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Distributed production of biofuels: significant milestones reached

A biomass-to-liquids (BTL) demonstration plant jointly operated by the Oxford Catalysts Group and the Portuguese incorporated holding company, SGC Energia (SGCE), for the small scale distributed production of biofuels has achieved some significant commissioning milestones.

The demonstration facility, which is mechanically complete and undergoing start up at the biomass gasification facility in the pioneering eco-town, Güssing, Austria, includes a gas conditioning unit supplied by SGCE and a Fischer-Tropsch (FT) microchannel reactor skid developed by the US-based member of the Oxford Catalysts Group, Velocys, Inc. The plant, with full length process and coolant channels, will use gasified woodchips from the existing Güssing gasifier as a feedstock. SGCE is responsible for the overall project management and demonstration plants activities, as well as the full costs.

The gas conditioning unit which purifies the syngas coming out of the gasifier has now been fully installed and pre-commissioned – with the required checks, system adjustment, equipment and system activation necessary to prepare the facility for operation now complete.

The next stages will include tests to confirm the stability of the coupled operation of the gas conditioning unit and the FT microchannel reactor. During the final phase, which is expected to begin in the summer, the performance of the integrated gas conditioning unit and FT microchannel reactor will be evaluated under a wide range of operating conditions. This will be followed by an extended steady-state run of at least three months.

Following a successful demonstration at Güssing, SGCE is expected to place its first commercial order with the Oxford Catalysts Group.

Roy Lipski, CEO of the Oxford Catalysts Group said:

"This is an exciting time for the Oxford Catalysts Group as we approach validation of our technology in the field, paving the way for commercial roll out with our partner SGCE."

Vianney Vales, CEO, SGCE said:

"SGCE is pleased with the progress made together at Güssing. We've got every confidence in the Oxford Catalysts Group's technology. Our primary objective for the demonstration is to define process conditions for our first commercial plant. Upon completion of the technical milestones, we intend to place a commercial order with the Group, hopefully around the end of the year.

About Velocys, Inc.

Velocys, Inc. is based in Columbus, Ohio, US and specializes in the design and development of microchannel process technology for the production of synthetic fuels. The company was spun out of Battelle Memorial Institute, Inc., a major not-for-profit science and technology organization, in 2001. It owns, or has licenses to, the largest microchannel patent portfolio in the world, with over 550 patent filings, and supports a large microchannel development team. Velocys, Inc. was acquired by

Oxford Catalysts in 2008. www.velocys.com

About the Oxford Catalysts Group

Oxford Catalysts Group PLC is a listed public company (LSE: OCG) comprised of two operating subsidiaries – Oxford Catalysts Ltd and Velocys, Inc. The Group has over 90 employees and operates from facilities near Abingdon, Oxfordshire, UK and Columbus, Ohio, US. The company was founded in October 2004 and was admitted to trading on the AIM market of the London Stock Exchange on 26th April 2006, having raised £15m before expenses from a solid base of institutional investors. www.oxfordcatalysts.com

About SGCE

SGC Energia, SGPS, S.A. (“SGCE”) is a Portuguese incorporated holding company that acts as the investment arm of João Pereira Coutinho, a well known Portuguese entrepreneur, in the renewable energy sector. Mr. Coutinho, through his holdings, is involved in the production of conventional biofuels and the development of next generation bio and synthetic fuel technologies, as well as the supply of complex integrated solutions for the production of alternative energy. Mr. Coutinho’s activities in the sector include the operation of a 125,000 ton/year biodiesel production facility, the establishing of over 30,000 ha of biomass energy crops in Africa, and, with partners, the development and demonstration of gasification, syngas cleanup, and syngas-to-liquids technologies. His staff participate in the engineering and operation of facilities, as well as the business aspects of projects. SGCE is owned by João Pereira Coutinho and his SGC Group. SGC Group is active in 13 countries and has an annual turnover of over €1 billion. www.sgc.pt