

20<sup>th</sup> November 2008

**OXFORD CATALYSTS GROUP PLC**  
**("Oxford Catalysts" or "the Company")**

**Completion of the acquisition of Velocys, Inc. ("Velocys") and  
admission of the enlarged share capital to trading on AIM**

Further to the Company's announcement on 3<sup>rd</sup> November 2008, the Board is pleased to confirm that it has today completed the acquisition of the entire issued and to be issued share capital of Velocys, the recognised world leader in the design and development of microchannel process technology for the production of synthetic fuels and commodity chemicals.

**Highlights**

- Acquisition of Velocys, Inc. from Battelle Memorial Institute for \$35.0 million.
  
- Velocys:
  - is the recognised world leader in the design and development of microchannel process technology for the production of synthetic fuels and commodity chemicals;
  - has had over \$160 million invested in its technology to date;
  - had revenue of \$15.8 million for the year ended 30 September 2007;
  - strategic partners include Dow Chemical, Toyo Engineering and MODEC; and
  - expects commercial demonstrations to begin in 2009.
  
- The Directors believe that:
  - there is a natural fit between the Oxford Catalysts and Velocys technologies;
  - there is strong demand for smaller scale applications of Fischer-Tropsch – a potentially significant new addressable market from captured flare gas, gas that is currently reinjected, stranded gas reserves and biomass that can be converted to liquid fuels; and
  - the acquisition will create a leader in smaller scale synthetic fuels technologies.
  
- Oxford Catalysts has raised approximately £10.3 million gross via a non pre-emptive institutional placing at £1.25 per share underwritten by KBC Peel Hunt Ltd and Piper Jaffray Ltd.

At the general meeting of the Company held on 19 November 2008, shareholders approved the completion of the acquisition and the placing, and this morning the enlarged share capital was admitted to trading on AIM. The total number of ordinary shares on admission was 59,649,281 with each share carrying the right to one vote. There are no shares held in treasury.

# PEROXIDENT Ltd

**Roy Lipski, Chief Executive Officer of Oxford Catalysts said:**

"This is a transformational event for both companies and marks the beginning of an exciting new phase in the development of both Oxford Catalysts and Velocys. The enlarged group has the core technology and critical mass required to become a leader in the fast emerging small scale synthetic fuels market – a potentially significant new industry that could unlock sufficient supplies to produce hundreds of billions of dollars' worth of transportation fuels each year. We would like to thank shareholders for their continued support and look forward to the future with confidence."

The admission document containing full details of Oxford Catalysts (as enlarged by the acquisition of Velocys) and admission of its ordinary shares to trading on AIM are available on the Company's website at [www.oxfordcatalysts.com/investors/financial-information.html](http://www.oxfordcatalysts.com/investors/financial-information.html). Further, the information required by AIM Rule 26 (company information disclosure) is available on the Company's website at [www.oxfordcatalysts.com/investors](http://www.oxfordcatalysts.com/investors).

Enquiries:

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***Peroxident Ltd advised Oxford Catalysts on its negotiations with Battelle Memorial Institute to acquire Velocys.***

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