

12 December 2016

Hydrodec Group plc
("Hydrodec", the "Company" or the "Group")

Trading Update

The Company is pleased to provide a further update to the market in respect of 2016 performance and progress.

Despite the general market environment remaining challenging, particularly from a margin perspective, the Company reported an overall positive EBITDA at Group level for October, the first month this has been achieved since re-establishing the Canton plant following the rebuild last year.

The Company is also pleased to report that it delivered record sales of re-refined oil from Canton in October of over 2.8 million litres, as well as exceeding daily production records on two separate days in the same month. This reflects the improving operational performance of the new plant in addition to the hard work being undertaken to establish a strong position in the market.

Commenting on the update, Chris Ellis, Chief Executive Officer of Hydrodec said: "In our half yearly report in September, I stated that we continued to make strong progress towards positive Group EBITDA in the second half of the year, and it is pleasing to be able report that this KPI was met for the month of October. Challenges remain in the current market environment to both improve margins and create consistent performance going forwards, but this is an important milestone on the path to establishing a profitable operation in 2017."

For further information please contact:

Hydrodec Group plc	01372 824750
Chris Ellis, Chief Executive Officer	
Canaccord Genuity (Nominated Adviser and Broker)	020 7523 8000
Henry Fitzgerald-O'Connor	
Richard Andrews	
Vigo Communications (PR adviser to Hydrodec)	020 7830 9700
Patrick d'Ancona	
Chris McMahon	

Notes to Editors:

Hydrodec's technology is a proven, highly efficient, oil re-refining and chemical process initially targeted at the multi-billion US\$ market for transformer oil used by the world's electricity industry. MarketsandMarkets forecasts that the global transformer oil market is expected to grow from US\$1.98 billion in 2015 to US\$2.79 billion by 2020 at a CAGR of 7.14%. Spent oil is currently processed at two commercial plants with distinct competitive advantage delivered through very high recoveries (near 100%), producing 'as new' high quality oils at competitive cost and without environmentally

harmful emissions. The process also completely eliminates PCBs, a toxic additive banned under international regulations. Hydrodec's plants are located at Canton, Ohio, US and Bomen, New South Wales, Australia.

Hydrodec's shares are listed on the AIM Market of the London Stock Exchange. For further information, please visit www.hydrodec.com.

The information contained within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014.