

E-STAR

Alternative Energy. Delivered.

E-STAR ALTERNATIVE PLC EXTRAORDINARY ANNOUNCEMENT¹

pursuant to the Capital Market Act and to Decree nr 24/2008. (VIII.15.) of the Minister of Finance.

E-Star Alternative Energy Plc. ("Company", "E-Star") informs its reputable investors in connection with the implementation of the settlement agreement as set out below:

1. As The Company has previously announced the settlement of creditors' claims under the settlement agreement had two crucial requirements to be complied with:

- the transfer of E-Star 2012/A corporate bonds (ISIN: HU0000348081) RFV 2014/A corporate bonds (ISIN: HU0000346432), E-Star 2015/A corporate bonds (ISIN: HU0000347802) and E-Star 2016/C corporate bonds (ISIN: HU0000347794) (**E-Star Bonds**) affected by the settlement agreement to the Company and providing the Company with the transfer inventory (which includes at least the name and address of the creditor and the amount of the transferred corporate bonds in series to series base) by the security providers (clause 2.9.4 of the settlement agreement).
- providing the security account details necessary for crediting of shares (clause 2.9.3. of the settlement agreement).

The deadline for the submission of security account details had been 13 November 2013 and for the transfer of corporate bonds 14 November 2013.

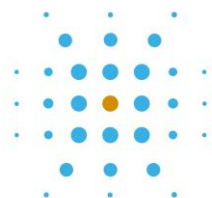
The Company has drawn the attention of its reputable bondholders to, that it can only facilitate the transfer of shares to them if the exquisite and identifiable transfer of all corporate bonds underlying their creditors' claims had been completed, and no partial performance is possible.

2. The Company had been provided with 508 declarations on security account details within the deadline from the 551 creditors (516 bondholder and 35 trade creditor) registered in the bankruptcy process.

The Company received 81,803 transfers in respect of corporate bonds until 14 November 2013, but 32 corporate bonds had been transferred by creditors who had not been registered in the bankruptcy process and 106 bonds were transferred above the amount of bonds included in the settlement agreement by bondholders registered in the bankruptcy process.

Bond transfers were completed by 442 of 516 corporate bondholders registered in the bankruptcy process, and among them:

¹ The present extraordinary announcement are the translation of the "rendkívüli közzététel" and its amendment drafted in Hungarian language and disclosed by the Company on 19 11 2013 and 20 11 2013. In case of any discrepancies between the Hungarian and English language versions the Hungarian version shall prevail.



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- the transfer of 429 corporate bondholders – who had submitted their declarations – had been completely valid and identical with the claims registered in the bankruptcy process,
- the transfer of 4 corporate bondholders – who had submitted their declarations – included more corporate bonds than registered in the bankruptcy process,
- further the Company has not received declarations on security account details in connection with the transfer of 9 bond holders.

The Company has acted as set out below in connection with the above referred transfers:

- In respect of the valid bond transfers and declarations on security account details the Company's project companies had fulfilled their obligations set out in the settlement agreement, thus initiated the transfer of the shares as set out in the settlement agreement to the security accounts indicated by the creditors.
- In respect of the creditors – who had submitted their declarations on security account details – and who had transferred more bonds than registered in the bankruptcy process as creditors' claim the Company's project companies had initiated the transfer of the shares as set out in the settlement agreement to the security accounts indicated by the creditors. The Company will contact these creditors to liaise about the bonds which had been transferred above the registered amount.
- The Company's project companies were not able to complete share transfers to the creditors' who had not submitted their declarations on security account details.
- The Company obviously did not transfer shares to the creditors who had transferred their bonds despite not being registered in the bankruptcy process.

The Company transferred shares for 81,591 pieces of corporate bonds. This equals to **96.1%** of all corporate bonds underlying their creditors' claims registered in the bankruptcy process.

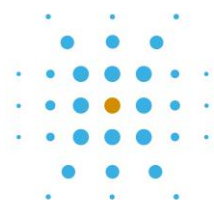
The Company had been provided with declarations on security account details by 24 creditor of the 35 non-bond holder creditors (5 of them belong to the category of disputed claims) registered in the bankruptcy process. The Company's project companies initiated the transfer of the shares as set out in the settlement agreement to the security accounts indicated by the creditors.

The share transfers completed (26,061,744 units) by the Company's project company for the non-bond holder creditors equals to **97.6%** of the transferrable shares (26,693,593 units) based on non-bond holder creditors' claims registered in the bankruptcy process. This ratio equals to **99.1%** of non-bond holder creditors' claims reduced with the amount of disputed claims (as such claims are not yet enforceable against the Company).

3. The Company's creditor, Ben-Com-Mixt had informed the Company in a notification that part of its claim had been recovered, thus the Company's project company transferred a

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reduced amount of shares and the difference of 892,557 E-Star shares were transferred to the Company's security account.

Csaba Soós, creditor of the Company and member of the Board of Directors asked for the performance of 133,565 shares to the Company.

The below set out connected entities who had been registered in the bankruptcy process assigned the shares they had been entitled to for a consideration to the Company:

E-Star Management	281 107
E-Star Távhőfejlesztési	3 142
RFV Józsefváros	336 511
E-Star ESCO	3 616 302
E-Star ESCO Kft.	2 732
E-Star ESCO Kft.	6 407 103
EETEK Limited	10 424 935
E-Star Geotherm Kft.	6 718
E-Star Kockázati Tőkealap	13 579
S.C. Faapritek	7 320
Veszprém Megyei Non-Profit	37 669
E-Star Polska	7 213 974

The Company had altogether received 29,377,214 E-Star shares as the result of the implementation process, thus the number of its own shares is currently 29,377,214.

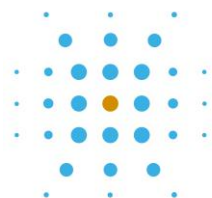
In line with the above following the transfer of shares:

Share capital of the Company:	HUF 525,314,450
Number of issued shares:	52,531,445 unit
Number of shares granting voting rights:	21,290,853 unit *
Number of own shares:	29,377,214 unit
Number of shares kept by the project companies **::	1,537,278 unit

*Amended data: issued shares decreased by the number of own shares and the shares owned by connected entities

**Shares not taken into account with regard to voting rights and quorum

The Company will start with the process of preparing the cancellation of its own shares. The cancellation of own shares results into decreasing the share capital, which does not result into



decreasing the Company's equity. The process of decreasing the share capital may take a few months.

4. The Company transferred in this round 48,354,167 shares from the whole amount of 49,891,445 transferable shares to the creditors pursuant to the settlement agreement.

Taking into account that currently none of the creditors registered with disputed claims is entitled to enforce its claims against E-Star, the shares transferred in the first round equal to 97.7% of the currently transferable shares.

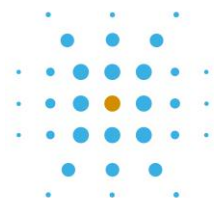
The Company will be able to transfer the shares to the entitled creditors today (19 11 2013) following the conciliation of transfer orders with the security account providers. Taking into account that the allocation of shares by the security account providers may demand significant time, the Company will initiate the suspension of trading with its shares at the stock exchange on 20th and 21st November (Wednesday and Thursday) from the Budapest Stock Exchange before actually starting the transfer of shares with its security account provider. If the security account provider ask for it, the suspension may be prolonged with one additional day if necessary.

5. The implementation of settlement agreement with numbers:

Statement	Bond holder creditors		Non-Bond holder creditors		Disputed claims	
Aspects	Number of Creditors	Number of Bonds	Number of Creditors	Number of Shares	Number of Creditors	Number of Shares
All registered creditor:	516	84 905	30	26 291 788	5	401 805
Who have submitted declarations:	484	84 279	24	26 061 744	0	0
Who have transferred corporate bonds:	442	81 771				
Who have submitted declarations and transferred bonds:	433	81 697				
Entitled to sharetransfer:	433	81 591	24	26 061 744	0	0
Shares transferred by the Company						
Transfers for bond holder creditors:	22 292 423					
Transfers for non-bond holder creditors:	26 061 744					
Aggregate number of transferred shares:	48 354 167					
Miscellaneous data						
	Number of Creditors	Number of Bonds				
Aggregate number of transferred bonds		81 803				
Transfer of creditors not registered in the bankruptcy process thereof	4	32				
Transfers of registered creditors above their registered claims which is not entitled for share transfer thereof	4	106				
Transferred bond affected by the settlement agreement	442	81 665				
Not submitted declaration on security account thereof	9	74				
Total:	433	81 591				

6. The Company fulfilled its duties under the settlement agreement by transferring the shares to the creditors acting pursuant to the agreement.

Not depending on fulfilling its duties under the settlement agreement the Company will make



available for the creditors included in the settlement agreement (and not belonging to the category of disputed claims), but not satisfied in this round because they failed to fulfill some of their duties a further reporting and value date in December 2013 for the transfer of corporate bonds and submitting their declarations on security account details.

The Company calls upon its reputable creditors that the Company will not facilitate share transfers between the value date announced by the Company and KELER Zrt., thus asks all of its creditors to keep the announced deadlines.

7. The Company draws the attention of its reputable investors to the fact that it can be assumed that the creditor not taking part in the implementation of the settlement agreement had not only failed fulfilling their duties to transfer corporate bonds and/or submitting declarations on security account details because they got into delay.

On the one hand the transfer of corporate bonds may not had happened because of decisions based on economic considerations (e.g. the bonds may be tied up or invested), on the other hand the management of the Company has identified two groups of creditors who are still interested in favor of their own interest in the liquidation of the Company and in foiling the satisfaction of creditors' claims. Thus the initiation of further legal processes can be predicted.

Pursuant to the Company's opinion the settlement agreement is secure, and the implementation of the settlement agreement and the satisfaction of creditors acting pursuant to the agreement (forming more than 97% of all creditors' claims) in line with the settlement agreement strengthen the Company's position, but the already initiated and most probably in future judicial processes may cause insecurities, which may result in keeping the Company's share price at a low level.

Board of Directors
E-Star Alternative Plc.