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Haydale Graphene Industries plc

("Haydale" or the "Company" or the "Group")

Result of Placing

Issue of Equity

Director Subscription/Shareholding

Pursuant to the announcement released this morning at 7.00 a.m. (the "**Placing and Acquisition Announcement**"), the Company is pleased to announce that Cantor Fitzgerald Europe, on behalf of the Company, has successfully placed 1,272,437 new Ordinary Shares of 2 pence each in the Company ("**Ordinary Shares**") (the "**Placing Shares**") at a price of 160 pence per share (the "**Placing**"), representing a discount of approximately 6.8 per cent. to the price of 171.7 pence per Existing Ordinary Share, being the average Closing Price for the preceding 20 business days prior to this announcement, with new and existing institutional investors, raising gross proceeds of approximately £2.0 million.

Cantor Fitzgerald Europe acted as, sole bookrunner and broker in connection with the Placing. Cairn Financial Advisers LLP acted as nominated adviser to the Company.

In addition, certain of the directors and key management of the Company have agreed to subscribe for a total of 34,750 new Ordinary Shares on the same terms as the Placing (the "**Subscription**" and the "**Subscription Shares**") raising gross proceeds of £55,600.

The Placing and Subscription will utilise the Company's existing authorities to allot Ordinary Shares and therefore does not require shareholder approval.

The Directors' interests as at today and following completion of the Subscription and the Placing are as follows:

<i>Name</i>	<i>At the date of this Circular</i>		<i>Number of Subscription Shares</i>	<i>On Admission</i>	
	<i>Number of Existing Ordinary Shares</i>	<i>Percentage of Existing Ordinary Shares</i>		<i>Number of Ordinary Shares</i>	<i>Percentage of Ordinary Shares*</i>
John Knowles	149,214	0.97	6,250	155,464	0.91%
Antony Belisario	379,050	2.46	-	379,050	2.23%
Ray Gibbs	476,000	3.09	6,000	482,000	2.83%
Matt Wood	3,571	0.02	6,250	9,821	0.06%

Roger Smith	288,455	1.87	-	288,455	1.69%
Graham Eves	-	-	-	-	-
Roger Humm	28,459	0.18	6,250	34,709	0.20%

** assuming the issue of 312,500 Open Offer Shares and completion of the Placing, Subscription and Open Offer*

Participation by certain Directors (as per the table above) and Trevor Rudderham (who has subscribed for 10,000 Subscription Shares) in the Subscription is considered a “related party transaction” under the AIM Rules. The Directors (other than Ray Gibbs, Matt Wood, John Knowles and Roger Humm) consider, having consulted with the Company’s Nominated Adviser, that the terms of participation for Ray Gibbs, Matt Wood, John Knowles, Roger Humm and Trevor Rudderham in the Subscription are fair and reasonable in so far as its Shareholders are concerned.

Pursuant to the Placing and Subscription, application will be made for the 1,307,187 New Shares to be admitted to trading on AIM. Subject to the Placing Agreement not having been terminated in accordance with its terms, it is anticipated that admission of the Placing Shares and Subscription Shares will occur at 8.00 a.m. on or around 12 October 2016. The Placing Shares and the Subscription Shares will be credited as fully paid and rank *pari passu* with the Existing Ordinary Shares. Any Open Offer Shares subscribed for under the Open Offer are also expected to be admitted to trading on AIM on or around 12 October 2016 in accordance with the timetable set out in the Placing and Acquisition Announcement.

Other than where defined, capitalised terms used in this announcement have the meanings given to them in the Placing and Acquisition Announcement.

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Note to editors:

About Haydale Graphene Industries plc

Haydale has developed a patented 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 patented 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 process is a patented enabling technology, allowing the Group 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, composites, paints and coatings.

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The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014. Upon publication of this announcement, this information is now considered to be in the public domain.