

TERSUS ENERGY LIMITED

ANNUAL REPORT AND ACCOUNTS

30 JUNE 2013

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Introduction

These financial statements are for the Company and relate to the year ended 30 June 2013, with comparative figures being for the year ended 30 June 2012. Consolidated financial statements have not been prepared as explained below.

The Company's principal investments are:

- Its approximately 1.3 per cent investment in Zhong Hang (Baoding) Huiteng Wind Power Equipment Company Ltd ("HT Blade"), which is held through its 9.075 per cent partnership interest in Tang Wind Energy LP ("TWELP"), a Texan limited partnership
- Its 12.1 per cent partnership interest in TWE II LP ("TWELP 2"), a Texan limited partnership
- Its 100 per cent ownership of Envinta Corporation ("Envinta")

Statutory Matters

Under the provisions of the Companies Act 2006, the Company qualifies as a "small company" and the Group is categorised as a "small group". As a result, the Company is able to take advantage of various provisions in the Companies Act 2006 and to simplify the year-end process, reducing the associated costs.

Firstly, further to your Board's strategy to minimise running costs, it was resolved at the 2012 Annual General Meeting not to reappoint Grant Thornton UK LLP as auditors of the Company, as the Company is entitled to be exempt from audit in respect of its accounts for the year ended 30 June 2013.

Secondly, as a "small group", the Company is not required to prepare consolidated accounts. We have decided to take advantage of these provisions and have not prepared consolidated accounts for the year ended 30 June 2013. This has allowed us to simplify the financial statements considerably. We are continuing to give information on the Company's principal investments in the Chairman's Statement. Other information on these is given in note 8 to the financial statements.

The directors are also intending to change the accounting reference date of the Company to 31 December so that the next financial statements of the Company will relate to the 18 month period from 1 July 2013 to 31 December 2014. This will assist us in containing our costs and will also mean that the financial period-end date of the Company will be the same as that of its subsidiary, Envinta.

Investment in TWELP

In January 2006 Tersus invested US\$2 million in Tang Wind Energy LP ("TWELP", a Texan limited partnership) as a convertible secured loan that was subsequently converted into a 12.1 per cent. partnership interest.

TWELP owned 100 per cent of Tang Wind Energy LLC ("TWELLC", a Cayman company) which in turn owned 25 per cent. of Zhong Hang (Baoding) Huiteng Wind Power Equipment Company Ltd ("HT Blade"). The remaining 75 per cent of HT Blade was owned and continues to be owned by Chinese State Owned Enterprises. HT Blade manufactures wind blades which it sells to wind turbine manufacturers.

In 2007, an international private equity firm with offices in Shanghai acquired an interest in TWELLC from TWELP in return for US\$20 million. This money was used by TWELP for transaction expenses, TWELP costs and a loan to HT Blade. The balance was retained by TWELP in reserve.

In February 2008, the same private equity investor exercised an option which it was given as part of the 2007 transaction and bought a further stake in TWELLC paying a further US\$20 million to TWELP. That investor then had a shareholding in TWELLC of approximately 42 per cent, with TWELP owning the remaining approximately 58 per cent. Therefore, at that date, TWELLC and the private equity investor owned (indirectly) approximately 14.5 per cent and approximately 10.5 per cent respectively of HT Blade, with Tersus owning (indirectly) an approximately 1.75 per cent stake in HT Blade.

In April 2008, certain limited partners of TWELP sold a 9 per cent interest in TWELP to an international venture capital firm. Included in this transaction was a disposal by Tersus of 25 per cent of its 12.1 per cent interest in TWELP. Tersus received approximately US\$2.19 million in cash in relation to this disposal.

As a result of this disposal Tersus now owns approximately 9 per cent of TWELP resulting in Tersus owning (indirectly) approximately 1.3 per cent of HT Blade.

The Board believes the value of the indirect holding in HT Blade is a function of TWELP's ability to create further exit opportunities, the business performance of HT Blade and the willingness of the Chinese State Owned Enterprises to proceed to an IPO or trade sale. The Board also believes the value of this stake may be affected by the possible dilution caused by the creation of an incentive pool for the benefit of HT Blade management and the manner in which the cost of such incentive pool may be borne by shareholders in HT Blade.

Your Board does not have direct access to HT Blade and is dependent on TWELP's general partner for information on developments affecting HT Blade. Your Board continues to find it difficult to obtain up to date information from TWELP's general partner and is exploring how pressure might be applied to improve the flow of communications. The Board understands HT Blade was loss making in both 2011 and 2012 and, while revenue is budgeted to increase in 2013, the budget shows continuing losses in 2013. So far as the Board is aware, HT Blade is as well placed as any participant in that sector to recover as activity levels improve and development in China continues.

The Board is not aware of any current plans by HT Blade management or the Chinese State Owned Enterprises that might lead to a possible IPO or trade sale for HT Blade or would otherwise result in any exit opportunities for its minority shareholders.

In view of the considerable uncertainties in relation to both the current and future business performance of HT Blade and the future intentions of the majority shareholders, the value of the Company's investment in TWELP has been assessed as zero.

Investment in TWELP 2

Following the sale of the stake in TWELLC in February 2008, TWELP transferred some US\$32 million of cash and receivables in April 2008 into a new partnership TWE II LP ("TWELP 2"), in which Tersus holds 12.1 per cent. partnership interest. This amount represented the US\$40 million received from the private equity investor, less transaction costs and TWELP running costs.

In April 2008, TWELP 2 made a distribution to its partners as a result of which Tersus received approximately US\$1.45 million in cash. The amount of approximately US\$21 million remaining in TWELP 2 was retained to meet its future potential funding needs.

Some US\$12 million of these funds were lent to another Texan partnership connected to the general partner. The Board has been told this amount has been invested by this Texan partnership in projects intended to promote the value of the investment in HT Blade. Your Board has not been able to review the value of these projects nor establish the way in which they were intended to promote the value of the investment in HT Blade nor whether it was appropriate for TWELP 2's funds to be used in this way. Your Board took advice from a Texan firm of lawyers in 2011 following which an audit of TWELP 2 was conducted at the expense of the partnership although, unfortunately, as the general partner did not consult with Tersus on the remit of this audit, it provided no comfort on the appropriateness of the project expenditure nor on the amounts that might be recoverable. Following further pressure from your Board, the general partner of TWELP 2 made a distribution of US\$4 million from its retained profits in June 2012, of which Tersus received US\$484,000. Your Board considers further funds should be paid to Tersus and will continue to put this point to the general partner of the Texan partnerships. Your Board is again taking advice from the Texan lawyers.

In view of the uncertainties regarding the recoverability of amounts lent by TWELP 2 to the Texan partnership connected to the general partner, no value has been attributed to them when assessing the value of the Company's investment in TWELP 2, which has been based on the amount likely to be realised from cash and cash equivalent assets held in TWELP 2. The value was assessed to be US\$500,000 at 30 June 2013, which is a reduction of US\$125,000 compared with the previous year.

Envinta Corporation

Envinta holds exclusive North American and European license rights in perpetuity to certain energy and environmental information and organisation management software products, which include Energy Challenger and Energy Achiever. It also has North American and European rights to the One2Five Version 2 software product of Energetics Pty Ltd. It licenses these software products, together with selling training and marketing advisory services, to utilities and to major multi-location businesses. Envinta enhanced the functionality of its Energy Challenger platform during the year to meet a customer's business needs. Envinta's products and services are well received by its customers, several of which are brand name utilities and industrials, and Envinta continues to explore ways of expanding the customer base and product line in response to changing energy and environmental services markets. Revenue in the year to 31 December 2012 was US\$836,000 (31 December 2011- US\$830,000).

Other business activities

- Tersus has an investment in a US company called Proteus Energy Corporation ("Proteus"), which is engaged in the recovery of oil from depleted oil fields. In September 2013, we were advised by Proteus that, following Proteus' inability to complete a reverse takeover of a shell company listed on the OTC Bulletin Board in the USA, it was seeking alternative funding. It is considered Proteus may not be viable in future if it is unable to access funding to sustain its operations. As it is uncertain whether there would be any surplus available for distribution to ordinary shareholders in the event that Proteus was dissolved, full provision has been made against the carrying cost of the Company's small minority interest of £133,031.
- Tersus continued to receive payments from the purchaser of the assets and undertaking of Navitas Technologies Limited ("Navitas"), its wholly owned developer and manufacturer of electronic control equipment, in accordance with the arrangements agreed at the time of the sale, in August 2009. The consideration receivable has been adjusted to reflect stock that remained unsold in August 2013: a reduction of £36,875 in estimated future receipts has been reflected in the accounts.

Operating costs

We have stated previously that one of your Board's objectives is to minimise running costs.

As explained above, the Company has taken advantage of various provisions set out in the Companies Act 2006 ("the Act") that arise by reason of both the Group and Company being classified as small under the criteria set out in the Act, and has thereby simplified the year-end process, so reducing the associated costs.

By taking advantage of the audit exemption provision, the Company has reduced its annual operating costs by some £20,000. The Company also relocated its office during the year, resulting in a further reduction of some £12,000 in its annual running costs. The Company's future annual running costs are now below £60,000, excluding any remuneration payable to directors. These running costs comprise the cost of the Company's financial controller as well as company secretarial, insurance, sundry professional costs, travel, office and communication costs.

Directors' remuneration

Since 1 January 2012, the executive directors have received aggregate emoluments equivalent to £54,000 per annum, to reflect their time commitment on matters relating to the Company's affairs and its investment portfolio. I propose that these arrangements continue for the immediate future. This remuneration can, of course, be stopped at any point where either the time commitment reduces or the funds available make it appropriate to cease these payments. As Chairman, I will continue not to take any remuneration for my time.

Future direction of the business

The Company balance sheet shows cash at bank of some £478,000 at 30 June 2013, which is more than sufficient to meet the operating costs of the Company for the foreseeable future. In addition, the Company receives management fees from Envinta which substantially offset its operating costs: we hope the future level of activity of Envinta will continue to allow payment of these management fees.

Your Board has considered the possibility of making a distribution out of these funds but such distribution would at most be 0.5p per share and the costs of such a distribution, especially for small shareholders, would make such a distribution uneconomic.

When Tersus de-listed in September 2008 your directors stated that your Board's strategy was now to realise investments and to minimise running costs in the meantime. This strategy continues to be followed but with returns for cash on deposit being minimal it may well be appropriate for funds which can be seen to be surplus to requirement in the foreseeable future to be invested in such a way as to realise a better return. Your directors will consider opportunities for such investment and will also consider the possibility of winding up the Company and distributing its funds to shareholders.

Your Board continues to believe there is value in its wholly-owned subsidiary, Envinta, and in its 12.1% partnership interest in TWELP 2. While there may be value in the rest of the investment portfolio, the Board consider the degree of uncertainty as to when or whether such value might be realised is such that it is prudent to place a zero value on these investments.

John Devaney

Chairman

17 November 2013

The directors present their annual report together with the financial statements of the Company for the year ended 30 June 2013.

The Group is categorised as a “small group” under section 383 of the Companies Act 2006 and, as such, the Company is not required to prepare consolidated accounts. The Board has decided to take advantage of these provisions and consolidated accounts for the year ended 30 June 2013 have not been prepared.

As the Company qualifies as small under sections 382 – 384 of the Companies Act 2006, it is entitled to be exempt from audit in respect of its accounts for the year ended 30 June 2013 under section 477 of the Companies Act 2006. It was resolved at the 2012 Annual General Meeting not to reappoint Grant Thornton UK LLP as auditors of the Company and, accordingly, the financial statements have not been audited.

PRINCIPAL ACTIVITIES

Historically, the principal activities of the Company were to invest in, operate and advise businesses in the renewable energy sector. The principal activity is now to manage the Company’s investments with a view to realising the maximum value for shareholders.

BUSINESS REVIEW

A review of the Company’s performance and the activities of the Group is contained in the Chairman’s statement.

The principal objective of the business is to realise the value of its investments in order to maximise the return to shareholders.

The principal risks associated with this objective are normal business risks applicable to the underlying businesses, political risk associated with the Company’s investment in HT Blade, together with the need to maintain sufficient funds to provide enough time for the investments to be optimally realised. The Board continues to believe there is value in the Company’s investments and will work to realise that value.

INTENTION TO CHANGE ACCOUNTING REFERENCE DATE

The directors intend to change the accounting reference date of the Company to 31 December so that the next financial statements of the Company will relate to the 18 month period from 1 July 2013 to 31 December 2014.

RESULTS AND DIVIDENDS

The results for the year ended 30 June 2013 are shown in the Profit and Loss Account on page 13. The loss for the year after tax amounted to £352,864 (2012 – loss of £446,947), with £265,426 of the loss for the year (2012 – net loss of £313,137) being attributable to provisions for impairment in the long-term value of investments. The directors are not proposing the payment of a dividend for the year (2012 – nil).

DIRECTORS

J F Devaney (Non-executive chairman)
 S P Levine (Chief Executive Officer)
 D T Wilson (Chief Operating Officer and Finance Director)
 S K West (Investment Director)

John Devaney (67) (Non-executive Chairman)

John Devaney is chairman of Cobham plc and NATS. John has been chairman of EXEL plc and National Express Group PLC and executive chairman of Eastern Electricity plc and has served as a non-executive director on the boards of HSBC Bank Plc and British Steel Plc.

Steven Levine (62) (Chief Executive Officer)

Steve Levine is an energy services executive and attorney with extensive experience developing and financing domestic and international energy projects and managing related businesses. He was previously VP of New Energy, Inc. (now Constellation New Energy), one of the largest US deregulated electricity power retailers. He is a former president of Metro Energy, L.L.C., a private New York City based utility.

David Wilson (65) (Chief Operating Officer and Finance Director)

David Wilson was a director of Hilton International Plc with responsibilities for finance and for identifying and negotiating new business opportunities, and previously a partner in Ernst & Young with responsibility for services to small and medium-sized enterprises.

Stephen West (50) (Investment Director)

Stephen West has extensive investment experience in emerging markets, principal investing and the energy sector. He has worked for CDC Group plc (the UK Government's development finance institution for investing in emerging markets) and was a Founding Partner of Actis Capital, a management led spin-out from CDC. Subsequently he has developed a business advising other private equity fund managers, principal investors and fund boards operating in emerging markets or in the energy sector.

Directors and their shareholdings

The directors who served during the year and their interests in the shares of the Company as recorded in the register of directors' interests were as follows:

	As at 30 June 2013		As at 30 June 2012	
	Number of ordinary shares	Percentage of issued share capital	Number of ordinary shares	Percentage of issued share capital
J F Devaney	11,690,363	26.54	11,690,363	26.54
S P Levine	1,793,102	4.07	1,793,102	4.07
D T Wilson	12,398,033	28.15	12,398,033	28.15
S K West	3,318,657	7.53	3,118,657	7.08

No changes in the directors' share interests have taken place between 30 June 2013 and 17 November 2013.

Under the provisions of the Company's Articles of Association S K West and D T Wilson shall retire from office at the annual general meeting of the Company and, being eligible, S K West and D T Wilson offer themselves for re-election.

OTHER MATTERS

All directors have service agreements or letters of appointment. The Company has the power to determine the service agreements on six or twelve months' notice and the letters of appointment on three months' notice without payment of compensation (other than statutory compensation).

The non-executive director retires by rotation in the same manner as the executive directors, in accordance with the Company's Articles of Association.

Communication with shareholders on remuneration matters is largely undertaken by way of this report and the detailed disclosure of remuneration provided by note 5 to the financial statements.

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Report of the directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the Company's financial statements in accordance with United Kingdom Generally Accepted Accounting Practices. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

VALUATION POLICY

Investment strategy

The Company has a documented investments strategy.

Principles of valuation of fixed asset investments, including subsidiaries

Fixed asset investments are shown at cost, less provision for any permanent impairment of value, where cost includes the associated costs of acquisition.

When considering if there has been a permanent impairment in an investment's value, the directors assess the value of an investment, having regard to the requirement to apply a degree of caution in making the necessary assessments. In making these assessments, the directors use a methodology which is appropriate in light of the nature, facts and circumstances of the investment and its materiality in the context of the total investment portfolio. The value of an investment is generally assessed on one of the following bases:

- Earnings multiple
- Discounted cash flows from the investment
- Price of Recent Investment

Investment in Envinta Corporation "Envinta"

The Earnings multiple methodology was used to review the investment in the Company's wholly-owned subsidiary, Envinta, for the purpose of assessing if there had been any further impairment in its value. The value was assessed having regard to the profits before interest and tax achieved in 2012 and forecast for 2013. The valuation was determined after applying an appropriate and reasonable price/ earnings ratio and, following completion of the review, it was decided that it would be appropriate to increase the provision for impairment of £500,000 made in 2009 by £75,000.

Investment in TWELP

In 2008, the Company received approximately US\$2.19 million when it disposed of 25 per cent of its then 12.1 per cent interest in TWELP, whose main asset is its indirect minority holding in HT Blade. The Board has been unable to obtain up to date information on developments affecting HT Blade from the general partner of TWELP. It understands HT Blade was loss-making in both 2011 and 2012, and that its 2013 budget shows continuing losses. The Board is unaware of any current plans by HT Blade management or the Chinese State Owned Enterprises (the majority shareholders) that would result in any exit opportunities for its minority shareholders. In view of the considerable uncertainties in relation to both the current and future business performance of HT Blade and the future intentions of the majority shareholders, the value of the Company's investment in TWELP has been assessed as zero.

Investment in TWELP 2

The Company received distributions of approximately US\$1.45 million in 2008 and a further US\$484,000 in 2012 (made from the profit on the sale by TWELP of part of its interest in HT Blade). As at 31 December 2012, the latest date for which the Company has information, TWELP 2 had cash or cash equivalent assets which, if distributed, would result in a further distribution to the Company of approximately US\$500,000. The general partner has declined to make such a distribution and the Company is pursuing legal action to encourage this distribution. In addition, TWELP 2 had a loan balance of some US\$12.2 million as at 31 December 2012 relating to a loan to a Texan partnership connected with the general partner. The Company has been unable to establish why this amount was lent to this partnership nor what its realisable value might be. In view of the uncertainties regarding the recoverability of this amount, no value has been attributed to it when assessing the value of the Company's investment in TWELP 2: this has been based on the amount that could be distributed from the cash and cash equivalent assets held. The value was assessed to be US\$500,000 at 30 June 2013, which is a reduction of US\$125,000 compared with the previous year.

Investment in Proteus Energy Corporation "Proteus"

In September 2013, the Company was advised by Proteus that, following Proteus' inability to complete a reverse takeover of a shell company listed on the OTC Bulletin Board in the USA, it was seeking alternative funding. It is considered Proteus may not be viable in future if it is unable to access funding to sustain its operations. As it is uncertain whether there would be any surplus available for distribution to ordinary shareholders in the event that Proteus was dissolved, full provision has been made against the carrying cost of the Company's small minority interest of £133,031.

A small share-holding in an AIM-listed company has been valued at the closing price on 28 June 2013. The valuations of the remaining investments, all of which are unlisted, have been assessed as nil on the basis of their estimated realisable amounts and the lack of any cash flows from these investments.

Valuation review procedures

Valuations are prepared by the directors.

GOING CONCERN

The directors confirm they are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. There are some uncertainties that are outlined further in the Principal Accounting Policies.

PAYMENT OF CREDITORS

The Company does not follow any published code or standard on payment practice in respect of any of its suppliers. The Company's policy is to make payments to its trade creditors in accordance with agreed terms and conditions, provided its suppliers comply with these.

BY ORDER OF THE BOARD

D T Wilson
Director and Company Secretary
17 November 2013

PRINCIPAL ACCOUNTING POLICIES

For the year ended 30 June 2013

BASIS OF PREPARATION

The financial statements relate to the year ended 30 June 2013, with comparative figures being shown for the year ended 30 June 2012.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented, unless otherwise stated.

The financial reporting framework applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

GOING CONCERN

The Company meets its working capital and operating costs requirements from its cash balances. The nature of the Company's business is such that there is considerable uncertainty in the amounts and timing of cash flows. For example, remittances of surplus funds from Envinta and any further distributions from TWELP or TWELP 2 are all uncertain as to amount and timing.

Bearing this in mind, the directors have prepared cash flow forecasts for the period to 30 June 2015. The forecasts show that the Company will have adequate resources for this period.

The financial statements do not include any adjustments or disclosures that would be required if the Company was not a going concern.

REVENUE

Revenue is measured at the fair value of the consideration received or receivable from third parties for services provided in the normal course of business, net of value added tax and other sales taxes.

FIXED ASSET INVESTMENTS

Fixed asset investments, including subsidiaries, are shown at cost, less provision for any permanent impairment of value. Cost includes the associated costs of acquisition.

DISPOSAL OF ASSETS

The gain or loss arising on the disposal of an asset is determined as the difference between the disposal proceeds and the carrying amount of the asset and is recognised in the income statement.

TAXATION

Current tax is the tax currently payable based on taxable profits for the period.

Deferred tax is recognised on all timing differences where the transactions or events that give the Company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

PRINCIPAL ACCOUNTING POLICIES

For the year ended 30 June 2013

Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the income statement.

FOREIGN CURRENCIES

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Non-monetary items that are measured at historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Any exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were initially recorded are recognised in the profit or loss in the period in which they arise.

SHARE BASED PAYMENTS

All share-based payment arrangements granted after 7 November 2002 that had not vested prior to 1 January 2006 are recognised in the financial statements.

The Company issues equity-settled share-based payments to certain directors and employees. These payments are measured at fair value at the date of the grant and this fair value is recognised as an expense in the income statement with a corresponding entry to the Share option reserve on a straight line basis over the vesting period, based on the Group's estimate of the number of shares or share options that will eventually vest. No share-based payments or share options have been issued by the Company since 2008.

Fair value is measured by use of the Black Scholes Pricing Model. See note 16 for a further description of the share-based payment plans.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reported period. Although these estimates are based on management's best knowledge of the amount, event or action, actual results may differ materially from those estimates.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities relate to:

- the assessment of whether there has been any impairment in respect of unlisted investments, which are valued on the bases set out in the Report of the directors (see also page 19 in respect of the investment in TWELP and TWELP 2)
- the assessment of whether there has been any impairment in respect of subsidiaries
- the timing and amount of cash flows.

TERSUS ENERGY LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 30 June 2013

	Note	2013 12 months £	2012 12 months £
Turnover	2	55,950	55,584
Administrative expenses		(110,873)	(203,421)
Distribution from investment	3	-	309,958
Other interest receivable and similar income	4	5,378	6,053
Provision for impairment of value in investments	8	(265,426)	(566,780)
Provision against amounts due from subsidiaries		(1,018)	(48,341)
Reduction in receipts arising from the disposal of Navitas business	3	(36,875)	-
Loss on ordinary activities before taxation	3	<u>(352,864)</u>	<u>(446,947)</u>
Taxation	6	-	-
Loss for the year		<u>(352,864)</u>	<u>(446,947)</u>
Earnings per share			
Basic earnings per share - loss	7	<u>(0.8)p</u>	<u>(1.0)p</u>
Diluted earnings per share - loss	7	<u>(0.8)p</u>	<u>(1.0)p</u>

The accompanying accounting policies and notes form an integral part of these statements.

TERSUS ENERGY LIMITED

COMPANY BALANCE SHEET

As at 30 June 2013

	Note	2013 £	2012 £
FIXED ASSETS			
Investments	8	758,354	1,049,941
		<u>758,354</u>	<u>1,049,941</u>
Current assets			
Debtors – amounts due within one year	9	12,410	71,716
Debtors – amounts due after more than one year	9	-	33,016
Cash at bank and in hand		478,001	506,716
		<u>490,411</u>	<u>611,448</u>
Creditors: amounts falling due within one year	10	<u>(98,848)</u>	<u>(158,608)</u>
Net current assets		<u>391,563</u>	<u>452,840</u>
Total assets less current liabilities		<u>1,149,917</u>	<u>1,502,781</u>
Capital and reserves			
Called up share capital	11	220,231	220,231
Share option reserve	12	297,692	297,692
Profit and loss account	12	<u>631,994</u>	<u>984,858</u>
Shareholders' funds		<u>1,149,917</u>	<u>1,502,781</u>

For the year ending 30 June 2013 the Company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- the members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476
- the directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts
- these accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime

The financial statements were approved by the Board of directors on 17 November 2013.

S P Levine
Director

D T Wilson
Director

Company no 5314207

The accompanying accounting policies and notes form an integral part of these statements.

TERSUS ENERGY LIMITED

CASH FLOW STATEMENT

As at 30 June 2013

	2013	2012
	12 months	12 months
	£	£
Cash flow from operating activities		
Loss before taxation	(352,864)	(446,947)
Adjustments for:		
Distribution of retained profits by TWELP 2	-	(309,958)
Provision for impairment of value in investments	265,426	566,780
Reduction in receipts arising from disposal of Navitas business	36,875	-
Provisions against amounts due from subsidiaries	1,018	48,341
Foreign exchange	(7,894)	2,156
Interest receivable	(5,378)	(6,053)
Change in trade and other receivables	57,210	45,436
Change in trade and other payables	(59,760)	70,596
Cash outflow from operations	<u>(65,367)</u>	<u>(29,649)</u>
Taxation	-	-
Net cash flow from operating activities	<u>(65,367)</u>	<u>(29,649)</u>
Cash flows from investing activities		
Distribution of retained profits by TWELP 2	-	309,958
Repayment by subsidiary of loan to group company	26,161	16,233
Net cash from investing activities	<u>26,161</u>	<u>326,191</u>
Cash flows from financing activities		
Interest received	5,378	6,053
Net cash generated from financing activities	<u>5,378</u>	<u>6,053</u>
Net change in cash and cash equivalents	(33,828)	302,595
Cash and cash equivalents at beginning of period	506,716	205,656
Exchange differences on cash and cash equivalents	5,113	(1,535)
Cash and cash equivalents at end of period	<u>478,001</u>	<u>506,716</u>
Cash and cash equivalents comprise:		
Cash at bank and in hand	<u>478,001</u>	<u>506,716</u>

The accompanying accounting policies and notes form an integral part of these statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2013

1 ACCOUNTS AND AUDIT

On 4 November 2011, the Company was re-registered as a private limited company under the Companies Act 2006 by the name of Tersus Energy Limited, following the passing of a special resolution at a general meeting of the Company on 4 October 2011. As a private limited company throughout the year ended 30 June 2013, the Company has been able for the first time to take advantage of Companies Act 2006 (“the Act”) enabling provisions that allow the Company not to prepare group accounts and to be exempt from audit of its accounts.

In preparing the financial statements for the year ended 30 June 2013, the directors have taken advantage of the provisions in the Act that enable the Company, as the parent company of a group classified as a small group under the Act, not to prepare group accounts. Accordingly, no consolidated accounts for the Company and its subsidiaries have been prepared in respect of the year ended 30 June 2013 and the accounts of the Company include certain information that, in past years, would have been disclosed in the consolidated accounts (for example, information on long term incentives) or would not have been included (for example, the Company’s profit and loss account). Where information has been included for the first time, comparative figures are shown.

Following the approval given by shareholders at the Annual General Meeting in December 2012 of the ordinary resolution not to re-appoint Grant Thornton UK LLP as auditors of the Company, the accounts have not been audited. The Company continues to obtain advice on taxation from Grant Thornton UK LLP.

2 REVENUE

Revenue, which excludes value added tax and other sales taxes, represents the invoiced value of services supplied to third parties, including group companies.

3 LOSS BEFORE TAX

The loss on ordinary activities before taxation is stated after charging/ (crediting):

	2013	2012
	12 months	12 months
	£	£
Distribution from investment (a)	-	(309,958)
Payment under incentive scheme in respect of distribution from investment (a)	-	57,637
Reduction in receipts arising from the disposal of Navitas business (b)	36,875	-
Auditors’ remuneration – fees payable to the Company’s auditors:		
for the audit of the Company’s accounts (c)	-	3,750
other services	3,000	4,400
Operating leases	6,306	10,666
Net exchange gains and losses	(7,894)	2,156

(a) The distribution was received from the Company’s investment in TWELP 2 in 2012 when TWELP 2’s general partner made a distribution from the retained profits of this limited partnership. A provision of £565,458 for impairment in the value of the investment in TWELP and TWELP 2 was also made in 2012.

(b) The consideration payable by the Canadian purchaser of the Navitas business which was sold on 31 August 2009 was subject to later adjustment in respect of any stock remaining unsold in August 2013. Under a second agreement with the purchaser, the Company was entitled to receive a further amount linked to the level of sales for a 5 year period. The total amount receivable under these arrangements was estimated in 2009: the reduction arises from an adjustment in respect of the stock of £30,310 and estimated future sales of £6,565.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2013

- (c) The Company is exempt from audit in respect of its accounts for the year ended 30 June 2013 and the members of the Company resolved not to reappoint the existing auditors at the 2012 Annual General Meeting (see note 1).

4 INTEREST RECEIVABLE

	2013 12 months £	2012 12 months £
Interest receivable		
On loan to subsidiary	5,259	6,008
Other	119	45
	<u>5,378</u>	<u>6,053</u>

5 DIRECTORS AND EMPLOYEES

The average monthly number of employees of the Company (including directors) during the period was 5 (2012 – 5) and their aggregate remuneration comprised:

	2013 12 months £	2012 12 months £
Wages and salaries	54,767	47,267
Social security costs	1,756	1,807
	<u>56,523</u>	<u>49,074</u>

Directors' emoluments

For the year ended 30 June 2013

	Fees £	Benefits in kind £	Total £
Executive Directors			
S P Levine	-	15,305	15,305
D T Wilson	16,500	-	16,500
S K West	18,000	-	18,000
Non-Executive Director			
J F Devaney	-	-	-
	<u>34,500</u>	<u>15,305</u>	<u>49,805</u>

The benefits in kind for S P Levine, which comprise healthcare costs, were provided by a subsidiary (2012 - £12,497).

In 2012, amounts payable to D T Wilson (£22,076), S P Levine (£8,646) and S K West (£7,589) were earned during the year under participation arrangements in relation to the distribution made by TWELP 2. These were paid during the current year.

The Chairman has not received any remuneration since 31 May 2009.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2013

6 TAXATION

	2013 12 months £	2012 12 months £
Tax charge	<u>-</u>	<u>-</u>
The tax for the period can be reconciled to the accounting loss as follows:		
	2013 12 months £	2012 12 months £
Loss on ordinary activities before tax	<u>(352,864)</u>	<u>(446,947)</u>
Loss on ordinary activities at the standard rate of corporation tax in the UK of 24.75% (2012 – 25.5%)	(87,334)	(113,971)
Effects of:		
Items not deductible for tax purposes/ subject to tax	101,545	157,283
Items brought into tax in a prior period	(3,532)	(95,534)
Tax losses (utilised)/ carried forward	<u>(10,679)</u>	<u>52,222</u>
Total tax charge for the period	<u>-</u>	<u>-</u>

The Company has tax losses at 30 June 2013 of approximately £2,188,000 (2012 - £2,229,000). These tax losses will be available to reduce any tax due on future profits.

No deferred tax asset has been recognised due to the uncertainty of the recoverability of the asset and its timing. The asset will be recovered in line with future profits. The unrecognised deferred tax asset of £540,000 (2012 - £569,000) relates to tax losses carried forward.

7 EARNINGS PER ORDINARY SHARE

The calculation of the basic earnings per share is based on a loss of £352,864 (2012 – loss of £445,947) and the weighted average number of shares in issue used for the basic earnings per share was 44,046,376 (2012 – 44,046,376).

At the year end, there were 1,041,667 share options (2012 – 2,041,667 share options) outstanding which, if exercised, would potentially dilute basic earnings per share in the future. These were not included in the calculation of diluted earnings per share for the year as the loss per share would be reduced.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2013

8 INVESTMENTS

	Shares in group companies (a)	Loans to group companies	Investments (b) (c) (d)	Total
Cost	£	£	£	£
At 30 June 2012	1,180,724	513,967	1,943,851	3,638,542
Loan repayment	-	(26,161)	-	(26,161)
At 30 June 2013	<u>1,180,724</u>	<u>487,806</u>	<u>1,943,851</u>	<u>3,612,381</u>
Provision for impairment in value				
At 30 June 2012	(625,981)	(475,000)	(1,487,620)	(2,588,601)
Additions in year	(75,000)	-	(190,426)	(265,426)
At 30 June 2013	<u>(700,981)</u>	<u>(475,000)</u>	<u>(1,678,046)</u>	<u>(2,854,027)</u>
Net book amount				
At 30 June 2013	<u>479,743</u>	<u>12,806</u>	<u>265,805</u>	<u>758,354</u>
At 30 June 2012	<u>554,743</u>	<u>38,967</u>	<u>456,231</u>	<u>1,049,941</u>

- (a) The provisions for impairment have been made on the basis of the assessed long-term value of the subsidiaries. An increase of £75,000 (2012 – nil) in the provision for impairment has been made in respect of the investment in Envinta Corporation, which is now carried at a net book amount of £479,743. The total provision made in respect of this investment is now £575,000 (2012 - £500,000). Information on Envinta Corporation is given below.
- (b) The fixed asset investments comprise strategic investments which were made in line with the Company's business strategy of focusing on the energy efficiency and alternative fuels/ renewable energy sectors, with some being obtained in return for providing advisory services.
- (c) The additional provision for impairment in value of investments includes £133,031 in respect of the investment in Proteus Energy Corporation ("Proteus"). In September 2013, the Company was advised by Proteus that, following Proteus' inability to complete a reverse takeover of a shell company listed on the OTC Bulletin Board in the USA, it was seeking alternative funding. It is considered Proteus may not be viable in future if it is unable to access funding to sustain its operations. As it is uncertain whether there would be any surplus available for distribution to ordinary shareholders in the event that Proteus were dissolved, full provision has been made against the carrying cost of £133,031 in these accounts.
- (d) The additional provision for impairment in value of investments also includes an increase of £57,186 (2012 - £565,458) in respect of the investment in TWELP 2, which is now carried at a net book amount of £263,019 (2012 - £320,205). This is based on an assessed value of US\$500,000 (2012 – US\$625,000), which reflects the amount the Company would receive if TWELP 2 were to distribute its cash and cash equivalent assets. The value of the investment could be substantially more than the current carrying value if the realisable value of the loan asset in TWELP 2 were substantial or, conversely, could be significantly less (see pages 3 and 4). The carrying value also takes account of amounts that would be payable under incentive arrangements of approximately £66,000 (2012 - £80,000) if the investment were realised at the assessed value. The value of the investment in TWELP has been assessed as nil (2012 – nil) in view of the uncertainty regarding the current and future business performance of HT Blade and the future intentions of the majority shareholders.
- (e) Full provision in respect of the investment in and loans made to Navitas Technologies Limited ("Navitas") was made in 2009 in the amount of £500,981. Further provisions were made in respect of loans for working capital included in Current assets in both 2009 and 2010.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2013

The fixed asset investments include investments in both shares and convertible loans. The terms on which some investments are made include the right for the Company to participate in future projects. All investments are unlisted.

The subsidiary companies during the year were:

Subsidiary	Country of registration and operation	Class of share	Percentage held	Activities
Envinta Corporation	Delaware, USA	Ordinary	100%	Developer of energy and environmental information software
Tersus Energy Services Inc.	Delaware, USA	Ordinary	100%	No longer trading
Navitas Technologies Limited	Ontario, Canada	Ordinary	100%	No longer trading

All the above subsidiaries are held directly by the Company. Full provision has been made in respect of the investment in and loans made to both Tersus Energy Services Inc and Navitas Technologies Limited.

Envinta Corporation has a financial year end of 31 December. The information below is extracted from its accounts for the years ended 31 December 2012 and 31 December 2011 respectively:

	2012	2011
	US\$	US\$
Capital and reserves at the financial year end	<u>88,278</u>	<u>21,419</u>
Profit after taxation for the year	<u>66,859</u>	<u>51,721</u>

9 DEBTORS

	2013	2012
	£	£
Amounts falling due within one year		
Trade debtors	3,535	5,307
Amounts owed by subsidiary companies	4,190	6,174
Prepayments	1,551	7,414
Other debtors (a)	<u>3,134</u>	<u>52,821</u>
	<u>12,410</u>	<u>71,716</u>
Amounts falling due after more than one year		
Amounts owed by subsidiary companies	-	2,786
Other debtors (a)	<u>-</u>	<u>30,230</u>
	<u>-</u>	<u>33,016</u>
	<u>12,410</u>	<u>104,732</u>

(a) Future receipts arising from the disposal of the Navitas business in August 2009.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2013

10 CREDITORS

	2013	2012
	£	£
Amounts owed to subsidiary companies	19,621	-
Other taxation and social security	1,029	491
Accruals and deferred income	78,198	158,117
	<u>98,848</u>	<u>158,608</u>

11 CALLED UP SHARE CAPITAL

	2013	2012
	£	£
Authorised		
200,000,000 ordinary shares of 0.5p each	<u>1,000,000</u>	<u>1,000,000</u>
Issued and fully paid		
At 30 June 2013 and 30 June 2012	<u>220,231</u>	<u>220,231</u>

At 30 June 2013 and 30 June 2012 44,046,376 ordinary shares of 0.5p each were issued and fully paid.

The various share option plans are described in note 16. The total number of share options outstanding at 30 June 2013, the periods in which they were granted and the periods in which they may be exercised are given below:

Date of grant	Type of scheme	Ordinary shares under option	Exercise price (£)	From	To
15/10/2005	New Plan	250,000	0.500	Vested	14/10/2015
31/05/2006	New Plan	791,667	0.500	Vested	28/05/2016
		<u>1,041,667</u>			

Movements in the number of share options outstanding and the weighted average exercise price are as follows:

	2013		2012	
	Number	Weighted average exercise price (£)	Number	Weighted average exercise price (£)
Outstanding at 1 July 2012/ 1 July 2011	2,041,667	0.273	3,556,480	0.214
Expired	(1,000,000)	0.0366025	(1,514,813)	0.138
Outstanding at 30 June 2013/ 30 June 2012	<u>1,041,667</u>	<u>0.500</u>	<u>2,041,667</u>	<u>0.273</u>
Thereof exercisable	<u>1,041,667</u>	<u>0.500</u>	<u>2,041,667</u>	<u>0.273</u>

No share options were issued during the year ended 30 June 2013.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2013

12 RESERVES

	Share option reserve £	Profit and loss account £
At 30 June 2012	297,692	984,858
Loss for the year	-	(352,864)
At 30 June 2013	<u>297,692</u>	<u>631,994</u>

Following shareholder approval, the Company's share capital was reduced on 23 December 2011 by the cancelling of the share premium account. The amount of £6,447,112 standing to the credit of the share premium account at that date was then transferred to the profit and loss account.

13 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2013 12 months £	2012 12 months £
Loss for the year	(352,864)	(446,947)
Net movement in shareholders' funds	(352,864)	(446,947)
Opening equity shareholders' funds	1,502,781	1,949,728
Closing equity shareholders' funds	<u>1,149,917</u>	<u>1,502,781</u>

14 CAPITAL COMMITMENTS

There were no capital commitments at 30 June 2013 or 30 June 2012.

15 CONTINGENT LIABILITIES

There were no contingent liabilities at 30 June 2013 or 30 June 2012.

16 LONG TERM INCENTIVES

A number of arrangements are in place to provide long term incentives. The arrangements under which long term incentives have already been granted or under which the Group intends to grant such incentives in the foreseeable future are summarised below.

Share options***New Share Option Plan***

The Company has a New Share Option Plan that was established to facilitate the provision of equity incentives to employees and directors.

The New Share Option Plan is divided into two parts, one which is approved by the Inland Revenue (the "Approved Part") and one which offers awards in excess of the Inland Revenue limits (the "Non-approved Part"). The Company may also grant "Incentive Stock Options" in the USA on terms no more favourable than under the Non-approved Part.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2013

Under this scheme, the total acquisition price of the ordinary shares under option to an individual will ordinarily be no more than twice their remuneration with a provision to grant options worth up to four times their remuneration in certain circumstances. The basis on which the options can be exercised will be set at the time they are granted, including both the price and a vesting schedule. The exercise price for options may be lower than the market price of an ordinary share at the date the option is granted, but not less than the nominal value. The Company's policy is that one third of options granted will vest and become exercisable immediately with the remainder vesting in equal tranches on the anniversary of the date of the grant in each of the following two years. No option can be exercised more than ten years after its date of grant.

When an option holder ceases to work for the Group, unvested options lapse but, under certain circumstances, vested options may be exercised for a period after cessation of employment.

No options were granted under the New Share Option Plan in the year to 30 June 2013 or 30 June 2012.

Advisory Income Participation Arrangement

The Company has an Advisory Income Participation Arrangement whose objective is to reward and incentivise those employees and contract personnel who assist the Group in consummating cash-generative transactions with advisory clients. Under this arrangement, an amount of up to 30 per cent of the net cash received by the Group on a transaction (after taking account of the payment of various related expenses to third parties and basic remuneration) may be paid in compensation to employees who had an active role in the transaction, provided that those employees have met certain minimum criteria. In relation to one assignment, the maximum participation has been increased to 50%, of which 45% is to a director.

No payments were made in the year to 30 June 2013 or 30 June 2012 under this arrangement.

Investment Gain Participation Arrangement

The Company has an Investment Gain Participation Arrangement whose objective is to reward and incentivise those employees and contract personnel who assist the Group in acquiring, managing or realising an investment. Under this arrangement, an amount of up to 20% per cent of the net realised gain made by the Group on an investment may be made available and allocated amongst the members of the investment management team from time to time. The net gain is calculated after a first return to the Group the amount of which will reflect the amount and type of capital invested and the expected return at the time of investment. Non-refundable advances may be paid where an investment is judged to have secured an increase in value giving rise to an unrealised gain and/or is operating profitably. No such advances have been made to date. Participations granted under this arrangement will normally vest over a period of up to 3 years. No participation rights were granted during the year or in the previous year.

No amounts were earned in the year to 30 June 2013 under this arrangement. Amounts totalling £57,637 which were earned in the year to 30 June 2012 in relation to a distribution from TWELP 2 (see note 8) were paid subsequent to 30 June 2012.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2013

17 EQUITY SETTLED SHARE OPTION PLAN

The Company provided for a grant price equal to the average quoted market price of the Company shares on the date of grant.

Details of the share options in issue are provided in note 11. The fair values of share options were calculated using the Black-Scholes Pricing Model. The inputs into the model are outlined below.

	New share option plan
Fair value	£0.00 - £0.06
Share price	£0.02 - £0.41
Exercise price	£0.025 -£0.50
Expected volatility	30.0% - 27.0%
Expected life	5
Risk free rate	4.4%
Expected dividends yield	nil

The Company did not recognise any expense relating to equity settled share option scheme transactions in the year ended 30 June 2013 (2012 - nil).

Expected volatility was determined by calculating the historical volatility of the Company's share price over the period from flotation on the Alternative Investment Market in February 2005 through to February 2008. The expected useful life used in the model equals the life of the options.

18 RELATED PARTY TRANSACTIONS

The Company provides back office services on a commercial basis to its wholly-owned subsidiary, Envinta Corporation. The amount charged for the year ended 30 June 2013 was US\$60,000 (£38,262) (2012 – US\$60,000 (£37,871)).

Envinta Corporation made payments to the Company of loan principal as well as interest during the year. The principal repaid was £26,161 (2012 - £16,233) and the interest paid was £5,431 (2012 - £6,100).

Notice is hereby given that the 2013 Annual General Meeting (“**AGM**”) of Tersus Energy Limited (the “**Company**”) will be held at InfraCo Africa Limited, Dutch House (fourth floor) 307/308 High Holborn, London, WC1V 7LL at 4.30 p.m. on Friday 13 December 2013 to consider and, if thought fit, to pass the following resolutions (“**Resolutions**”) of which Resolutions 1, 2, 3, 4 and 5 will be proposed as ordinary resolutions and Resolution 6 will be proposed as a special resolution:

ORDINARY RESOLUTIONS

1. **TO** receive and adopt the accounts of the Company for the year ended 30 June 2013 and the report of the directors thereon.
2. **TO** receive and adopt the directors’ remuneration report for the year ended 30 June 2013.
3. **TO** re-elect Stephen Keith West who retires from office in accordance with article 92.1 of the Company’s articles of association and who, being eligible, offers himself for re-election, as a Director.
4. **TO** re-elect David Thomas Wilson who retires from office in accordance with article 92.2 of the Company’s articles of association and who, being eligible, offers himself for re-election, as a Director.
5. **THAT** in substitution for any existing authorities, the directors be and are hereby generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the “**Act**”), to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company (“**Rights**”) up to an aggregate nominal amount of £60,000 provided that this authority shall, unless renewed, varied or revoked by the Company, expire 15 months after the date of passing this resolution or at the conclusion of the next annual general meeting of the Company whichever first occurs save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or Rights to be granted and the directors may allot shares or grant Rights in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

SPECIAL RESOLUTION

6. **THAT**, subject to the passing of resolution 5, in substitution for any existing authorities, the directors be and are generally empowered pursuant to section 570 of the Companies Act 2006 (the “**Act**”) to allot equity securities (as defined in section 560 of the Act) pursuant to the authority conferred by resolution 5, as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall:
 - (a) be limited to the allotment of equity securities up to an aggregate nominal amount of £11,000 (representing approximately 5 per cent. of the Company’s issued share capital); and

NOTICE OF 2013 ANNUAL GENERAL MEETING OF TERSUS ENERGY LIMITED

- (b) (unless previously renewed, varied or revoked by the Company) expire 15 months after the date of passing of this resolution or at the conclusion of the next annual general meeting of the Company whichever first occurs, save that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.

Dated 17 November 2013

Registered office:

9-13 St Andrew Street
London
EC4A 3AF

BY ORDER OF THE BOARD

David Wilson
Company Secretary

Notes:

Right to Appoint a Proxy

1. Members entitled to attend and vote at the AGM are entitled to appoint some other person(s) of their choice as their proxy to exercise all or any of their rights to attend, speak and vote (on a show of hands and on a poll) on their behalf at the AGM. A proxy need not be a member of the Company, but must attend the meeting to represent you.
2. A member may appoint more than one proxy, provided that each proxy is appointed to exercise the rights attached to different shares. A member may not appoint more than one proxy to exercise rights attached to the same shares.
3. A proxy form, which may be used to make such appointment and give proxy instructions, accompanies this notice. If you do not receive a proxy form and believe that you should have one, please contact the Company's registrar, Equiniti Limited on 0871 384 2735. Calls to this number are charged at 8p per minute plus network extras. Lines are open 8.30 a.m. to 5.30 p.m., Monday to Friday. Overseas shareholders please call + 44 (0)121 415 7047.

Procedure for Appointing a Proxy

4. If you wish to appoint multiple proxies, please contact Equiniti Limited using the contact details in note 3 to request additional proxy forms. Alternatively, the proxy form may be photocopied before completion.
5. To be effective, any proxy form must be completed, signed and received by the Company's registrar, Equiniti Limited, Freeport SEA10846, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6ZL by post or (during normal business hours only) by hand no later than 4.30 p.m. on 11 December 2013. It should be accompanied by any power of attorney or other authority under which it is signed (or a copy of such power or authority notarially certified or certified in some other way approved by the Company's board of directors).
6. Proxy forms may not be submitted via the Company's website or via any e-mail address set out on the Company's website.
7. The return of a completed proxy form will not prevent a member from attending the AGM and voting in person.
8. In the case of joint holders, the signature of only one of the joint holders is required on the proxy form, but the names of all joint holders should be stated. The vote (whether in person or by proxy) of the first named on the register of members of the Company will be accepted to the exclusion of the other joint holders.
9. In the case of a corporation, the proxy form must be given under its common seal or signed on its behalf by a duly authorised officer or an attorney.

Corporate Representatives

10. A member which is a corporation is entitled to appoint one or more persons to act as the corporate representative or representatives at the meeting and to exercise the same powers on behalf of the corporation as the corporation could exercise if it were an individual member.

Communication

11. You may not use any electronic address provided either in this notice or any related documents (including the Chairman's letter and proxy form) to communicate with the Company for any purposes other than those expressly stated.

TERSUS ENERGY LIMITED

SHAREHOLDER INFORMATION

Company registration number	5314207
Registered office	9-13 St Andrew Street London EC4A 3AF
Directors	J F Devaney <i>(Non-executive Chairman)</i> S P Levine <i>(Chief Executive Officer)</i> D T Wilson <i>(Chief Operating Officer and Finance Director)</i> S K West <i>(Investment Director)</i>
Secretary	D T Wilson
Bankers	Lloyds Bank City Office London
Registrars	Equiniti Aspect House Spencer Road Lancing West Sussex BN99 6DA
Solicitors	Rosenblatt Solicitors 9 -13 St Andrew Street London EC4A 3AF

United Kingdom office

44 Kensington Park Gardens
London
W11 2QT

Enquiries:
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dwilson@tersusenergy.com