



Haydale Graphene Industries plc

("Haydale" or the "Company")

Grant Award to Haydale Subsidiary EPL Composite Solutions Limited ("EPL")

Haydale Graphene Industries plc (AIM:HAYD), the Company focused on enabling technology for the commercialisation of graphene, is pleased to announce that its wholly owned subsidiary EPL has been awarded a £261,000 Regional Growth Fund ("RGF") grant by the Leicester and Leicestershire Enterprise Partnership ("LLEP"). These funds will be provided in the first quarter of 2015.

Use of Grant Funding

EPL has for over 10 years been working closely with the oil and gas industry on the development of a process to manufacture spoolable, high pressure, fibre reinforced thermoplastic composite pipes ("RTP") on a continuous basis. The RTP product is aimed at a replacement for corrosion resistant steel pipes currently in world-wide use. The grant funding will part-finance EPL to undertake a series of long term accelerated durability tests by EPL on the fibre reinforced thermoplastic composite pipes in line with the American Petroleum Institute (API) recommended practice 15S. API is the largest US Trade Association for the oil and natural gas industry, representing some 400 corporations, and testing product to API 15S is an essential step towards the successful exploitation and commercialisation of the RTP process in the US oil and gas industry.

EPL is also working closely with Haydale to incorporate graphene into the thermoplastic composite pipes in order to enhance the oil and gas permeation resistance of these materials as well as increasing the materials long term durability performance.

Ray Gibbs, CEO at Haydale, commented:

"The oil and gas industry is known as an adopter of new materials. This grant award will enable us to rapidly develop and test our graphene enhanced composite which could lead to commercial development within twenty four months in a potentially significant market.

We are convinced that functionalisation of graphene is the key to the successful commercialisation of graphene enhanced products and I am pleased that the graphene industry has acknowledged that dispersion is necessary for the effective adoption of graphene. Our process has already been verified by the UK National Physical Laboratory and Aerospace Corporation, the US based

independent research organisation, who reported more than a 100% increase in structural strength and stiffness of epoxy composites using Haydale's functionalised graphene nanoplatelets.

These grant funded tests will add a further level of endorsement of our proprietary plasma process. It also demonstrates to the manufacturers of graphene and industrial users of graphene enhanced products that our process produces the improvements in not only product performance that industry is looking for but potentially offers enhanced materials replacement possibilities."

Gerry Boyce, Managing Director at EPL added:

"Tests on prototype pipes have been extremely successful and we are looking forward to further development and certification of a range of materials, pipes and pipeline systems and the creation of an advanced high value UK technology. The setting up of a pipeline test facility at EPL will accelerate the long term testing of thermoplastic composite pipes required by API 15S as well as enabling us to fast track new materials such as graphene enhanced thermoplastics into the composite pipelines."

Kevin Harris, Vice-Chair of the LLEP said, "EPL is a specialist firm and really helps to demonstrate the diverse range of businesses that the RGF has supported. The RGF aims to stimulate local job creation and private sector growth and so far the LLEP has given out over £12.5 million in grants, helping over 120 companies in the Leicester and Leicestershire area."

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About Haydale

Haydale has developed a patent-pending proprietary scalable plasma process to functionalise graphene and other nanomaterials. This enabling technology can provide Haydale with a rapid and highly cost-efficient method of supplying tailored solutions to enhance applications for both raw material suppliers and product manufacturers.

Functionalisation is carried out through a low-pressure plasma process that treats both mined, organic fine powder and other synthetically produced nanomaterial powders, producing high-quality few layered graphenes and graphene nanoplatelets. The process can functionalise with a range of chemical groups, with the level of functionalisation tailored to the customer's needs. Good dispersion improves the properties and performance of the host material and ensures the final product performs as specified.

The Haydale plasma process does not use wet chemistry, nor does it damage the material being processed; rather, it can clean up any impurities inherent in the raw material. The technology is a low energy user and most importantly environmentally friendly. The Haydale method is an enabling technology, allowing the Company to work with a raw material producer who seeks to add value to the base product and tailor the outputs to meet the target applications of the end user.

Haydale, based in South Wales and housed in a purpose-built facility for processing and handling nanomaterials, is facilitating the application of graphenes and other nanomaterials in fields such as inks, sensors, energy storage, photovoltaics, composites, paints and coatings.

www.haydale.com

About EPL

EPL specialise in the design, development and commercialisation of advanced polymer composite materials with capability to cover the entire development cycle from applied research, product design, process development, product testing and certification, to setting up manufacturing plants. EPL work with specifiers, OEMs and end-users to develop and demonstrate composite solutions that provide clear technical, economic, social and environmental benefits over existing traditional materials and products. Having demonstrated these benefits and generated a demand, EPL also has the ability to identify commercial partners – either under licence or as a joint venture – to scale up and manufacture the composite solution at regional and global volume bases.

www.eplcompositesolutions.co.uk

About the LLEP

The LLEP provides local government, the business community and other partners with the opportunity to come together to lead economic development and regeneration activities and to drive forward economic growth. To find out more, visit www.llep.org.uk

About the Government's Regional Growth Fund

The Government's Regional Growth Fund (RGF) is a £3.2 billion fund designed to help companies in England to grow and deliver sustainable jobs. Businesses have now received £1billion of RGF support delivering 100,000 jobs and £3billion of private investment. For more information please go to www.bis.gov.uk/rgf