ECOSLOPS:
VALIDATION OF A PERFECTLY-REPLICABLE ROBUST AND SUSTAINABLE BUSINESS MODEL

- Revenue reflects only a few months of fuel production and sales
- Sines: proof of the efficiency of the industrial tool and many lessons learned
- Validation of the business model, even in the current environment
- Acceleration in prospects for new sites
- Project to strengthen the financial structure via a €5.5 million ORNANE bond issue

PARIS, February 8, 2016 – ECOSLOPS (ISIN: FR0011490648; Ticker: ALESA / PEA-PME eligible), an innovative technology company that upgrades ship-generated hydrocarbon residue into valuable marine distillates and light bitumen, following its Board meeting of February 5, announces its 2015 annual revenue and a planned ORNANE convertible bond issue for a maximum nominal value of €5.5 million.

Vincent Favier, CEO of ECOSLOPS, says: "*While the industrial ramping up of the Sines site has not been as swift as anticipated, our process has confirmed that its capacity of transforming 98% of hydrocarbon residue into marketable and certified products, which is truly remarkable. In 2015, our teams focused on solving issues associated with the industrial launch, the finalization of the training of operators and the putting in place of logistics aspects. The bulk of this work having been completed, 2016 will be devoted to the continued ramping up of this plant until it reaches its full capacity of 2,500 tons a month. This is the last condition necessary to break even financially: indeed, we are able to confirm that our technical process is profitable and our business model robust even in the current weak oil price environment, thanks to the lessons we have learned and to the improvements already implemented. We are still working to lower our breakeven point by reducing fixed and variable costs through the experience gained during these first few months of activity. Furthermore, the sharp fall in the price of oil has significantly accelerated our development prospects: most major European and worldwide ports are currently saturated in terms of slops. The traditional industrial clients of these oily residues are turning to fuel from much higher-quality cheaper virgin crude oil, resulting in the saturation of slop supplies and physically limiting the unloading of slops from ships, which is unsustainable in the short and medium term. This unprecedented situation for ports has given rise to new opportunities for ECOSLOPS, whose technology offers the only solution for converting slops into "useful" and financially attractive products. Paradoxically the oil price slump has illustrated how robust and sustainable our business model is, as the costs of inputs is so much lower. In this context the ECOSLOP Board has just approved the issuance of ORNANE convertible bonds in order to meet the Company's financial needs in terms breaking even in Portugal and financing projects currently under development.*"

First revenue from the sale of marine fuel and light bitumen

The Group's first micro-refining plant in Sines, Portugal, was put into operation during the first quarter of 2015. The following months were dedicated to tests and improvements, product qualification by independent certifiers and the completion of training for the local teams. Since then, 1,000 tons of marine diesel oil (MDO) and 320 tons of light bitumen (XFO) produced by the plant have been sold for a total of €0.3 million.

ECOSLOPS' 2015 total income reached €2.7 million with €2.0 million still coming from its traditional activities in Sines, and notably services provided to ships and industries and the collection of hydrocarbon residue in that port. The latter has been very dynamic, driven by both the growth of the port itself and the appeal of the services provided by the teams there, who have facilitated the unloading process. From this point of view, the agreement signed with MSC, the main ship owner operating in the shipping container terminal, illustrates the interest in our service and added value. Compared with 2014, the slops unloaded by MSC increased by 145%.

€ millions	**31/12/2015**	31/12/2014
Sales	**2.3**	2.2
Total income	**2.7**	2.4

Proof of the efficiency of the Sines industrial tool

The industrial process implemented by ECOSLOPS on this first site has thus proven its efficiency by upgrading over 98% of processed hydrocarbon residue (there generally remains 1% of water and 1% of sediments). As a percentage, the Sines fractionating tower has confirmed the possibility of industrially producing 50% of Marine Diesel Oil and naphtha, 15% of Intermediate Fuel Oil and 35% of light bitumen. This unparalleled performance resides in the refining know-how developed by the ECOSLOPS teams throughout the duration of the project, since 2009, and the proprietary design of the fractionating tower.

Numerous lessons learned from the commissioning of the Sines plant

The commissioning of the Sines site provided substantial information about how to optimize the industrial cycle, and notably how to improve the yield, both on this site and for the engineering of future sites. In terms of launching production, the difficulties encountered in 2015 on this first site were essentially associated with the under-sizing of some storage facilities, the need for additional work in terms of upstream logistics and the need to complete operator training. Simple and cheap solutions were able to be put in place during the year, and the only remaining issue is insufficient light bitumen storage capacity, an issue that should be definitively resolved by the end of the first 2016 semester.

The Sines plant is the first in a series and, like any first plant, it has enabled us to gain substantial know-how in how to build and operate our future sites in a cheaper and better manner.

Based on this initial experience, the investments required for future plants are expected to be in the region of €10-12 million each, versus nearly €20 million for Sines, with an enhanced annual production capacity of 35,000 tons or more, versus 30,000 tons at the current time for Sines.

The reduction in fixed costs undertaken by the Company and the negotiation of more advantageous variable costs should enable, at its full capacity of 2,500 tons a month, the Sines site to remain profitable even within the current environment of an oil price of around $30/barrel.

Indeed, on top of the standard industrial productivity efforts, we observed a slump in slop prices towards the end of last year, i.e. with a barrel price below $45. The industries that purchased these residues have turned from slops to cheaper virgin industrial fuel without the presence of any metal, sediment and sulfur. This unprecedented trend has resulted in an increase in slop inventories in ports and has thus had a significant impact on their price.

ECOSLOPS made the most of this situation to substantially reduce the price of imported slops. Furthermore, the cost of maritime transportation per ton also fell significantly in 2015. Altogether, the combination of these effects enabled the cost of imported slops to be cut by 70% while oil prices fell by 40% at the same time between early August 2015 and the end of January 2016.

ECOSLOPS has already imported 10,000 tons of residues from the ARA region (Antwerp-Rotterdam-Amsterdam), including 4,000 tons this week alone, and now has real know-how in this field.

ECOSLOPS believes that traditional opportunities for hydrocarbon residues will become increasingly rare as a result of the excessive technical and environmental constraints they generate for the industrial users compared to the economic advantages they provide. A future rally in oil prices would only temporarily slow this in-depth trend, and only a true technical and comprehensive solution such as that implemented by ECOSLOPS can guarantee the long-term elimination of these residues.

Confirmation of prospects for new sites

Following the substantial fall in oil prices and its brutal consequences on the maritime fuel segment, the development pipeline has significantly expanded and accelerated.

As well as the projects that have already been announced on the Black Sea (Port of Constanta with private group GSP) and in Côte d'Ivoire (Abidjan; land allocated), the Company is actively working on two new site opportunities in Northern Europe, in the ARA region (Antwerp-Rotterdam-Amsterdam), and in the Mediterranean region.

ECOSLOPS has also initiated talks in Egypt, the Middle East and South Africa. The Company will strengthen its development teams in order to manage these projects at various stages of maturity, and is reaffirming its objective of signing three more projects by 2017.

ECOSLOPS' strategy is to have a presence on port sites that are relatively close (Europe, Africa, Middle East) in order to maximize the chances of rapid success. The American and Asian zones, where demand and potential are just as high, will be more actively targeted by the end of 2016.

As well as these ongoing projects, ECOSLOPS has also initiated lobbying actions such as the presentation of our solution to the IMO (International Maritime Organisation) in February 2016 or the Company's participation in global sectoral conferences attended by all of this segment's players (ship owners, ports, governments, bunker owners, collectors, etc.). This heightened visibility will provide future opportunities.

A flourishing business model

The Company's business model is based on the signing of concession agreements. This is a necessary condition for having a long-term presence on a site because of the duration of these agreements and allows us to make the necessary investments profitable. Our will is to work with local collectors and distributors of refined marine products in order to benefit from their support (network, physical means, authorizations, etc.) while providing them with a unique long-term solution to meet market needs and make their model viable. The industrial nature of our solution will generally lead us to have a majority shareholder role as an operator, except in certain cases where that country's laws forbid foreign companies from owning majority stakes.

It is with this objective in mind (to be the majority shareholder) that we are approaching the projects in Constanta, in the ARA and in the Mediterranean regions on which we are working in partnership with local companies. In Côte d'Ivoire, we have initiated the search for a minority partner since the Port of Abidjan identified 5 ha of local land on which a new plant can be built.

Strengthening of the financial structure

The slump in oil prices has had two major consequences for ECOSLOPS. It has:

- delayed the timeframe within which our first plant in Portugal will be financially self-sufficient; this is now slated for end-2016 when its monthly production capacity of 2,500 tons will become effective;
- substantially accelerated the development opportunities created by an unprecedented situation within the sector.

Following its Initial Public Offering, ECOSLOPS had a cash position of €6.8 million at June 30, 2015. The figure at the end of December 2015 was €1 million.

This is why the Company has opted for an ORNANE bond issue in the form of a €5.5 million private placement, to which shareholders of the Board of Directors have pledged to subscribe, which should enable it to accelerate its development (financing of the equity part of projects) while continuing to ramp up its first site.

Next press release: 2015 annual results, on April 5, 2016

Follow us on Twitter @Ecoslops.

About ECOSLOPS: ECOSLOPS has developed and implement a unique technology to upgrade maritime transport oil residues (slops and sludges) into marine fuels and light bitumen. The solution proposed by ECOSLOPS is based on a unique micro-refining industrial process that transforms these residues into commercial products that meet international standards. ECOSLOPS offers an economical and ecological solution to port infrastructure, waste collectors and ship owners through its processing plants. The first industrial unit is based in Sines, Portugal's largest commercial port.

ECOSLOPS is listed on Alternext in Paris (ISIN: FR0011490648; Ticker: ALESA) and is PEA PME eligible.

http://www.ecoslops.com

Contacts:

ECOSLOPS
Laurent Chatin
Chief Financial Officer
investisseur@ecoslops.com
+33 (0)1 84 16 80 37

NewCap
Investor relations
Marc Willaume
ecoslops@newcap.eu
+33 (0)1 44 71 00 13

ALESA LISTED ALTERNEXT

ELIGIBLE PEA PME