



FOR IMMEDIATE RELEASE

XG Sciences Secures Financing from the Dow Chemical Company

Lansing, Michigan – December 21, 2016 - XG Sciences, Inc. (“XGS” or the “Company”), a leading supplier of graphene nanoplatelets and value-added products containing graphene nanoplatelets, announced today that it has closed an agreement with The Dow Chemical Company (NYSE: DOW) for up to a \$10 million senior credit facility, which may be drawn down in tranches by XGS at its discretion through December, 2019. For the first 2 years, interest on funds drawn under this facility may be accrued and added to principal at the Company’s request. The credit facility is secured by the assets of the Company, and XGS has agreed to issue warrants for 20% of amounts drawn under the facility. Such warrants will have a strike price equal to the last price per share at which the Company issued equity capital prior to any advances under the credit facility, which is currently \$8.00 per share in the Company’s ongoing self-underwritten Initial Public Offering.

The Company received \$2 million under this facility at close and may draw another \$3 million at its discretion at any time prior to the first anniversary of the agreement. After the first anniversary of the closing, the Company may access the remaining \$5 million, provided it has raised at least \$10 million of additional equity capital. XG Sciences and Dow agreed to hold commercial discussions including the potential out-license of certain of Dow’s manufacturing IP related to graphene nanoplatelets to XGS.

Philip Rose, CEO of XG Sciences, stated, “We are pleased to work with Dow on this agreement. We believe this financing will allow us to continue building on our leadership position as a global supplier of graphene nanoplatelets. We have seven customers who are using our materials in their products and actively selling them to their customers or actively promoting them for future sales, and we expect that another 10-15 customers will begin to use our products commercially in 2017.”

About XG Sciences

Headquartered in Lansing, Michigan, XG Sciences Inc. is a leading supplier of graphene nanoplatelets and custom, graphene-based products to global corporations serving energy storage, aerospace, automotive, industrial and consumer markets. The company has sold products to more than 1,000 customers in 47 countries, and has licensed elements of its technology to leading supply chain and distribution partners. For evaluation materials and technical support please visit www.xgsciences.com or contact info@xgsciences.com.

Forward Looking Statements

Except for historical information, all of the statements, expectations and assumptions contained in the foregoing are forward-looking statements. These forward-looking statements involve a number of risks and uncertainties that could cause actual future results to differ materially from those anticipated in the forward-looking statements. Actual results could differ materially from such statements expressed or implied herein. Factors that might cause such a difference include, among others, the company's ability to continue gaining new customers, offer new products, and otherwise implement its business plan. As a result, this press release should be read in conjunction with the company's periodic filings with the SEC.

#

For further information, please contact:

Philip Rose
Chief Executive Officer
(517) 999-5453
p.rose@xgsciences.com

Robert Budlong
Manager, Sales and Marketing
(517) 999-5455
r.budlong@xgsciences.com