23 May 2016

**("Inspired Energy" or the "Group")**

**Payment of initial tranche of deferred consideration pursuant to the acquisition of**

**STC Energy and Carbon Holdings Limited**

On 17 November 2015 Inspired Energy announced the acquisition of 100% of the issued share capital of STC Energy and Carbon Holdings Limited ("**STC**"), a market leading energy bureau, billing and management service provider to large multi-site organisations. The consideration payable on completion which amounted to £9.0 million was satisfied in cash and shares.

In addition, there was provision for the payment of an earn-out of up to £3.0 million based on the financial performance of STC for the periods ending 31 March 2016 and 30 September 2016 (a maximum of £1.5 million to be payable in respect of each period). Any additional consideration payable in the two periods is to be satisfied 50% in cash and 50% by the issue of new ordinary shares of 0.125p each in the Company ("**Earn-out Shares**").

STC's financial performance has exceeded the challenging financial hurdles set for the first earn-out period ended 31 March 2016 triggering the maximum earn-out for the period. Accordingly, the Group has today paid £750,000 in cash and £750,000 to be settled through the issue of 5,524,861 Earn-out Shares in the Group equating to a price of 13.575p per Earn-out Share being the average mid-market price for the five business days prior to 31 March 2016.

Application has been made for the Earn-out Shares to be admitted to AIM on 27 May 2016. Upon admission of the Earn-out Shares to AIM, the enlarged issued share capital will be 480,215,860. The Group does not hold any shares in treasury. Consequently, 480,215,860 is the figure which may be used by shareholders as the denominator for the calculation by which they will determine if they are required to notify their interest in, or a change to their interest in, Inspired Energy under the FCA's Disclosure and Transparency Rules.

**Commenting, Janet Thornton, CEO of Inspired**said: "The acquisition of STC in November 2015 has more than proved itself, as it has outperformed the challenging targets we set the team, who brought new skills, services and strategic options to the Group. The alignment between the existing Corporate division and the STC  team is providing significant incremental revenue opportunities, with notable new client wins from large multi-site retailers, county councils and housing associations."

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