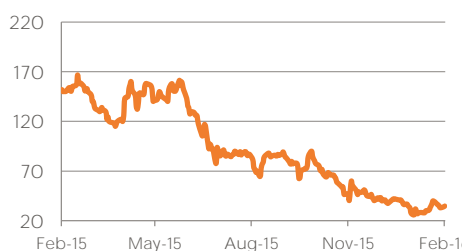


Share Price Summary

Price	34.8p
Consensus Target Price	114.0p
Upside/(Downside)	228%
12 Month High/Low	169/25
No. of Shares	141.9m
Market Value	£49.3m
Net Debt/(Cash)	-£58.5m
Enterprise Value	£104.3m

	-1m	-3m	-12m
Absolute	26.4%	-24.5%	-77.1%
Rel Allshare	25.2%	-20.7%	-73.2%
Rel Sector	31.8%	-12.0%	-73.7%

Share Price Chart



Valuations

	2014	2015E	2016E
P/E	--	--	--
EV/Revenue	62.1	--	5.9
EV/Adj. EBITDA	-4.8	--	-1.6
Div. Yield	0.0%	--	--
P/CFPS	--	--	--

Directors

CEO	D. Pummell
CFO	S. Robertson
COO	Dr. P. Schubert
Chairman	Dr. P. Jungles, CBE
Index	FTSE AIM All Share
Address	FTSE AIM Oil & Gas 115e Olympic Avenue, Milton Park, Abingdon, OX14 4SA

The industry leader in smaller gas-to-liquids conversion

Velocys is the company at the forefront of smaller scale gas-to-liquids (GTL) technology, a chemical process converting natural gas or biomass into higher value products including: diesel, jet fuel, waxes and base oils. Smaller scale GTL adds value to shale gas and makes **stranded or flared gas economic - an untapped market of 25 million barrels per day (bpd)**. Compared with conventional alternatives, these modular plants are easier to ship and faster to install, at lower risk, even in the most remote locations.

In the last 15 years, the company, formerly known as Oxford Catalysts, has invested over \$300m in product development and has developed a significant intellectual property portfolio creating a high barrier to entry. Commercialisation is now underway with its reference plant, being developed by ENVIA Energy in Oklahoma City in the US, due for completion mid-year 2016. This project will use landfill gas as feedstock and the plant will **deploy a number of Velocys' full-scale Fischer-Tropsch reactors**. Elsewhere, two other commercial projects have been announced in the US: Ashtabula GTL, a 4,800 bpd plant in Ohio using low-cost natural gas from the Marcellus shale region; and a 1,100 bpd biomass-to-liquids plant being developed in Oregon by Red Rocks Biofuels that will supply Southwest Airlines and FedEx with jet fuel. Velocys had cash resources of £38m at 2015 year end.

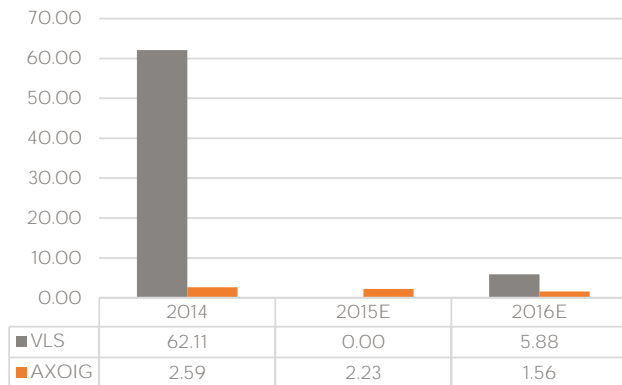
Consensus Financial Data

Year End:	2012	2013	2014	2015E	2016E	3 Year CAGR (%)
December						
Revenue (£m)	7.6	4.8	1.7	2.4	5.1	72.1%
Gross Profit (£m)	2.9	1.5	1.2	0.9	3.0	59.0%
Adj. EBITDA (£m)	(9.8)	(17.3)	(22.3)	(20.0)	(18.4)	-9.1%
Adj. EBIT (£m)	(10.9)	(18.1)	(23.2)	(22.6)	(20.1)	-7.1%
Adj. PBT (£m)	(10.8)	(18.0)	(23.3)	(21.5)	(21.7)	
Adj. PAT (£m)	--	--	(22.1)	--	--	
Free Cash Flow (£m)	(8.4)	(12.0)	(17.0)	--	--	
Net Assets (£m)	33.7	48.7	84.6	--	--	
Capital Employed (£m)	9.9	25.2	55.8	--	--	
Net Debt/ (Cash) (£m)	(8.2)	(25.1)	(58.5)	(38)*	19.1	
Wt. Avg. Shares (m)	90.7	115.9	122.1	--	--	
Actual EPS (p)	--	(14.6)	(17.2)	--	--	
Adj. EPS (p)	(11.5)	(14.6)	(19.4)	(13.9)	(11.3)	
Dividend (p)	--	--	--	--	--	
NAV (p)	37.2	42.0	69.3	--	--	
CFPS (p)	(9.3)	(10.3)	(13.9)	--	--	

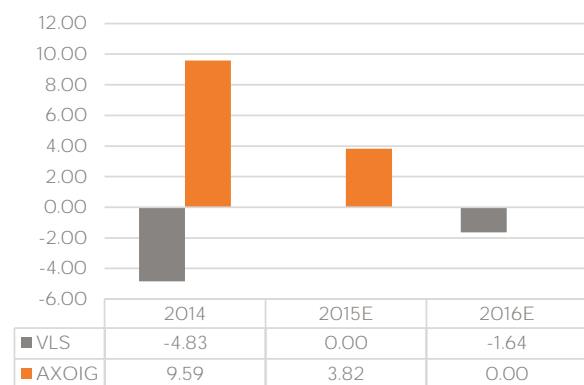
Margins and Returns

	2012	2013	2014	2015E	2016E
Gross Margin (%)	37.5%	30.6%	69.1%	63.0%	60.0%
EBITDA Margin (%)	--	--	--	--	--
Conversion Ratio (%)	-341%	-1188%	-1860%	-2190%	-607%
Return On Equity (%)	--	--	--	--	--
ROCE (%)	--	--	--	--	--
Net Debt/EBITDA	0.8x	1.5x	2.6x	--	--

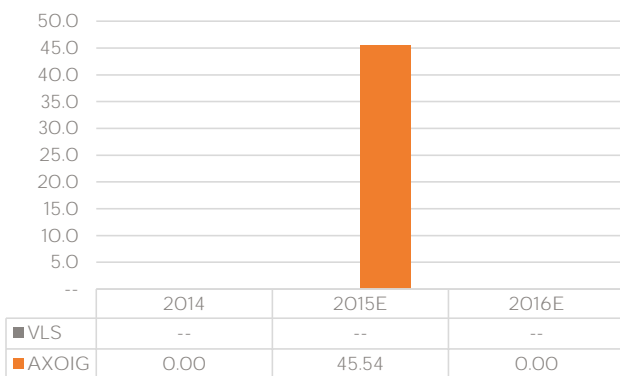
EV/SALES



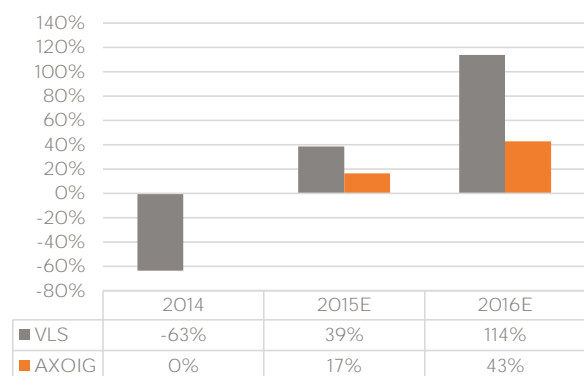
EV/ADJ.EBITDA



ADJ. P/E



REVENUE GROWTH



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