29th September 2009

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

Interim Results for the Period Ended 30th June 2009

Oxford Catalysts Group PLC, the leading technology innovator for clean synthetic fuels, announces today its interim results for the six months ended 30th June 2009.

Highlights

- Successful scale up of Fischer-Tropsch (“FT”) catalyst production for first field trials
- Unique “eco-town” of Güssing, Austria, secured as demonstrated site for FT technology
- Current technical development phase for offshore GTL nearing completion
- Secured $5 million grant and $2.25 million low cost drawdown facility
- Attracted new clients and increased funding commitment from existing partner
- Increased revenues to £3.5 million (H1 2008: £0.2 million)
- Cash and short term investments at healthy £12.4 million (H1 2008: £13.1 million)
- Strong relationships and support from core partners: Toyo Engineering; MODEC and PTT
- Opportunities pipeline is stronger than at any time in past year

Pierre Jungels, CBE, Chairman of Oxford Catalysts, said:

“I am pleased with the Group’s progress during the first half of this year. 2008 was a transformational year for Oxford Catalysts, and we have maintained this momentum despite the current economic environment.

“The Group continues to focus on its top priorities of developing its technology and preparing for field trials. Thanks to ongoing strong support from our partners, we are confident of maintaining progress towards successful commercial demonstrations.

“Medium and long term prospects for the Group remain strong, and the pipeline of opportunities is looking healthier now than at any time in the past year. I look forward to updating shareholders on further positive developments in due course.”

For further information, please contact:

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Notes to Editors

Oxford Catalysts designs and develops technology for the production of clean synthetic fuels from both conventional fossil fuels and renewable sources such as biowaste. The Group is primarily focused on the emerging market for distributed smaller scale production of synthetic fuels via Fischer-Tropsch ("FT") − a market that has the potential of producing as much as 25 million barrels of fuel a day.

The FT reaction is used when converting natural gas, coal or bio-mass into clean high-performance liquid synthetic fuels, known as GTL, CTL and BTL respectively. The Group is the recognised world leader in the design and development of high-activity catalysts and associated novel chemical reactors for the small scale production of synthetic fuels. (The Group's reactor technology − known as microchannel process technology − is marketed under the brand name of Velocys).

Oxford Catalysts Group PLC is listed on London's AIM market (LSE: OCG). The Group has some 90 employees with facilities near Abingdon, Oxfordshire, UK and Columbus, Ohio, USA.

CHAIRMAN'S STATEMENT
Pierre Jungels, CBE

This is our maiden set of Interim Results for the enlarged Group following the acquisition of Velocys in November 2008, which saw us become one of the world leaders in the exciting market for small scale synthetic fuels.

The Group is pursuing a market-led, IP-based, licensing business model, with the aim of forging a small number of strategic partnerships in the Group's key target markets, whilst continuing to capitalise on its core competencies in catalyst and microchannel technology development.

With significant commercial partnerships already in place, the Group's focus for 2009 is on meeting development milestones and preparing for successful field demonstrations of the technology. I am pleased to report that despite the very challenging global economic environment, strong progress was made on both of these key fronts during the first half of 2009. The Board is confident that continuing to deliver on the technology's development and demonstration will create significant value for the Company's shareholders.

The Group enjoys close relationships with its key partners, including Toyo Engineering (a global Engineering, Procurement and Construction company), MODEC (the world's second largest owner / provider of Floating Production, Storage and Offloading vessels to the oil industry), and PTT (Thailand's national oil company). During the period, these relationships were strengthened through closer collaboration as we near commercial deployment.

Integration of Velocys has progressed well, creating a solid base of critical mass for the Group and a strong presence in both the UK and US. We have built an exciting business, and as one of the leading technology developers for small scale production of synthetic fuels, we're positioned to take advantage of the major changes that are occurring in the world's energy markets.

In the first half of 2009, the Group's finances fared well considering the dire global economic environment. Group revenues for the period were up at £3.5 million (H1 2008: £0.2 million). Losses for the period were £2.5 million (H1 2008: £1.1 million), excluding non-cash items and the impact of currency movements.

I am glad to report that management adapted well to the challenges posed by the global economy, ensuring progress of the business strategy and plans. For example, the Group was successful at securing a $5 million commercialisation grant and a $2.25 million low cost drawdown facility from the State of Ohio, as well as attracting new clients and increasing the funding commitment from one of its existing partners by some $1.9 million. The impact of these, and other successes, should be visible from the second half of the year onwards.

Oxford Catalysts remains positioned to capture significant market share and emerge as a leader in the technology market for next generation synthetic fuels.

Outlook
The first half of 2009 saw significant progress towards our strategic objective of advancing our technologies to commercial demonstration. In the second half of 2009, Oxford Catalysts will continue concentrating on its current partners and upcoming demonstrations, as well as seeking to take full advantage of the substantial grant opportunities available, particularly in the USA, whilst maintaining a tight control on costs.

Medium and long term prospects for the Group remain strong, and the opportunities pipeline is looking healthier now than at any time in the past year.

The Board looks forward to reporting further positive progress on the Group's key priorities.

CHIEF EXECUTIVE'S REPORT
Roy Lipski

I am pleased to report that in the first half of 2009, Oxford Catalysts made good progress delivering on its current top priorities: the development of its technology and preparation for field demonstrations.

Market Conditions
Legislation and targets around the world driving the adoption of next generation biofuels are continuing to crystallise, increasing the probability of significant and growing demand for synthetic fuels over the next ten to fifteen years, thereby underpinning the positive medium and long term prospects for the Group's core markets.

The increase in the price of oil, from its lows at the end of 2008, is expected to stimulate appetite for new research, development and demonstration projects in the alternative fuels markets, once the short term effects of the global economic downturn have eased. Furthermore, the Obama Administration is committing actively to provide substantial support for biofuels development and demonstration projects through grants, investment tax credits, production tax credits and loan guarantees. Whilst additionally, individual US state administrations are investing heavily in schemes that protect or create jobs, especially where these have a potential environmental benefit.

The Group's current key partners remain committed to existing funding obligations, and in some cases have increased these. Furthermore, prospects for revenue from new industrial partners have improved substantially since the first half of this year.

The Group sees significant opportunities to fund additional development and demonstration activities via US grants. Through its US subsidiary, the Group is actively monitoring and pursuing these: in addition to the $5 million grant awarded in May (see below), the Group has submitted seven grant proposals so far this year, amounting to a potential of over $20 million of funding, and expects to respond to further grant solicitations over the next six months.

Integration of Velocys
Positive progress has been made integrating the operations of Velocys since its acquisition in November 2008. The catalyst and process teams are working closely together, particularly in the area of synthetic fuels, whilst the business development efforts across the Group are now being fully co-ordinated. The Group's activities and performance are supervised by the Executive Management Committee comprising representatives from both the UK and US operations.

Commercialisation
Synthetic Fuels
The Group has two key technologies for the synthetic fuels market: a combined reactor / catalyst package for Fischer-Tropsch ("FT") and, separately, for steam methane reforming ("SMR"). The FT package is the Group's offering to the Biomass-to-Liquid ("BTL") and Waste-to-Liquid ("WTL") markets, whilst an integrated FT and SMR package will be offered to the Gas-to-Liquid ("GTL") market, including for flare gas monetisation. In addition, the Group can offer FT catalysts for conventional reactor systems.

During the period, our manufacturing partner successfully scaled up our process to produce the required quantity of catalyst for the Group's first field demonstration of its combined reactor / catalyst package for FT. The full demonstration unit is now in the final stages of construction and testing, and is expected to be complete for shipping within a month.

As a result of changes at the initial planned demonstration site, which would have resulted in the demonstration data being less relevant, an alternative and much better location was secured. The demonstration will run for some six months at Güssing, in Austria, starting in early 2010. Güssing is one of, if not the, prime locations globally for demonstrating bio-conversion technologies such as BTL; it is unique in having a commercial scale biomass gasifier operational since 2005 that supplies the energy needs of the local town of around 10,000 inhabitants. Following demonstration, the equipment will be relocated to the US Air Force's Wright Patterson base, where it will be evaluated for the production of synthetic jet fuel.

Good progress has also been made towards demonstration of the Group's combined FT and SMR technology for GTL, through its partners Toyo Engineering and MODEC. The current technical development phase is nearing completion. The next stage is for Toyo Engineering and MODEC to commit to the construction and operation of the demonstration plant, estimated at several tens of millions of dollars' cost to them. Further details of this demonstration, its location and timing will be released in due course.

In May, the Group was awarded a $5 million grant to assist in commercialising its microchannel technology for hydro-processing − an important step in the production of synthetic fuels that is used to maximise the yield of commercially desirable products such as diesel and jet fuel. Successful commercialisation of this technology will enable better economics for the production of clean fuels from renewable biomass and biowaste, as well as from smaller stranded natural gas reserves. The addition of hydro-processing alongside its technologies for FT and SMR will consolidate the Group's position as a leader in synthetic fuel technologies.

Recently, the Group amended the memorandum of understanding ("MOU") agreement with its current BTL partner which resulted in a commitment from the partner to some $1.9 million of additional funding to support the development and demonstration of the Group's integrated FT catalyst / reactor system. Also during the period, Oxford Catalysts signed an MOU with a US WTL project developer for the development, demonstration and supply of an FT catalyst for a conventional reactor system.

Other Markets

As announced in the Preliminary Results on 30 March 2009, whilst the Group has numerous opportunities by virtue of its platform technologies, following the acquisition of Velocys, the Group's main focus is on the synthetic fuels markets. In this context, I am pleased to provide an update on some of the other Group activities.

One of the Group's hydro-desulphurisation ("HDS") catalyst formulations has been pre-approved for a plant scale trial by a major US refiner, based on their own long term benchmarking of the catalyst against industry competitors. We are currently working with a leading catalyst manufacturer to scale up, cost-effectively, the production process for this catalyst, with the aim of providing a multi-tonne charge in 2010. Separately, tests are ongoing at three of the leading hydro-processing catalyst companies to evaluate our technology for licensing.

The Group's natural gas upgrading material is performing well in a slipstream reactor at one of PTT's on-shore gas treatment facilities. Further slipstream tests will be carried out at an off-shore facility and at a petrochemical unit. Assuming results from these long term field trials are timely and as expected, the Group will be in a position to start marketing the product more widely in 2010.

In May, Oxford Catalysts signed an MOU with California-based Potter Drilling, Inc. ("Potter Drilling"), a company funded by google.org (the philanthropic arm of Google), to explore incorporating the Group's Instant Steam into Potter Drilling's technology. It is believed that Instant Steam technology could significantly reduce the cost of drilling geothermal wells − one of the key barriers to realising this potentially vast source of renewable energy − by reducing reliance on conventional rotating drill bits which wear down quickly when drilling into hard crystalline rocks. Following successful laboratory trials of Instant Steam at Potter Drilling, it is now expected that field trials will begin in early 2010.

Progress commercialising Instant Steam for consumer applications has slowed; management anticipates that activity in this market may only pick up once conditions have improved in the general economy.

Novus Energy is continuing to fund catalyst development work with the Group, which has now been extended to include alcohols synthesis. Novus Energy is pursuing a staged approach to the market, initially installing and generating revenues from their anaerobic digestion technology, followed by integration of technology for the production of liquid fuels, once the paid-for developments at Oxford Catalysts are completed and ready for commercial application.

Finally, I am glad to report that after successfully demonstrating its emulsions technology, Velocys is negotiating the sale of a demonstration unit to a top 10 global cosmetics company.

Intellectual Property

The Group's IP portfolio and activities have been successfully transitioned to central management under the supervision and leadership of the Group's IP and Licensing Director. The current portfolio includes over 500 patent filings and more than 800 invention records. During the period, the Group filed 6 new patent applications, whilst 13 existing applications were granted in jurisdictions including the US, Canada, China and Australia.

Resources

Oxford Catalysts Group now has the critical mass and capabilities it requires to maintain its leading position in the emerging market for synthetic fuel technologies. It is not anticipated that significant further investment in resources will be needed in the immediate future.

Financial Review

Revenues during the period increased to £3,486,000 (H1 2008: £158,000). Losses for the period were £2,461,000 (H1 2008: £1,127,000), excluding the impact of currency movements (£235,000), depreciation and amortisation expenses (£410,000), and non-cash share-based payments (£332,000).

At period end, the Group had £12.4 million of cash and short term investments (H1 2008: £13.1 million), after a one-off investment of £861,000 in equipment for the forthcoming FT demonstration.

Post balance sheet date, the Group secured a low cost drawdown facility from the State of Ohio for $2.25 million. The facility can be called upon at any time over the next two years, is repayable over a period of ten years, and carries a fixed interest rate of 2% per annum on funds drawn. The Company intends to use the loan to help finance any capital investments that are needed to bring its technology to market, including for demonstrations and for refinement of low cost mass manufacturing techniques.

Cash outflow in the second half of 2009 is expected to ease, reflecting the one-off nature of much of this period's capital expenditure, the lumpiness of the Group's revenues, increased activity on existing projects and the commencement of grant funded work, as well as access to funds from the State of Ohio drawdown facility.

CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2009

	Note	**6 months ended 30 June 2009 (unaudited)**	6 months ended 30 June 2008 (unaudited)	Year ended 31 December 2008 (audited)
		£'000	£'000	£'000
Revenue	3	3,486	158	1,298
Cost of sales		(2,667)	(128)	(768)
Gross profit		819	30	530
Development costs		(1,370)	(557)	(1,607)
Other administrative expenses		(2,839)	(1,151)	(2,644)
Share-based payments (IFRS2)		(332)	(42)	(1,248)
Total administrative expenses		(4,541)	(1,750)	(5,499)
Operating loss		(3,722)	(1,720)	(4,969)
Interest on bank deposits and similar income		204	427	1,505
Finance costs		(235)	(6)	(12)
Loss on ordinary activities before tax		(3,753)	(1,299)	(3,476)
Tax		315	-	179
Loss for the period from continuing operations		(3,438)	(1,299)	(3,297)
Loss per share from continuing operations				
Basic and diluted (pence)	4	(5.73)	(3.20)	(7.72)

All amounts relate to continuing operations.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2009

	6 months ended 30 June 2009 (unaudited)	6 months ended 30 June 2008 (unaudited)	Year ended 31 December 2008 (audited)
	£'000	£'000	£'000
Loss for the period	(3,438)	(1,299)	(3,297)
Foreign currency translation differences	(2,953)	-	638
Total recognised expense for the period	(6,391)	(1,299)	(2,659)

CONSOLIDATED BALANCE SHEET

AS AT 30 JUNE 2009

	Note	**30 June 2009** (unaudited) £'000	30 June 2008 (unaudited) £'000	31 December 2008 (audited) £'000
Non-current assets				
Intangible assets		23,786	253	26,570
Property, plant and equipment		3,102	1,913	2,493
		26,888	2,166	29,063
Current assets				
Trade and other receivables		2,043	732	2,579
Current tax asset		315	-	172
Short term investments – cash held on deposit		4,000	6,650	8,645
Cash and cash equivalents		8,422	6,403	7,667
		14,780	13,785	19,063
Total assets		41,668	15,951	48,126
Current liabilities				
Trade and other payables		(2,504)	(493)	(2,521)
Current tax liabilities		-	(54)	-
Borrowings		(15)	-	(10)
		(2,519)	(547)	(2,531)
Non-current liabilities				
Trade and other payables		(915)	(128)	(1,319)
Borrowings		(30)	-	(22)
Total liabilities		(3,464)	(675)	(3,872)
Net assets		38,204	15,276	44,254
Equity				
Called up share capital	5	605	405	596
Share premium account	5	45,047	17,865	45,047
Merger reserves	5	369	369	369
Share-based payment reserve	5	4,096	-	3,764
Retained earnings (deficit)	5	(11,913)	(3,363)	(5,522)
Total equity		38,204	15,276	44,254

The financial statements were approved by the Board of Directors on 28 September 2009, and were signed on its behalf by:

Susan Robertson
Chief Financial Officer

CONSOLIDATED CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2009

	Note	**6 months ended 30 June 2009 (unaudited)** £'000	6 months ended 30 June 2008 (unaudited) £'000	Year ended 31 December 2008 (audited) £'000
Cash outflow from operating activities				
Cash consumed by operations	6	(3,190)	(1,601)	(5,526)
Tax credit received		172	46	53
Net cash used in operating activities		(3,018)	(1,555)	(5,473)
Cash flows from investing activities				
Acquisition of subsidiary (net of cash acquired)		(19)	-	(3,041)
Interest received		586	209	517
Purchases of patents and trademarks		(89)	(51)	(82)
Purchases of property, plant and equipment		(1,063)	(1,180)	(1,387)
Investments – cash taken off/(placed on) deposit		4,645	350	(1,645)
Net cash (used in)/from investing activities		4,060	(672)	(5,638)
Cash flows generated from financing activities				
Proceeds from issue of shares		9	-	9,774
Net cash from financing activities		9	-	9,774
Net (decrease)/increase in cash and cash equivalents		1,051	(2,227)	(1,337)
Cash and cash equivalents at the beginning of the period		7667	8,630	8,630
Exchange gains on cash balances		(296)	-	374
Cash and cash equivalents at the end of the period		8,422	6,403	7,667

NOTES TO THE ACCOUNTS

FOR THE SIX MONTHS ENDED 30 JUNE 2009

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The interim financial report is unaudited and has been prepared using accounting policies consistent with International Financial Reporting Standards ('IFRS') as adopted by the EU and in accordance with IAS 34 'Interim Financial Reporting'.

2. PUBLICATION OF NON-STATUTORY ACCOUNTS

The financial information for the six months ended 30 June 2009 and 30 June 2008 has not been audited and does not constitute full financial statements within the meaning of Section 240 of the Companies Act 1985.

The financial information relating to year ended 31 December 2008 does not constitute full financial statements within the meaning of Section 240 of the Companies Act 1985. This information is based on the Group's statutory accounts for that period. The statutory accounts were prepared in accordance with IFRS, received an unqualified audit report, did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying the report and did not contain statements under section 237(2) or (3) of the Companies Act 1985. These accounts and have been filed with the Registrar of Companies.

3. SEGMENTAL INFORMATION

Business Segments

At 30 June 2009 the Group is organised on a world-wide business into two main segments:

- Catalyst;
- Equipment.

The segment results for the six months ended 30 June 2009 are as follows:

	6 months ended 30 June 2009 (unaudited)			6 months ended 30 June 2008 (unaudited)	Year ended 31 December 2008 (audited)		
	Catalyst	Equipment	Group	Catalyst	Catalyst	Equipment	Group
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Sale of goods and service	316	3,170	3,486	153	470	683	1,153
Grant revenue	-	-	-	5	54	91	145
Revenue	316	3,170	3,486	158	524	774	1,298
Operating loss/segment result	(2,138)	(1,583)	(3,722)	(1,720)	(4,446)	(523)	(4,969)
Finance income			204	427			1,505
Finance costs			(235)	(6)			(12)
Loss before tax			(3,753)	(1,299)			(3,476)
Tax			315	-			179
Loss for the period			(3,438)	(1,299)			(3,297)

Prior to the acquisition of Velocys in November 2008, the Group only had one business segment, the catalyst business.

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	30 June 2009 (unaudited)			30 June 2008 (unaudited)	31 December 2008 (audited)		
	Catalyst	Equipment	Group	Catalyst	Catalyst	Equipment	Group
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Other segmental items							
Depreciation and amortisation	296	114	410	130	353	26	379
Capital expenditure	105	1,047	1,152	1,180	1,456	13	1,469
Goodwill	-	4,123	4,123	-	-	4,606	4,606
Other intangible assets	273	19,390	19,663	253	268	21,696	21,964
Other assets	14,326	3,556	17,882	15,698	18,092	3,464	21,556
Liabilities	(641)	(2,823)	(3,464)	(675)	(815)	(3,057)	(3,872)
Net assets	13,958	24,246	38,204	15,276	17,545	26,709	44,254

Capital expenditure comprises additions to property, plant and equipment, and intangible assets. Intangible assets comprise of in process technology, patents and licences and software. Other assets comprise primarily of property, plant and equipment, trade and other receivables and cash and cash equivalents. Liabilities comprise of operating liabilities.

Geographic Segments

The Group's two business segments operate in three main geographical areas. Revenue is allocated based on the country in which the customer is located.

	6 months ended 30 June 2009 (unaudited)			6 months ended 30 June 2008 (unaudited		
	Europe	USA	Asia	Europe	USA	Asia
	£'000	£'000	£'000	£'000	£'000	£'000
Sale of goods and services	444	385	2,657	4	149	-
Grant revenue	-	-	-	5	-	-
Revenue	444	385	2,657	9	149	-

4. EARNINGS PER SHARE

The calculation of earnings per share is based on the following losses and number of shares:

	6 months ended 30 June 2009 (unaudited)			6 months ended 30 June 2008 (unaudited)			Year ended 31 December 2008 (audited)		
	Loss	Number of shares	Pence per share	Loss	Number of shares	Pence per share	Loss	Number of shares	Pence per share
	£'000	'000		£'000	'000		£'000	'000	
Basic & fully diluted	(3,438)	59,999	(5.73)	(1,299)	40,567	(3.20)	(3,297)	42,710	(7.72)

5. RECONCILIATION OF MOVEMENT IN TOTAL EQUITY

	Called up share capital	Share premium account	Merger reserve	Share-based payments reserve	Retained earnings	**Total**
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 January 2009	596	45,047	369	3,764	(5,522)	44,254
Loss recognised for the period	-	-	-	-	(3,438)	(3,438)
Share issues	9	-	-	-	-	9
Employee share-based payments (IFRS2)	-	-	-	332	-	332
Exchange gains/ (losses)	-	-	-	-	(2,953)	(2,953)
At 30 June 2009	605	45,047	369	4,096	(11,913)	38,204

6. RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	6 months ended 30 June 2009 (unaudited)	6 months ended 30 June 2008 (unaudited)	Year ended 31 December 2008 (audited)
	£'000	£'000	£'000
Operating loss	(3,722)	(1,720)	(4,969)
Depreciation and amortisation	410	130	379
Changes in working capital			
- Trade and other receivables	(211)	(115)	(262)
- Trade and other payables	(83)	62	(1,709)
Foreign exchange differences	84	-	(213)
Share-based payments	332	42	1,248
Net cash consumed by operations	(3,190)	(1,601)	(5,526)