



First Graphene Elects to Remain at 30% Shareholding in Graphene Solutions Pty Ltd

Advanced materials company, First Graphene Limited (“**FGR**” or “**the Company**”) (ASX: FGR) advises it has elected to remain at a 30% shareholding in The BEST Battery project, thereby obviating the need to contribute any further funds.

In May 2017, FGR entered into an agreement with Graphene Solutions Pty Ltd (GS), whereby FGR could earn initially 30% of GS by spending 700,000. It achieved this level of equity and was issued shares to that percentage in May 2018. This gave FGR the right, but not the obligation, to increase its equity level to 70% by spending a further 1,300,000. GS had a reciprocal agreement with Swinburne whereby it was funding the BEST Battery Project in order to earn a licence to the technology.

FGR undertook a strategic review of the Project in Q4 of 2018, considering not just the progress achieved to date, but also the broader market of supercapacitors and the competing technologies being developed by competitors, of which there are many. Importantly FGR assessed the probabilities of the BEST Battery Project delivering a satisfactorily commercial outcome at the completion of the Project. It concluded that, notwithstanding the positive progress which had been achieved by the University, it was unlikely a commercial outcome could be assured within the designated budget. This brought into consideration the merits of spending more shareholders money on what is best described as a high risk/high reward project, with no obvious commercial outcome. The board decided it was a more prudent fiscal strategy to keep the 30% holding in GS which has already been earned, but to decline to spend any further money.

An important consideration in coming to this decision was the excellent progress the Company has made with the advancement of its high quality PureGRAPH™ range of graphene products, which are, coincidentally, not used in the BEST Battery Project. We want to focus on what we do best – producing the highest quality, fit for purpose graphene for sales into industry. Judging by our expanding sales book, this is going to deliver tangible earnings and growth for shareholders much sooner than a longer-term research project with no guarantee of success. It is important to stay focused.

FGR has been approached to consider alternative supercapacitor projects offering a lower risk path to commercialisation. Significantly, these would use PureGRAPH™ as opposed to third party produced graphene oxide. Thus, they would fall within our mainstream focus. The Company will advise shareholders further, in the event a satisfactory agreement is achieved.

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FGR
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The Company continues to develop green Graphene oxide (gGo™) through its subsidiary, 2D Fluidics Pty Ltd, and will provide a separate update on the success being achieved with this development.

Managing Director, Craig McGuckin, stated: *“By retaining 30% we keep the door open to considerable upside in the event of success, but we limit our exposure to the downside from here. It's all about responsible financial risk management.”*

About First Graphene Ltd (ASX: FGR)

First Graphene Ltd. are the leading supplier of high-quality, bulk graphene products. The company has a robust manufacturing platform based upon captive supply of high-purity raw materials and an established 100 tonne/year graphene production capacity. Commercial applications are now being progressed in industrial composites & rubbers, fire retardancy, construction and energy storage.

First Graphene Ltd. is publicly listed in Australia (ASX:FGR) and has a primary manufacturing base in Henderson, near Perth, WA. The company was recently incorporated in the UK as First Graphene (UK) Ltd. and is a Tier 1 partner at the Graphene Engineering and Innovation Centre (GEIC), Manchester, UK.

PureGRAPH™ Range of Products

The PureGRAPH™ range of products were released by FGR in September 2018, in conjunction with a detailed Product Information Sheet.

PureGRAPH™ graphene powders are available with lateral platelet sizes of 20µm, 10µm and 5µm. The products are characterised by their low defect level and high aspect ratio.

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