

## Regulatory Announcement

<b>Company</b>	Accsys Technologies PLC
<b>TIDM</b>	AXS
<b>Headline</b>	BP Ventures participates in Tricoya Consortium
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### **ACCSYS TECHNOLOGIES PLC** (“Accsys” or “the Company”)

#### **BP Ventures named as participant in proposed Tricoya Consortium**

Accsys, the chemical technology group, focused on the acetylation of wood, is pleased to announce that BP Ventures (“BPV”) will participate in a proposed consortium (the “Consortium”) to fund, build and operate the world’s first Tricoya<sup>®</sup> wood elements acetylation plant.

**Tricoya<sup>®</sup> Wood Elements** ([www.tricoya.com](http://www.tricoya.com)) are produced using Accsys's proprietary technology for the acetylation of wood chips, and particles for use in the fabrication of panel products such as medium density fibreboard and particle-board. These products demonstrate enhanced durability and dimensional stability which allow them to be used in a variety of applications that were once limited to tropical hardwood or man-made products.

Accsys and BPV have agreed initial funding in respect of the Consortium, with BPV acquiring a 3% equity interest in Tricoya Technologies Limited (“TTL”), implying a valuation of TTL at €35 million today. BPV’s on-going participation in the Consortium remains conditional upon the full Consortium constitution being finalised later this calendar year with third parties. This is expected to result in significant additional funding from BPV and others to build the dedicated Tricoya acetylation plant.

BPV’s investment follows €1.3m already contributed by it and other Consortium partners since Accsys announced new arrangements for its Tricoya business in April 2015. TTL has now completed the Front End Engineering and Design and detailed planning is continuing for the plant, which is expected to be located at the Saltend Chemicals Park in Hull, UK, adjacent to BP’s existing acetyls facility.

BP’s involvement in the Consortium results from a historical interest in acetylation with some of the initial research and development into wood acetylation having been carried out at its Hull site in the past. BP Chemicals has also been a key partner of Accsys, supplying acetic anhydride for its Accoya plant in Arnhem since agreeing a collaborative strategic relationship in 2012.

The Tricoya plant is expected to have an initial capacity of 30,000 metric tonnes of acetylated Tricoya chips per annum, equivalent to approximately 40,000 cubic metres of panel products. The acetylated chips will be used as feedstock for the production of high performance MDF or particle board panels in a market estimated to be approximately 200 million cubic metres annually. The Consortium envisages constructing the plant in Hull in such a way that further capacity can be added to the site as demand grows.

The Consortium is also expected to include Medite, part of the Coillte group and Accsys’s historic joint development partner. Medite has received board approval in principle to invest in the Consortium and to enter a long-term offtake commitment for up to 60% of the Tricoya plant’s initial annual capacity, subject to finalisation of contracts acceptable to all parties and receipt of approval from Coillte’s

shareholder. Medite continues to successfully sell Medite Tricoya Extreme, developing the market ahead of the plant's construction.

TTL will also continue to exploit the Tricoya intellectual property on a global basis and is exploring the possibility of working with other parties. In this respect TTL has deepened its relationship with Masisa, TTL's existing licence option holder and one of the largest panel forming companies in the world. Masisa continues to successfully develop the market in South America, selling Masisa Tricoya XB.

Paul Clegg, Accsys CEO and TTL Chairman said *"Today's announcement marks a very exciting moment in the exploitation of our technology platform and development of the long and well established relationship we have with our partners BP and Medite. Tricoya panels, made from Tricoya chips, offer an exceptionally high performing panel alternative for broad use in the construction, joinery and civil engineering sectors the world over. Accsys continues to commit significant efforts to exploiting many wood applications with our unique expertise, as well as continuing to develop the markets for Accoya and Tricoya with all our partners and customers."*

Akira Kirton, BP Ventures, said *"We are delighted to be joining this consortium with Accsys and Medite. BP Chemicals has been working with Accsys for a number of years and being able to participate with Accsys to facilitate further downstream integration options for BP is very exciting. This collaboration fits perfectly with BP Ventures' strategy of investing in new technologies that can be rapidly commercialised in partnership with BP's operating businesses, leveraging our global reach and presence."*

**Ends**

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**Notes to editors:**

**Accsys Technologies PLC** ([www.accsysplc.com](http://www.accsysplc.com)) is a chemical technology group 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, an American office in Dallas, Texas (via its subsidiary Titan Wood, Inc) and technology licencing associated with the acetylation of wood elements via its subsidiary Tricoya Technologies Limited. 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.

**Accoya® wood** ([www.accoya.com](http://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. These benefits result in lower maintenance and total cost of ownership while using a higher sustainable and environmental responsible building material. For a full archive of Accoya® news, visit [www.accoya.com/news.asp](http://www.accoya.com/news.asp).

**Tricoya® Wood Elements** ([www.tricoya.com](http://www.tricoya.com)) are produced using Accsys' proprietary technology for the acetylation of wood chips, and particles for use in the fabrication of panel products such as medium density fibreboard and particle-board. These products 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. Exploitation of Accsys' proprietary technology relating to Tricoya® Wood Elements is carried out through Tricoya Technologies Limited. Tricoya® Wood Elements are 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. When carried out to a sufficient level throughout the wood, this 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.

**BP Ventures** identifies and invests in private, high growth, game-changing technology companies, accelerating cutting edge innovations across the entire energy spectrum. The Investment portfolio is primarily focused on emerging technologies in oil and gas exploration and production and downstream conversion processes. BP Ventures also partners with entrepreneurial companies specialising in biotech, water, advanced materials, and digital technology.

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