

Nottinghamshire Community Energy
c/o Mongoose Energy
Overmoor Farm
Neston
Corsham
SN13 9TZ
9th January 2018

Dear Investor,

Nottinghamshire Community Energy Share Offer: £500,000 target

I am very pleased to announce that the Nottinghamshire Community Energy (“NCE”) share offer has re-opened for a limited period until 31st March 2018, with updated terms. This is in addition to the £876,650 of community investment already raised by the Society.

The funds raised will enable the Society to repay a short-term investment by Nottingham Energy Partnership (“NEP”), which invested in NCE to enable us to acquire the Langar Lane solar array. This investment was agreed on the understanding that the investment would start to be repaid after the first 12 months of operation. We have a close relationship with NEP. In addition to providing the support which has helped us to get up and running, NEP will be administering our community fund to ensure that the funds donated will achieve as much benefit as possible.

In the first two years since the launch of NCE, and 18 months after our project started generating, the Society is showing strong and healthy prospects for the future. We have been generating clean electricity at Langar Lane since June 2016 and the project is performing in line with our expectations. In addition we are on track to meet our initial commitment of paying £20,000 per year into the community fund, in order to support local charitable initiatives in our area.

We will explain these aspects in further detail at our EGM on 11th January 2018 and at our AGM on 20th February 2018. The Appendix to this letter contains information on the share offer extension and an application form. It should be read in association with the original share offer document, which can be found at <https://www.ethex.org.uk/NCE>.

As you may know, Mongoose Energy provides management support to the board of NCE and the board has asked Mongoose to manage this share offer. If you have any questions, do please email Nick Good at Mongoose on nick.good@mongoose.energy.

Thank you for considering this offer and we look forward to welcoming you to the NCE family, or to receiving your increased support!

Best wishes,



Philip Angus

Appendix A

Share Offer Document Updates

The terms of this share offer are outlined below:

- A target interest rate of 7% on any new withdrawable shares issued under this offer
- Minimum investment of £500
- Maximum investment of £100,000
- A total share offer of £500,000
- Offer Opens: 9th January 2018
- Offer Closes: 31st March 2018 (subject to extension by the NCE board)

This Appendix should be read in conjunction with the original share offer document which can be found at <https://www.ethex.org.uk/NCE>.

Please note that shares in Nottinghamshire Community Energy (NCE) are designed as a long-term investment and that the business model allows for a repayment of capital over 25 years.

The target for the share offer extension is £500,000 but there is no minimum amount to be raised. All investment secured will be used to fund the issuance of new shares to investors.

If the share offer is oversubscribed, NCE may return all or part of your investment. Investments will qualify for interest payments from the date that the shares are issued. Share certificates will be issued as soon as they are approved by directors which is anticipated to be before 31st March 2018.

Please note that despite the measures taken to minimise the investment risk, neither the rate of interest nor the return of the investment can be guaranteed.

Particular attention should be paid to the risks and regulatory matters on pages 16-17 and the Terms and Conditions on page 18-20 of the original share offer document.

You can find a copy of the NCE rules at www.nce.coop. You can find a copy of the original share offer document at: www.ethex.org.uk/nce.

Before completing the application form, you should:

- Read the original share offer document along with this letter and appendices
- Pay special attention to the risk factors
- Consider taking financial or other advice in relation to the Terms and Conditions of this share offer
- Read the rules of NCE

If you have any queries or if you need help in relation to this share offer, please contact Nick Good at Mongoose Energy on nick.good@mongoose.energy or (03302 230 062).

The information below is an update on the original share offer document.

Financial Assumptions

- The actual funding required to acquire the Langar Lane project was around £5,000 more than originally projected due to higher transaction costs.
- Although the financing strategy changed considerably between the initial share offer and the actual acquisition of the Langar Lane project, due to the funding secured from Nottinghamshire Pension Fund and Nottingham Energy Partnership, the overall cost of capital remained the same.
- Annual operating costs for the first two years of the project life are increased by around 7% from original projections but projected operating costs from the third year onwards are the same as originally projected.
- We are now projecting a 4% reduction in lifetime revenues from £16.6m to £16m due to a more conservative projection of predicted future power prices reflecting market developments.
- The net impact of these changes to the financial model are as follows:
 - The Society can make all projected annual interest payments to members
 - The Society can repay all member capital by 2042
 - The Society can make a minimum annual fund contribution of £20,000 for the first 10 years

Risks

The following risks listed in the original share offer have now changed:

- The original share offer document mentioned the risk that Enterprise Investment Scheme (EIS) tax relief would not be granted to investment in the shares. Although the application for EIS tax relief on the original share offer was successful, this tax relief is no longer available for new shares offered by NCE.
- There is no longer a risk that NCE will be unable to meet its fund-raising targets and the Society is fully funded.
- There is no longer a risk that Ofgem may not approve the project's application of a Feed In Tariff at a rate of 6.16p/kWh since the application was accepted.
- There is no longer a risk that construction of the project could be delayed due to technical or legal matters as the project construction was completed and the project is now performing to expectations.

All other risks as are stated in the original share document. In particular, neither the rate of interest nor the return of the investment can be guaranteed.

How to Buy Shares

For the share offer extension, share applications will be handled by Mongoose Energy rather than Ethex.

To buy shares, please complete the application form in Appendix B and return it via email to info@mongoose.energy.

Appendix B
Application Form
Shares in Nottinghamshire Community Energy

You may invest no less than £500 and no more than £100,000.

I/We would like to invest a total amount

of: £ _____

in Nottinghamshire Community Energy (NCE) under the Terms and Conditions of the Share Offer.

Applicant Details

Title (Mr/Mrs/Ms/other): _____ Forenames: _____

Surname: _____ Date of Birth: _____

Company Name (if appropriate): _____

Address: _____

Town: _____

County: _____ Post Code: _____

If you have been living at the above address for less than 3 years, please provide your previous address.

In case of queries related to this application

Please provide a daytime telephone number:

Please provide your email address: _____

To keep costs to a minimum and save resources, we will communicate with you mainly by email.

Please tick this box if you are happy for us to do so.

Declaration

I/We confirm my/our understanding that:

- This application, if and when accepted by NCE, forms a contract subject to English law on the Terms and Conditions of the Offer Document; and that
- If insufficient funds are raised by the Offer, Application Monies will be returned.

I/We confirm that:

- I/We have read the share offering, including the risk factors
- To the extent that I am an individual, I am over 16
- I/We am/are not making an application that would result in an aggregate holding of more than 100,000 shares.
- I/We will give proof of my/our identity and address if the Directors ask for it. They may need to do this for anti-money laundering purposes. The Directors may have to hold my/our shares until they see this.
- I/We am/are not relying on any information which is not included in the share offering
- I/We consent to Nottinghamshire Community Energy processing and storing my information presented in this form only for the purpose of communications and shareholder payments, should my application for shares be accepted.

SIGNATURE: _____ DATE: _____

Please return this form either by email or by post to:

nick.good@mongoose.energy

Mongoose Energy, Overmoor Farm, Neston, Corsham SN13 9TZ