

The distribution of this Information Memorandum (the "**Memorandum**") and the offering of Customer Shares by the Company may be restricted in certain jurisdictions; persons into whose possession the Memorandum comes are required to inform themselves of, and to observe such restrictions. This Memorandum does not constitute an offer or solicitation to anyone to purchase shares in any jurisdiction, in which such offer or solicitation is not authorised nor to any person to whom it is unlawful to make such an offer or solicitation. The Customer Shares to be offered have not been registered and will not be registered under the securities laws of any jurisdiction and will be offered and sold in reliance on an exemption from the registration and/or prospectus requirements of such laws. The Company accepts no legal liability for any violation of such restriction by any person, whether or not a future owner of Customer Shares.

Neither the Company nor any of its Directors, agents or employees makes (or is authorised to make) any representation or warranty (expressed or implied) or shall have any responsibility or liability in respect of the information supplied or for the accuracy or completeness or for any other matter concerning the Company and no representation is made or is to be implied that the information will remain unchanged.

This Memorandum includes forward-looking statements. The Company has based these forward-looking statements on its current expectation and projections about future results. When the Company uses words such as "anticipates", "estimates", "intends", "plans", "seeks", "projects", "will", "may", "might", "expects", "potential", "could", "should" and "outlook" and similar expressions, the Company does so to identify forward-looking statements. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. The Company cautions that forward-looking statements are not guarantees of future performance and that its actual results, financial condition and liquidity, and the development of the industry in which the Company operates may differ materially from those made or suggested to be made by the forward-looking statements contained in this Memorandum. All these forward-looking statements are based on estimated and assumptions made by the Company which, although the Company believes them to be reasonable, are inherently uncertain. The Company may not realise such estimates or statements, and its actual results may differ materially from those contemplated by such forward-looking statements.

---

## **GREEN ENERGY (UK) PLC**

*(incorporated in England and Wales with registered number 4194006)*

### **INFORMATION MEMORANDUM**

relating to the offer of up to 25,000,000 Customer Shares

---

The offer for Customer Shares may, without notice, be withdrawn, cancelled or modified by the Company at any time and is specifically made subject to the conditions described herein (and any contractual documentation that is subsequently sent to investors). The Company reserves the right at its discretion to reject any application, in whole or in part. Prospective investors shall not construe the contents of this Memorandum as legal, accounting or tax advice or as information necessarily applicable to each prospective investor's particular financial situation. Each investor should consult its own financial manager, lawyer or accountant as to legal, tax or related matters concerning the acquisition, holding or disposal of Customer Shares.

This Memorandum has been authorised by Mercer & Hole for the purposes of section 21 of the UK Financial Services and Markets Act 2000 ("**FSMA**"). This Memorandum is not being sent to persons outside the United Kingdom. This Memorandum is being supplied to you solely for your information and may not be reproduced, further distributed or published in whole or in part by any other person. The offer of Customer Shares does not represent an offer of €2.5 million or more in any twelve month period and therefore is an exempt offer of securities to the public for the purposes of section 86 of FSMA. Accordingly, this Memorandum is not a prospectus and does not require the approval of the UK Financial Services Authority or any other relevant authority in any other member state of the European Economic Area.

**NO APPLICATION IS BEING MADE FOR ADMISSION OF THE CUSTOMER SHARES TO ANY INVESTMENT MARKET OR EXCHANGE. PARTICIPATION OR INVESTMENT IN THE COMPANY IS SPECULATIVE AND RECIPIENTS SHOULD UNDERSTAND THAT INVESTMENT IN UNQUOTED COMPANIES INVOLVES A HIGHER DEGREE OF RISK THAN CERTAIN OTHER INVESTMENTS AND THAT UNQUOTED SHARES ARE FREQUENTLY UNMARKETABLE.**

## CONTENTS

	<b>Page</b>
Directors, Secretary & Registered Office	2
Definitions	3
<b>Part 1</b> - Information on the Company	5
<b>Part 2</b> - Green Energy UK plc Profit and loss 2009 -2010	8
<b>Part 3</b> - Additional Information	10

## DIRECTORS, SECRETARY AND ADVISERS

Directors	Sir Peter Thompson (Non-executive Chairman) Douglas Stewart (Chief Executive) Timothy Smith (Director)
Company Secretary	Aldbury Secretaries Limited
Registered Office	6 Peerglow Centre, Marsh Lane, Ware, SG12 9QL
Reporting Accountants and Auditors	Mercer & Hole Silbury Court 420 Silbury Boulevard Central Milton Keynes MK9 2AF

## DEFINITIONS

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

"1985 Act"	the Companies Act 1985 (as amended)
"2006 Act"	the Companies Act 2006
"Articles"	the articles of association of the Company as adopted by resolution dated 18 June 2001 as amended by a special resolution dated 6 October 2010 and more fully described in Paragraph 4 of Part 3 of this document
"Business Day"	a day on which banks shall be open in London for the conduct of general banking business (excluding Saturdays)
"Company" or "Green Energy"	Green Energy (UK) PLC
"Customers"	those persons who have entered into a Customer Agreement with the Licence Provider and have not exercised their rights of withdrawal
"Customer Agreement"	an agreement between a Customer and the Licence Provider setting out the terms and conditions on which the Licence Provider and the Company provides the Customer with the Services
"Customer Shares"	redeemable 'D' ordinary shares of 0.1 pence each in the Company having the rights set out in the Articles
"Directors" or "Board"	the directors of the Company from time to time
"Green Electricity"	electricity generated by OFGEM approved generators which is exempt from Climate Change Levy (CCL) and carries Levy Exemption Certificates (LEC's)
"Licence Agreement"	the contract between the Licence Provider and the Company dated 19 January 2006, as amended from time to time
"Licence Provider"	Opus Energy Limited, a company registered in England and Wales with registered number 4382246 and having its registered office at 285 Banbury Road, Oxford, Oxfordshire, OX2 7JF
"London Stock Exchange"	London Stock Exchange plc
"'C' Ordinary Shares"	'C' ordinary shares of 0.1 pence each in the Company having the rights set out in the Articles
"Ordinary Shares"	either 'A', 'B', or 'C' Ordinary Shares or Customer Shares in the capital of the Company;
"Regulations"	the Prospectus Regulations 2005
"Sale"	the date upon which an offeror has acquired or contracted to acquire 90% or more of the issued equity share capital of the Company (excluding shares already held by the offeror) is completed

"Service" or "Services"

arranging for the supply of Green Electricity to domestic and business users via the Licence Provider

"Shares"

, 'C' Ordinary Shares and Customer Shares

"Shareholders"

holders of Shares

## PART 1

### INFORMATION ON THE COMPANY


#### Introduction


The business of the Company is an alternative provider of electricity to the domestic and business user market, delivering Green Electricity via the Licence Provider. The Company, together with its Licence Provider, deliver electricity to domestic and business users via the National Grid. The Service has been in place since 2001

#### The Business

The Company's aim is to provide consumers in England, Scotland and Wales with electricity which is more environmentally friendly than is commonly available from its rivals and to offer its Customers the chance to share in the Company's ownership and future direction.

Green Energy offers two tariff arrangements to reduce the carbon emissions from electricity generation to meet needs today, and by facilitating investment in new renewable energy projects for the future.

**Deep Green**  - 100% deep green renewable electricity. The very best you can do for the planet. The electricity is sourced from free falling water, wind, biomass, solar and the tides.

**Pale Green**  - 100% green electricity- competitively priced. This is cleaner greener electricity from low impact combined heat and power.

Some 90% of the power the Company has under contract comes from generators that were not in business when Green Energy commenced trading.

The Company is run commercially and in the best interests of the Shareholders/Customers. The Company regularly communicates with its Shareholders/ Customers and to ensure that their interests are represented at Board level.

**Whilst the Company's Green Electricity is supplied on the same principles as the other green tariffs there is a crucial difference: Green Energy founders' intention is that the Company should be ultimately 50% owned by its Customers.**

#### The Customer Shares

The Directors aim to involve Customers in the success of the Company by issuing the next 50,000 Customers with Customer Shares free of charge. The Customer Shares are not designed to raise any funds but are being offered by the Directors in order to involve the Customers in the Company, its objectives and its financial results.

The Customer Shares will be issued fully paid up to Customers. The Directors intend that up to 25,000,000 Customer Shares will be allotted on the following basis:-

- i) 400 Customer Shares will be allotted to each of the next 50,000 Customers of the Company;
- ii) the Directors may at their discretion offer allocations of Customer Shares to persons who they consider to be instrumental in the growth of the Company; they refer to these persons as "Ambassadors" and
- iv) allotments of Customer Shares will be made monthly on the last Business Day of each month to Customers. Customers will be notified of the allotment of their Customer Shares by email or letter.

The Customer Shares may be allotted at any time after 6 October 2010 (the date on which the Directors were granted authority to allot the Customer Shares). The Customer Shares will carry voting rights, but they may be redeemed at the option of the Company for a total of 1 pence for the Customer's entire holding if the holder does not remain a Customer for the three consecutive calendar years after the date of allotment. Customers who receive Customer Shares will, as a term of their acceptance, agree to waive their rights to any redemption monies payable. Certificates will not be issued for the Customer Shares until after the three year time-span.

The Directors undertake that they will personally pay up in full the nominal value of Customer Shares as and when they are allotted by the Company to Customers, without recourse to the Customers. The Directors will not have any rights

over the Customer Shares to which the relevant Customers will be solely entitled on allotment. The Shares will not carry dividend rights.

The Company may in the future issue further Ordinary Shares (for example, in order to fund acquisitions). Such further issue of Ordinary Shares would only be effected if, in the opinion of the Directors, there is likely to be an increase in the overall value of all Shares. However, it is the intention of the Directors that Customers should always have a significant stake in the Company.

The Customer Shares will not be listed on any exchange and there is no trading market for any of the Customer Shares. However, the Directors intend to explore ways of making the shares tradeable in the future.

**The Customer Shares will be effectively forfeited if the holder does not remain a customer of Green Energy (UK) Plc for a period of 3 calendar years from the date of allotment.**

## **Directors**

The Directors of the Company are:-

*Sir Peter Thompson, Age 82 – Chairman*

Sir Peter has spent a lifetime in business being Chairman of NFC PLC, F.I.GROUP PLC, Community Hospitals Plc and Child Base Ltd. He led the successful employee buy-out of NFC from the Government and as a result of it success, many of the drivers and fitters who invested in the company saw their share values rise 120 times over a 9 year period. A similar pattern followed when the F.I.GROUP employee buy-out was achieved in 1991. This has made him interested in different ownership models and Green Energy's proposed share structure, which will be a modernised form of consumer capitalism, continues his involvement with wider share ownership.

*Douglas Stewart, Age 54- Chief Executive*

Doug Stewart is a graduate of Southampton University (Econ & Law) who spent his formative career at Ford Motor company in a number of sales and service roles including some interesting years in Northern Ireland. From Ford he joined a start-up recruitment exhibition company specialising in information technology markets which became the largest of its kind, before setting up his own business back in the motor business 5 years later retailing Volkswagen and Audis as a franchised dealer . Having sold his motor business at the turn of the millennium, he found himself in the fortunate position of being able to choose and decide what to do next. The blueprint was an ethically sound business that made a contribution to the wider issues of life through commerce. Deciding the newly deregulated electricity markets offered just such an opportunity, he formed Green Energy UK plc, with the express intent (shared by the rest of the Board) of offering a product that rewarded consumers who took active steps to do something about the wider environmental issues facing 21<sup>st</sup> century society.

*Timothy Smith, Age 50 - Director*

Tim started his career in insurance with the Prudential and moved through a diverse route of Honeywell Control Systems, followed by a more traditional development route through Grand Met. This was followed by a move to Milton Keynes Pressings as Financial Director growing into a wider role as Commercial Director. At the same time he managed to find time for an MBA to keep him challenged. He went on to spend an extended period working around the globe with Gildemeister AG starting as CFO with European responsibilities, then moving on to work and live in the US moving from CFO to President of the sales and service business, this quickly followed with a move to Asia as CEO. Having returned to live in the UK in 2005 he has strived to bring a diversity of interests into his working life whilst reducing the number of miles travelled. His aim has been to work with like minded business partners who share his aims and challenge him every day.

## **Current Trading and Future Prospects**

The Company has been trading since 2001. In 2006 it changed licence provider to Opus Energy limited for its access to the electricity markets and balancing and settlement code. The Company entered into the Licence Agreement with Opus Energy Limited on 19 January 2006. The Licence Agreement provides that the Licence Provider shall supply electricity to Customers within England, Scotland and Wales, and enter into Customer Agreements with Customers. The Company also enters into Power Purchase Agreements (PPAs) with generators and is required to pay the Licence Provider in respect of electricity used over and above that for which it has PPAs , and management charge, and certain other fees. The Licence Agreement may be terminated by either party giving 18 months written notice.

Further financial information on the Company is set out in the accounts in Part 2 of this document.

## Risk Factors

You should be aware that the development of the Company's business and its operational and financial condition could be adversely affected by a number of risks and other factors including the following:

1. The business strategy of the Company is a relatively new concept.
2. There can be no assurance that the Company will achieve its business objectives.
3. The market place in which the Company operates is highly competitive. Other providers of similar services may offer attractive packages and benefits which may hamper the ability of the Company to attract Customers and therefore generate revenues.
4. The Company is dependent upon third party generators of electricity, its Licence Provider, the National Grid and regional electricity companies delivering electricity to Customers. If these parties fail to deliver acceptable levels of service, or if the Company is unable to acquire the necessary services on commercial terms, the ability of the Company to offer its Services could be affected.
5. Any potential changes in the legislation or regulations relating to electricity generation and supply may restrict the activities of the Company.
6. The Company's trading results could suffer if there is a downturn in the UK economy in general or in the Company's sector in particular.
7. Customer Shares may be redeemed for a total of one pence for a Customer's entire holding (the right to which Customers will waive) at the option of the Company in the event that the holders cease to be Customers of the Company in the first three years after the issue of Customer Shares to them.
8. There is no recognised market for the Shares so it may be difficult for a holder of Shares to sell any such shares after the initial 3 year period or to obtain reliable information about the value of such shares or the extent of the risks to which Shares may be exposed. The Company cannot guarantee that the value of the Shares will increase nor that the Shares have any value now or will have any value at any time in the future.

Part 2

Green Energy (UK) Plc Accounts

**PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 30 APRIL 2010**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
<b>Turnover</b>	6,018,530	5,065,603
Cost of sales	<u>(4,616,365)</u>	<u>(4,050,217)</u>
<b>Gross profit/(loss)</b>	1,402,165	1,015,386
Administrative expenses	<u>(1,033,861)</u>	<u>(700,229)</u>
<b>Operating profit/(loss)</b>	368,304	315,157
Other interest receivable and similar income	10,221	623
Interest payable and similar charges	<u>(6,148)</u>	<u>(24,433)</u>
<b>Profit/(loss) on ordinary activities before taxation</b>	372,377	291,347
Tax on profit/(loss) on ordinary activities	<u>(81,756)</u>	<u>(33,678)</u>
<b>Profit/(loss) for the year</b>	<u>290,621</u>	<u>257,669</u>

The profit and loss account has been prepared on the basis that all operations are continuing operations. There are no recognised gains and losses other than those passing through the profit and loss account.

**GREEN ENERGY (UK) PLC**

**BALANCE SHEET**

**AS AT 30 APRIL 2010**

	<b>2010</b>		<b>2009</b>	
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Fixed assets</b>				
Tangible assets		23,073		27,121
<b>Current assets</b>				
Debtors	1,036,539		988,023	
Cash at bank and in hand	349,807		104,154	
		<u>1,386,346</u>		<u>1,092,177</u>
<b>Creditors: amounts falling due within one year</b>		<u>(962,751)</u>		<u>(781,885)</u>
<b>Net current assets</b>		<u>423,595</u>		<u>310,292</u>
<b>Total assets less current liabilities</b>		446,668		337,413
<b>Creditors: amounts falling due after more than one year</b>		(99,802)		(281,418)
		<u>346,866</u>		<u>55,995</u>
<b>Capital and reserves</b>				
Called up share capital		53,945		53,695
Other reserves		569		569
Profit and loss		292,352		1,731
<b>Shareholders' funds</b>		<u>346,866</u>		<u>55,995</u>

## PART 3

### ADDITIONAL INFORMATION

#### 1. INCORPORATION

- (a) The Company was incorporated and registered in England and Wales on 4 April 2001 under the 1985 Act as a public company with registered number 4194006 under the name Findella Plc. The Company changed its name by special resolution on 4 June 2001 to Green Energy (UK) Plc. The liability of its members is limited.
- (b) The Company has no subsidiaries.
- (c) The principal activity of the Company is the provision of the Services.

#### 2. SHARE CAPITAL

- (a) The issued share capital of the Company at the date of this document is as follows:

	Issued and paid up	
	£	Number
'A' Ordinary Shares	53,626	53,626,000
'B' Ordinary Shares	319	319,000

- (b) The Directors have authority to allot Ordinary Shares at 0.1 pence each as follows:
  - (i) general authority pursuant to section 551 of the 2006 Act to allot up to 25,000,000 Ordinary Shares (such authority to expire on 5 October 2015); and
  - (ii) specific authority pursuant to section 561 of the 2006 Act to make allotments for cash otherwise than pro rata to existing shareholders in respect of up to 25,000,000 Ordinary Shares (such authority to expire on 5 October 2015).

### 3. DIRECTORS AND OTHER INTERESTS

- (a) The interests of the Directors and their immediate families and of the persons connected with them (within the meaning of section 252 of the 2006 Act) in the issued share capital of the Company at the date of this document, all of which are beneficial unless stated, are as follows:

<i>Director</i>	<i>No of 'A' Ordinary Shares</i>	<i>Percentage of issued 'A' Ordinary Shares</i>
Douglas Stewart	25,000,000 <sup>1</sup>	46.34%
Sir Peter Thompson	16,503,800 <sup>2</sup>	30.5%
Timothy Smith	2,500,400	4.64%
<i>Founder Shareholder</i>		
Ramsay Dunning	8,003,800 <sup>3</sup>	14.8%
1 including 12,500,000 'A' Ordinary Shares held by Mrs Stewart		
2 including 7,500,000 in trusts controlled by him and 3,800 Customer Shares held by immediate family members		
3 Including 503,800 Shares held by immediate family		

- (b) Save as set out in paragraph 3 above, no Director nor any member of their respective immediate families has any interest in the share capital of the Company.
- (c) Save as disclosed in paragraph 3(a) above, the Directors are not aware of any person, directly or indirectly, jointly or severally, who exercises or could exercise control over the Company or who is interested in 3 per cent or more of the issued share capital of the Company.

### 4. MEMORANDUM AND ARTICLES OF ASSOCIATION

The Memorandum of Association of the Company which was adopted by special resolution of the Company dated 22 May 2001 provides that the main object of the Company is to carry on business as a supplier of electricity to business and domestic customers.\*

The Articles of Association of the Company, which were adopted by special resolution of the Company dated 18 June 2001, and amended at the 2010 Annual General Meeting of the Company on 6 October 2010, contain, inter alia, provisions relating to the Customer Shares and the 'C' Shares to the following effect:

(a) *Voting Rights*

The Ordinary Shares carry the right to receive notice of and to attend, speak and vote at any General Meeting of the Company in accordance with the Articles and the 2006 Act. Voting shall be conducted on a show of hands or if a poll is demanded every member present in person or by proxy shall have one vote for each share held by him.

(c) *Transfer of Shares*

- (i) The 'C' Ordinary Shares shall carry all rights to all transfer contained in the Articles. The *Customer Shares*, prior to their conversion to 'C' Ordinary Shares, may not be transferred.
- (ii) Subject to paragraph (c)(i) above, a member may transfer all or any of his shares by instrument in writing in any usual or common form or in such other form as may be approved by the Directors. The instrument of transfer of a share shall be executed by or on behalf of the transferor and, if the share is not fully paid, by or on behalf of the transferee. The Directors may in their absolute discretion refuse to register a transfer of any Share if they deem it necessary and any share which is not fully paid.

(d) *Rights on Winding Up*

- (i) On a return of assets, whether on liquidation or otherwise, the Customer Shares shall carry no rights of any nature to any payment, or any return of assets, howsoever distributed.
- (ii) On a return of assets, whether on liquidation or otherwise, the surplus assets of the Company after payment of all debts and satisfaction of all liabilities of the Company shall be paid solely

\* Under the 2006 Act, the provisions of the Memorandum of Association of the Company (other than those provisions relating to the initial subscribers for shares in the Company at the point of incorporation) are to now be treated as provisions in the Articles of Association of the Company.

to the holders of the 'A' and 'C' Ordinary Shares (and distributed among such holders rateably according to amounts paid or credited as paid up on the 'A' and 'C' Ordinary Shares held by them respectively).

(e) *Transmission of Shares*

- (i) The 'C' Ordinary Shares shall have all rights of transmission contained in the Articles.
- (ii) The Customer Shares shall carry no rights of transmission on the death or bankruptcy of the holder save in the absolute discretion of the Directors.

(f) *Redemption of Customer Shares*

The Customer Shares shall be redeemable at the option of the Company for a total of one pence for the Customer's entire holding of Customer Shares if the Customer terminates his or her Customer Agreement within the first three years after their allotment.

(g) *Conversion of Customer Shares*

The Customer Shares shall automatically convert into 'C' Ordinary Shares, carrying all of the rights attaching to such 'C' Ordinary Shares as set out in the Articles and summarised in this section, three years' after their allotment or immediately in the event of an earlier Sale or Admission.

(h) *Variation of rights*

All or any of the rights or privileges attached to any class of Shares in the Company may be varied or abrogated with the consent in writing of the holders of three-fourths in nominal value of the issued shares of that class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the shares of that class. At every such separate general meeting (except an adjourned meeting), the quorum shall be two persons holding or representing by proxy one-third in nominal value of the issued shares of that class.

(i) *Alteration of capital*

The Company may by ordinary resolution increase its share capital, consolidate and divide all or any of its share capital into shares of a larger nominal value, sub-divide all or any of its shares into shares of a smaller nominal value and cancel any shares not taken, or agreed to be taken, by any person.

The Company may, subject to the provisions of the 2006 Act, by special resolution reduce or cancel its share capital or any capital redemption reserve or share premium account.

Subject to and in accordance with the provisions of the 2006 Act, the Company may purchase its own shares (including any redeemable shares).

(j) *Pre-emption rights*

In certain circumstances, the Company's shareholders may have statutory pre-emption rights under the 2006 Act in respect of the allotment of new shares in the Company. These statutory pre-emption rights would require the Company to offer new shares for allotment by existing shareholders on a pro rata basis before allotting them to other persons. In such circumstances, the procedure for the exercise of such statutory pre-emption rights would be set out in the documentation by which such shares would be offered to the Company's shareholders. Statutory pre-emption rights are currently disapplied in respect of 25,000,000 Ordinary Shares in the Company.

(k) *Borrowing powers*

The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and assets both present and future (including uncalled capital) and, subject to section 549 of the 2006 Act, to issue debenture stock or any other securities whether outright or as collateral security for any debt, liability or obligation of the Company or any third party.

## 5. GENERAL

- (a) The Company is not engaged in any legal or arbitration proceedings nor, so far as the Directors are aware, are any legal or arbitration proceedings, active pending or threatened against, or being brought by, the Company which may have had a significant effect on the Company's financial position.
- (b) The Company depends on its Licence Provider supplying electricity to Customers under the terms of the Licence Agreement as described earlier.

- (c) Other than as disclosed in this document, there have been no significant recent trends concerning the development of the Company's business nor any significant acquisition or disposal of assets since its incorporation.
- (d) Mercer and Hole has given and not withdrawn its written consent to the inclusion in this document of its report and references to its name in the form and context in which they appear.

6 October 2010