

18 June 2015

**Haydale Graphene Industries plc
("Haydale")**

Haydale signs Reactor Supply Agreement with UK's Centre for Process and Innovation

Haydale (AIM: HAYD), the group focused on the commercialisation of graphene and other nano particle products using their proprietary plasma process is pleased to announce a supply agreement for an HT60 R&D reactor to the Centre for Process and Innovation (CPI).

CPI is a UK-based technology innovation centre and partner in the High Value Manufacturing Catapult. CPI has received £14m from Innovate UK to create the UK's Graphene Applications Innovation Centre which will help companies to develop, prove and commercialise products using graphene technologies.

Haydale successfully tendered for the supply agreement under a rigorous and lengthy open tender process. In accordance with this agreement, Haydale will supply one of its standard HT60 R&D reactors and provide training and technical support to CPI. Initial revenue from the supply agreement will be approximately £0.17 million which will be recognised by Haydale over approximately a 12 month period. The HT60 reactor is expected to be fully operational by October 2015.

Haydale also anticipate supplying R&D quantities of materials for functionalisation to meet CPI's customers' specific needs. Haydale anticipates that, over time, these customers may then consider utilising Haydale reactors for their own specific requirements or would engage with Haydale directly to provide functionalised toll processing services from its base in Ammanford. Haydale and CPI have also agreed to work together on future R&D projects utilising the HT60 reactor at CPI.

Commenting, Ray Gibbs, Haydale's Chief Executive Officer, said:

"In our interim results announced in March, we talked about our intention to create functionalisation centres of excellence and this announcement is the first success in this part of our global growth strategy. CPI works with a number of manufacturing businesses mainly those with European activities. Their market focus is very much aligned with some of our target markets, such as printed electronics, energy, aerospace and automotive. CPI conducted extensive due diligence on our technology and I'm very pleased they concluded that our HT60 reactor would be a significant and important addition to their already impressive array of advanced material processing equipment. We are delighted to supply a unit where the installation of this new reactor will instantly expand our own R&D reach and rapidly increase the number of potential customers able to test Haydale's functionalised materials for their own specific needs."

Commenting, Tom Taylor, Director of Future Business at the CPI, said:

"Graphene is an area that holds great promise for CPI and the UK manufacturing sector. The key for the commercialisation of a technology is for industry to build upon current research expertise and prove the technology provides value at market ready volumes. Through Innovate UK, CPI has committed £14 million of investment into the new Graphene Applications Innovation Centre to

achieve this aim. CPI provide companies of all sizes the opportunity to openly access world leading capability in the development of graphene, printable electronics and formulation based applications. We believe the Haydale plasma reactor presents a cost effective way to functionalise graphene, and other 2D materials in a reproducible and controlled way. This was a gap in our offering and now represents a key enabler for our customers in the electronics and engineering industries. It will nicely complement our state of the art capability for characterisation and formulation of graphene products.”

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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 organic mined fine powder and other synthetically produced nanomaterial powders producing high quality few layered graphenes and graphene nano platelets. The process can functionalise with a range of chemical groups, where the amount of chemicals can be tailored to the customer needs. Good dispersion improves the properties and performance of the host material and ensures it delivers as specified.

The Haydale plasma process does not use wet chemistry, neither does it damage the material being processed, rather it can clean up 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 where working with a raw material producer can add value to the base product and tailor the outputs to meet the target applications of the end user.

Haydale, based in South Wales, housed in a purpose built facility for processing and handling nanomaterials with a laboratory facility, 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 CPI

The Centre for Process Innovation is a UK-based technology innovation centre and part of the High Value Manufacturing Catapult.

CPI's open innovation model enables clients to develop products and prove processes with minimal risk. They provide assets and expertise so our customers can demonstrate the process before investing substantial amounts of money in capital equipment and training. New products and processes can be shown to be feasible; on paper, in the lab and in the plant before being manufactured at an industrial scale.

www.uk-cpi.com