

28 September 2016

Haydale Graphene Industries plc

(“Haydale” or the “Group”)

Contract extension with National Grid

Haydale Graphene Industries plc (AIM: HAYD), the Group focused on enabling technology for the commercialisation of graphene and other nanomaterials, is pleased to announce that Haydale Composite Solutions (“HCS”), a wholly owned subsidiary of Haydale, have been awarded a £310,000 contract extension by National Grid.

HCS were previously contracted by National Grid to design and develop a lightweight Composite Gas Transition Piece (“GTP”) used to provide a support and seal around steel gas transmission pipelines passing through supporting concrete walls. With the current system it is currently difficult to inspect their condition. The HCS solution was to develop with National Grid a concept to excavate an annulus in the concrete wall supporting the steel gas pipeline and insert two glass reinforced composite GTP mouldings at either end of the wall to provide support and an environmental seal around the steel gas pipeline. The composite GTP seals can then be readily removed, without the need for heavy lifting equipment, extensive excavation work and hydro demolition to cut through the concrete walls. The novel GTP mouldings enable engineers to carry out rapid inspections of the pipeline with considerable savings in their time and costs.

HCS have completed a series of R&D contracts with National Grid to develop the solution for 900 mm diameter pipelines which have been installed in 2 sites in the UK as proof of concept. The GTP design concept also won the second place innovation award at the National Grid Chairman’s Awards in Boston, MA, USA. HCS has also filed a patent in the UK and has now gone to The Patent Cooperation Treaty to seek patent protection internationally. The GTP design concept has been registered in the UK, Europe and North America.

National Grid has subsequently awarded HCS a contract worth £310,000, part of which was recognised in the year ended 30 June 2016 with the majority being recognised over the next 12 to 15 months to design and develop 14 different GTP solutions for 7 different pipeline diameters from 300-1050mm and for two end conditions. This will enable the GTP solution to be rolled out across the entire gas transmission mains network in the UK. National Grid has identified the need for a total of approximately 300 units in the UK.

National Grid’s Project Manager, Paul Ogden added;

“During the next 6 years, up to 60 of these units are likely to be installed in the National Transmission System” said Paul “and that will significantly improve safety as well as creating savings of up to £5m in the next five to ten years, with further savings beyond that.”

Gerry Boyce, Managing Director of HCS commented:

“This is a demonstration of the traditional HCS composite business and we are delighted to win this follow on contract. We look forward to entering into discussions with National Grid on the scaling up and initial production of GTP units for installation in the grid and to working with the National Grid on the licencing of the technology in the UK, Europe and North America.”

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About Haydale

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.

www.haydale.com Twitter: @haydalegraphene

About Haydale Composite Solutions (HCS)

Haydale Composite Solutions Ltd ("HCS") is based in Loughborough UK and is a wholly owned subsidiary of Haydale Graphene Industries plc ("HGI"). HCS (previously known as EPL Composite Solutions Ltd was acquired by HGI in November 2014) has developed a reputation for delivering

innovative solutions in the commercial applications of advanced polymer composite materials working with global companies over more than 20 years. HCS are tasked with developing new markets and applications for graphene enhanced nanocomposite materials across a broad range of industries.