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The Directors
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The Granary
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RH19 4LZ

22 May 2017

Dear Sirs

Estimate of Value of the New Encor Shares in connection with the Recommended Acquisition of IPSA Group PLC ("IPSA") by Encor Power plc ("Encor")

As described in paragraph 2 of Part II of the Offer Document, under the terms of the Offer, IPSA Shareholders are to be offered 0.62 New Encor Shares for each IPSA Share so held, subject to the terms and conditions of the Offer as described in Part II of the Offer document

Pursuant to the requirements of Rule 24.11 of the City Code on Takeovers and Mergers (the "**City Code**"), you have requested our view as to the estimated value of the New Encor Shares (the "**Estimate of Value**").

Capitalised terms used in this letter will, unless otherwise stated, have the meaning given to them in the Offer Document published by Encor on 19 May 2017 providing details of the Offer ("**Offer document**").

1. Purpose

This Estimate of Value is provided to the directors of Encor solely for the purposes of complying with the requirements of Rule 24.11 of the City Code in connection with the Offer and shall not be used or relied upon for any other purpose whatsoever.

This Estimate of Value is not addressed to, and may not be relied upon by, any other person for any purpose whatsoever and Sloane Corporate Finance Limited ("**SCF**") expressly disclaims any duty or liability to any third party with respect to the contents of this letter. In providing this Estimate of Value, SCF consents to the inclusion of this Estimate of Value in the Offer Document on the basis that no duties or responsibilities are accepted by us to any third party, individually or collectively with respect to this Estimate of Value.

This Estimate of Value reflects our opinion as to the Estimate of Value, based on the information set forth in paragraph 2 below.

This Estimate of Value does not represent the value that a holder of a New Encor Share may realise for a holding that is redeemed in the future, which may be higher or lower than the figure in this letter. The Estimate of Value takes into account the fact that the New Encor Shares are currently unlisted.

In providing this letter SCF assumes no obligation to update or revise our Estimate of Value at any date in the future.

2. Information

In arriving at our Estimate of Value, we have, among other things, reviewed or otherwise taken the following into account:

- certain publicly available financial statements and other information relating to IPSA and Encor;
- the terms of the Offer, as announced in connection with the Transaction;
- the value of IPSA at the Offer price, which is equivalent to the latest reported net asset value of IPSA at 30 September 2016
- the Encor Directors' commercial assessments of the current operations and financial condition and prospects of Encor and IPSA;
- discussions with management covering the Encor Power Corporate Presentation dated 12 May 2017;
- the total fully diluted share capital of Encor and IPSA (as set out at Appendix II of the Offer Document);
- the most recent share issue for cash of Encor Power; and
- the Encor Power business model dated 11 May 2017.

We have relied on and assumed, without independent verification, the accuracy, reasonableness and completeness of the information provided to us. We have not made any independent valuation or appraisal of the assets and liabilities of Encor or IPSA, nor have we sought or been provided with any such valuation or appraisal.

This Estimate of Value is necessarily based on financial, economic, market, exchange rates and other conditions in effect, and the information made available to us, up to 19 May 2017 together with the most recent share issue of Encor Power.

The valuation of securities, particularly those not traded on a recognised exchange, is inherently imprecise and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing this analysis, we have made numerous assumptions with respect to industry performance and general business, economic and market conditions, many of which are beyond the control of Encor and IPSA. Consequently, the view expressed in this letter is not necessarily indicative of: (i) the price at which a New Encor Share might actually trade in any public market at any future date; (ii) the amount which might be realised upon a sale of Encor or IPSA to a third party; or (iii) the amount that might be realised by a holder of a New Encor Share upon a liquidation of Encor.

This Estimate of Value may differ substantially from estimates available from other sources. In addition, our view would be expected to fluctuate with changes in prevailing conditions, the financial condition and prospects of Encor and IPSA and other factors which generally influence the valuation of companies and securities.

3. Methodology

We have arrived at our Estimate of Value of the New Encor Shares using our experience of a range of widely accepted valuation methods including, inter alia, comparable company trading multiples and discounted cash flow, recent share issues by the acquiring entity, and we have taken into account the information, factors, assumptions and limitations set out above.

We have assumed that 324,406,558 Encor Shares will be in issue at Completion. This represents the number of Encor Shares currently in issue along with 53,323,225 New Encor Shares to be issued to IPSA Shareholders who have irrevocably undertaken to accept the Offer.

We have also taken into account the fact that:

- the New Encor Shares will be unlisted and not admitted to trading on any stock exchange;
- the New Encor Shares will rank equally with the Encor Shares as regards dividends and voting rights; and
- if the Offer becomes unconditional as to acceptances, IPSA will be a private unlisted subsidiary company of Encor

No account has been taken of any potential transaction costs that a holder of a New Encor Share may incur, or any potential costs that might be associated with a sale of Encor to a third party or a liquidation of Encor and which might be expected to reduce any return to a holder of a New Encor Share upon the occurrence of such an event.

The taxation position of individual shareholders will vary and so we have not taken into account the effects of any taxation exemptions, allowances or reliefs available for income, capital gains or inheritance tax purposes, notwithstanding that these may be significant in the case of some shareholders.

4. General

SCF is acting exclusively as Estimate of Value adviser to Encor and for no one else in connection with the Offer and is not, and will not be, responsible to anyone other than Encor for providing the protections afforded to clients of SCF, or for providing advice in connection with the Offer, the Estimate of Value or any other matter referred to in this document. Neither SCF nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of SCF in connection with the Transaction, the Estimate of Value, any other statement contained herein or otherwise.. SCF will receive fees from Encor in respect of its services.

IPSA Shareholders should ascertain whether acquiring or holding the New Encor Shares is affected by the laws of the relevant jurisdiction in which they reside and consider whether New Encor Shares are a suitable investment in light of their own personal circumstances and are, therefore, strongly recommended to seek their own independent financial, tax and legal advice in light of their own particular circumstances and investment objectives before deciding whether to accept the Offer. In particular, IPSA Shareholders should note that the New Encor Shares will not be listed and that whilst Encor intends to seek a listing on the Main Market of the London Stock Exchange, no market currently exists in them and Encor cannot guarantee that it will successfully achieve its listing.

Each IPSA Shareholder that accepts the Offer will become a shareholder in Encor. The value of an investment in Encor may go up as well as down. The market value of Encor Shares (including the New Encor Shares) may not always reflect the underlying value of the Encor Group. A number of factors outside of the control of the Encor Group may impact its performance and the price of the New Encor Shares.

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Any decision to accept the Offer should be based on independent financial, tax and legal advice and a full consideration of the Offer Document and the other Transaction Documents.

In providing this Estimate of Value, no recommendation or opinion is given by SCF as to whether IPSA Shareholders should accept the Offer or whether they should refrain from doing so. SCF expresses no opinion as to the fairness from a financial point of view or otherwise of the Offer.

5. Estimate of value

On the basis of and subject to the foregoing if the New Encor Shares had been in issue on 22 May 2017, the estimated value of a New Encor Share would have been 4 pence per share.

Yours faithfully,

A handwritten signature in black ink, appearing to be 'J. Scott', written over a horizontal line.

**For and on behalf of
Sloane Corporate Finance Limited**