

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014 (“MAR”). Upon the publication of this announcement via a Regulatory Information Service (“RIS”), this inside information is now considered to be in the public domain.

21 March 2018

Directa Plus plc
 (“Directa Plus” or the “Company”)

Directa Plus and Sartec to commercialise Grafysorber[®]-based solution for oil & gas industry
Agreement to develop commercial-scale industrial system for treating oil-contaminated produced water

Directa Plus plc (AIM: DCTA), a leading producer and supplier of graphene-based products for use in consumer and industrial markets, announces that it has entered into an agreement with Sartec Srl (“Sartec”) to jointly develop a commercial-scale industrial system (“Pilot Plant”), based on the Company’s Grafysorber[®] product, for treating oil-contaminated produced water in the oil & gas industry (the “Agreement”). Sartec is a provider of industrial engineering to the oil, energy and environment sectors and part of the Saras Group, the Italian listed company with a current market capitalisation of approximately €1.6 billion.

The Agreement follows initial joint research over the last eight months (proof-of-concept phase) during which extensive tests on the Company’s Grafysorber[®] product as well as the effectiveness of the continuous process equipment were successfully carried out. The ongoing tests continue to demonstrate Grafysorber[®]’s ability to outperform existing technologies in treating oil-contaminated produced water. In Q2-2018, Sartec will commence building an industrial Pilot Plant, with Directa Plus providing support and expertise regarding Grafysorber[®].

The Agreement aims to provide the oil & gas industry with a continuous process that:

- has the ability to effectively treat contaminated water from oil & gas operations;
- can recover the oil adsorbed by separating it from the contaminated water;
- can recycle the Grafysorber[®] used in the process so it can be used again;
- is capable of treating high volumes of contaminated water; and
- provides the industrial reliability required by the oil & gas sector.

The Pilot Plant will be capable of treating up to 500 cubic metres per day of produced water and is expected to be completed by the end of the year. In conjunction with this, both parties will work together to generate industrial-scale demand by leveraging the global footprint of the Sartec sales force and commercial opportunities activated by Directa Plus. Target customers include oil companies with significant oil production capabilities and oil refineries as well as organisations involved in emergency environmental remediation due to an oil spill. In addition, as both parties test the commercial viability of the process through the Pilot Plant, the Agreement contains provisions for exploring options for establishing an operational structure to commercialise the process going forward.

Grafysorber[®] is a 2D material in a 3D structure, made by graphene sheets, which acts as a sponge to capture the hydrocarbons in contaminated water. Its unique oil adsorption capacity has been substantiated through extensive testing and commercial trials over the last three years in Italy, Romania and Nigeria. The data collected have demonstrated Grafysorber[®] to be at least five times more effective than the technologies presently used for water decontamination, adsorbing more than 100 times its own weight of oily pollutant. The absorbed oil can be easily recovered to be recycled or disposed of separately.

Giulio Cesareo, Chief Executive Officer of Directa Plus, said: “We are delighted to have signed this agreement with one of the leading oil & gas groups in Europe. This partnership represents a true

technological convergence of our respective capabilities and expertise in pursuit of a common goal. Grafysorber® offers a transformational solution at the right price point for the oil & gas industry in treating produced water. The development of this new continuous process by Sartec is the ideal solution to bridge the gap between our unique Grafysorber® product and its application in a huge market. We are excited about the prospects for this project and look forward to reporting our progress.”

Fernando Ferri, President of the Board of Sartec, added: “This signature marks an important step forward for Sartec, in its path towards the offering of a complete array of services to the Oil & Gas Industry. Moreover, this Partnership will allow Directa and Sartec to develop a cutting-edge application in the increasingly sensitive field of polluted water treatment, with potential fall-out well beyond the Oil & Gas boundaries. We really look forward to achieving the next milestones of this Project and to setting new, more demanding, standard in the business.”

Enquiries

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About Directa Plus

Directa Plus is one of the largest producers and suppliers of graphene-based products for use in consumer and industrial markets worldwide. By incorporating Directa Plus’ unique graphene blends, identified by the G+ brand, its customers can enhance the performance of their end products without significantly increasing their cost. Directa Plus graphene-based products are natural, chemical-free, sustainably produced and tailored to specific customer requirements for commercial applications such as smart textiles, tyres, composite materials and environmental solutions.

Established in 2005, the Company has a patented technology process and a scalable and exportable manufacturing model. It produces graphene-based products at its own factory in Lomazzo, Italy, and can set up additional production at customer locations to reduce transport costs, waste and time-to-utilisation. Directa Plus partners with customers to enable them to offer the high-performance benefits of graphene in their own products.

About Sartec

Sartec, a wholly-owned subsidiary of Saras SpA (BIT: SRS), designs integrated engineering solutions to improve the performance of industrial processes. Sartec provides advanced engineering to the Oil & Gas market and to its Parent Company’s refinery plant with a focus on technological innovation (such as process automation, advanced control, strategic consultancy), energy efficiency and environmental monitoring and protection. Saras SpA is a leading European crude oil refiner with activities in the energy sector and which generated sales of €7bn for 2016. Saras owns and operates one of the largest, and most advanced, oil refineries in the Mediterranean with a production capacity of 15 million tonnes per year.