

Regulatory Announcement

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Accsys Technologies

ACCSYS SUBSIDIARY, TITAN WOOD, PARTNERS WITH MEDITE EUROPE

Accsys Technologies PLC ("[Accsys](#)" or "the Company") today announced that its wholly owned subsidiary, Titan Wood Limited ("[Titan Wood](#)"), and Medite Europe Limited ("[Medite](#)") have signed a joint development agreement to commercialise an economically viable, non-toxic, and stable medium density fibreboard ("MDF") panel made from Tricoya® wood elements ("Licensed Products").

Under the agreement Medite is granted an exclusive license to develop, manufacture, market, distribute and sell Licensed Products within the United Kingdom and the Republic of Ireland (the "Territory"). The terms of the agreement reflect the status of Medite and Titan Wood as partners in the commercial development of the technology following commercialization of the Licensed Products.

Additionally, Titan Wood agrees to facilitate the location, design, project management, plant commissioning, training of production staff and operating advice regarding the plant envisaged to produce Tricoya® wood elements. Titan Wood will also promote the development, distribution and sale of Licensed Products in the Territory.

Titan Wood and Medite have also agreed to enter into a License Option Agreement regarding the use of Titan's proprietary acetylation technology in respect of oriented strand board ("**OSB**"). Exercise of the Option will grant Medite a technology license with exclusive rights to develop, manufacture, market and sell OSB panels made from Tricoya® wood elements within the Territory.

Titan Wood's technology, based on wood acetylation, is a process which increases the amount of 'acetyl' molecules in wood, thereby changing its physical properties. The environmentally responsible process protects wood from rot and significantly improves the dimensional stability and durability of the composite without making it toxic. This will enable the Licensed Products to be used in new and exciting applications, including those that are in high moisture areas, especially outdoors.

Medite has been a major-player in the European MDF market since 1976 and has exhibited a consistent commitment to research and development. As a result, Medite has established itself as a leading innovator in the MDF market with a matchless range of added value high specification panels, each one with specific properties for particular applications.

Gerry Britchfield, Managing Director of Medite parent division, Coillte Panel Products, explained, "Medite has a long history of leading the panel products industry and prides itself on being an innovator and pioneer. We've been closely monitoring the development of Titan Wood's technology as it is a natural marriage with our current product line. After an extensive period of joint research and development, we are pleased to officially partner with Titan Wood in introducing the world's most durable MDF product to international markets."

Finlay Morrison, Chief Executive Officer of Accsys Technologies, added, "Tricoya® wood elements will offer manufacturers the opportunity to develop high value, high performance, innovative wood composite products that can be used with absolute confidence in new and challenging applications. When considering partners with which to launch our new technology we could think of no better partner than established market leader Medite Europe. Together we will revolutionise the industry."

-ENDS-

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Notes to Editors:

Medite Europe Ltd (www.medite-europe.com) is highly regarded globally in the panel market as a ground-breaking and forward looking company. Medite, based in Clonmel, Ireland has an MDF mill capacity of approximately 450K m³ per annum. Medite is a key part of the Panel Products division of parent company Coillte, which is wholly-owned by the Irish government. Owing nearly 450 thousand hectares of FSC certified managed forest land; Coillte's 2008 turnover was approximately €250 million. Coillte operates three divisions: Forest, Enterprise, and Panel Products. More information can be found at www.coillte.ie and www.medite-europe.com.

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 100% owned subsidiary, Titan Wood Limited (www.titanwood.com), which has manufacturing operations in Arnhem, the Netherlands, a European office in London and an Americas office in Dallas, Texas. Accsys' operations comprise three principal business units: (i) the Accoya® wood production facility located in Arnhem, The Netherlands; (ii) technology development, focused on a programme of continuous improvements to the process engineering and operating protocols for the acetylation of wood which are currently under development and the development of technology for the acetylation of wood fibre; and (iii) the licensing of technology for the production of Accoya® wood and Tricoya™ wood elements across the globe.

Accoya® Wood (www.accoya.info) is produced by using a patented, non-toxic process that effectively converts sustainably grown softwoods and non-durable hardwoods into what is best described as a "new wood species" via acetylation. 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 woods, its colour does not degrade when exposed to sunlight. Moreover, the Accoya® wood production process does not compromise the wood's strength or machinability. The combination of UV resistance, dimensional stability, increased coatings life, durability and retained strength means that Accoya® wood offers a wealth of new opportunities to architects, designers and specifiers. Leading applications include external doors and windows, shutters/shading, siding and cladding, decking, outdoor furniture/equipment and glulam beams for structural use.

Tricoya® Wood Elements (www.tricoya.com) is Titan Wood's proprietary technology for the acetylation of wood fibres, 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 which 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 environmentally responsible process protects wood from rot by making it "inedible" to most micro-organisms and insects, 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. Acetylated wood's increased durability offers major carbon sequestration advantages, compared to other woods and man-made building materials such as steel, vinyl, and plastic.

Wood Composites include a range of derivative wood products which are manufactured by binding together the strands, particles, fibres, or veneers of wood together with adhesives to form composite materials. These products are engineered to precise design specifications which are tested to meet national or international standards.

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