptances:

- this Announcement;
- the Confidentiality Agreement; and
- the irrevocable undertakings referred to in paragraph 6 above and described in Appendix 3 to this Announcement.

#### 19 **Overseas Shareholders**

The distribution of this announcement, and the availability of the Offer, to persons who are not resident in the United Kingdom may be affected by the laws of their relevant jurisdiction. Such persons should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdiction. Further details in relation to Overseas Shareholders will be contained in the Offer Document.

#### **Enquiries**

##### **Encor Power plc**

Edward Cowdery

Tel. +44 (0) 20 3621 8310

##### **IPSA Group plc**

Peter Earl

Tel. +44 (0)20 7793 5600

##### **Optiva Securities Limited (Financial Adviser to IPSA)**

Jonathan Brown

Tel. 44 (0) 20 3137 1902

## **Responsibility Statements**

### **Encor**

*The Encor Directors (including those who may have delegated detailed supervision of the preparation of this announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this announcement (other than any information relating to IPSA or any opinion expressed by IPSA) are fair and accurate and no material facts have been omitted from this announcement, the omission of which would make any statement in this announcement misleading, and they jointly and severally accept responsibility accordingly.*

*Where any information has been extracted from published, publicly available sources or obtained from IPSA, the sole responsibility of the Encor Directors has been to ensure that, through reasonable enquiries, such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this announcement. The Encor Directors do not accept any responsibility for any information relating to or opinions expressed by IPSA.*

### **IPSA**

*The IPSA Directors (including those who may have delegated detailed supervision of the preparation of this announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this announcement (other than any information relating to Encor or any opinion expressed by Encor) are fair and accurate and no material facts have been omitted from this announcement, the omission of which would make any statement in this announcement misleading, and they jointly and severally accept responsibility accordingly.*

*Where any information has been extracted from published, publicly available sources or obtained from Encor, the sole responsibility of the IPSA Directors has been to ensure that, through reasonable enquiries, such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this announcement. The IPSA Directors do not accept any responsibility for any information relating to or opinions expressed by Encor.*

### **Further information**

*This announcement is not intended to and does not constitute or form part of any offer to sell or to subscribe for or buy or an invitation to purchase or subscribe for any securities in any jurisdiction pursuant to the Offer or otherwise, nor shall there be any sale, issuance or transfer of securities in any jurisdiction in contravention of applicable law. The Offer will be made solely pursuant to the Offer Document which will contain further information in relation to the Acquisition and, together with the Forms of Acceptance, will contain the full terms and conditions of the Scheme. Any decision in respect of, or other response to, the Acquisition should be made only on the basis of the information contained in the Offer Document.*

*This announcement does not constitute a prospectus or prospectus equivalent document.*

*The Executive has granted IPSA and Encor a dispensation from the requirements under the Code that announcements must be published via a Regulatory Information Service (“RIS”). Encor and IPSA are instead required to publish all announcements on IPSA’s website at [www.ipsagroup.co.uk](http://www.ipsagroup.co.uk). No announcements other than this announcement will be sent in hard copy form to IPSA shareholders. The Executive has also granted a dispensation from the requirements in Note 3 on Rule 8 of the Code that disclosures made under Rule 8 of the Code must be made to a RIS. Therefore, any Opening Position Disclosures and Dealing Disclosures required under Rule 8 of the Code may be made to Encor by email to [pearl@indpow.co.uk](mailto:pearl@indpow.co.uk) and will be published on IPSA’s website at [www.ipsagroup.co.uk](http://www.ipsagroup.co.uk). A copy must also be sent to the Panel’s Market Surveillance Unit by email ([monitoring@disclosure.org.uk](mailto:monitoring@disclosure.org.uk)).*

*In accordance with Rule 2.10 of the Code, the current issued share capital of the Company comprises 107,504,081 Ordinary Shares of £0.02 each. These shares are not admitted to trading on any public market since being delisted from AIM on 16 September 2016.*

## **Overseas jurisdictions**

*The laws of relevant jurisdictions may affect the availability of the Offer to persons who are not citizens or nationals of the United Kingdom. Persons who are not resident in the United Kingdom, or who are citizens or nationals of a jurisdiction outside of the United Kingdom, should inform themselves about and observe any applicable legal and regulatory requirements. Any failure to comply with the laws and regulatory requirements of the relevant jurisdiction may constitute a violation of the securities laws of such jurisdiction.*

*Unless otherwise determined by the Offeror or required by the Code and permitted by applicable law and regulation, the Offer will not be made, directly or indirectly, in or into, or by the use of the mails of, or by any means or instrumentality (including, without limitation, by mail, telephonically or electronically by way of internet or otherwise) of interstate or foreign commerce of, or by any facilities of a national, state or other securities exchange of, any Restricted Jurisdiction, and the Offer may not be accepted by any other such use, means, instrumentality or facility from or within any Restricted Jurisdiction. Accordingly, unless otherwise determined by the Offeror or required by the Code and permitted by applicable law and regulation, copies of this announcement, the Offer Document, the Form of Acceptance and any other documents related to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from any Restricted Jurisdiction. All persons receiving this announcement (including, without limitation, custodians, nominees and trustees) should observe these restrictions and any applicable legal or regulatory requirements of their jurisdiction and must not mail or otherwise forward, send or distribute this announcement in, into or from any Restricted Jurisdiction.*

*The release, publication or distribution of this announcement, the Offer Document and the Form of Acceptance in jurisdictions other than the United Kingdom may be restricted by law and/or regulation and therefore any persons who are subject to the laws and regulations of any jurisdiction other than the United Kingdom should inform themselves about, and observe, any applicable requirements.*

*This announcement has been prepared in accordance with English law and the Code and the information disclosed may not be the same as that which would have been prepared in accordance with the laws of any jurisdiction outside of the United Kingdom.*

## **Cautionary note regarding forward-looking statements**

*This announcement, including information included or incorporated by reference in this announcement, may contain "forward-looking statements" concerning the Offer, the Offeror and the Company. Generally, the words "will", "may", "should", "could", "would", "can", "continue", "opportunity", "believes", "expects", "intends", "anticipates", "estimates" or words or terms of similar substance or the negative thereof are forward-looking statements. These statements are based on assumptions and assessments made by the board of directors of the Offeror or the Company (as applicable) in light of its experience and its perception of historical trends, current conditions, future developments and other factors which it believes appropriate. The forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements. Forward-looking statements include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of the Offeror's or the Company's operations and potential synergies resulting from the Offer; and (iii) the effects of government regulation on the Offeror's or the Company's business. Many of these risks and uncertainties relate to factors that are beyond the companies' abilities to control or estimate precisely, such as future market conditions and the behaviours of other market participants, and therefore undue reliance should not be placed on such statements. There are several factors which could cause actual results to differ materially from those expressed or implied in forward-looking statements. Among the factors that could cause actual results to differ materially from those described in the forward-looking statements are changes in the global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax rates, tax regimes and future business combinations or dispositions.*

*Under Rule 8.3(a) of the Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must*

make an *Opening Position Disclosure* following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An *Opening Position Disclosure* must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An *Opening Position Disclosure* by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an *Opening Position Disclosure* must instead make a *Dealing Disclosure*.

### **Disclosure Requirements of the Code**

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a *Dealing Disclosure* if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A *Dealing Disclosure* must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A *Dealing Disclosure* by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

*Opening Position Disclosures* must also be made by the offeree company and by any offeror and *Dealing Disclosures* must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities *Opening Position Disclosures* and *Dealing Disclosures* must be made can be found in the *Disclosure Table* on the *Takeover Panel's* website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk), including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on **+44 (0) 20 7638 0129** if you are in any doubt as to whether you are required to make an *Opening Position Disclosure* or a *Dealing Disclosure*.

### **Information relating to IPSA Shareholders**

Please be aware that addresses, electronic addresses and certain other information provided by IPSA Shareholders, persons with information rights and other relevant persons for the receipt of communications from the Company may be provided to the Offeror during the Offer Period as required under Section 4 of Appendix 4 of the Code.

### **Rounding**

Certain figures included in this announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

### **Time**

All times shown in this announcement are London times.

### **Documents for inspection**

Copies of the irrevocable undertakings will be made available for inspection during normal business hours at ISPA's registered office from the date of this announcement and during the Offer Period.

**Publication on websites**

*In accordance with Rule 26.1 of the Code, a copy of this announcement will be available, subject to certain restrictions in relation to persons resident in Restricted Jurisdictions, on the Company's website ([www.ipsagroup.co.uk](http://www.ipsagroup.co.uk)) by no later than 12 noon on 28 April 2017. Neither the contents of the Company's website, nor the content of any other website accessible from hyperlinks on the Company's website, is incorporated into or forms part of this announcement.*

## APPENDIX 1

### Conditions and Certain Further Terms of the Offer

The Offer is subject to the following Conditions:

#### *Acceptance Condition*

- (a) valid acceptances of the Offer being received (and not, where permitted, withdrawn) by no later than 1.00pm on the First Closing Date of the Offer (or such later time(s) and/or date(s) as Encor may, subject to the rules of the Code or with the consent of the Panel, decide) in respect of not less than 50.1 per cent. of the IPSA Shares to which the Offer relates (including for this purpose (to the extent, if any, required by the Panel) any such voting rights attached to any IPSA Shares unconditionally allotted or issued before the Offer becomes or is declared unconditional as to acceptances, whether pursuant to the exercise of conversion or subscription rights or otherwise) and for the purposes of this condition:
  - (i) the expression “IPSA Shares to which the Offer relates” shall be construed in accordance with Chapter 3 of Part 28 of the Companies Act 2006;
  - (ii) IPSA Shares which have been unconditionally allotted but not issued shall be deemed to carry the voting rights which they will carry upon being entered into the register of members of IPSA; and
  - (iii) valid acceptances shall be deemed to have been received in respect of IPSA Shares which are treated for the purposes of section 979(8) Companies Act 2006 as having been acquired or contracted to be acquired by Encor by virtue of acceptances of the Offer.

#### *Third party clearances and Authorisations*

- (b) no central bank, government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental or investigative body, court, trade agency, professional association, institution, employee representative body, or any other such body or person whatsoever in any jurisdiction (each a “**Third Party**” and all collectively “**Third Parties**”) having decided or given notice of a decision to take, institute or threaten any material action, proceeding, suit, investigation, enquiry or reference, or having required any action to be taken, or otherwise having done anything, or having enacted, made or proposed and there not continuing to be outstanding any statute, regulation, decision or order which would or might reasonably be expected to:
  - (i) make the Offer or its implementation or the acquisition or proposed acquisition by Encor of all or any IPSA Shares, or the acquisition or proposed acquisition of control of IPSA, by Encor, void, illegal or unenforceable under the laws of any relevant jurisdiction, or otherwise, directly or indirectly, restrain, restrict, prohibit, challenge, delay, hinder or otherwise interfere with the same, or impose additional adverse Conditions or obligations with respect thereto, or otherwise challenge or require amendment to the terms of the Offer or any such acquisition to an extent in any such case which is material in the context of the Offer;
  - (ii) require, prevent or delay the divestiture, or alter the terms envisaged for any proposed divestiture, by any member of the IPSA Group of all or any portion of their respective businesses, assets or properties or impose any limitation on the ability of any of them to conduct their respective businesses (or any part of them) or to own or manage their respective assets or properties or any part of them to an extent in any such case which is material in the context of the Offer;
  - (iii) impose any limitation on, or result in a delay in, the ability of Encor, directly or indirectly, to acquire or to hold or to exercise effectively all or any rights of ownership in respect of shares, loans or other securities (or the equivalent) in any member of the IPSA Group or to exercise management control over any such member to an extent which is material in the context of the Wider IPSA Group taken as a whole;

- (iv) otherwise adversely affect in any material respect any or all of the businesses, assets, liabilities, profits or prospects of Encor or any member of the IPSA Group;
- (v) save pursuant to the Offer or sections 974 to 991 of the Companies Act 2006 require Encor or the IPSA Group to acquire, or offer to acquire, any shares or other securities (or the equivalent) in, or any asset owned by, any member of the IPSA Group to an extent which is material in the context of the IPSA Group taken as a whole;
- (vi) result in a material delay in the ability of Encor, or render it unable, to acquire some or all of the IPSA Shares to which the Offer relates;
- (viii) result in any member of the IPSA Group or Encor ceasing to be able to carry on business under any name which it presently does so to an extent which is material in the context of the IPSA Group taken as a whole,

and all applicable waiting and other time periods during which any such Third Party could decide to take, institute, implement or threaten any such action, proceeding, suit, investigation, enquiry or reference under the laws of any relevant jurisdiction having expired, lapsed or been terminated;

- (c) all material authorisations, orders, recognitions, grants, consents, licences, confirmations, clearances, certificates, exemptions, permissions and approvals (“**Authorisations**”) necessary or reasonably considered appropriate for or in respect of the Offer or the proposed acquisition of all or any IPSA Shares or other securities in, or control of, IPSA by Encor having been obtained on terms and in a form reasonably satisfactory to Encor from all appropriate Third Parties, or from any persons or bodies with whom any member of the IPSA Group has entered into material contractual arrangements or material business relationships, and such Authorisations, remaining in full force and effect at the time at which the Offer becomes otherwise unconditional and there being no indication of any firm intention to revoke, withdraw, suspend, restrict, withhold or modify or not to grant or renew any of the same;
- (d) all necessary material filings or applications having been made in connection with the Offer, and all applicable waiting periods and other time periods (including extensions thereof) in respect of the Offer or its implementation under any applicable legislation or regulations in any jurisdiction having expired, lapsed or been terminated (as appropriate) and all material statutory or regulatory obligations in any jurisdiction having been complied with in connection with the Offer or the acquisition by Encor of any shares or other securities in, or control or management of, IPSA or any member of the IPSA Group;

*No material transactions, claims or changes in the conduct of the business of IPSA*

- (e) save as Disclosed, there being no provision of any agreement, authorisation, arrangement, lease, licence, permit or other instrument to which any member of the Wider IPSA Group is a party or by or to which any such member or any of its assets may be bound, entitled or subject, which in consequence of the Offer or the proposed acquisition by Encor of any shares or other securities in IPSA or because of a change in the control or management of IPSA or any member of the Wider IPSA Group, would or might reasonably be expected to result in (in each case to an extent which is material in the context of the Wider IPSA Group taken as a whole):
  - (i) any monies borrowed by or any other indebtedness (actual or contingent) of, or grant available to, any member of the Wider IPSA Group, being or becoming repayable or being capable of being declared repayable immediately or prior to their or its stated maturity date or repayment date or the ability of any such member to borrow monies or incur any indebtedness being withdrawn, prohibited or inhibited or becoming capable of being withdrawn, prohibited or inhibited;
  - (ii) any such agreement, authorisation, arrangement, licence, permit or other instrument or the rights, liabilities, obligations or interests of any member of the Wider IPSA Group thereunder being terminated or adversely modified or affected or any obligation or liability arising or any adverse action being taken or arising thereunder;

- (iii) any assets or interests of any member of the Wider IPSA Group being or falling to be disposed of or charged or ceasing to be available to any such member or any right arising under which any such asset or interest could be required to be disposed of or charged otherwise than, in any such case, in the ordinary course of business;
- (iv) the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property or assets of any member of the Wider IPSA Group, or any such mortgage, charge or other security interest (whenever arising or having arisen) becoming enforceable or being enforced;
- (v) the rights, liabilities, obligations or interests of any member of the Wider IPSA Group in, or the business of any such member with, any person, company, firm or body (or any agreements relating to any such interest or business) being terminated, or adversely modified or adversely affected;
- (vi) the value of any member of the Wider IPSA Group or its financial or trading position or profits or prospects being prejudiced or adversely affected; or
- (vii) the creation or assumption of any liability, actual or contingent, by any member of the Wider IPSA Group,

and no event having occurred which, under any provision of any agreement, authorisation, arrangement, lease, licence, permit or other instrument to which any member of the Wider IPSA Group is a party or by or to which any such member or any of its assets are bound, entitled or subject, would be reasonably likely to result in any of the events referred to in subparagraphs (i) to (vii) of this paragraph e, in each case, to an extent which is material in the context of the Wider IPSA Group taken as a whole;

- (f) save as Disclosed, no member of the IPSA Group having, since 30 September 2016:
  - (i) issued or agreed to issue or authorised or proposed or announced its intention to authorise or propose the issue of additional shares of any class or securities convertible into or exchangeable for shares of any class or rights, warrants or options to subscribe for, or acquire, any such shares or convertible securities;
  - (ii) sold or transferred or agreed to sell or transfer any IPSA Shares held in treasury;
  - (iii) recommended, declared, paid or made or proposed to recommend, declare, pay or make any bonus issue, dividend or other distribution whether payable in cash or otherwise other than dividends (or other distributions whether payable in cash or otherwise) lawfully paid or made by any wholly-owned subsidiary of IPSA to IPSA or any of its wholly-owned subsidiaries;
  - (iv) other than pursuant to the Offer or as agreed by Encor (and save for transactions between IPSA and its wholly owned subsidiaries or in the ordinary course of business) implemented, effected, authorised or proposed or announced its intention to implement, effect, authorise or propose any merger, partnership, joint venture, asset or profits sharing arrangement, partnership demerger, reconstruction, amalgamation, scheme, commitment or acquisition or disposal of assets or shares or loan capital (or the equivalent thereof) in any undertaking or undertakings in any such case (in each case to an extent which is material in the context of the IPSA Group or in the context of the offer);
  - (v) (save for transactions between IPSA and its wholly-owned subsidiaries or in the ordinary course of business) disposed of, or transferred, mortgaged or created any security interest over any asset or any right, title or interest in any asset or authorised, proposed or announced any intention to do so;
  - (vi) (save as between IPSA and its wholly-owned subsidiaries) made or authorised or proposed or announced an intention to propose any change in its loan capital;

(vii) (save as between IPSA and its wholly-owned subsidiaries) issued, authorised, or proposed or announced an intention to authorise or propose, the issue of or made any change in or to the terms of any debenture or become subject to any contingent liability or incurred or increased any indebtedness other than in the ordinary course of business (in each case to an extent which is material in the context of the IPSA Group taken as a whole or in the context of the Offer);

(viii) (save as between IPSA and its wholly-owned subsidiaries) purchased, redeemed or repaid, or announced any proposal to purchase, redeem or repay, any of its own shares or other securities or reduced or made any other change to or proposed the reduction or other change to any part of its share capital;

(ix) entered into or varied or terminated or authorised, proposed or announced its intention to enter into or vary any contract, arrangement, agreement, transaction or commitment (whether in respect of capital expenditure or otherwise) which is not in the ordinary course of business or is of a long term, onerous or unusual nature or magnitude or which involves or which might be reasonably expected to involve an obligation of such a nature or magnitude or which is restrictive on the business of any member of the IPSA Group;

(x) entered into or varied the terms of, or made any offer (which remains open for acceptance) to enter into or vary the terms of, any contract, service agreement or arrangement with any director or senior executive of any member of the IPSA Group;

(xi) proposed, agreed to provide or modified the terms of any share option scheme, incentive scheme or other benefit relating to the employment or termination of employment of any person employed in the IPSA Group;

(xii) save in relation to changes made or agreed as a result of, or arising from, changes to legislation, made or agreed or consented to any significant change to the terms of the trust deeds and rules constituting the pension scheme(s) established for its directors, employees or their dependants or to the benefits which accrue, or to the pensions which are payable, thereunder, or to the basis on which qualification for, or accrual or entitlement to, such benefits or pensions are calculated or determined or to the basis upon which the liabilities (including pensions) of such pension schemes are funded or made, or agreed or consented to, any change to the trustees, including the appointment of a trust corporation;

(xiii) been unable, or admitted in writing that it is unable, to pay its debts or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease to carry on all or a substantial part of its business;

(xiv) (other than in respect of a member of the IPSA Group which is dormant and was solvent at the relevant time) taken or proposed any corporate action, or had any legal proceedings threatened or instituted against it for its winding-up (voluntarily or otherwise), dissolution or reorganisation or for the appointment of a liquidator, provisional liquidator, receiver, administrative receiver, administrator, trustee or similar officer of all or any part of its assets or revenues or any analogous or equivalent steps or proceedings in any relevant jurisdiction having been taken or had any such person appointed;

(xv) waived, compromised, settled, abandoned or admitted any dispute, claim or counter-claim whether made or potential and whether by or against any member of the IPSA Group (in each case otherwise than in the ordinary course of business and to an extent which is material in the context of the Wider IPSA Group taken as a whole or in the context of the Offer);

(xvi) made any material alteration to its memorandum or articles of association or other constitutional documents;

(xvii) entered into any contract, agreement, commitment or arrangement or passed any resolution or made any offer (which remains open for acceptance) with respect to or announced any intention to, or to propose to, effect any of the transactions, matters or events referred to in this Condition (f), in each case, to the extent material in the context of the Offer and/or the IPSA Group taken as a whole;

- (g) save as Disclosed, since 30 September 2016:
- (i) no adverse change having occurred, and no circumstances having arisen which would or might reasonably be expected to result in any adverse change in the business, assets, financial or trading position or profits or prospects of any member of the Wider IPSA Group including the termination of any material customer contract or notice of termination from any material customer (in each case to an extent which is material in the context of the Wider IPSA Group taken as a whole or in the context of the Offer);
  - (ii) no litigation, arbitration proceedings, prosecution or other legal proceedings or investigations having been threatened in writing, announced, instituted or remaining outstanding by, against or in respect of any member of the IPSA Group or to which any member of the Wider IPSA Group is or may become a party (whether as a claimant, defendant or otherwise) and no enquiry or investigation by any Third Party against or in respect of any member of the Wider IPSA Group having been commenced, announced or threatened in writing by or against or remaining outstanding in respect of any member of the Wider IPSA Group (in each case, to an extent which is material in the context of Wider IPSA Group taken as a whole or in the context of the Offer);
  - (iii) no contingent or other liability having arisen or become apparent to Encor which would or might reasonably be expected to adversely affect any member of the Wider IPSA Group and which is material in the context of the Wider IPSA Group taken as a whole or in the context of the Offer; or
  - (iv) no steps having been taken and no omissions having been made which are likely to result in the withdrawal, cancellation, termination or modification of any licence held by any member of the Wider IPSA Group, which is necessary or reasonably appropriate for the proper carrying on of its business and the withdrawal, cancellation, termination or modification of which is likely to adversely affect and which is material in the context of the Wider IPSA Group taken as a whole or in the context of the Offer;
- (h) save as Disclosed, Encor not having discovered:
- (i) that any financial, business or other information concerning the Wider IPSA Group publicly announced or disclosed at any time by or on behalf of any member of the Wider IPSA Group to Encor, is misleading, contains a misrepresentation of any fact or omits to state a fact necessary to make that information not misleading and which was not subsequently corrected before the date of this Announcement by disclosure by, or on behalf of, the Wider IPSA Group through the publication of an announcement via a Regulatory Information Service (in each case to an extent which is material in the context of the Wider IPSA Group taken as a whole or in the context of the Offer);
  - (ii) that any member of the IPSA Group or any partnership, company or other entity in which any member of the IPSA Group has a significant economic interest and which is not a subsidiary undertaking of IPSA, is subject to any liability, contingent or otherwise (in each case to the extent material in the context of the IPSA Group taken as a whole or in the context of the Offer);
  - (iii) that there is or is likely to be any liability (whether actual or contingent) on the part of any member of the Wider IPSA Group to make good, repair, reinstate or clean up any property of any description or other asset now or previously owned, occupied or made use of by any past or present member of the Wider IPSA Group, under any environmental legislation, regulation, notice, circular or order of any Third Party (in each case to an extent which is material in the context of the Wider IPSA Group taken as a whole or in the context of the Offer).

*Anti-corruption and sanctions*

- (i) save as Disclosed, Encor not having discovered:

- (i) any past or present member of the IPSA Group or any person that performs or has performed services for or on behalf of any such company is or has at any time engaged in any activity, practice or conduct (or omitted to take any action) in contravention of the UK Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977, as amended or any other applicable anti-corruption legislation; and
  - (ii) any past or present member of the IPSA Group has engaged in any activity or business with, or made any investments in, or made any payments to any government, entity or individual covered by any of the economic sanctions administered by the United Nations or the European Union (or any of their respective member states) or the United States Office of Foreign Assets Control or any other governmental or supranational body or authority in any jurisdiction; and
- (j) except as Disclosed, Encor not having discovered that any asset of any member of the IPSA Group constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition).

#### **Further terms of the Offer**

- a) The Offer will lapse, and will not proceed, if there is a Phase 2 CMA reference or if Phase 2 European Commission proceedings are initiated or if, following a referral of the Offer by the European Commission under Article 9(1) of the European Council Merger Regulation to a competent authority in the United Kingdom, there is a Phase 2 CMA reference, in any such case before 3.00pm (London time) on the First Closing Date or the time and date at which the Offer becomes, or is declared, unconditional as to acceptances (whichever is the later).
- b) If the Offer lapses, it will cease to be capable of further acceptance. IPSA Shareholders who have already accepted the Offer shall then cease to be bound by acceptances delivered on or before the date on which the Offer lapses.
- c) The Offer will be governed by English law and be subject to the exclusive jurisdiction of the English courts, to the Conditions set out above and the further terms set out herein and in the Offer Document and Form of Acceptance. The Offer will be subject to applicable requirements of the Financial Conduct Authority, FSMA, the Code, the Panel, the London Stock Exchange and the AIM Rules.
- d) The Conditions are inserted for the benefit of Encor and no IPSA Shareholder shall be entitled to waive any of the Conditions without the prior written consent of Encor.
- e) IPSA Shares will be acquired by Encor pursuant to the Offer fully paid and free from all liens, charges, encumbrances, equitable interests, pre-emption rights and other interests and rights of whatsoever nature and together with all rights now or hereafter attaching thereto, including the right to receive and retain in full all dividends and other distributions (if any) declared, paid or made after the date of this Announcement.
- f) In deciding whether or not to accept the Offer in respect of their IPSA Shares, IPSA Shareholders should rely on the information contained in, and follow the procedures described in, the Offer Document and (if they hold their IPSA Shares in certificated form) the Form of Acceptance which will be posted to IPSA Shareholders in due course (other than to any IPSA Shareholders with addresses in any Restricted Jurisdiction).
- g) Save to the extent provided in this Announcement, Encor will have the right to reduce the consideration payable to IPSA Shareholders under the terms of the Offer by the amount of any dividend (or other distribution) payable by IPSA to IPSA Shareholders.
- h) Subject to the requirements of the Panel, Encor reserves the right to waive, in whole or in part, all or any of Conditions (b) to (j) (inclusive) of Part A. Each of Conditions (b) to (j) shall be regarded as a separate condition and shall not be limited by reference to any other condition.

- i) Except with the consent of the Panel, the Offer will lapse unless all of the Conditions are fulfilled or (if capable of waiver) waived or, where appropriate, have been determined by Encor to be or to remain satisfied no later than midnight on the twenty first day after the later of the First Closing Date of the Offer and the date on which the Offer becomes or is declared unconditional as to acceptances, or such later date as the Panel may agree.
- j) Encor shall be under no obligation to waive (if capable of waiver) or treat as fulfilled any of Conditions (b) to (j) (inclusive) of Part A by a date earlier than the latest date specified above for the fulfilment thereof, notwithstanding that the other Conditions of the Offer may at such earlier date have been fulfilled and that there are, at such earlier date, no circumstances indicating that any of such Conditions may be incapable of fulfilment.
- k) If Encor is required by the Panel to make an offer for IPSA Shares under the provisions of Rule 9 of the Code, Encor may make such alterations to the above Conditions of the Offer, including condition (a), as are necessary to comply with the provisions of that Rule.
- l) Under Rule 13.5, except with the Panel's consent, Encor may not invoke any of the above Conditions so as to cause the Offer not to proceed, to lapse or to be withdrawn unless the circumstances which give rise to the right to invoke the relevant condition are of material significance to Encor in the context of the Offer. Condition (a) of Part A and condition (a) of this Part B are not subject to this provision of the Code.
- m) The availability of the Offer to persons not resident in the United Kingdom may be affected by the laws of the jurisdictions in which such persons are resident. Persons who are not resident in the United Kingdom should inform themselves about and observe any applicable requirements.
- n) The Offer will not be made, directly or indirectly, in or into, or by use of the mails of, or by any means or instrumentality (including, without limitation, facsimile transmission, telex, telephone, internet or e-mail) of interstate or foreign commerce of, or of any facility of a national securities exchange of, any Restricted Jurisdiction and the Offer will not be capable of acceptance by any such use, means, instrumentality or facility or from within any Restricted Jurisdiction.

## APPENDIX 2

### Bases of Calculation and Sources of Information

In this announcement,

- (i) Unless otherwise stated, financial information concerning IPSA has been extracted from the Annual Report and Accounts of IPSA to 30 September 2016.
- (ii) The value of the Acquisition is based on the existing Ordinary Share capital of 107,504,081 Ordinary Shares in issue, sourced from the Company's share register and resulting in a fully diluted share capital of 107,504,081 IPSA Shares.
- (iii) Unless otherwise stated, all prices for IPSA Shares are the closing price on 15 September 2015, being the last day of trading on AIM of the IPSA Shares.
- (v) The premium implied by the Consideration has been calculated with reference to the closing price of £0.014 on 15 September 2015 being the last day of trading on AIM of the IPSA Shares:

In this announcement, unless otherwise stated or the context otherwise requires, the bases of calculation and sources used are as described below.

The value attributed to the New Encor Shares is based on the valuation attributed to the Encor's project pipeline, future development opportunities, the value placed on Encor's ordinary shares used in acquiring Demand Power Limited, a company previously acquired by Encor Power and the funds already invested in Encor Power. The Offer Document will contain an estimate of the value of the New Encor Shares as required by Rule 24.11 of the Code.

## APPENDIX 3

### IRREVOCABLE UNDERTAKINGS

#### IPSA Directors' Irrevocable Undertakings

Encor has received irrevocable commitments from each of the members of the IPSA Board who hold IPSA Shares (in a personal capacity or through a nominee), as listed below, in respect of their own beneficial holdings of IPSA Shares and (to the extent relevant) the beneficial holdings of each IPSA Board member's spouse, civil partner, de facto partner, similarly related person or immediate family, representing in aggregate approximately 2.23 per cent. of IPSA's issued share capital as at 26 April 2017 (being the last Business Day prior to this announcement). These commitments require each relevant member of the IPSA Board to accept, or procure that the registered holder accepts, the Offer.

<b>Name of IPSA Director</b>	<b>Number of IPSA Shares</b>	<b>Percentage of IPSA's issued share capital</b>
Peter Earl	1,750,000	1.63
Susan Laker	650,000	0.60

#### IPSA Shareholder Irrevocable Undertakings

Encor has received irrevocable commitments from the following IPSA Shareholders in respect of their beneficial holdings of IPSA Shares representing in aggregate approximately 47.37 per cent. of IPSA's issued share capital as at 26 April 2017 (being the last Business Day prior to this announcement).

These commitments require each such shareholder to accept, or procure that the registered holder accepts, the Offer.

<b>Name of IPSA Shareholder</b>	<b>Number of IPSA Shares</b>	<b>Percentage of IPSA issued share capital</b>
Sterling Trust Limited (in administration)	31,794,105	29.57
WH Ireland Nominees Limited	12,165,000	11.32
S Hargrave	3,670,370	3.41
Technology Finance Limited	2,025,000	1.88
E Shaw	1,268,750	1.18

## APPENDIX 4

### Definitions

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

<b>"Acquisition"</b>	the recommended all share acquisition of the entire issued share capital of IPSA by Encor to be effected by the Offer as described in this announcement on the terms and subject to the conditions to be set out in the Offer Document including, where the context requires, any subsequent revision, variation, extension or renewal of such offer and includes any election available thereunder;
<b>"AIM"</b>	the market of that name operated by the London Stock Exchange;
<b>"announcement"</b>	this press announcement announcing the Offeror's firm intention to make the Offer;
<b>"Back-Up Generation"</b>	Back-up Generation provides the National Grid and other commercial organisations with emergency power that can be provided when their primary generation assets or primary power supply either fails entirely or fails to meet an increased level of demand;
<b>"Board"</b>	the board of directors of the Company;
<b>"business day"</b>	any day, other than a Saturday or Sunday or a public holiday in the UK on which clearing banks in London are open for normal business;
<b>"Capacity Management"</b>	the management of access to generating capacity from reliable sources through DNOs as part of the Capacity Market;
<b>"Capacity Market"</b>	a market established pursuant to the UK Government's "Electricity Market Reform" to encourage aggregators such as Flexitricity to take responsibility for ensuring reliable energy is available at a given price;

<b>"certificated" or "in certificated form"</b>	in relation to a share or other security, a share or other security title to which is recorded in the relevant register as being held in certificated form;
<b>"Code"</b>	The City Code on Takeovers and Mergers;
<b>"Companies Act"</b>	the Companies Act 2006;
<b>"Conditions"</b>	the conditions which are contained in Part 1 of the conditions set out in Appendix 1 of this announcement;
<b>"Confidentiality Agreement"</b>	the non-disclosure and confidentiality agreement between (1) Encor and (2) IPSA;
<b>"Dealing Disclosure"</b>	has the same meaning as in Rule 8 of the Code;
<b>"Demand Side Response"</b>	the ability of the Grid and DNOs to respond to the demand from energy users to use electricity at times when it is cheaper or from "greener" sources;
<b>"Disclosed Information"</b>	means information (i) made available prior to the date of this announcement to Encor (or its advisers) in connection with the proposed Acquisition, (ii) in the annual report and accounts of IPSA for the financial year ended 30 September 2016, or (iii) in any public announcement to a Regulatory Information Service made by IPSA up to 16 September 2016 and <b>"Disclosed"</b> means information disclosed in the above ways;
<b>"Distribution"</b>	means all dividends, rights, returns of capital and other distributions made by IPSA;
<b>"DNO"</b>	means Distribution Network Operator. The various regional DNOs are responsible for the distribution of power received through the transmission network from the National Grid to commercial and domestic consumers;
<b>"Encor" or the "Offeror"</b>	Encor Power plc registered in England and Wales with number 10050579;
<b>"Encor Directors"</b>	the directors of Encor;
<b>"Encor Ordinary Shares"</b>	the ordinary shares of £0.01 each in the capital of Encor;
<b>"Encumbrances"</b>	mean liens, equities, mortgages, charges, encumbrances, security interests, hypothecations, easements, pledges, title retention, trust arrangement, hire purchase, judgment, preferential right, rights of pre-emption and other rights or interests conferring security or similar rights in favour of a third party or any agreements, arrangements or obligations to create any of the foregoing;
<b>"Energy Storage Services"</b>	Energy Storage is the ability to either supply power to, or receive power from, the DNO network using large scale battery installations;
<b>"Enlarged Ordinary Share Capital"</b>	the Encor Ordinary Shares as enlarged by the issue of the New Encor Shares;
<b>"FCA"</b>	the Financial Conduct Authority;

<b>“Flexitricity”</b>	Flexitricity Limited, an aggregator of generation capacity and grid management services;
<b>"First Closing Date"</b>	the date which is 21 days after the date of publication of the Offer Document (or such later date as the Offeror may decide);
<b>"Form of Acceptance"</b>	the form of acceptance and authority relating to the Offer to be sent along with the Offer Document for use by the Shareholders holding Ordinary Shares in certificated form;
<b>“Frequency Response”</b>	the ability of NG and DNOs to maintain in real time a consistent electrical frequency of distributed power regardless of fluctuations in supply of power from generators and demand from energy users;
<b>“Grid”</b>	the National Grid or “the Grid” is the high-voltage electric power transmission network in Great Britain, connecting power stations and major substations to the DNO’s and ensuring that electricity generated anywhere in England, Scotland and Wales can be used to satisfy demand elsewhere;
<b>"Group"</b>	means, in relation to any person, its subsidiaries, subsidiary undertakings and holding companies and the subsidiaries and subsidiary undertakings of any such holding company;
<b>"Independent Director”</b>	Susan Laker;
<b>“IPSA Directors”</b>	the directors of IPSA;
<b>“IPSA” or the “Company”</b>	IPSA Group plc registered in England and Wales with number 05496202);
<b>“IPSA Shares” or “Ordinary Shares”</b>	the existing unconditionally allotted or issued and fully paid Ordinary Shares at £0.02 each in the capital of the Company and any further such shares which are unconditionally allotted or issued prior to the time at which the Offer ceases to be open for acceptance (or, subject to the provisions of the Code, such earlier date and time and/or date as the Offeror may decide);
<b>"Irrevocable Undertakings"</b>	the irrevocable undertakings accept the Offer from the IPSA Directors who hold IPSA Shares (in a personal capacity or through a nominee) and certain other IPSA Shareholders received by Encor, details of which are set out in Appendix III to this announcement;
<b>“LSE" or "London Stock Exchange"</b>	London Stock Exchange plc;
<b>“New Encor Shares”</b>	the Encor Ordinary Shares to be issued to IPSA Shareholders who accept the Offer;
<b>“Offer”</b>	the recommended share offer to be made by Encor to acquire the entire issued share capital of IPSA and, where the context so requires, any subsequent revision, variation, extension or renewal of, or election available under, such offer;

<b>“Offer Document”</b>	the document to be sent to the IPSA Shareholders which will contain, inter alia, the terms of the Offer;
<b>“Offer Period”</b>	the offer period (as defined by the Code) commencing on the date of this Announcement and finishing on the First Closing Date (unless extended);
<b>“Opening Position Disclosure”</b>	has the same meaning as in Rule 8 of the Code;
<b>“Optiva”</b>	Optiva Securities Limited, financial adviser to IPSA;
<b>“Overseas Shareholders”</b>	Shareholders who are persons resident in, or nationals or citizens of, jurisdictions outside the United Kingdom or who are nominees of, or custodians or trustees for, citizens or nationals of countries other than the United Kingdom;
<b>“Panel”</b>	The Panel on Takeovers and Mergers;
<b>“RIS”</b>	means a service approved by the LSE for the release of announcements;
<b>"relevant securities"</b>	as defined in the Code;
<b>"Relevant Authority"</b>	means any government or governmental, quasi-governmental, supranational, statutory, administrative or regulatory body, authority, court or Merger Control Authority;
<b>"Restricted Jurisdiction"</b>	any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if information concerning the Offer is sent or made available to the Shareholders in that jurisdiction;
<b>"Shareholders" or “IPSA Shareholders”</b>	holders of IPSA Shares; and
<b>"Tax"</b>	any form of taxation, duty, or governmental impost, levy, tariff of any nature whatsoever whether of the United Kingdom or elsewhere whether or not any such taxation, duty, impost, levy or tariff arises in respect of actual deemed gross or net income profits, gain, value, receipt, payment, distribution, sale, purchase, disposal, use occupation, franchise or value added property;
<b>"Tax Authority"</b>	any governmental, state, federal, principal, local government or municipal authority, body or official whether of the United Kingdom, Singapore or elsewhere in the world competent to impose, administer or collect Tax;
<b>“Triad Management”</b>	the triad system is the way National Grid charges businesses for the cost of the transmission network. By reducing load on the transmission network and increasing energy generation when national demand is highest, customers can save or earn money. Triad Management is the process of matching supply and demand with availability in the transmission network;

**"UK" or "United Kingdom"**

the United Kingdom of Great Britain and Northern Ireland;  
and

**"Wider IPSA Group"**

IPSA and the subsidiaries and subsidiary undertakings of IPSA (including any joint venture, partnership, firm or company in which any member of the IPSA Group has a significant interest or any undertaking in which IPSA and such undertakings (aggregating their interests) have a significant interest.

All times referred to are London time unless otherwise stated.

All references to "£", "GBP", "pound", "pence" and "p" are to the lawful currency of the United Kingdom.

Save where specifically required or indicated otherwise, words importing one gender shall be treated as importing any gender and words importing the singular shall be treated as importing the plural and vice versa.

All references to legislation are to English legislation, unless the contrary is indicated, and any reference to any provision of any legislation includes any amendment, modification, re-enactment or extension thereof.