

15 June 2015

Dear Shareholder

You are hereby invited to attend Acta's 2015 Annual General Meeting ("AGM"), and we enclose herewith the Financial Statements for 2014. In this letter we have listed and explained the Resolutions that the Board has proposed to the AGM, and described the voting procedures available to you for the AGM itself.

i) Background

On 12 December 2014 the Board reported, following the announcement made on 20 October 2014 regarding the arbitration award of €1.35 million obtained against the Company by a subsidiary minority shareholder, that despite its best efforts to negotiate a settlement, it had become clear that there was no reasonable prospect of a mutually acceptable agreement being reached which would allow the Company to continue to trade.

The Board therefore requested the suspension of the Company's shares on AIM and applied to enter into Concordato in continuità aziendale ex art. 160 e seguenti R.D. 16 Marzo 1942 n. 267 ("Concordato"), in order to protect the assets and intellectual property of the business.

As reported at the time, Concordato is an Italian legal process similar to a US Chapter 11 which enables the Board under the protection of the court to continue the ordinary operating activities. It also allows the Board a number of months during which it can attempt to maximise the value of the intellectual property and other assets. This may happen in a number of ways which if ultimately not successful could include administration or liquidation of the business.

On 4 December 2014, an Extraordinary General Meeting ("EGM") was convened to put in place the authorities needed to allow the Board to issue up to €8,000,000 in nominal share capital, denominated in shares of 0.6 euro cents each, during the thirty six months following the shareholders meeting. However, insufficient votes were received to constitute a quorum for the meeting, and the meeting therefore did not take place.

The Company has continued to trade under the protection of the Court while seeking a restructuring transaction with new investors. Although a number of parties have shown interest in developing further commercial relationships with Acta due to the distinctive capabilities of its alkaline membrane electrolyser, the negotiations with these parties have not resulted in an offer to purchase or refinance the Company such as to allow the resumption of trading in the Company's shares or the recovery of value by shareholders.

In addition, although proposals have been received for the purchase of the Company's assets and activities, these proposals have not been sufficient to meet the minimum creditor repayment requirements of the Concordato process as specified by the Italian Court. The Company has therefore been notified on 12 June 2015, following a 45-day extension period, of the termination of the Concordato with the result that the Company is no longer under the legal protection that this process provided.

The Board is therefore obliged, on the occasion of the shareholders meeting, to formally request the recapitalization of the Company by the shareholders. Should this capital increase not be approved

and subscribed at the AGM the Board will be required to place the Company in liquidation.

The Board considers that there is a high probability that such approval and subscription will not take place, and that no value will be recovered by shareholders following liquidation. In the interests of the creditors and staff the Board is therefore currently seeking to conclude negotiations to sell the assets and activities of the business to a trade buyer, subject to the outcome of the AGM.

The documentation for the AGM, which is described below, is available on the Company's website at www.actaspa.com.

ii) Date and Place of the AGM

The AGM will take place as follows:

1st calling: 15.00 Tuesday 30 June 2015
2nd calling: 15.00 Wednesday 1 July 2015
3rd calling: 15.00 Thursday 2 July 2015

To be held at the offices of:

Studio Notarile Orlandi
Via Ludovisi 35
Rome, Italy

iii) The Resolutions

The Resolutions of the AGM are as follows:

Ordinary Resolutions

1. Board Appointments

On 24 November 2014 the Company announced the resignation of the Chief Executive Mr Paolo Bert, and subsequently on 2 June 2015 announced the resignation of the Chairman Mr Robert Drummond.

Under Italian law the Board may fill any Board position that becomes vacant by co-optation and is subsequently required to propose the ratification of such board appointments at the next shareholders meeting. In the light of the Company's financial condition it has not to date been possible to appoint new members to the Board, and the Board considers it to be highly unlikely that any such appointment will take place ahead of the AGM.

Nonetheless, should one or more board appointees be identified by the time of the AGM, their appointment will be presented to the shareholders at the meeting for ratification.

2. Adoption of the Financial Statements of Acta S.p.A. as at 31 December 2014, Directors' Report and Auditors' Opinion. Consequent resolutions

In accordance with Italian law, it is the individual accounts of the holding company that are proposed for your adoption. Consequent resolutions will cover the formalities of filing the accounts.

In view of the financial condition on the business, which does not meet the criteria of going concern, the 2014 financial statements have been prepared on a liquidation basis. Accordingly no consolidated financial statements have been prepared.

In addition, due to the cash management requirements placed upon the Company since December 2014, the accounts have been prepared in Italian only.

Extraordinary Resolutions

3. Obligations in relation to Article 2447 of the Civil Code:

a) Partial coverage of the losses for Euro 35,982,346 through the integral use of the Reserves and resetting of the Share capital to zero; Subscription and payment of new Share Capital for Euro 8,000,000 to be subscribed at nominal value

b) Inherent and consequent resolutions

As noted in the introduction to this letter, the Board requested authorisation in December 2014 to issue up to €8,000,000 in nominal capital, denominated in shares of 0.6 euro cents each plus share premium, at any time during the 36 months following approval in order to be able to effect a capital increase or other corporate transaction. This authorisation was not obtained due to insufficient votes being received to meet the meeting quorum.

As a result of the losses recognised in the 2014 financial statements, resulting in a negative net equity position of €4.7 million, the board is required to cover the accumulated losses in part by offsetting them against share capital reserves; and for the remainder of the losses the shareholders will be called under Article 2447 of the Civil Code to recapitalise the Company such that it may continue in operation as a going concern.

The funding requirement specified in December 2014 was for €8 million to allow the relaunch of the business in accordance with the industrial plan identified at the time. The Board considers that the funding requirement has not increased or reduced significantly since that time, and accordingly calls for a capital increase of €8,000,000 to be subscribed at the AGM at the nominal value of €0.006 per share.

The variation to the authorised capital of the Company following such approval will be recorded in the Company Articles. If the capital increase is not subscribed in full at the meeting, the Directors will be obliged to apply for bankruptcy under the subsequent resolution 3 (b).

iv) Voting Arrangements

In view of the nature of the resolutions to be deliberated, it will not be possible to vote by postal voting. Shareholders will be able to vote by attendance at the meeting only.

Shareholders who are unable to attend the meeting may appoint a Proxy to attend the AGM to vote on their behalf. A Proxy may be a shareholder of Acta, although they do not have to be, but cannot be a Director, auditor or employee of the Company.

In order appoint a proxy, please complete the Proxy Voting Form as per the instructions below.

a) Shareholder Details

Company: Provide the name of the company if the shareholder is a company. Otherwise write “Not Applicable”.

First Name / Family Name: Provide the name of the shareholder if the shareholder is an individual. Otherwise, if the shareholder is a company, provide the name of a legal representative of the company. Please note that the Proxy Voting Form must be signed by the individual named here.

Address: Provide the address of the shareholder (company address or personal address as applicable).

Shares Owned: Provide the number of shares held. To be voted, these shares must still be in your possession two days before the AGM.

b) Proxy Details

Provide the First Name, Family Name and Date of Birth of your Proxy, where indicated. **Please note that your Proxy will be required to present the Proxy Voting Form appointing them and signed by yourself, together with a valid form of photo-ID (e.g. a valid passport or national ID card).**

c) Date and Signature

The Proxy Voting Form should be dated, and, if the shareholder named in Section (A) is an individual, signed by this individual. If however the shareholder is a company, the Form should be signed by the company’s legal representative as named in Section (A), and, if applicable, the company’s corporate seal should be added.

v) Available Documentation

The following documents will be available and may be printed or downloaded from the Company’s website at www.actaspa.com from 15 June 2015:

- a) A copy of this letter (in English)
- b) Copy of the “Convocation” (Italian)
This is the formal notification of the AGM to shareholders, published in the Gazzetta Ufficiale in Italy on 13 June 2015, in accordance with Italian legal requirements.
- c) Acta S.p.A. Company Accounts as at 31 December 2013 (Italian)

Shareholders should note that, for an Italian company, it is the accounts of the individual holding company that must be presented to the AGM, in Italian, for adoption by the shareholders, i.e. document (c) above.

- d) Proxy Voting Form (English and Italian)

On behalf of the Board



Paul Barritt
Chief Financial Officer