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If you have sold or transferred all of your ordinary shares in Atlantic Carbon Group Plc, please forward this document and the accompanying form of proxy to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

This documents should not be forwarded or transmitted in, into or from the United States, Canada, Australia, New Zealand, Japan, the Republic of Ireland or the Republic of South Africa or any other jurisdiction or state in which release, publication or distribution would be unlawful. The distribution of this document and/or its accompanying Form of Proxy in jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this document comes should inform themselves and observe such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

ATLANTIC CARBON GROUP PLC

(Incorporated in England and Wales under registered number 05315929)



NOTICE OF GENERAL MEETING

You are recommended to read the whole of this document but your attention is drawn, in particular, to the letter from the Chairman of the Company which is set out on pages 3 to 4 inclusive of this document which includes a recommendation that you vote in favour of the Resolutions to be proposed at the General Meeting.

Notice of a General Meeting of the Company to be held at 3:00 pm on Friday 18 November 2016 at the offices of Daniel Stewart & Company Plc, 33 Creechurch Lane, London, EC3A 5EB is set out at the end of this document. A Form of Proxy for use at the General Meeting accompanies this document and, to be valid, should be completed and returned to the Company's registrars, Capita Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF as soon as possible and in any event so as to be received not later than 3:00 pm on 16 November 2016. Please note that completion and return of the Form of Proxy will not preclude you from attending the General Meeting and voting in person should you wish to do so.

DEFINITIONS

The following definitions apply throughout this document unless the context requires otherwise:

“Act”	the Companies Act 2006;
“Articles”	the Company’s articles of association;
“Board” or “Directors”	the directors of the Company as at the date of this document whose names appear on page 3;
“Company”	Atlantic Carbon Group Plc (registered number 05315929)
“CREST”	a relevant system for paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear in accordance with the CREST Regulations;
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755), including: (i) any enactment or subordinate legislation which amends or supersedes those regulations; and (ii) any applicable rules made under those regulations for the time being in force;
“Euroclear”	Euroclear UK & Ireland Limited;
“Form of Proxy”	the form of proxy accompanying this document for use by Shareholders in connection with the General Meeting;
“General Meeting”	the general meeting of the Company convened for 3.00 p.m. on Friday 18 November 2016, notice of which is set out at the end of this document;
“Notice”	the notice convening the General Meeting set out at the end of this document;
“Ordinary Shares”	the ordinary shares of 0.07p each in the share capital of the Company;
“Resolutions”	the resolutions to be proposed at the General Meeting as set out in the Notice; and
“Shareholders”	holders of Ordinary Shares.

LETTER FROM CHAIRMAN



ATLANTIC CARBON GROUP PLC

(Incorporated in England and Wales under registered number 05315929)

Directors:

Stephen Best
Peter Chinneck
Adam Wilson
George Roskos

Registered office:

200 Strand
London
WC2R 1DJ

2 November 2016

To Shareholders and, for information only, to the holders of options over Ordinary Shares

Dear Shareholder,

Notice of General Meeting

1. Introduction

The Company announced earlier today that it had successfully raised a total of £1 million (before expenses) as a result of a subscription for 482,833,334 new Ordinary Shares at a subscription price of 0.12p per Share and the exercise of 288,000,000 warrants (the "**Warrants**") to subscribe for 288,000,000 new Ordinary Shares in aggregate at an exercise price of 0.12p per Warrant (together, the "**Fundraising**"). The new Ordinary Shares issued pursuant to the Fundraising rank pari passu in all respects with the existing Ordinary Shares. The net proceeds of the Fundraising will be used by the Company for working capital purposes. The Warrants were, immediately prior to their exercise, transferred by Stephen Best to George Roskos and Jerome Palko. The other investors in the Fundraising were John Inskip, Peter Chinneck and Cornhill Capital Limited. Following completion of the Fundraising, the Company has 6,259,371,839 Ordinary Shares in issue as at the date of this document.

In connection with the Fundraising and in accordance with article 108 of the Articles, the Board appointed George Roskos as a Director on 1 November 2016. Mr Roskos will hold office until the next annual general meeting of the Company at which a resolution to reappoint Mr Roskos will be put to Shareholders. Mr Roskos will not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at such annual general meeting.

Pursuant to resolutions passed at the Company's last annual general meeting on 28 June 2016, the Directors had authority to allot shares up to an aggregate nominal amount of £860,000 on a non-pre-emptive basis. As the Directors have now used this authority to allot the Ordinary Shares issued pursuant to the Fundraising, I am writing to you with a notice convening a General Meeting to be held at 3:00 pm on Friday 18 November 2016 at the offices of Daniel Stewart & Company Plc, 33 Creechurch Lane, London, EC3A 5EB. The Company is seeking the authority of Shareholders to provide the Directors with authority to allot an disuse new Ordinary Shares and to disapply pre-emption rights in relation to the issue of such new Ordinary Shares.

2. General Meeting

A notice convening the General Meeting for 3.00 p.m. on Friday 18 November 2016 at the offices of Daniel Stewart & Company Plc, 33 Creechurch Lane, London, EC3A 5EB is set out at the end of this document. The business to be considered at the General Meeting is set out in the Notice.

The Company is proposing that Shareholders pass the following Resolutions: (i) an ordinary resolution to authorise the Directors, pursuant to section 551 of the Act, to allot relevant securities in the Company up to a maximum aggregate nominal amount of £1,533,546; and (ii) a special resolution to disapply the pre-emption rights conferred by the Act in relation to the allotment of equity securities for cash pursuant to the authority conferred in (i) above.

Subject to the passing of the Resolutions, the Directors will have authority to allot up to 2,190,780,143 Ordinary Shares representing approximately 35% of the issued capital of the Company as at the date of this document, all of which can be allotted on a non-pre-emptive basis. The authorities to be granted by the Resolutions will replace the authorities granted to the Directors at the Company's annual general meeting held on 28 June 2016 which have been used in their entirety.

As the Company announced on 21 October 2016, it remains in dialogue with Live Microsystems, Inc. regarding a potential investment by Live Microsystems, Inc. in the Company. The authority given pursuant to the Resolutions will enable the Board to continue discussions with Live Microsystems, Inc. whilst also, at the same time, evaluating and pursuing other potential sources of capital for the Company. The Directors currently intend to use the net proceeds of Ordinary Shares issued pursuant to the authorities given by the Resolutions for working capital purposes. However, the Directors also reserve the right to issue Ordinary Shares pursuant to such authorities for any other purpose or purposes as they consider appropriate. If the Resolutions are not passed at the General Meeting or if no further capital is invested in the Company by way of a subscription for new Ordinary Shares, no assurance can be given that the Company will be able to continue as a going concern. It is therefore of the utmost importance that Shareholders vote in favour of the Resolutions.

Subject to the Resolutions being passed, the Board also intends to grant 288,000,000 warrants to Stephen Best to replace the Warrants that Mr Best transferred and which were subsequently exercised as part of the Fundraising.

3. Action to be taken

A Form of Proxy for use at the General Meeting is enclosed with this document. Whether or not you intend to attend the General Meeting, you are requested to return the duly completed Form of Proxy to the Company's registrars, Capita Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF as soon as possible and in any event, so as to be valid, to arrive before 3.00 p.m. on 16 November 2016. Submission of the Form of Proxy does not affect your ability to attend the General Meeting and vote in person, if you wish.

4. Board Recommendation

The Board considers that the Resolutions are in the best interests of the Company and its Shareholders as a whole and unanimously recommends that Shareholders vote in favour of the Resolutions, as each Director intends to do in respect of his own direct holdings of Ordinary Shares, which in aggregate represent 28.82% of the Ordinary Shares in issue as at the date of this document.

Yours faithfully

Adam Wilson
Chairman

NOTICE OF GENERAL MEETING

ATLANTIC CARBON GROUP PLC

(the “Company”)

Notice is hereby given that a general meeting of the Company will be held at 3:00 pm on Friday 18 November 2016 at the offices of Daniel Stewart & Company Plc, 33 Creechurch Lane, London, EC3A 5EB to consider and, if thought fit, pass the following resolutions (of which resolution 1 will be proposed as an ordinary resolution and resolution 2 will be proposed as a special resolution):

ORDINARY RESOLUTION

1. THAT, in accordance with section 551 of the Companies Act 2006 (the “**Act**”), the directors of the Company (or a duly constituted committee of the directors) (the “**Directors**”) be generally and unconditionally authorised to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company (“**Rights**”) up to an aggregate nominal amount of £1,533,546 provided that this authority shall, unless renewed, varied or revoked by the Company, expire on the earlier of the conclusion of the next annual general meeting of the Company and 31 January 2018, save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or Rights to be granted and the Directors may allot shares or grant Rights in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

This authority revokes and replaces all unexercised authorities previously granted to the Directors but without prejudice to any allotment of shares or grant of Rights already made or offered or agreed to be made pursuant to such authorities.

SPECIAL RESOLUTION

2. THAT, subject to the passing of resolution 1, the Directors be and are hereby empowered pursuant to section 570 of the Act to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the general authority conferred by resolution 1 and/or by way of a sale of treasury shares for cash (by virtue of section 573 of the Act), in each case as if section 561(1) of the Act did not apply to any such allotment or sale, provided that this power shall be limited to allotments of equity securities:
 - (i) in connection with or pursuant to an offer by way of rights, open offer or other pre-emptive offer to the holders of shares in the Company and other persons entitled to participate therein in proportion (as nearly as practicable) to their respective holdings, subject to such exclusions or other arrangements as the Directors may consider necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws of any territory or the regulations or requirements of any regulatory authority or any stock exchange in any territory; and
 - (ii) otherwise than pursuant to sub-paragraph 6(i) above, up to an aggregate nominal amount of £1,533,546,

and that, unless previously revoked, varied or extended, this power shall expire on the earlier of the conclusion of the next annual general meeting of the Company and 31 January 2018 except that the Company may, before the expiry of this power, make an offer or agreement which would or might require

equity securities to be allotted (and treasury shares to be sold) after such expiry and the Directors may allot equity securities (and sell treasury shares) in pursuance of such an offer or agreement as if this power had not expired.

BY ORDER OF THE BOARD

Registered office:
200 Strand
London
WC2R 1DJ

Heytesbury Corporate LLP
Company secretary

2 November 2016

NOTES

Entitlement to attend and vote

- (1) Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 (SI 2001/3755). Reg. 41(1) and (2), only those shareholders on the Register of Shareholders at close of business on 16 November 2016 shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their names at that time. If the meeting is adjourned by more than 48 hours, then to be so entitled, shareholder must be entered on the Company's Register of Shareholders at the time which is 48 hours before the time appointed for holding the adjourned meeting or, if the Company gives notice of the adjourned meeting, at the time specified in that notice.

Appointment of proxies

- (2) Members entitled to attend, speak and vote at the meeting (in accordance with note 1 above) are entitled to appoint one or more proxies to attend, speak and vote in their place. If you wish to appoint a proxy please use the form of proxy enclosed with this document (the "**Form of Proxy**"). In the case of joint members, only one need sign the Form of Proxy. The vote of the senior joint member will be accepted to the exclusion of the votes of the other joint members. For this purpose, seniority will be determined by the order in which the names of the members appear in the register of members in respect of the joint shareholding. The completion and return of the Form of Proxy will not stop you attending and voting in person at the meeting should you wish to do so. A proxy need not be a member of the Company. You may appoint more than one proxy provided each proxy is appointed to exercise the rights attached to a different share or shares held by you. If you choose to appoint multiple proxies, use a separate copy of the Form of Proxy (which you may photocopy) for each proxy and indicate after the proxy's name the number of shares in relation to which they are authorised to act (which, in aggregate, should not exceed the number of Shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. All forms must be signed and returned in the same envelope.
- (3) You can appoint the Chairman of the meeting, or any other person, as your proxy.
- (4) You can instruct your proxy how to vote on each resolution by ticking the "For" and "Against" boxes as appropriate (or entering the number of shares which you are entitled to vote). If you wish to abstain from voting on any resolution, please tick the box which is marked "Withheld". It should be noted that a vote withheld is not a vote in law and will not be counted in the calculation of the proportion of votes "For" or "Against" a resolution.
- (5) If you do not indicate on the Form of Proxy how your proxy should vote, he/she can exercise his/her discretion as to whether, and if so how, he/she votes on each resolution, as he/she will do in respect of any other business (including amendments to resolutions and any proposal to adjourn the meeting) which may properly be conducted at the meeting.
- (6) A company incorporated in England and Wales or Northern Ireland should execute the Form of Proxy under its common seal or otherwise in accordance with section 44 of the Companies Act 2006 or by signature on its behalf by a duly authorised officer or attorney whose power of attorney or other authority should be enclosed with the Form of Proxy.

Appointment of proxy using hard copy form

- (7) The Form of Proxy and any power of attorney (or a notarially certified copy or office copy thereof) under which it is executed must be received by Capita Asset Services at: PXS1, 34 Beckenham Road, Beckenham, BR3 4ZF, United Kingdom at 3.00 p.m. on 16 November 2016 in respect of the meeting. Subject to paragraph 10 below, any Forms of Proxy received before such time will be deemed to have been received at such time. In the case of an adjournment, the Form of Proxy must be received by Capita Asset Services no later than 48 hours before the rescheduled meeting.

Termination of proxy appointments

- (8) In order to revoke a proxy instruction, you will need to inform the Company. Please send a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Capita Asset Services at: PXS1, 34 Beckenham Road, Beckenham, BR3 4ZF at least 48 hours before the commencement of the meeting (or any adjourned meeting).
- (9) In the case of a member which is a company incorporated in England and Wales or Northern Ireland, the revocation notice must be executed under its common seal or otherwise in accordance with section 44 of the Companies Act 2006 or by signature on its behalf by an officer or attorney whose power of attorney or other authority should be included with the revocation notice.
- (10) If you submit more than one valid proxy appointment in respect of the same Shares, the appointment received last before the latest time for receipt of proxies will take precedence.
- (11) Completion of a Form of Proxy will not preclude a member from attending and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will be automatically terminated.

CREST procedures

- (12) To appoint a proxy or to give or amend an instruction to a previously appointed proxy via the CREST system, the CREST message must be received by the issuer's agent RA10 by 3:00 pm on 16 November 2016. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message. After this time any change of instructions to a proxy appointed through CREST should be communicated to the proxy by other means. CREST Personal Members or other CREST sponsored members, and those CREST Members who have appointed voting service provider(s) should contact their CREST sponsor or voting service provider(s) for assistance with appointing proxies via CREST. For further information on CREST procedures, limitations and system timings please refer to the CREST Manual. The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5) (a) of the Uncertificated Securities Regulations 2001. In any case your proxy form must be received by the company's registrars no later than 3:00 pm on 16 November 2016.

Issued shares and total voting rights

- (13) As at the date of this document, the Company's issued share capital comprised 6,259,371,839 ordinary shares of 0.07p each. Each ordinary share carries the right to one vote at a general meeting of the Company and therefore the total number of voting rights in the Company as at the time and date given above is 6,259,371,839.