EUROPLASMA
A leading Provider of Clean Technology and Clean Energy Solutions

Successful Conciliation Procedure and Resumption of Trading, New Funding Provided

1. SUMMARY: SUCCESS OF THE CONCILIATION PROCEDURE AND SHARE RETRADING

A conciliation process was entered into on 21/02/2013 between Europlasma, Crédit Suisse Europlasma SPV LLC ("**CS**") and the lender and majority owner of the waste and biomass to energy power plant in Morcenx (the "**CHO Morcenx Partner**"), with the collaboration and support from the public authorities, the key suppliers and its main banking partner. As a result, the share trading was suspended 15/04/2013 to allow for confidentiality in the conciliation procedure.

A conciliation procedure is voluntarily requested by a company in financial difficulties to protect its best interests and those of its shareholders, concluding in mutual agreements with its creditors and partners. These agreements are aimed at ensuring the long term viability of the company by improving the financing conditions and providing cash flow relief.

After five months of conciliation, we are delighted to announce that approval was given by the Commercial Court of Mont de Marsan on 06/09/2013 on the memorandum of settlement signed with the Group's partners. As such, the trading in Europlasma shares will resume on Monday, 30 September 2013 at 9:00 a.m. CET in normal market conditions.

2. WHAT HAS TRANSPIRED OVER THE LAST 12 MONTHS?

CHO Power, the sub dedicated to Renewable Energies, completed the construction of the 12MW WTE plant in Morcenx last year on time, producing up to 6MW and proving the overall efficiency of the CHO process and the business model.

However, the "Take-Over Date" of the plant was delayed, largely due to deficiency of the gasifier in the process. In essence, the gasifier was not allowing enough through put to be put through the system, disabling the ability to ramp-up to full production. Given the success with the rest of the CHO process, the decision was taken to replace the faulty gasifer with one manufactured by PRM Energy Systems Inc., a US company, with 31 years of experience and over 25 installed gasifiers around the world. With this replacement, the Board, Management, the reference Shareholder and the CHO Morcenx partner are all confident that the plant will be able to operate at full power.

These delays caused temporary cash flow challenges due to 3 effects: (i) delay in the revenue from the plant, (ii) delay in the release of the EPC guarantees, and (iii) working capital needs to support the interim period, forcing the Group to initiate a conciliation procedure. This procedure was structured to protect the best interests of the company and its shareholders and has resulted in improved financing conditions, fair security packages and cash flow relief, as can be seen below.

3. SUMMARY OF CONCILIATION PROCESS AND AGREEMENT

The conciliation started on Feb 21, 2013 and ended July 18, 2013, with all parties aligned and the agreement signed, subsequently ratified by the Court on September 6, 2013 and notified to the parties on September 16, 2013. As a result:

- Significant new funding by CS and the CHO Morcenx Partner has begun in three tranches, mainly to finance the purchase of the new gasifier and support the start of the ramp-up. Through this process and their funding, our stakeholders have once again reiterated their confidence and support.

As a result of the financing associated with the conciliation, the Company's cash shortage issues have been solved for the short-term. More specifically, the process itself resulted in the implementation of the following measures:

- CS and the CHO Morcenx Partner have, on a pari passu basis, granted CHO Power an additional loan of €4.6m at an interest rate of 8%, retroactively increasing to 12% once the "Take-Over-Date" is achieved, repayable by 8/2014. The funds are to be paid in 3 successive instalments. The first 2 instalments were paid on 7/2013 and 3rd is underway.
- The guarantees associated with this loan include standard security packages (e.g pledge of securities and assets, certain oversight on governance changes, regular preferential claim on new money granted as part of the conciliation).
- Additionally, the loan conditions from 12/2012 have been relaxed materially by both CS and the CHO Morcenx Partner, including lowering the interest, extending the maturity date and foregoing additional warrants due under the contract.
- Lastly, to meet working capital requirements for the ramp-up, additional funds will be raised from shareholders and other investors before the end of the year, subject to shareholders approval at the next General Meeting.

Since 2008, CS has invested in several instances, for total equity and debt of more than €19 million, repeatedly showing its support and confidence in the company and its shares. As well, the CHO Morcenx Partner has acted as lender for the majority of build costs of the waste-to-energy plant in Morcenx (more than €25 million in project debt) and participated in the recent loan financings (December 2012 and this summer under the conciliation procedure), also exemplifying their belief in the underlying technology and commercial aspirations of the business.

4. OUTLOOK – KEY BUSINESS REORGANIZATION MEASURES TAKEN

In addition to this new funding, several financial and operational restructuring measures have been taken to ensure the recovery of the Group's overall situation and focus its activities. These include:

A. New organization structure to match strategy and profitability focus

To improve its performance and visibility, the Group has decided to sharpen its focus, with a renewed focus and vigour around its core businesses. As such, an internal reorganisation is underway, starting with the separation and grouping of all activities into two distinct operating divisions, “Renewable Energies” and “Hazardous Waste”. New group structure and org charts have been prepared to align the business units with the legal vehicles.

This will allow for efficient and bottom-line focused management, the elimination of duplication of activities, closer key performing indicators (KPI) monitoring, spending focused only on profitable growth, as well as efficient fundraising in the future. Marketing and sales have been reorganized with these objectives.

B. Reorganization of CHO Power

Under the “Renewable Energies” division, in order to prepare CHO Power for further growth, several measures have been taken, both operationally and financially:

- Operationally, CHO Power has been reorganized so that it houses all relevant staff, technology, activities and contracts related to the CHO process. This will allow for a proper valuation of the activities, accruing direct value to the Europlasma shareholders (which owns 100% of CHO Power). As the growth driver of the business, the Board wants to ensure that the value of this division is discernible, as it believes in its technology differentiation, financed pipeline and ability to develop world-class projects.
- Financially, to strengthen the capital base of CHO Power at the head of the “Renewable Energies” segment, its share capital was increased by €24 million via the incorporation of debt, and then reduced by €11 million via the clearance of prior losses. Following these transactions, the share capital of CHO Power amounts to €14,393,224. Europlasma’s interest in CHO Power is unchanged at 100%.

These measures have no material cash effect on the group but allows CHO Power a clean balance sheet to grow over the coming years, both through its pipeline (see below in next section) as well as through the debt markets.

C. Set up of CHOPEX

As part of the CHO Power reorganization, the incorporation in July of CHOPEX, a company wholly owned by CHO Power, dedicated to the operation of the waste-to-energy plant in Morcenx and the training of operating personnel for new plants in the future. Operating personnel at the Morcenx plant, initially recruited by Inertam, and the O&M (operation and maintenance) contract, originally awarded to Inertam, have been transferred to CHOPEX.

D. Sale of non-core assets and discontinuation of non-core activities

The disposal of Europe Environnement, 51% owned, is underway. Several potential buyers have expressed interest, and the transaction is expected to close early 2014. This operation is in line with the desire to focus on core activities only as well as will have the added benefit of bringing in additional cash resources into the Group.

E. Establishment of moratoriums (public authorities and suppliers)

The public authorities, through the General Directorate of Public Finance, have provided the Group with support by rescheduling the payment of significant tax and social security liabilities. The Group has also received the support of its key suppliers and its main banking partner, which have agreed to defer certain payments.

F. Preference shares converted into ordinary shares

As of this day, all of the Europlasma’s preference shares have been converted into ordinary shares. Share capital amounts to €15,764,735, consisting of 15,764,735 ordinary shares.

G. Overall effect on financial results

The delay in the Take-Over-Date, the decision to replace the gasifier, and the implementation of the reorganization measures have all had a significant impact on the financial statements for fiscal 2012, though most of these effects are accounting, non-recurring and non-cash. In addition, significant asset impairments have been recorded in view of the uncertainties and risks. Please see the accompanying press release. The Board believes that the conservatism taken in preparing the financial statements, combined with the focused approach to our business, will result in a clean slate with which to approach our growth over the coming years.

H. Effect on senior management

As was reported on 11/7/2013, the Board of Directors put an end to Mr. Pineau's executive positions. He also resigned from his Director's seat. Mr. Marchal, current Director, was appointed as acting CEO for a 6 month period.

In the meantime, the Board has engaged with a top-tier executive search firm to find a permanent replacement to Mr. Pineau, where the process is very advanced and the final candidates have been chosen. The new hire will be a world-class CEO, with deep and relevant experience, who will drive the company’s growth going forward, focusing solely on value creation for the company and shareholders. The Board and Management want to assure the shareholders that they take this step very seriously and will ensure the continuity and success of the business.

5. OUTLOOK – FOCUSED VISION ON CORE BUSINESS AND PROFITABILITY

The Group will devote itself exclusively to scaling both the Hazardous Waste and the Renewable Energies businesses over the medium term. Given the proven technologies in the Hazardous Waste and Renewable Energies domains, a focused delivery of value creation activities for each of these, supported by the Group’s achievements over the last 12 months, will drive the long-term growth over the coming years:

A. "Hazardous Waste"

Notable progress over the last 12 months:

- The triennial comprehensive overhaul of the asbestos waste processing unit was conducted this summer on budget and on time. Technical issues encountered over the previous several months in respect of the preparation of loads for the processing line have been resolved. These changes, combined with the comprehensive overhaul of the furnace, should accelerate production rates. The plant has resumed operations on 20/09/2013, in line with the production schedule.
- The plasma furnace designed and built by Europlasma under the KNPP (Kozloduy Nuclear Power Plant) contract for treating low-level radioactive waste was delivered to the customer in July. The plant will be shipped to Bulgaria after disassembly. Europlasma has also demonstrated the performance of the plasma furnace to key players in the nuclear industry who had expressed an interest. The presentation was made using representative non-radioactive waste.

Expected value creation over the medium and long term:

- The Management believes that the Inertam and KNPP units provide the proof points necessary to scale the Hazardous Waste business significantly. A strategic market assessment is currently being carried out to understand where the most profitable market segments lie and what the most efficient approach to such markets is. The Board and Management are very confident about these business opportunities and will update all shareholders on the progress over the coming months.

B. "Renewable Energies"

Notable progress over the last 12 months:

- Since its construction was completed last summer, the WTE power plant in Morcenx has proven its overall efficiency, thanks in part to the wood dryer equipment connected.
- Given the technical difficulties and thanks to the funding form the conciliation, the old gasifier at the plant has been dismantled, with the new gasifier having been ordered. Engineering studies have been completed and installation and connection work on the new gasifier will continue until December 2013, allowing the plant to resume operations in early 2014. The new "Take-Over Date" is 28 February 2014.
- The first four test campaigns of the KIWI (Kobelco Industrial CHO poWer gasIfication) R&D programme, carried out in 2012/13 in partnership with Kobelco (former Kobe Steel), have been highly successful, particularly in respect of the destruction of tars using the Turboplasma system.

Expected value creation over the medium and long term:

- The CHO Power business remains the key driver of value creation for Europlasma. With the gasifier change and once the WTE power plant is up and running, Management will focus on developing the pipeline it has kept "warm", with the added benefit of the financing being made available in large part by the CHOM Morcenx partner. With financing exclusivity for 8 plants across different countries, CHO Power is poised for strong growth over the coming years.
- Additionally, the KIWI platform mentioned above will provide the Group with an added source of competitive advantage, which when coupled with its proven technology at the Morcenx plant, will turn CHO Power into a world leader in plasma gasification. The combination of the Turboplasma system with the gasifier will allow for the CHO process to be seamlessly integrated into potential facilities.

6. WHAT DOES THIS ALL MEAN FOR OUR SHAREHODERS?

The Management and the Board would like again to thank all shareholders for their patience and understanding as the Group has undergone this conciliation process. With the reiterated support of our key stakeholders, the Group is poised to embark on a new era of profitable and focused growth. The world-class technologies, associated pipelines and business opportunities, combined with the support and continuity from our financing partners, new Management and cash flow relief from the conciliation, should all work to provide strong and profitable growth opportunities over the medium-term, accruing direct value to our loyal and existing shareholders.

7. FINANCIAL CALENDAR

25 September 2013:	Annual General Meeting notice (BALO)
26 September 2013:	Release of the FY 2012 consolidated results + 2012 Group financial statements
30 September 2013:	Resumption of trading
31 October 2013:	Release of the HY Unaudited 2013 results
08 November 2013:	General Meeting of Shareholders

Contact:

François MARCHAL, Acting C.E.O.
Tel: +33 556 497 000 - contactbourse@europlasma.com