

Regulatory Announcement

Company Accsys Technologies PLC
TIDM AXS
Headline Joint Venture with INEOS
Released 8 October 2012
Number



AIM: AXS
NYSE Euronext Amsterdam: AXS

8 October 2012

ACCSYS TECHNOLOGIES PLC (“Accsys” or the “Company”)

ACCSYS COMPLETES TRICOYA® JOINT VENTURE WITH INEOS **INEOS SUBSCRIBES FOR NEWLY ISSUED ACCSYS SHARES**

Further to the recently announced heads of terms, Accsys is pleased to announce that it has entered into a new 50:50 joint venture with INEOS to exploit Accsys' intellectual property surrounding its proprietary Tricoya® wood elements acetylation technology and processes, which is now expected to lead to the accelerated global deployment of Tricoya. The new company, Tricoya Technologies Limited (“TTL”), will develop and exploit Accsys' Tricoya technology for use within MDF, particle board and wood plastic composites in a worldwide panel products market estimated to be worth more than €60 billion annually.

The Tricoya technology gives engineered wood products, such as MDF, a level of durability and dimensional stability that is comparable with or superior to non-wood products, while offering all of the advantages of wood – including a high strength to weight ratio and excellent mechanical and machining properties. Significantly, Tricoya® enables MDF wood to be competitive with non-wood materials, opening up markets in a huge number of new applications which have hitherto been the preserve of plastics, metals, resin and cement based products.

INEOS is one of the world's biggest petrochemical companies. INEOS will contribute not only its significant market reach but also its impressive technology, licensing and intellectual property expertise. As part of the transaction, TTL has been granted rights to exploit Accsys' Tricoya® technology and will also benefit from a licence of any intellectual property held by INEOS that may assist the joint venture in maximising the value of the Tricoya® proposition. Profits generated by TTL are to be shared between Accsys and INEOS in a way that reflects each party's interest. The contribution of Accsys' Tricoya® intellectual property to the Joint Venture will be reflected through a disproportionate future profit share which will create significant value for Accsys.

In addition to INEOS's joint investment programme with Accsys into the Tricoya business, INEOS Industries Holdings Limited has subscribed for 23,529,412 new ordinary shares in Accsys, at a price of €0.17 per share. Admission of these shares onto the London Stock Exchange and Euronext Amsterdam markets is expected to take place no later than 19 October 2012 following receipt by Accsys of subscription monies totalling €4,000,000. The new ordinary shares issued to Ineos will represent 5.4% of the issued share capital of Accsys. The Company has also executed a warrant instrument in favour of INEOS, allowing INEOS the opportunity to purchase up to a further 16,468,236 shares at a price of €0.21 per share at certain times during the course of the next four years.

Peter Williams, Chief Executive Officer of INEOS Technologies, commented: *“We are delighted to have joined Accsys in this new field. The outstanding durability and stability of Tricoya® offers the building industry valuable new options for the application of high-performance, cost-*

competitive and more sustainable wood based materials. Our skills complement those of our partner, and together we will realise important synergies for the new company. We are looking forward to the joint venture accelerating the commercialisation of this new materials technology around the world."

Paul Clegg, Accsys' Chief Executive Officer, commented: *"2012 is proving to be a year of tremendous progress for Accsys and this joint venture has confirmed the advances that we have made in recent years. Forming this partnership with INEOS, a global petrochemical player and a global leader in the field of technology development and licensing, reinforces our ability to meet the expectations of our customers, partners and shareholders. We are confident that our combined resources will ensure that Tricoya[®] becomes the ubiquitous product that its performance mandates it should. The investment that INEOS has made, both into the joint venture and separately as a new shareholder into Accsys, strengthens our position as the undisputed world leaders in wood modification technology and enhances our ability to deliver value from our technology platform."*

Ends

For further information, please contact:

Accsys Technologies PLC	Paul Clegg, CEO Hans Pauli, COO	via Citigate Dewe Rogerson
Numis Securities	Nominated Adviser: Oliver Cardigan Corporate Broking: Christopher Wilkinson Ben Stoop	+44 (0)20 7260 1000
Citigate Dewe Rogerson	Ginny Pulbrook Malcolm Robertson Suzanne Bakker	+44 20 7282 2945 +44 20 7282 2867 +31 20 575 4023

Notes to Editors:

Accsys Technologies PLC (www.accsysplc.com) is an environmental science and technology company whose primary focus is on the production of Accoya[®] wood and technology licensing via its subsidiary, Titan Wood Limited, which has manufacturing operations in Arnhem, the Netherlands (through its subsidiary Titan Wood B.V.), a European office in Windsor, United Kingdom, and an American office in Dallas, Texas (via its subsidiary Titan Wood, Inc). All group subsidiaries are ultimately 100% owned by Accsys and trade as Accsys Technologies. Any references in this announcement to agreements with Accsys shall mean agreements with either Accsys or its subsidiary entities unless otherwise specified. Accsys Technologies PLC is listed on the London Stock Exchange AIM market and on Euronext Amsterdam by NYSE Euronext, under the symbols 'AXS'. Accsys' operations comprise three principal business units: (i) Accoya[®] wood production; (ii) technology development, focused on a programme of continuous development of and improvements to the process engineering and operating protocols for the acetylation of solid wood and the development of technology for the acetylation of wood elements; and (iii) the licensing of technology for the production of Accoya[®] wood and Tricoya[®] wood elements across the globe.

INEOS (<http://www.ineos.com>) is one of the world's leading chemicals companies; a global manufacturer of petrochemicals, specialty chemicals and oil products. Comprising 15 businesses, with a production network spanning 51 manufacturing facilities in 11 countries. The company produces more than 40 million tonnes of petrochemicals. INEOS employs 15,000 people and had sales in 2011 of \$42bn. Through its Joint Venture with PetroChina (petroineos) it produces 20 million tonnes per annum of crude oil refined products (fuels). It also operates joint ventures with BASF, PQ Corp and Total. The investment in the new joint venture is being made by INEOS Industries Limited.

INEOS Technologies (<http://www.ineos.com>) is a leading developer and licensor of technologies for the global petrochemicals industry. It offers the broadest range of petrochemical technologies on the market today and also supplies catalysts, additives and coatings that our customers require to obtain the best possible performance from their investments.

Tricoya® Wood Elements (www.tricoya.com) are produced using Accsys' proprietary technology for the acetylation of wood chips, and particles for use in the fabrication of wood based composites, including panel products. These composites demonstrate enhanced durability and dimensional stability which allow them to be used in a variety of applications that were once limited to solid wood or man-made products. Tricoya® Wood Elements is lauded as the first major innovation in the wood composites industry in more than 30 years.

Wood Acetylation is a process which increases the amount of 'acetyl' molecules in wood, thereby changing its physical properties. The process protects wood from rot by making it "inedible" to most micro-organisms and fungi, without - unlike conventional treatments - making it toxic. It also greatly reduces the wood's tendency to swell and shrink, making it less prone to cracking and ensuring that, when painted, it requires dramatically reduced maintenance.

Accoya® wood (www.accoya.com) is produced using Accsys' proprietary patented acetylation technology, that effectively converts sustainably grown softwoods and non-durable hardwoods into what is best described as a "high technology wood". Distinguished by its durability, dimensional stability and, perhaps most importantly of all, its reliability (in terms of consistency of both supply and quality), Accoya® wood is particularly suited to exterior applications where performance and appearance are valued. Unlike most tropical and European hardwoods, its colour does not degrade when exposed to ultraviolet light. Moreover, the Accoya® wood production process does not compromise the wood's strength or machinability. The combination of UV resistance, dimensional stability, durability and retained strength means that Accoya® wood offers a wealth of new opportunities to architects, designers and specifiers. For marine uses where weight is also important, Accoya® wood for the first time provides boat builders with a wood that is strong, lightweight, durable and retains its natural beauty for far longer. For a full archive of Accoya® news, visit www.accoya.com/news.asp.

ACCOYA®, TRICOYA® and the Trimarque Device are registered trademarks owned by Titan Wood Limited, a wholly owned subsidiary of Accsys Technologies PLC, and may not be used or reproduced without written permission.