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TITAN WOOD Announces Increased Production Capacity

Accsys Technologies PLC (www.accsysplc.com) and Titan Wood B.V., its wholly-owned subsidiary (www.titanwood.com), are pleased to announce that, following the development and adoption of new breakthrough process improvements, they have succeeded in increasing production capacity by more than 33 percent, providing outstanding benefits for both Accsys and its licensee customers.

Titan Wood's commercial-scale Accoya[®] wood modification facility was originally designed with an annual maximum production capacity of 30,000 cubic metres ("m³"). Through a mixture of fundamental process improvement upgrades as well as optimising existing processes, the Engineering, Research and Development, and Operations Departments have succeeded in significantly improving this capacity. As a result, the new interim design capacity for the Arnhem facility is now over 40,000 m³ per annum. While the focus of Titan Wood is on licensing its technology around the world, with the Arnhem facility foremost a technology demonstration plant, the additional 10,000 m³ of Accoya[®] wood will, in time, help to meet the ever increasing demand from potential markets on behalf of licensees.

The increased production capability will also further improve the Company's economic value to potential technology licensees by providing a much greater capacity for the same level of capital expenditure, thereby leading to a substantial increase in Return on Capital Employed.

Finlay Morrison, CEO of Accsys Technologies, commented, "As is the case with any newly-commercialised technology, there is a learning curve to climb and further improvements to be made. With this breakthrough, we have taken a large step up that learning curve, greatly improving the economics and efficiencies of our process, and we believe that there is the potential for yet further improvements. We strive to produce our revolutionary Accoya[®] wood in a manner which is both cost-effective and eco-conscious. These improvements to our production technology reinforce our status as the leader in this exciting market and further confirm our commitment to sustainability and manufacturing excellence. This makes a great investment for our licensees even better."

Stan French, CEO of Diamond Wood China, one of Titan Wood's licensees, added, "Titan Wood has done a great job of analyzing improvements in production and has taken great strides to reduce bottlenecks."

The resultant enhancements dramatically improve the economics of manufacturing Accoya® wood, not only for themselves but also for licensees such as Diamond Wood. Any increases to the already attractive Project IRRs (Internal Rate of Returns) are very welcome."

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Notes to Editors:

Diamond Wood China Limited (www.diamondwoodchina.com) provides Accoya® wood for Chinese construction firms and Chinese exporters of wood products. Upon completion of its first production facility in Nanjing, the company expects to be the largest single supplier of timber in China. Diamond Wood has built strong foundations for future growth with its powerful combination of the exclusive Accoya® technology license, strong Chinese government support, and close relations with industry leaders throughout China.

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.

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.

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