

TO THE SHAREHOLDERS AND CREDITORS OF COGENPOWER PLC

10 May 2017

ISIN: GB00BYT56612

Today, Cogenpower Plc (the "Company") announced that it had received confirmation from BDO LLP ("BDO") that, as per prior agreement with the Company, it had resigned as Auditor of the Company with effect from 8 May 2017.

The circumstances leading up to BDO's resignation revolved around the Company's current working capital position, which has been constrained due to the non-payment of Green Certificate incentives by the GSE; the administrator in Italy of green incentive schemes. The Company believes that a substantial part of these large incentive payments will be made in due course, but cannot be sure of the timing. Meanwhile, the Company had received a very large bill from BDO for work done on the IPO that completed in 2016, for which the Company has asked BDO to provide more detailed justification.

After discussion with BDO, it was deemed unlikely that the Company would clear the final agreed debt to BDO before the end of June, when their audit certificate would be required. For BDO, this created a conflict, in that it would undermine their independence and they would be unable to sign off the accounts. It was therefore agreed that they would resign.

They have issued a resignation statement pointing out that the unpaid debt was the reason for the resignation and they wished this to be drawn to the attention of shareholders and creditors. In accordance with section 520 of the UK Companies Act 2006, the Company is obliged to send a copy of BDO's resignation statement to all registered shareholders and creditors. The copy is enclosed with this letter.

A high-quality replacement auditor has agreed in principle to perform the audit in place of BDO and they will be appointed shortly, on completion of the necessary processes.

We had excellent service from BDO throughout the previous year's audit and we are pleased to advise that BDO Italia will continue to audit the Company's Italian subsidiaries.

If you have any questions, please email info@cogenpower.co.uk and put "Auditor" as the subject.



Martin Groak, Company Secretary
COGENPOWER PLC

To the directors of Cogenpower Plc

Company Number 09301329

8 May 2017

Statement under Section 519 Companies Act 2006.

In accordance with Section 519, we detail the following circumstances connected with our ceasing to hold office as auditors of Cogenpower Plc which we consider should be brought to the attention of members and/or creditors of the company.

-The company has defaulted on the payment of non-audit and audit fees relating to work completed in 2016. This non-payment of fees has resulted in a significant self-interest threat of such impact that might in the view of an objective, reasonable and informed third party, be seen to compromise our independence and objectivity.



BDO LLP

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Registered Number - OC305127