

13 September 2013

**Inspirit Energy Holdings plc
("Inspirit" or the "Company")**

Inspirit enters into a £472,000 financing agreement

Inspirit Energy Holdings plc (AIM: INSP) announces that it has entered into a £472,000 Placing and an Equity Swap Agreement with YA Global Master SPV, Ltd. ("YAGM") at 2.8p per share. YAGM has agreed with the Company that they will not dispose of any shares acquired under this agreement for an initial 2 month period.

John Gunn, the Company's Chief Executive, commented:

"The board is pleased to have agreed this funding with YAGM which will be allocated towards the development of the Company's revolutionary Inspirit micro combined heat and power (mCHP) boiler which can simultaneously generate 15 kilowatts of heat and 3 kilowatts of electricity at an overall efficiency of 92%."

YAGM have subscribed for a total of 16,857,142 new ordinary shares (the "Placing Shares") in the Company at a price of 2.8p per share ("Placing Price") for a gross consideration of £472,000. Of this amount, £236,000 will be paid back by Inspirit to YAGM under the Equity Swap Agreement from which Inspirit is expected to receive a base amount of £19,666.67 per month for a 12 month period. The final amount of these monthly funds received by the Company under the Equity Swap Agreement will be dependent on the future price performance of the Company's ordinary shares.

Completion of this Placing and Equity Swap Agreement is conditional on admission of the Placing Shares to trading on AIM of the London Stock Exchange. Application will be made for the admission of the Placing Shares to trading on AIM ("Admission") and it is expected that Admission will occur and that trading in the new ordinary shares will commence on AIM at 8.00 am on Tuesday 24 September 2013. The Placing Shares will rank pari passu in all respects with the Company's existing issued ordinary shares.

Following Admission, the Company's enlarged issued share capital will comprise 563,789,404 ordinary shares of 0.1 pence each. The Company does not hold any shares in treasury. This figure of 563,789,404 ordinary shares of 0.1 pence each may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change in their interest in, the share capital of the Company under the FCA's Disclosure and Transparency Rules.

Equity Swap Agreement:

The Company and YAGM have entered into an equity swap agreement ("the Equity Swap Agreement") over 16,857,132 of the Placing Shares ("the Swap Shares"). In return for a payment by the Company to YAGM of £236,000, twelve monthly settlement payments in respect of such payment will be made by YAGM to the Company, or by the Company to YAGM, depending on the performance of the share price in the each monthly period, based on a formula related to the difference between the prevailing market price (as defined in the Equity Swap Agreement) of the Company's ordinary shares in any month and a 'benchmark price' that is 10% above the Placing Price. Thus the funds received by the Company in respect of the Swap Shares will be dependent on the future price performance of the Company's ordinary shares.

YAGM may elect to terminate the Equity Swap Agreement and accelerate the payments due under it in certain circumstances.

YAGM has agreed that it and its affiliates will refrain from holding any net short position in respect of the Company's ordinary until the expiry or, if earlier, termination of the Equity Swap Agreement.

For further information please contact:

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Notes to the Editors:

Inspirit Energy, is a company based in Sheffield and is currently developing a micro combined heat and power (mCHP) boiler for the commercial and residential markets. The boiler is specifically designed to meet the challenge of reduced carbon energy supply and is capable of running on natural gas, LPG and Bio Fuels. The appliance produces hot water (for tap water or central heating) and electrical output simultaneously. The installation can be of single or multiple configuration and its high operating efficiency together with the off-set of electricity costs provides a very attractive investment payback proposition.

Inspirit intends to explore opportunities to licence out the underlying technology and the Directors believe that in some instances, the patents owned by Inspirit may be also used in the development of products other than a mCHP appliance. A prototype of the appliance has been independently tested and shown to be capable of simultaneous generation of up to 15kW thermal and up to 3kW electrical output. Once development of the appliance has been completed and commercialised, the Directors expect that the appliance will initially be marketed in the UK and Europe and eventually worldwide. Additional revenue streams may be possible through product licensing, sales of warranties and further development of the product.