

25th February 2011

OXFORD CATALYSTS GROUP PLC
(“Oxford Catalysts” or “the Company” or “the Group”)

£21 million Share Placing

Oxford Catalysts Group PLC is pleased to announce the successful conditional placing of shares to raise £21 million (before expenses).

Highlights

- Placing of 26,250,000 new Ordinary Shares, at a price of 80p per new Ordinary Share, to raise £21 million (before expenses). The new Ordinary Shares are expected to be admitted to trading on AIM on 18th March 2011.
- The Directors intend to use the net proceeds of the Placing to accelerate the Group's transition from a research and development organisation to a commercial product company, and in particular to:
 - hire additional staff to support its commercial operations;
 - extend the Group's supply chain capabilities, for both reactors and catalyst; and
 - upgrade the Group's technology infrastructure to better support its commercial activities and interactions.
- The new funds will also strengthen the Group's balance sheet, which the Directors believe will give it added credibility and strengthen its negotiating position with respect to prospective new partners.

Roy Lipski, CEO of Oxford Catalysts Group said:

“I am very pleased to announce this successful conditional placing. The additional funds will help us accelerate the commercialisation and sales of our technology products.

“We warmly welcome our new institutional and other shareholders and, at the same time, I would like to thank our existing shareholders for their continued support at what promises to be an exciting time for the Group.”

For further information, please contact:

Roy Lipski, CEO, Oxford Catalysts

020 7831 3113 /
+1 614 733 3300

Ken Fleming / Jon Fitzpatrick, Cenkos Securities plc
(Nomad and Broker)

0207 397 8900 /
0131 220 9772

Billy Clegg / Alex Beagley, Financial Dynamics

020 7831 3113

EXTRACTS FROM PLACING CIRCULAR

Introduction

The Board announced today that it has raised, subject to certain conditions, approximately £21 million (before expenses) by way of a placing of up to 26,250,000 new Ordinary Shares at a placing price of 80 pence per share.

The Placing is conditional (amongst other things) upon the passing of certain resolutions in order to ensure that the Directors have the necessary authorities and powers to allot the Placing Shares for cash on a non-pre-emptive basis. These authorities will enable the Directors to effect the Placing and give a degree of flexibility to allot further Ordinary Shares in circumstances which they deem appropriate, for example, to any potential commercial partners who might wish to take a stake in the Company in addition to any commercial arrangements entered into.

A General Meeting is being convened for the purpose of considering the Resolutions at 11:00 a.m. on 17 March 2011 at the offices of Mayer Brown International LLP, 201 Bishopsgate, London EC2M 3AF.

A [Circular](#) including a Notice of General Meeting will be posted to Shareholders shortly and, in accordance with the AIM Rules, copies will be available on the Company's website, www.oxfordcatalysts.com, free of charge. The purpose of the Circular is to provide Shareholders with details of, and the reasons for, the Placing, why the Directors believe it to be in the best interests of the Company and its Shareholders and why they recommend that Shareholders vote in favour of the Resolutions. The Directors intend to vote in favour of the Resolutions in respect of their legal and/or beneficial shareholdings amounting, in aggregate, to 2,972,306 Ordinary Shares representing approximately 4.66 per cent. of the Ordinary Shares in issue as at the date of this Circular.

Background to, and expected use of proceeds of, the Placing

Oxford Catalysts designs and develops technology for the smaller scale production of clean synthetic fuels from conventional fossil fuels and renewable sources such as biowaste. The Directors believe that the market conditions for the production of such fuels have improved considerably and the Group is enjoying a high level of interest in its technology.

The discovery and development of the vast shale gas reserves in North America, coupled with increasing demand for oil and sustained production constraints that have driven crude oil prices again towards \$100 per barrel, have created an increasingly attractive environment for synthetic fuels production through GTL. Long term expectations of continued lower gas prices and progressively higher oil prices mean that GTL provides a clearly quantifiable market arbitrage opportunity. The growing political, geological and environmental complexity of oil exploration and production has focussed attention on the monetisation of gas reserves and cessation of flaring. As the majority of stranded gas fields and flare gas streams are too small for conventional technology, the opportunity for the Group's technology has now come sharply into focus.

After more than 15 years of development, which began at two of the world's leading research organizations (the University of Oxford and the Battelle Memorial Institute) and US\$250 million of investment, primarily from industrial partners, the Directors believe, for the following reasons, that Oxford Catalysts is now on the cusp of commercialising its technology:

- the Group's Fischer-Tropsch ("FT") technology has been demonstrated in Güssing, Austria since the summer of 2010;
- its Steam Methane Reforming ("SMR") technology is due to be demonstrated in summer 2011 along with the Group's FT technology in an integrated GTL pilot plant at a Petrobras refinery in Fortaleza, Brazil; and
- in December 2010, the Group's partner SGC Energia, SGPS, S.A. placed the first order for one of the Group's commercial scale FT reactors and catalyst; this remains on track for delivery in March 2011.

With some 80 employees and the world's largest microchannel patent portfolio (with over 750 issued patents and filed patent applications being owned or licensed by the Group), the Directors believe that the Group has the critical mass and positioning to become a technology leader in the fast emerging market for small scale synthetic fuels production. The Directors intend that the net proceeds of the

Placing will be used by the Company to accelerate the Group's transition from a research and development company to a commercial product company and in particular, to:

- (a) enable the Group to hire new, key staff who will support the Group's commercial operations;
- (b) extend the Group's supply chain capabilities, for both reactors and catalyst; and
- (c) upgrade the Group's technology infrastructure in order to better support its commercial interactions with the aim of enhancing its standing with customers.

The new funds will also strengthen the Company's balance sheet and the Directors believe that this will give the Group added credibility and strengthen the Group's negotiating position with respect to prospective new partners.

Current trading and strategy

The Group's financial position reflects its continued progress towards commercialisation. As announced on 20 January 2011, revenues were moderately down in 2010 and cash outflow temporarily rose during 2010, reflecting the Group's transition from development funding to commercial income streams. Unaudited turnover for the year ended 31 December 2010 was approximately £7.6 million and unaudited Group cash*, stood at approximately £5.7 million as at 31 December 2010. The Board expects that commercial sales will have a material impact on income during the course of 2011.

During 2011, the Directors intend that the Group will concentrate on seeking to:

- successfully progress its existing partnerships;
- strengthen its commercial, manufacturing and supply chain capabilities;
- fulfill initial customer orders; and
- leverage the advancing status and market relevance of its technology to accelerate commercialisation and sales with new clients and partners.

** cash, cash equivalents, short term investments and other financial assets*

Details of the Placing

The Company proposes raising up to approximately £21 million, before expenses, by way of a conditional, non pre-emptive placing of up to 26,250,000 new Ordinary Shares at the Placing Price. The Placing Shares will be placed by Cenkos, as agent for the Company and pursuant to the Placing Agreement, with institutional and other professional investors. Andrew Jamieson and Jeremy Scudamore, Non-Executive Directors, are participating in the Placing to the amounts of 25,000 Placing Shares and 75,000 Placing Shares respectively all at the Placing Price. In addition to the Placing, the Company has been advised that Cenkos is placing 3,398,000 Ordinary Shares at the Placing Price on behalf of Dr Tiancun Xiao, one of the founders of the Company, in order to avoid the Placing leaving him at a tax disadvantage. This placing is also conditional, inter alia, on Admission.

The Placing Shares will (if all issued) represent approximately 29.14 per cent. of the Ordinary Share capital as enlarged by the Placing and will, when issued, rank *pari passu* in all respects with the other Ordinary Shares then in issue, including all rights to all dividends and other distributions declared, made or paid following Admission.

The Placing Agreement is conditional upon (amongst other things) the passing of the Resolutions at the General Meeting and Admission occurring on or before 18 March 2011 (or such later date as Cenkos and the Company may agree, not being later than 1 April 2011).

Application will be made for the Placing Shares to be admitted to trading on AIM, the Placing Agreement not having been terminated and it is expected that trading in the Placing Shares will commence at 8:00 a.m. on 18 March 2011.

Definitions

The following definitions apply throughout this announcement, unless the context requires otherwise.

"Admission" admission of the Placing Shares to AIM become effective in accordance with Rule 6 of

	the AIM Rules
“AIM”	the market of that name operated by London Stock Exchange plc
“AIM Rules”	the AIM Rules for Companies, which sets out the rules and responsibilities for companies listed on AIM, as amended from time to time
“Board” or “Directors”	the board of directors of the Company
“Cenkos”	Cenkos Securities plc, a public limited company, incorporated in England & Wales under registered number 5210733 with its registered office at 6.7.8 Tokenhouse Yard, London EC2R 7AS
“Company” or “Oxford Catalysts”	Oxford Catalysts Group PLC, a public limited company incorporated in England & Wales under registered number 5712187 with its registered office at 115E Milton Park, Oxford OX14 4RZ
“Circular”	the circular to Shareholders in relating to the Placing containing the Notice of General Meeting and issued by the Company on 25 February 2010. This is available from http://bdd30412c4435fb83871bb42c4abc74fdcc18bff.gripelements.com/downloads/placing_circular_25-feb-11.pdf
“General Meeting”	the general meeting of the Company to be held at 11:00 a.m. on 17 March 2011
“Group”	the Company, its subsidiaries and subsidiary undertakings
“GTL”	a refinery process to convert natural gas or other gaseous hydrocarbons into longer chain hydrocarbons such as petrol or diesel fuel
“Notice of General Meeting”	the notice of General Meeting
“Ordinary Shares”	ordinary shares of £0.01 each in the capital of the Company
“Placing”	the proposed conditional, non pre-emptive placing by Cenkos of Placing Shares
“Placing Agreement”	the conditional agreement dated 24 February 2011 relating to the Placing, between the Company and Cenkos
“Placing Price”	80 pence per Placing Share
“Placing Shares”	up to 26,250,000 new Ordinary Shares, to be issued pursuant to the Placing, each being a “Placing Share”
“Resolutions”	the resolutions to be proposed at the General Meeting
“Shareholders”	the holders of Ordinary Shares from time to time, each individually being a “Shareholder”