

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

It sets out the resolutions to be proposed at a General Meeting of Velocys plc to be held on 17 October 2014. If you are in any doubt about the contents of this document or the action you should take you should immediately consult an independent adviser authorised under the Financial Services and Markets Act 2000, as amended.

If you have sold or otherwise transferred all of your Ordinary Shares, please send this document, together with the accompanying Form of Proxy, as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. However, such documents should not be forwarded to, or transmitted in or into, any jurisdiction where to do so might violate the relevant laws and regulations in that jurisdiction. If you have sold or otherwise transferred only some of your Ordinary Shares, you should retain this document and the Form of Proxy and consult with the stockbroker, bank or other agent through whom the sale or transfer was effected.

This document should be read in conjunction with the accompanying Form of Proxy and the Notice of General Meeting set out at the end of this document. You are recommended to read the whole of this document but your attention is drawn to the letter from the Chairman of the Company to Shareholders which is set out in this document and which recommends you vote in favour of the Resolutions to be proposed at the General Meeting.

Subject to the Resolutions being passed at the General Meeting of the Company, application will be made to the London Stock Exchange for the Placing Shares to be admitted to trading on AIM. The Placing Shares are expected to be admitted to AIM and to commence trading at 8:00 a.m. on 20 October 2014.

VELOCYS PLC

(Incorporated and registered in England and Wales with registered no. 5712187)



Proposed Placing of up to 23,111,111 New Ordinary Shares of £0.01 each at a price of 225 pence per share

Notice of General Meeting

Numis Securities Limited, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively as nominated adviser and broker to the Company and no one else in connection with the Placing. The responsibilities of Numis Securities Limited as the Company's nominated adviser and broker, under the AIM Rules for Nominated Advisers, are owed solely to London Stock Exchange plc and are not owed to the Company or to any Director, shareholder or any other person, in respect of his decision to acquire shares in the Company in reliance on any part of this document, or otherwise. Numis Securities Limited is not making any representation or warranty, express or implied, as to the contents or completeness of this document. Numis Securities Limited has not authorised the contents of this document for any purpose and, without limiting the statutory rights of any person to whom this document is issued, will not be offering advice and will not be responsible for providing customer protections to any other person (whether or not recipients of this document) in respect of any acquisition of shares.

This document does not constitute or form part of any offer or invitation to purchase, subscribe for or sell any shares or other securities in the Company nor shall it or any part of it or the fact of its distribution form the basis of, or be relied on in connection with any contract therefor. The distribution of this document in jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this document and/or the accompanying Form of Proxy comes should inform themselves about and observe such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities laws of any such jurisdiction. The Placing Shares referred to in this document have not been and will not be registered under the US Securities Act of 1933, as amended or under the securities laws of any state.

The notice of a General Meeting to be held at 1:30 p.m. on 17 October 2014 at the offices of Mayer Brown International LLP, 201 Bishopsgate, London EC2M 3AF is set out at the end of this document. The accompanying Form of Proxy for use in connection with the General Meeting should be completed by Shareholders and returned as soon as possible but, in any event, so as to be received by the Company's registrars, Capita Asset Services, PXS1 34 Beckenham Road, Beckenham, Kent BR3 4ZF no later than 48 hours before the time appointed for the General Meeting or adjourned meeting or, in the case of a poll taken otherwise than at or on the same day as the General Meeting or adjourned meeting, not later than 48 hours before the time appointed for the taking of the poll at the meeting at which it is to be used. **Whether or not you intend to be present at the General Meeting you are required to complete and return the Form of Proxy as instructed above. Completion and return of a Form of Proxy will not preclude Shareholders from attending and voting at the General Meeting should they so wish.**

In accordance with the AIM Rules, this document will be available to Shareholders on the Company's website (www.velocys.com) from the date of this document, free of charge.

FORWARD-LOOKING STATEMENTS

This document includes "forward-looking statements" which includes all statements other than statements of historical fact, including, without limitation, those regarding Velocys' financial position, business strategy, plans and objectives of management for future operations, or any statements preceded by, followed by or that include the words "targets", "believes", "expects", "aims", "intends", "will", "may", "anticipates", "would", "could" or similar expressions or negatives thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond Velocys' control that could cause the actual results, performance or achievements of Velocys' to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding Velocys' present and future business strategies and the environment in which Velocys will operate in the future. These forward-looking statements speak only as at the date of this document. Velocys expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in Velocys' expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based unless required to do so by applicable law or the AIM Rules.

PLACING STATISTICS

PLACING PRICE	225 pence per share
NUMBER OF ORDINARY SHARES IN ISSUE AT THE DATE OF THIS DOCUMENT	117,881,227
NUMBER OF PLACING SHARES TO BE ISSUED	23,111,111*
NUMBER OF ORDINARY SHARES IN ISSUE FOLLOWING THE PLACING	140,992,338*
PLACING SHARES EXPRESSED AS A PERCENTAGE OF THE ENLARGED SHARE CAPITAL	16 per cent.*
GROSS PLACING PROCEEDS	approximately £52,000,000*

** Assuming no options are converted or exercised before Admission and assuming that all of the Placing Shares are issued and that no other Ordinary Shares are issued before Admission.*

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

CIRCULAR AND FORM OF PROXY POSTED	30 September 2014
LATEST TIME AND DATE FOR RECEIPT OF FORMS OF PROXY	1:30 p.m. on 15 October 2014
GENERAL MEETING	1:30 p.m. on 17 October 2014
ADMISSION AND DEALINGS IN THE PLACING SHARES EXPECTED TO COMMENCE	20 October 2014
CREST STOCK ACCOUNTS EXPECTED TO BE CREDITED FOR PLACING SHARES	20 October 2014
POSTING OF SHARE CERTIFICATES FOR PLACING SHARES (IF REQUIRED)	by 31 October 2014

If any of the details contained in the timetable above should change, the revised time and dates will be notified to Shareholders by means of a Regulatory Information Service (as defined in the AIM Rules). All events listed in the above timetable following the General Meeting are conditional on the passing of the Resolutions at the General Meeting and assume that the General Meeting is not adjourned.

In this document, all references to times and dates are to those observed in London, United Kingdom.

DEFINITIONS

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

“Act”	the UK Companies Act 2006, as amended
“Admission”	admission of the Placing Shares to trading on AIM becoming 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
“BPD”	Barrels per day
“Board” or “Directors”	the board of directors of the Company, whose names are listed on page 6 of this document
“Company”	Velocys plc, a public limited company incorporated in England & Wales under registered number 5712187 and having its registered office at 115e Olympic Avenue, Milton Park, Abingdon, Oxfordshire OX14 4SA
“CREST”	the relevant system (as defined in the Regulations) which enables title to units of relevant securities (as defined in the Regulations) to be evidenced and transferred without a written instrument and in respect of which Euroclear UK & Ireland Limited is the Operator (as defined in the Regulations)
“FT”	Velocys’ Fischer-Tropsch technology
“Form of Proxy”	the accompanying form of proxy for use by Shareholders in relation to the General Meeting
“General Meeting”	the general meeting of the Company to be held at 1:30 p.m. on 17 October 2014, notice of which is set out at the end of this document
“GTL”	a refinery process to convert natural gas or other gaseous hydrocarbons into longer chain hydrocarbons such diesel or jet fuel
“Notice of General Meeting”	the notice of General Meeting, set out at the end of this document
“Ordinary Shares”	ordinary shares of £0.01 each in the capital of the Company
“Numis”	Numis Securities Limited, a private limited company incorporated in England & Wales under registered number 2285918 and having its registered office at 10 Paternoster Square, London EC4M 7LT
“Pinto Energy”	Pinto Energy LLC, a limited liability corporation established in Delaware, USA. Velocys plc and its subsidiaries are not affiliated with Cockrell Interests, LLC, Pinto Energy Partners, L.P., Pinto Energy Venice, LP, or Pinto Energy Partners- SR, LLC.
“Placing”	the proposed conditional, non-pre-emptive placing by Numis of Placing Shares
“Placing Agreement”	the conditional agreement dated 29 September 2014 relating to the Placing, between the Company and Numis

“Placing Price”	225 pence per Placing Share
“Placing Shares”	up to 23,111,111 new Ordinary Shares, each being a “Placing Share”
“Regulations”	the UK Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), as amended
“Resolutions”	the resolutions to be proposed at the General Meeting as set out in the Notice of General Meeting
“Shareholders”	the holders of Ordinary Shares from time to time, each individually being a “Shareholder”
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“US” or “United States”	the United States of America, its territories and possessions, any state of the United States and the District of Columbia
“Velocys”	the Company, its subsidiaries and subsidiary undertakings
“£”	the lawful currency of the United Kingdom

LETTER FROM THE CHAIRMAN OF VELOCYS PLC



Velocys plc
115e Olympic Avenue
Milton Park
Abingdon
Oxfordshire
OX14 4SA

Directors:

Dr Pierre Jungels, CBE, *Chairman*
Roy Lipski, *Chief Executive Officer*
Susan Robertson, *Chief Financial Officer*
Dr Paul Schubert, *Chief Operating Officer*
Andrew Jamieson, OBE, *Non-executive Director*
Sandy Shaw, *Non-executive Director*
Dr Jan Verloop, *Non-executive Director*
Julian West, *Non-executive Director*

Company number: 5712187

30 September 2014

To Shareholders and, for information only, option holders

Dear Shareholders

**Proposed placing of up to 23,111,111 new Ordinary Shares of £0.01 each at
a price of 225 pence per share**

Notice of General Meeting

1. Introduction

The Board announced yesterday that it has proposed to raise, subject to certain conditions, approximately £52 million (before expenses) by way of a placing of up to 23,111,111 new Ordinary Shares at a placing price of 225 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. A General Meeting is therefore being convened for the purpose of considering the Resolutions at 1:30 p.m. on 17 October 2014 at the offices of Mayer Brown International LLP, 201 Bishopsgate, London, EC2M 3AF. The Notice of General Meeting is set out at the end of this document.

The purpose of this document is to provide you with details of, and the reasons for, the Placing and why the Directors believe it to be in the best interests of the Company and its Shareholders and, further, why they recommend that you 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 3,213,598 Ordinary Shares representing approximately 2.7 per cent. of the Ordinary Shares in issue as at the date of this document.

The Board has chosen to conduct the Placing to raise funds rather than a rights issue or other offer open to all Shareholders as the Placing can be executed on a more efficient timetable and with lower costs given the size of the Placing.

2. Background to the Placing

Velocys designs and develops technology for the smaller scale production of clean synthetic fuels from unconventional, remote and associated gas, as well as carbon containing solids such as biowaste. The Directors believe that market conditions for the production of such fuels are favourable and that Velocys is enjoying a high level of interest in its technology.

The shale gas boom occurring across the world, and especially in North America, is changing the energy landscape, creating many opportunities for smaller scale GTL projects. Long term expectations of continued low gas prices and relatively high oil prices mean that GTL provides a clearly quantifiable market arbitrage. In addition, there are numerous opportunities arising from associated or low value stranded gas. The growing political, geological and environmental complexity of oil exploration and production has focused 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 Company's technology is sharply in focus.

After more than 15 years of development, which began at two of the world's leading research organisations (the University of Oxford and the Battelle Memorial Institute), and over US\$300 million of investment, much of which came from industrial partners, the commercial role out of the Company's technology has now begun. During 2014, the Company announced:

- on 22 September 2014, that Red Rock Biofuels, a customer of Velocys, has been awarded a US\$70 million grant to construct a biomass-to-liquids plant incorporating Velocys' FT technology. Their plant in Oregon will convert some 170,000 tons per year of forestry and sawmill waste into approximately 1,100 barrels per day of ultra clean transportation fuels. The Directors believe that successful execution of Red Rock Biofuels' project in Oregon will result in revenues to Velocys in excess of \$15 million during construction, and an additional \$30 million or more over the life of the facility;
- on 29 July 2014, that final investment decision had been made to proceed with the construction of a commercial GTL Plant using the Company's technology located at Waste Management's East Oak landfill site in Oklahoma, US which is being funded by a joint venture between Waste Management, NRG Energy, Ventech Engineers and the Company as a minority holder. The project will provide a commercial reference site for the Velocys technology and will deploy a number of the Company's full scale FT reactors. See paragraph 3(a) on page 8 of this circular for further details;
- on 25 June 2014, the acquisition of Pinto Energy LLC, one of the leading project developers of smaller scale GTL in North America, which is developing a 2,800 barrels per day (bpd) plant in Ohio, USA, see paragraph 3(b) on page 8 of this circular for further details;
- on 16 April 2014, the achievement of specific milestones concerning the British Airways GreenSky London project (Europe's first commercial scale sustainable jet fuel facility being developed by Solena Fuels Corporation who in July 2012 selected Velocys to provide its FT technology to the project); and
- on 6 January 2014, the sale of a commercial FT reactor to a customer in the Commonwealth of Independent States. The 175 bpd reactor, with accompanying catalyst, will be installed in a small GTL plant processing natural gas into synthetic crude.

With more than 100 employees and the world's largest micro-channel patent portfolio (over 900 issued patents and filed patent applications owned or licensed exclusively by the Company), the Directors believe that Velocys has established itself as a leader in advanced smaller scale GTL technology and, with its group of first class partners, is well positioned to push forward with the commercialisation of its technology.

3. Recent Corporate Developments

(a) *Waste Management GTL plant and joint venture*

On 29 July 2014, the Company announced that final investment decision had been made to proceed with the construction of a commercial GTL plant located at Waste Management's East Oak landfill site in Oklahoma, US using the Company's technology which is being funded by a joint venture between Waste Management, NRG Energy, Ventech Engineers and the Company as a minority holder. The project will provide a commercial reference site for the Company's technology and will deploy a number of the Company's full scale FT reactors. The Company holds a minority interest in the joint venture and its investment is limited to around US\$5 million, which will be drawn down over the

course of construction. This amount excludes revenues due to Velocys for the supply of technology and services.

Purchase of major equipment for the GTL plant has begun. The Directors expect that construction and commissioning of the plant will be complete and that the plant will enter full commercial operation by the end of the second quarter of 2016. The joint venture has entered into the major contracts required for the project, including a technology license, supply and service agreements with Velocys (at market rates), an EPC contract with Ventech, a land lease with Waste Management, and gas purchase and product offtake agreements.

(b) ***Acquisition of Pinto Energy***

On 25 June 2014, the Company announced the acquisition of Pinto Energy LLC, one of the leading project developers of smaller scale GTL in North America, renamed Velocys Project Solution (“VPS”). The first project being developed by VPS is the Ashtabula GTL project, an approximately 2,800 bpd plant at an 80 acre industrial site that it owns near the Port of Ashtabula, Ohio, USA. Initial engineering for the facility is complete and the air permit has been issued. Final investment decision is expected in the first half of 2015. In addition to Ashtabula, VPS has a pipeline of smaller scale GTL projects it is seeking to develop throughout North America.

The Directors believe that the acquisition of Pinto Energy provides the Company with a key stepping stone for commercial growth, strengthening its route to market, accelerating early adoption of its technology and deepening the Company’s ties with suppliers, partners, investors and customers across the entire GTL value chain.

Velocys and the sellers of Pinto Energy (the “Sellers”) have now finalised the arrangements relating to the remaining 201,089 Ordinary Shares (“Holdback Shares”) that were due to be issued to the Sellers as part of an escrow arrangement. It has been agreed that a portion of the Holdback Shares (being a total of 159,445 Ordinary Shares) will not be issued to the Sellers in order to satisfy certain liabilities of the Sellers under the acquisition documentation. The remaining 41,644 Holdback Shares that were due to form part of the escrow arrangement will be withheld from issue for a certain period of time as security against any potential future claims against the Sellers under the acquisition documentation.

(c) ***Shiloh Industries***

On 11 March 2014, the Company announced that it had entered into a partnership agreement with Shiloh Industries (“Shiloh”) whereby the two companies agreed to preferentially work together to continually improve the Company’s FT reactor manufacturing, and, over time, to enhancing the effectiveness of the whole GTL plant, as well as exploring other opportunities in the oil and gas market. In addition, as part of the agreement, Shiloh has committed to investing in manufacturing resources for Velocys, and is making available to the partnership a dedicated team of engineers. Shiloh, headquartered in Valley City, Ohio, is one of North America’s leading suppliers of engineered metal products and light weighting solutions to the automotive industry. At the same time, Shiloh subscribed for 601,626 new ordinary shares of the Company at £2.00 per share raising approximately £1.2 million for the Company.

(d) ***CompactGTL Litigation***

As announced on 22 September 2014, the UK High Court has ruled in favour of Velocys in a case that the Company filed against CompactGTL Ltd. alleging infringement of two of its patents. The judgment upheld the validity of the two patents in suit (known as ’508 and ’509), and found CompactGTL to be infringing both patents, six patent claims in total.

A judgement hearing has been set for 2 October 2014 to deal with issues arising out of this decision, including relief from infringement, damages to Velocys, and reimbursement of Velocys’ legal costs.

4. Current Trading and Strategy

Current Trading

The Company's financial position reflects its anticipated stage of development as activities become focused on commercial rollout. Revenues for the first half of 2014 consisted of engineering study receipts and one reactor sale (unlike previous periods where there were some development or technical milestone payments). The timing of signing the supply agreement to the East Oak GTL plant, just after period end, meant that no licence revenues for this project could be recognised in the period. These will materialise in the second half of the year.

Total revenues for the half year to 30 June 2014 were £1.0 million (H1 2013: £1.7 million). Cash* at period end stood at £18.3 million (31 December 2013: £26.4 million), while cash outflow** was £9.3 million (H1 2013: £7.0 million). The Board confirms that the Company is trading in line with management's expectations for the current year.

* Cash is defined as cash, cash equivalents and short term investments

** Cash outflow is defined as cash movement excluding monies from fund raising and issuance of shares.

Strategy

In the next twenty four months, the Directors intend that the Company will concentrate on seeking to:

- successfully deliver on the East Oak GTL project;
- proceed to construction of the Ashtabula GTL plant;
- secure final investment decision for at least two more commercial plants;
- continue to reinforce the Company's profile as a leader in smaller scale GTL;
- grow its plant and project delivery teams;
- progress development of a pipeline of other GTL projects.

5. Use of Proceeds

The Directors intend that the net proceeds of the Placing will be used by the Company to help accelerate adoption of its technology following announcement of the Company's first commercial project.

Specifically, the Directors intend to utilise the net proceeds of the Placing to:

- (a) strengthen the Company's balance sheet to support sales (credibility and technology guarantees);
- (b) accelerate adoption of the Company's technology by helping develop projects to funding readiness; and
- (c) fund the general working capital requirements of the business.

6. Details of the Placing

The Company proposes raising approximately £52 million, before expenses, by way of a conditional, non-pre-emptive placing of up to 23,111,111 new Ordinary Shares at the Placing Price. The Placing Shares will be placed by Numis as agent for the Company and pursuant to the Placing Agreement, with institutional and other professional investors.

The Placing Price represents a slight premium to the closing mid-market price of the Ordinary Shares as at 26 September 2014 of 224 pence per Ordinary Share. The Placing Shares will represent approximately 16 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 20 October 2014 (or such later date as Numis and the Company may agree, not being later than 3 November 2014).

The Placing Agreement contains warranties from the Company in favour of Numis in relation to, (amongst other things), the Company and its business. In addition, the Company has agreed to indemnify Numis in relation to certain liabilities it may incur in undertaking the Placing. Numis has the right to terminate the Placing Agreement in certain circumstances prior to Admission, in particular, it may terminate in the event that there has been a material breach of any of the warranties or for *force majeure*.

Application will be made for the Placing Shares to be admitted to trading on AIM, subject to 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 20 October 2014.

7. Resolutions

The Company currently does not have sufficient authority to allot shares under the Act to effect the Placing. Accordingly the Resolutions, summarised below, are being proposed at the General Meeting to ensure that the Directors have sufficient authority to allot the Placing Shares on a non-pre-emptive basis.

- (a) Resolution 1 is an ordinary resolution to grant authority to the Directors under s551 of the Act to allot relevant securities, up to a maximum aggregate nominal amount of £231,111.11 pursuant to the Placing, such authority expiring at the earlier of the Company's next annual general meeting and 31 July 2015.

If Resolution 1 is passed, the Directors will have the authority, under the Act, to allot Ordinary Shares up to the maximum aggregate nominal amount of £231,111.11 (being the maximum required for the purposes of issuing the Placing Shares); and

- (b) Resolution 2 is a special resolution, conditional upon the passing of Resolution 1, to empower the Directors, pursuant to s570 of the Act, to allot Ordinary Shares up to a maximum aggregate nominal amount of £231,111.11 on a non-pre-emptive basis pursuant to the Placing, such authority expiring at the earlier of the Company's next annual general meeting and 31 July 2015.

If Resolution 2 is passed, the Directors will have the power, under the Act, to allot the Placing Shares without offering those shares to existing Shareholders.

These authorities are required to enable the Directors to effect the Placing and are in addition to the general authorities that were granted by Shareholders at the Company's annual general meeting on 10 June 2014, which gave the Directors authority to allot relevant securities up to a maximum aggregate nominal amount of £390,128.09 under s551 of the Act and to allot Ordinary Shares up to a maximum aggregate nominal amount of £117,038.43 on a non-pre-emptive basis under s570 of the Act (such authorities expire at the next annual general meeting of the Company or 31 July 2015, whichever is earlier).

Resolution 1 is an ordinary resolution and requires a majority of more than 50 per cent. of the Shareholders voting to be passed. Resolution 2 is a special resolution and requires the approval of more than 75 per cent. of the Shareholders voting to be passed.

The Notice of General Meeting is contained at the end of this document and sets out the Resolutions in full. The General Meeting is to be held at the offices of Mayer Brown International LLP, 201 Bishopsgate, London EC2M 3AF at 1:30 p.m. on 17 October 2014.

8. Action to be Taken

Enclosed with this document is a Form of Proxy for use at the General Meeting. Whether or not you intend to be present at the General Meeting, you are requested to complete, sign and return the Form of Proxy to the Company's registrars, Capita Asset Services, PXS1 34 Beckenham Road, Beckenham, Kent BR3 4ZF so as to be received as soon as possible and, in any event, not later than 1:30 p.m. on 15 October 2014. If you

complete and return the Form of Proxy, you may still attend and vote at the General Meeting should you wish to do so. Shareholders who hold their ordinary Shares through a nominee should instruct their nominees to submit a Form of Proxy on their behalf.

9. Recommendation

The Directors consider that the Placing and the Resolutions are in the best interests of the Company and its Shareholders as a whole and accordingly recommend that Shareholders vote in favour of the Resolutions, as they intend to do in respect of their own legal and/or beneficial shareholdings, amounting, in aggregate, to 3,213,598 Ordinary Shares (representing approximately 2.7 per cent. of the Ordinary Shares in the issue as at the date of this document).

Yours faithfully

Dr. Pierre Jungels, CBE

Chairman

NOTICE OF GENERAL MEETING

VELOCYS plc

(Incorporated and registered in England and Wales with registered number 5712187)

Notice is hereby given that a General Meeting of Velocys plc (the “Company”) will be held at the offices of Mayer Brown International LLP, 201 Bishopsgate, London EC2M 3AF at 1:30 p.m. on 17 October 2014 for the following purposes:

ORDINARY RESOLUTION

To consider, and if thought fit, pass Resolution 1 as an ordinary resolution:

1. THAT, the directors of the Company be generally and unconditionally authorised for the purposes of s551 Companies Act 2006 (the “Act”) to allot ordinary shares in the Company up to a maximum aggregate nominal amount of £231,111.11 pursuant to a placing of Ordinary Shares, as further described in the circular of the Company dated 30 September 2014, to such persons and at such times and upon such conditions as the directors may determine, that authority to expire at the earlier of the conclusion of the next annual general meeting of the Company after the passing of this resolution and 31 July 2015 save that the Company may before that expiry make an offer or agreement which would or might require shares to be allotted after that expiry and the directors may allot shares in pursuance of such an offer or agreement as if the authority conferred by this resolution had not expired.

This authority is in addition to the authority conferred on the directors pursuant to s551 of the Act at the Company’s annual general meeting held on 10 June 2014.

SPECIAL RESOLUTION

To consider, and if thought fit, pass Resolution 2 as a special resolution:

2. THAT, subject to the passing of Resolution 1 above, the directors of the Company be empowered pursuant to s570(1) of the Act to allot equity securities pursuant to the authority conferred by Resolution 1 above as if s561(1) of the Act did not apply to that allotment provided that this power shall be limited for cash up to the maximum aggregate nominal amount of £231,111.11 to persons applying for ordinary shares in connection with the placing of Ordinary Shares, as further described in the circular of the Company dated 30 September 2014, and shall expire at the earlier of the conclusion of the next annual general meeting of the Company to be held after the date of the passing of this resolution and 31 July 2015 save that the Company may before that expiry make an offer or agreement which would or might require equity securities to be allotted after that expiry and the directors may allot equity securities in pursuance of that offer or agreement as if the power conferred by this resolution had not expired.

This authority is in addition to the authority conferred on the directors pursuant to s570(1) of the Act at the Company’s annual general meeting held on 10 June 2014.

For the purposes of this resolution, the expression “**equity securities**” and references to “**allotment of equity securities**” respectively have the meanings given to them in s560 of the Act.

By Order of the Board

Susan Robertson
Company Secretary

30 September 2014

Registered Office:

115e Olympic Avenue
Milton Park
Abingdon
Oxfordshire OX14 4SA

NOTES:

- (a) Only those shareholders entered on the relevant register of members (the “**Register**”) for certificated or uncertificated shares of the Company (as the case may be) at 6:00 p.m. on 15 October 2014 (the “**Specified Time**”) will be entitled to attend or vote at the General Meeting in respect of the number of shares registered in their name at the time. Changes to entries on the Register after the Specified Time will be disregarded in determining the rights of any person to attend or vote at the meeting. Should the meeting be adjourned to a time not more than 48 hours after the Specified Time, that time will also apply for the purpose of determining the entitlement of members to attend and vote (and for the purpose of determining the number of votes they may cast) at the adjourned meeting. Should the meeting be adjourned for a longer period, then to be so entitled, members must be entered on the Register at the time which is 48 hours before the time fixed for the adjourned meeting or, if the Company gives notice of the adjourned meeting, at the time specified in the notice.
- (b) Any member may appoint a proxy to attend, speak and vote on his/her behalf. A member may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares of the member, but must attend the meeting in person. A proxy need not be a member. Forms of Proxy should be lodged with the Company’s Registrar or submitted not later than 48 hours before the time for which the meeting is convened. Completion of the appropriate Form of Proxy does not prevent a member from attending and voting in person if he/she is entitled to do so and so wishes.
- (c) As at 29 September 2014 (being the last working day prior to the publication of this notice), the Company’s issued share capital consisted of 117,881,227 Ordinary Shares, carrying one vote each. So, the total voting rights in the Company as at that date are 117,881,227.
- (e) Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
- (f) Any member attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no answer needs to be given if to do so would interfere unduly with the business of the meeting or involve the disclosure of confidential information or if the answer has already been given on a website in the form of an answer to a question or, finally, if it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.