

## Regulatory Announcement

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**Company** [Accsys Technologies PLC](#)  
**TIDM** AXS  
**Headline** Licence Agreement  
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### **Accsys to develop marine business for Accoya™ wood following agreement with SeaQuest**

Accsys Technologies PLC (“Accsys” or “the Company”) announces that its 100% owned subsidiary, Titan Wood Ltd., has entered into an option agreement with SeaQuest Technologies Ltd., of Hong Kong (“SeaQuest”), for SeaQuest to buy a licence to produce Accoya™ wood, the new ultra-high performance wood. Made from sustainably grown softwoods, Accoya™ wood offers key performance attributes that are equivalent to or better than the best tropical hardwoods, superior to many artificial material alternatives and is completely non-toxic.

SeaQuest will look to partner with a wood industry operator to develop the potential for Accoya™ wood, with a specific interest in the marine sector. Under the terms of the agreement, SeaQuest will make an up-front payment and has a twelve month period in which to exercise its option to build a plant which will have an initial capacity of approximately 45,000 cubic metres of Accoya™ acetylated wood per year in exchange for additional up-front licence payments and on-going royalties based upon a combination of nameplate capacity and actual production.

SeaQuest ([www.sqtechnologies.com](http://www.sqtechnologies.com)) is the sister company to SeaQuest Marine Project Management Ltd., a company specializing in shipbuilding, construction, design and repair. SeaQuest Technologies specializes in investing in innovative technologies and environmentally friendly products and processes that meet exacting quality standards.

The agreement between Titan Wood ([www.titanwood.com](http://www.titanwood.com)) and SeaQuest is the third of its kind to be announced by Accsys and the Company expects to make additional announcements later this year. Accsys is currently on target for start-up and shipping product from its Arnhem plant in the fourth quarter of 2006.

“This is an important development for us as we are continually finding a wide variety of uses and demand for Accoya™ wood beyond our original expectations. We will work very closely with SeaQuest to find the right operational partner and to explore the full potential of their interest in marine applications for Accoya™ wood”, said Willy Paterson-Brown, Executive Chairman of Accsys ([www.accsysplc.com](http://www.accsysplc.com)).

Sebastiano Portunato, Managing Director of SeaQuest said, “We are delighted to have come to an agreement with Titan Wood. The quality of Accoya™ wood clearly makes it the gold standard for treated wood and we are looking forward to seeing the development of a series of applications such as decking, trimming, walkways and terracing. The environmentally friendly nature of the product and its reliable performance is of particular appeal for the premium marine market”.

**ENDS**

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## **Notes to Editors**

**Accsys Technologies** - owns the rights to a number of processes, including high temperature cracking and cellulose modification. Accsys' core technologies have either existing patent protection or pending patent applications. Accsys is focusing its energies on the launch of its Titan Wood business: once this business has been established, the Directors intend to pursue other technologies within its portfolio.

**Wood Acetylation** - 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 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.

**Accoya™** wood - Accoya™ wood is produced using a patented process that effectively converts sustainably grown softwoods and non-durable hardwoods into what is best described as a 'new wood species'. 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 machineability. 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 which retains its natural beauty for far longer.

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