



Commercial Solutions from Nanotechnology

www.oxonica.com

2005 Preliminary Results

28 March 2006

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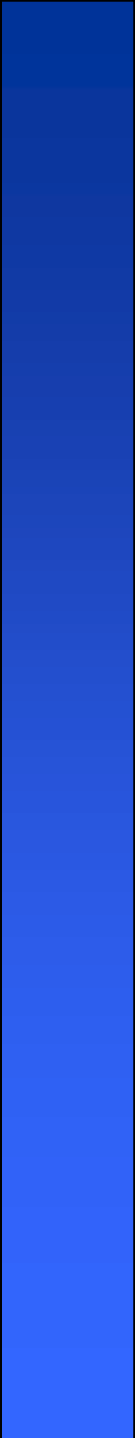
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- Christopher Moore – Executive Chairman
- Dr Kevin Matthews – Chief Executive Officer
- Richard Clarke – Chief Financial Officer

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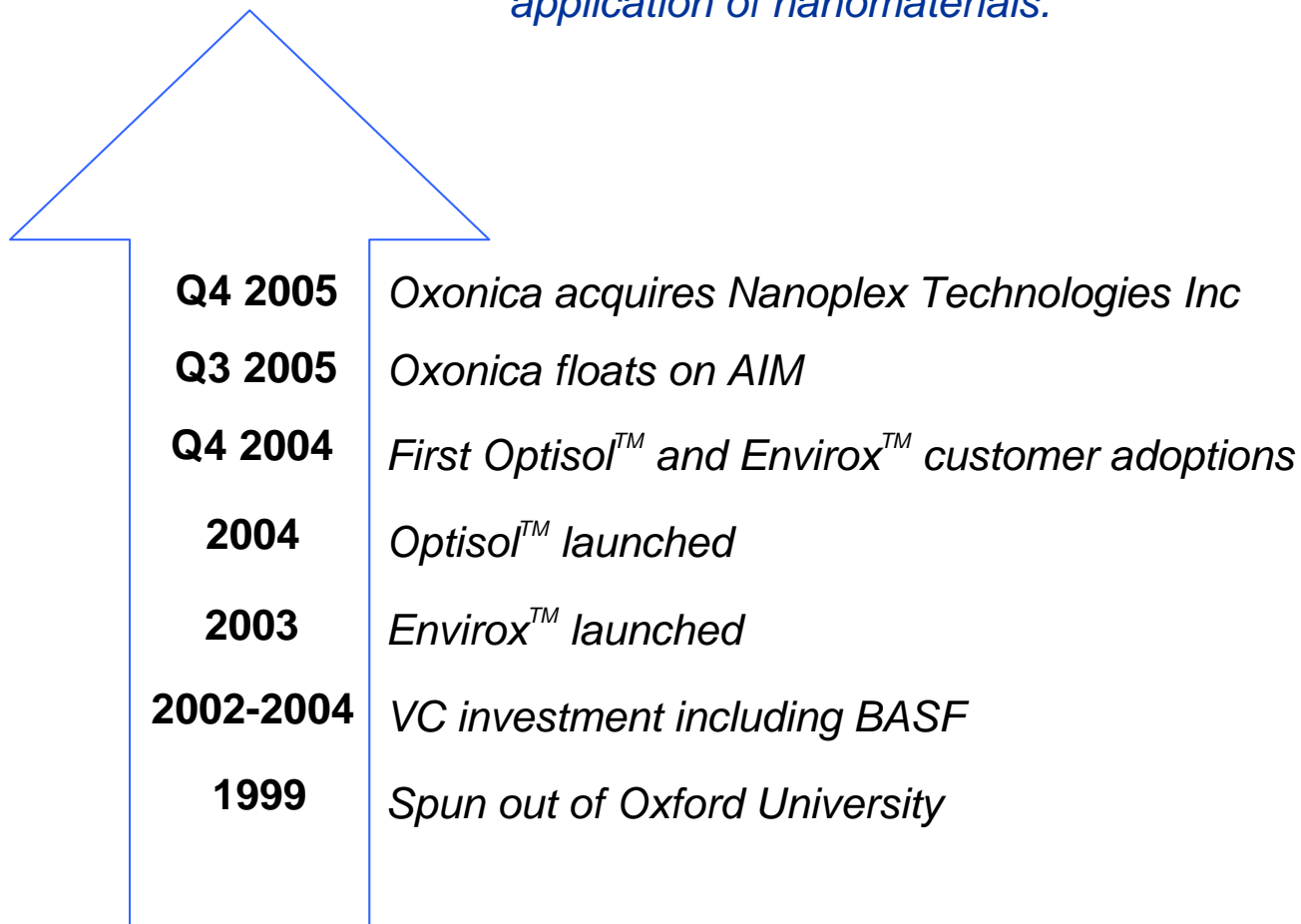
“To build a leading, international group by developing innovative commercial solutions for global markets using Oxonica’s expertise in the design and application of nanomaterials.”

2005 Highlights

- Turnover up from £391,000 (2004) to £1.25m in 2005
- Group establishing itself as international, multi-sector nanomaterials business
- Initial commercialisation of two products:
 - Envirox™ – saving fuel for diesel users
 - Optisol™ – enhanced sun protection for general cosmetics
- Acquired Nanoplex Technologies - a leading US nanomaterials company
- Admission to AIM in July 2005

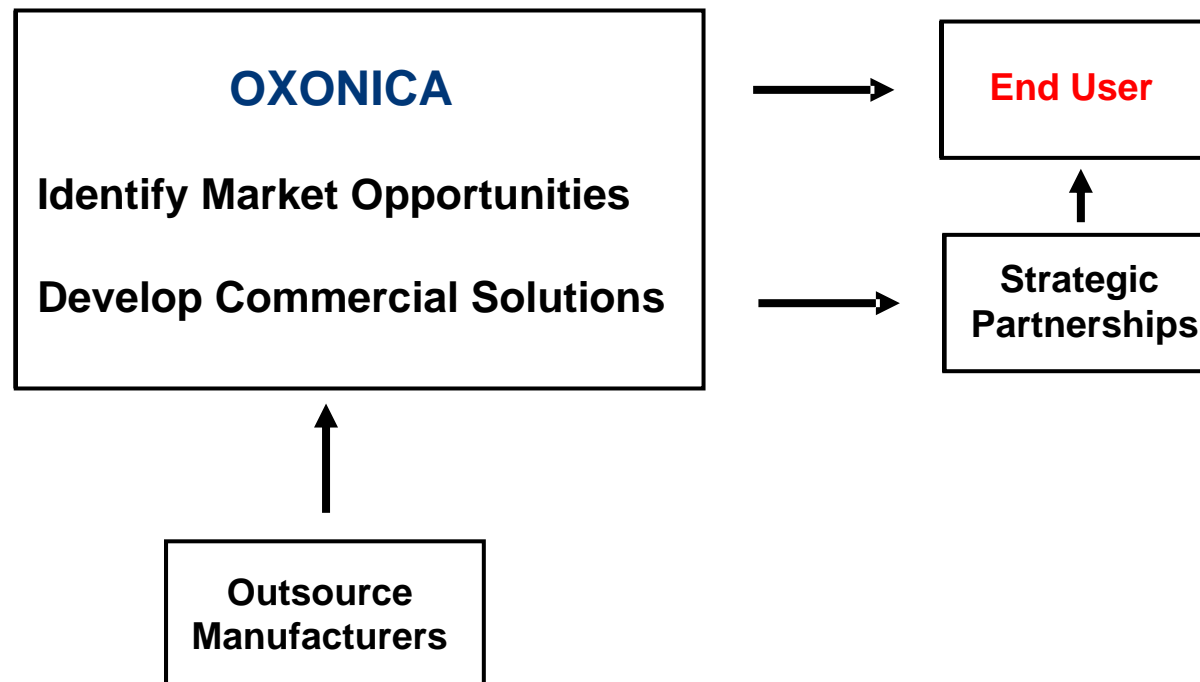
Oxonica Overview

“To build a leading, international group by developing innovative commercial solutions for global markets using Oxonica’s expertise in the design and application of nanomaterials.”



Oxonica's Business Model

- Develop patented product applications: 48 patent families, 198 national applications
- Outsource manufacturing arrangements in place
- Access major markets directly and through strategic partnerships with global brands



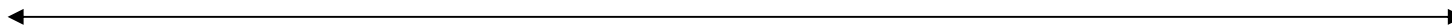
Multi-Sector Business Concept

Balanced Portfolio Risk Management

Lower Risk
Shorter time to market
Lower Rewards

Higher Risk
Longer time to market
Higher Rewards

Optisol™ *UVMat* *Security* *Envirox™* *Senser™ (Bio)*

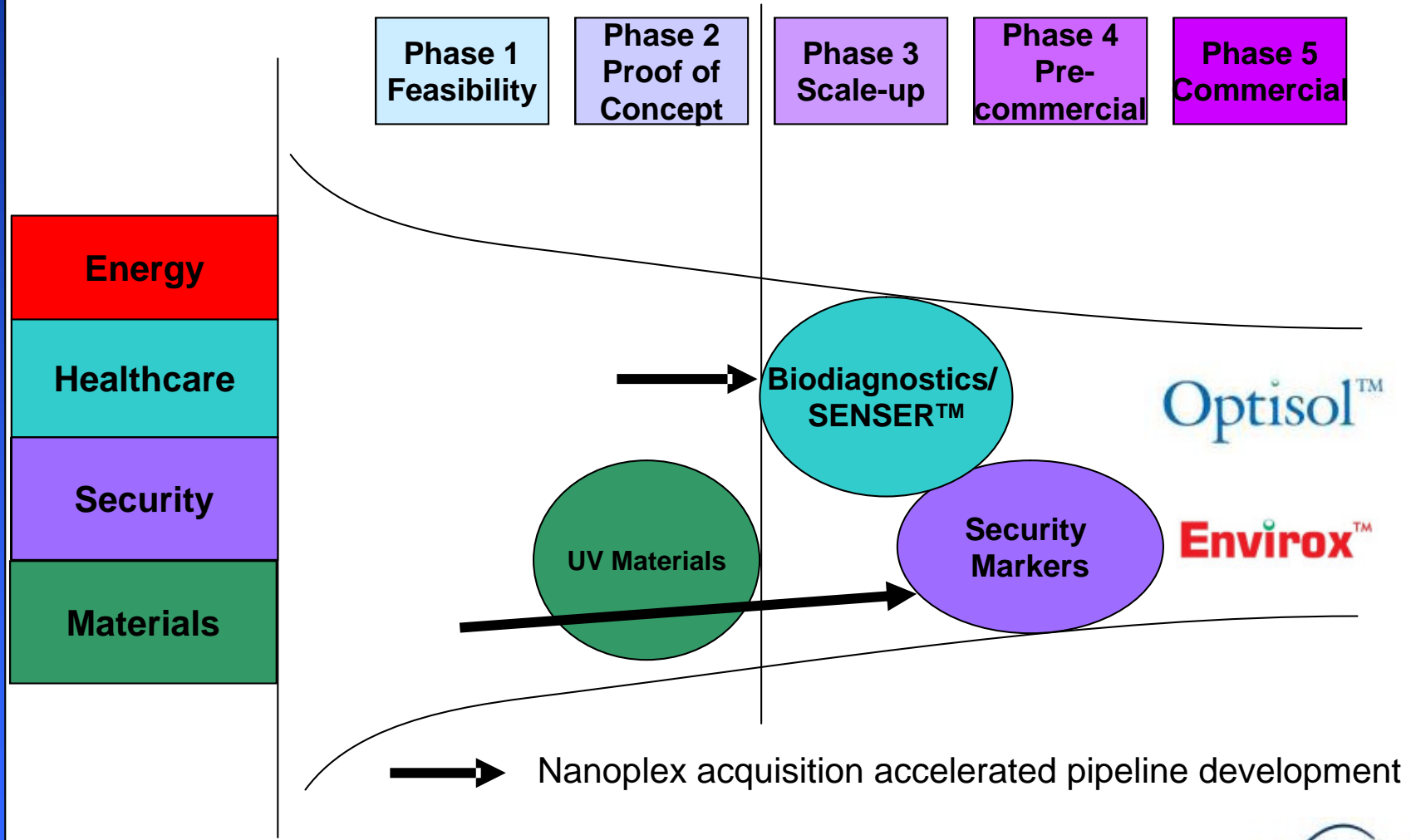


**Product
Substitution /
Enhancement**

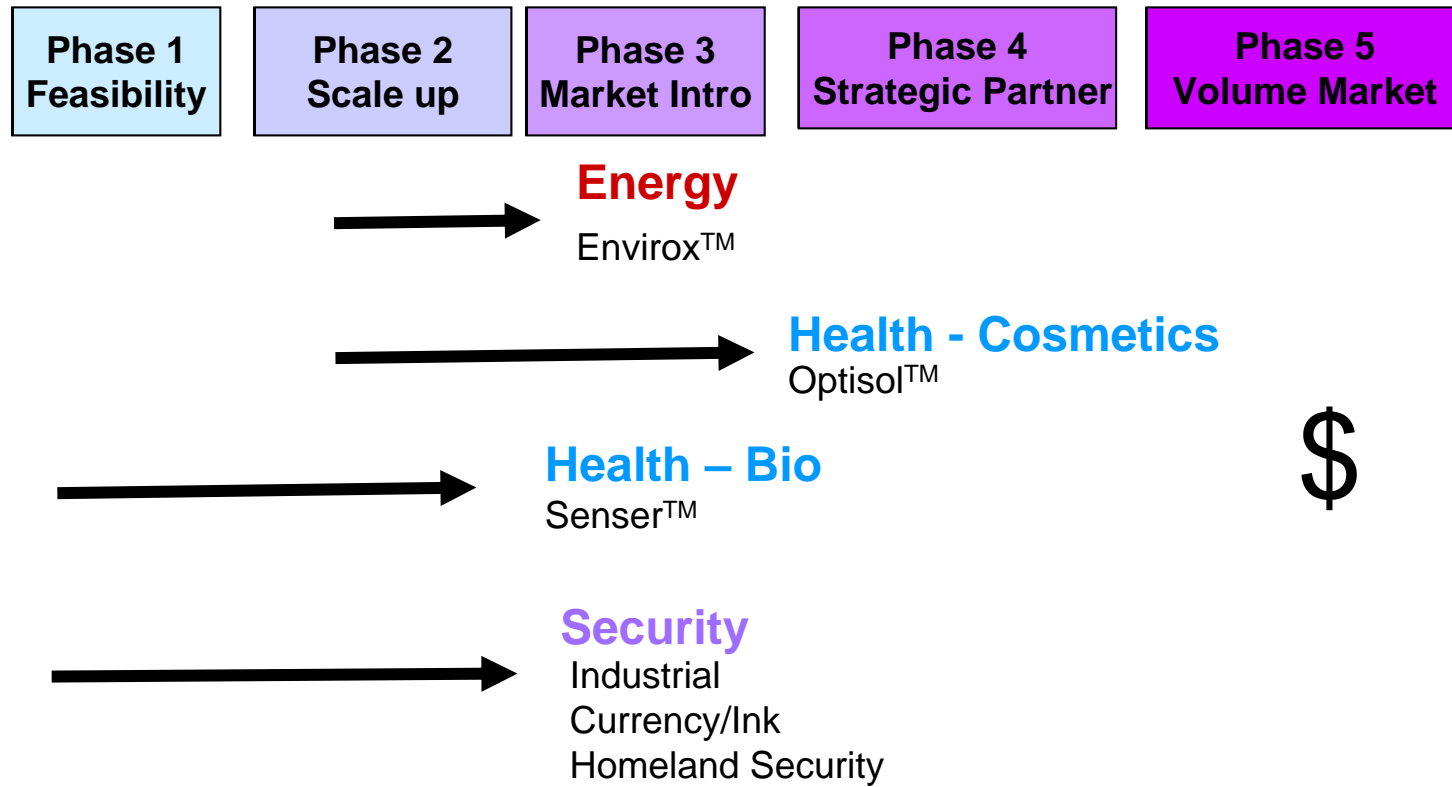
**In-house
Applications
& Product
Development**

**Product Invention
/ Supply Chain
Re-engineering**

Pipeline Development since admission



Commercial Development in 2005



UV Materials

Profit & Loss Account

Year to 31 December:	2005 £'000	2004 £'000
Turnover	1,247	391
Cost of sales	(586)	(109)
Gross profit/(loss)	661	282
Development, sales and admin	(5,300)	(3,664)
Other income	241	175
Earnings before interest & tax (EBIT)	(4,398)	(3,207)
Net interest	71	(85)
Taxation	(93)	131
Loss for the financial year	(4,420)	(3,161)
EBITDA	(4,129)	(2,991)

Balance Sheet

As at 31 December:	2005 £'000	2004 £'000
Intangible fixed assets	173	198
Tangible fixed assets	734	568
Total fixed assets	907	766
Stocks	412	159
Debtors	901	502
Cash at bank	5,066	600
Creditors	(1,119)	(1,320)
Net current assets/(liabilities)	5,260	(59)
Long term liabilities	(168)	(2,481)
Total net assets/(liabilities)	5,999	(1,774)
Share capital	368	1
Share premium/merger reserve	19,452	7,626
Profit & loss account	(13,821)	(9,401)

- Balance Sheet strengthened by £2.6m rights issue in January 2005 & £7.1m private placing & £2.0m shareholder loan conversion in July 2005

Cashflow

Year to 31 December:	2005 £'000	2004 £'000
Earnings before interest & tax	(4,398)	(3,207)
Depreciation & amortisation	269	216
Working capital increase	(666)	(354)
Cashflow from operating activities	(4,795)	(3,345)
Tax recovered	-	109
Capital expenditure	(410)	(470)
Net interest	75	(85)
Loans (decrease)/increase	(2,595)	432
Share issues	12,191	3,926
Cash increase	4,466	567

Envirox™: Marketing

*Est. market: \$2.8bn**

- **The key deliverable is product credibility**
- **Focused on delivering limited number of blue chip lead customers**
 - H1 2005 successful roll-out to Stagecoach UK & New Zealand (Infratil)
 - March 2005 launched Premium Diesel into Philippines retail market
 - Customer approval trials – UK, Philippines, Singapore, Australia, India
 - Financing proceeds being used to strengthen Asian operations
 - Rozon appointed exclusive UK reseller in Feb 2006
 - Discussions ongoing with multi-national oil companies
 - EPA submission made April 2005, progressing to plan
- **Target markets***

Bus & Coach \$178m	India \$320m
Mining \$35m	SE Asia (China) \$83m
- **Remaining markets pending major strategic partnerships**

* Top & Jefferies market survey 2003, International Energy Agency 2000, Oxonica estimates

Oxonica Healthcare

IDENTIFIED PROBLEM:

- Skin cancer on the increase
- Skin ageing
- Both linked to UVA



OXONICA'S SOLUTION:

OPTISOL™

Provides enhanced and longer-lasting protection against UVA

Reduces free radicals generated by UV – anti-ageing

Stabilises other sensitive components in cosmetic formulations

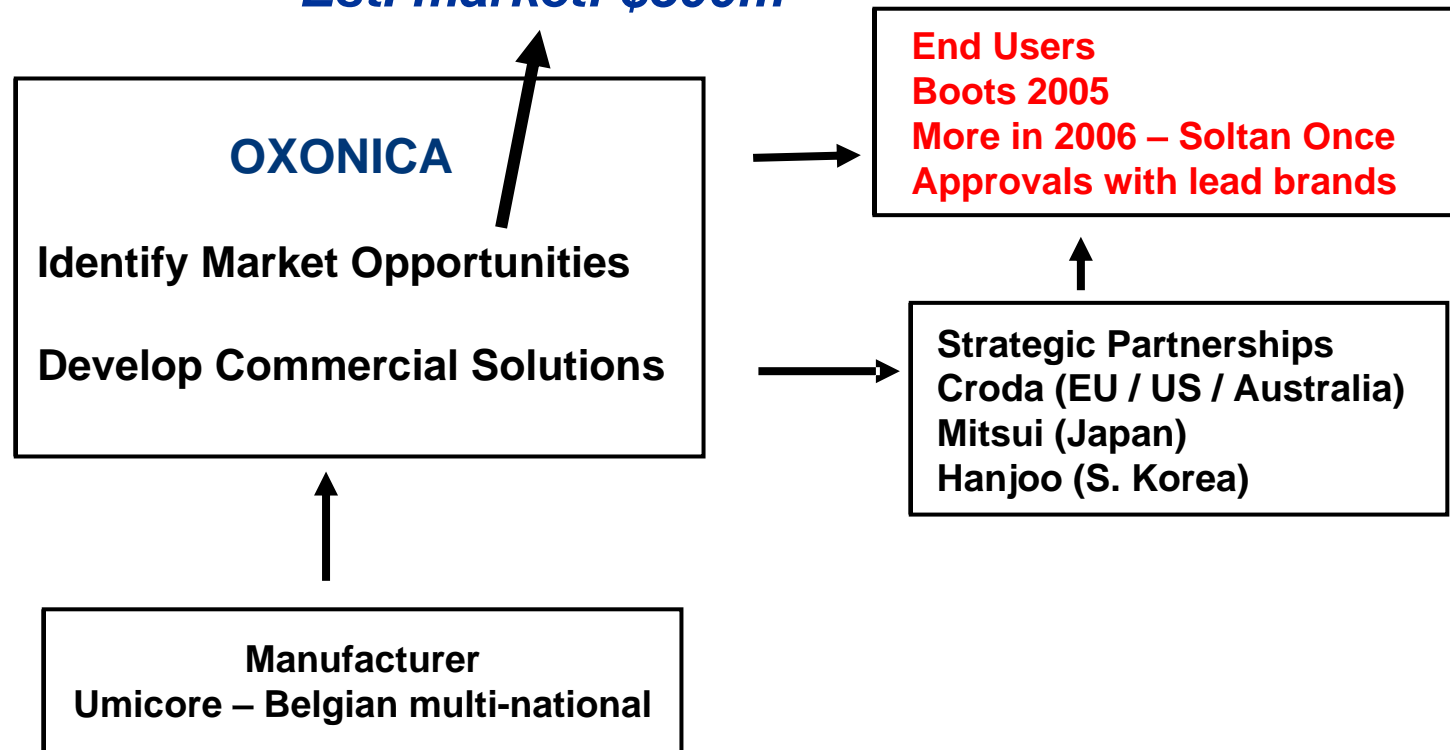


Oxonica's Business Model - Optisol™

“By including Optisol™ in the new Soltan range, Boots products are once again at the forefront of UVA protection technology.”

Mike Brown, Boots Suncare Scientific Adviser

Est. market: \$300m*



*Chemical Market Reporter, April 2005

Healthcare Market Dynamics

United States / Europe

- Ageing population
- Need to control healthcare costs
- Recognition that diagnostics have potential to reduce overall healthcare costs and improve medical outcomes
- Infectious disease, diabetes, cardiac disease and cancer are increasing
- Focus on near-patient testing to facilitate cost control

Asia / Rest of World

- Lack of established reference / central hospital clinical diagnostics labs
- Focus on infectious disease
- Need to establish rapid, high-quality testing at the point of care



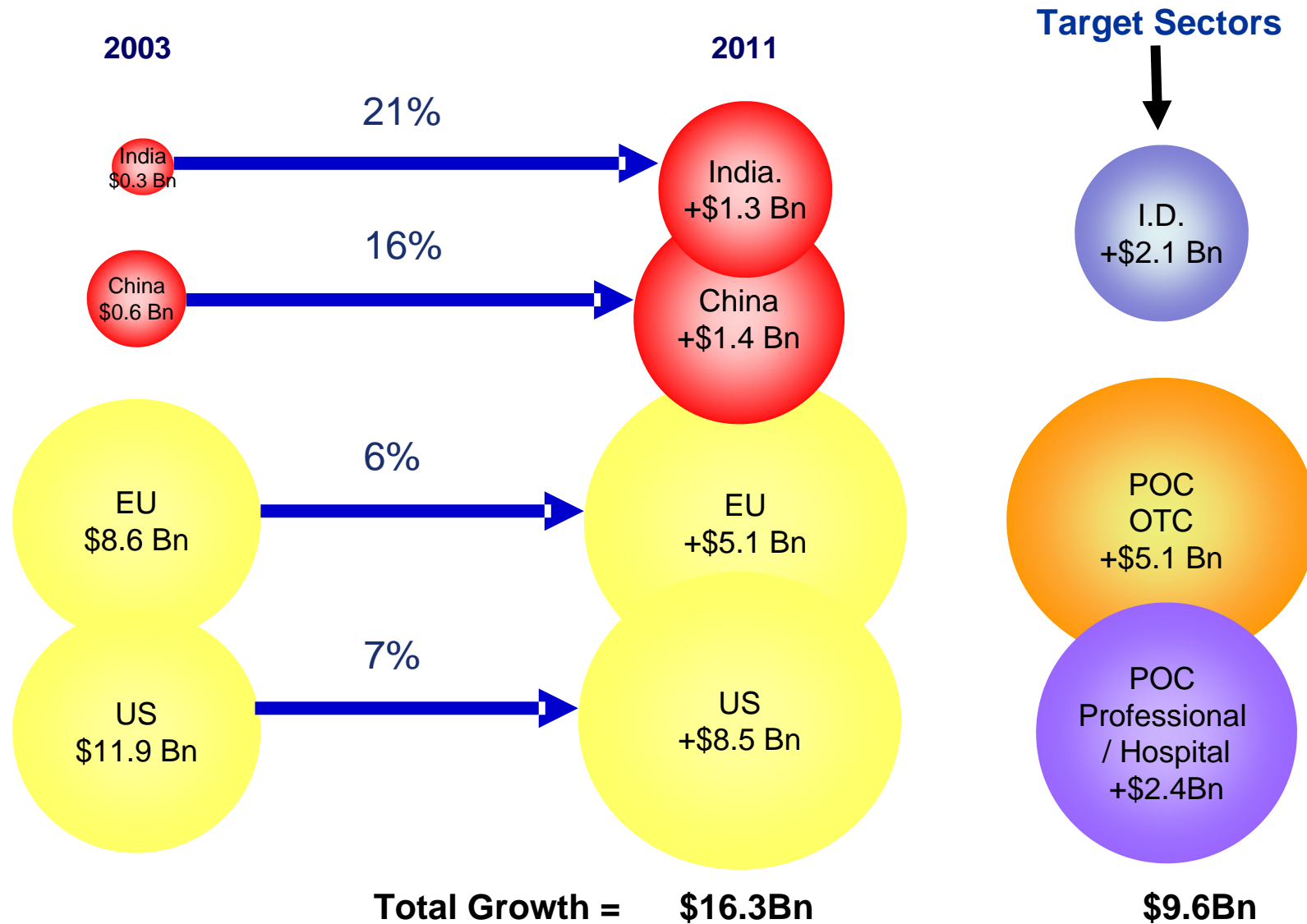
Genetic profiling
identify latent risk

Improve data for current
\$25bn diagnostics market

Personalised
medicine

Accurate monitoring
of treatment

Clinical Diagnostics: Market Growth



Source: Kalorama 2005

Legend:
 I.D. = Infectious Disease
 POC = Point of Care
 OTC = Over-the-Counter



Oxonica Healthcare Vision

***Commercialise Senser™ technology
as the next generation clinical diagnostic platform***

Primary focus:

**“Providing simpler diagnostic tests, information in real time,
bringing central lab performance to the point of use”**

Multiple Applications



**Lateral Flow
Immunoassays**

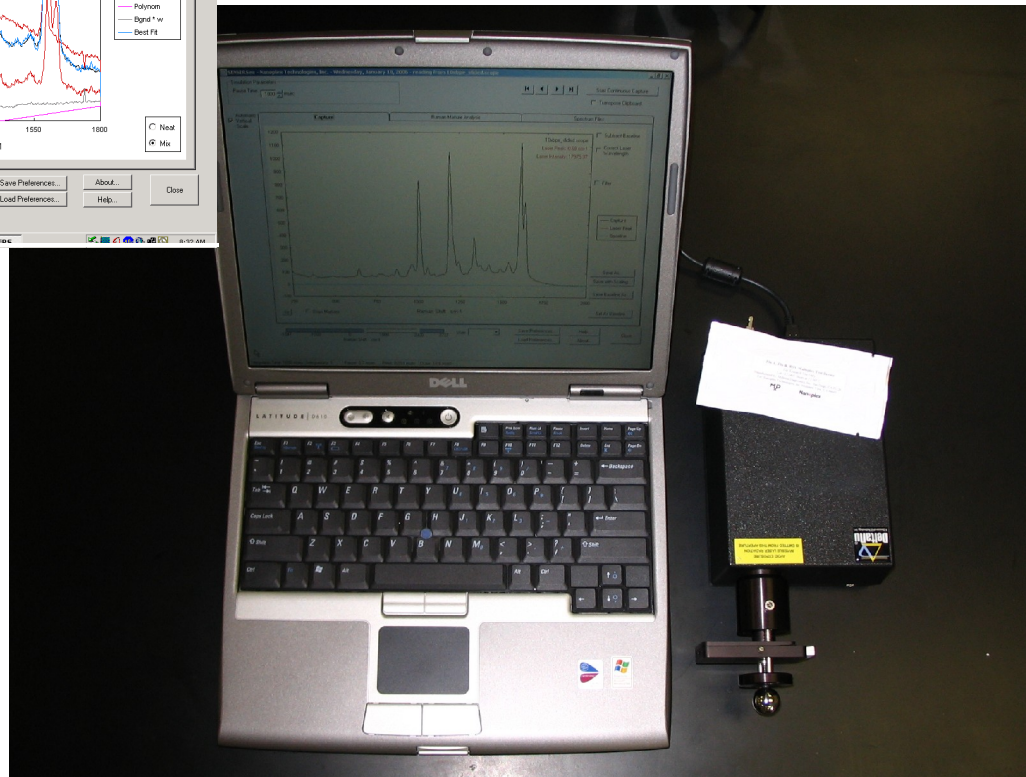
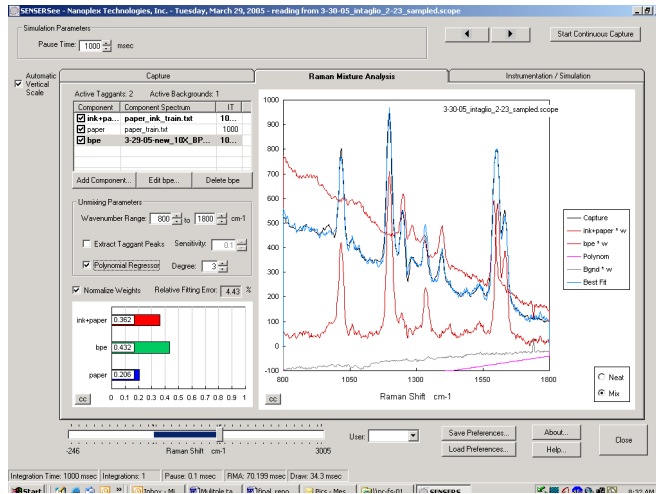


No-wash assays

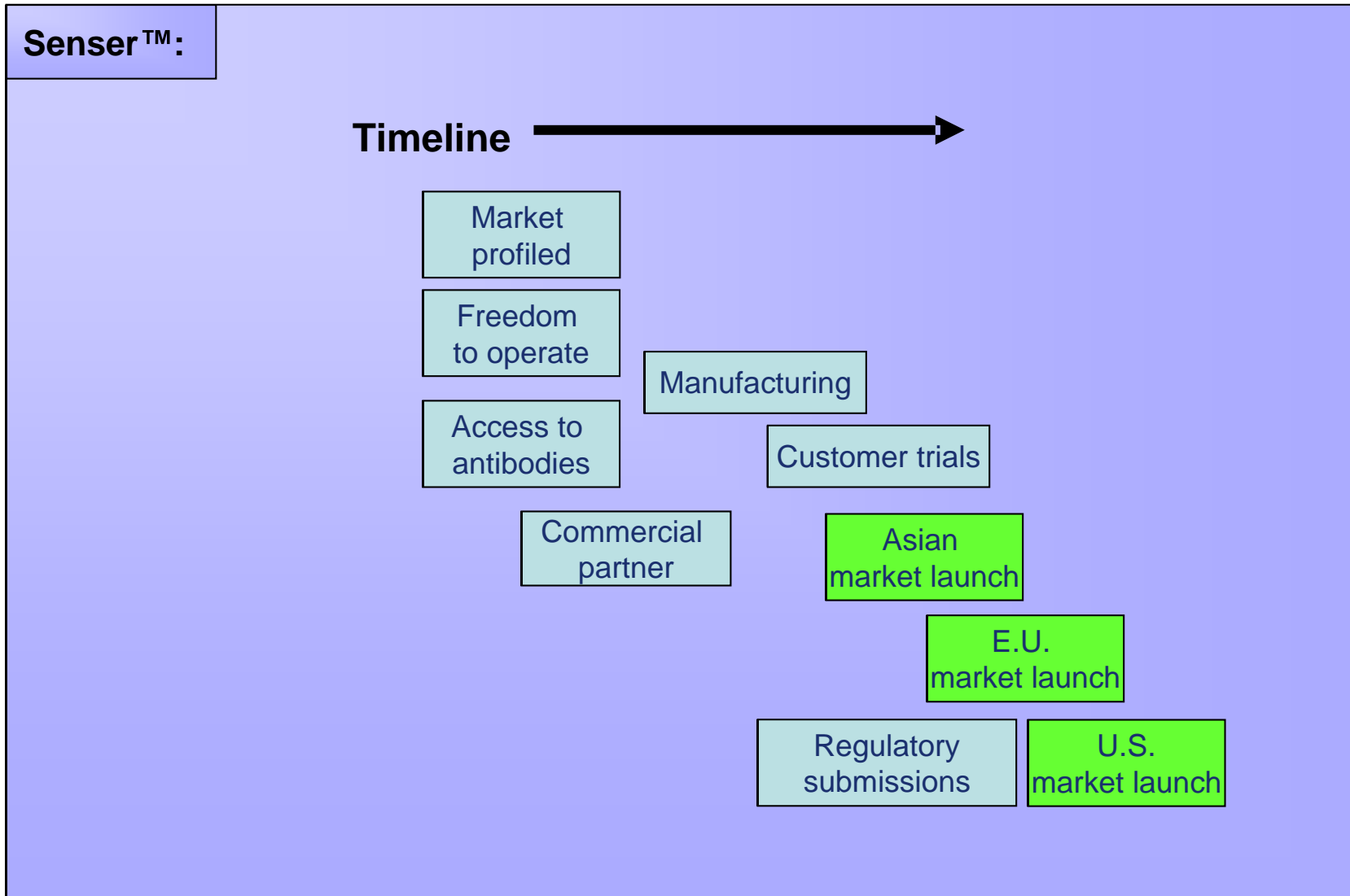
Enhanced robustness, high performance

- Biological material transparent
- High multiplex – facilitates in-built calibration and multiple-disease marker determination
- Consistent calibration from central lab to near-patient testing
- Ultra-sensitive
- Broad clinical area application potential, from infectious disease to cardiac and cancer diagnostics

Portable Readers & Software Available



Key Commercial Product Timelines



Oxonica Security

IDENTIFIED PROBLEM:

- Increasing security concerns – homeland and counterfeit goods



OXONICA'S SOLUTION:

Use of SERS technology to label items

- Multiple markets and users from fuels to pharma
- Currently targeting the development of corporate partnerships to access full potential
 - Advanced discussions with partner for homeland security
 - Co-development activities with partners in other sectors

Oxonica Materials

IDENTIFIED PROBLEM:

- **Damage to wide range of materials through exposure to UV radiation**



OXONICA'S SOLUTION:

Same UV technology as used in Optisol™ can be used to stabilise plastics and coatings from UV damage

- Key is sourcing low cost, high volume manufacture
- Multiple markets and users from paints to automotives to aerospace
- Currently in negotiations on licence agreements
- Develop corporate partnerships to access full potential

Regulatory

- Oxonica's health and environmental testing goes considerably beyond what is required by current regulations
- Oxonica engages a number of independent external experts to advise on regulatory affairs
- National Governments are supportive of nanotechnology and hence have commissioned regulatory reviews and public engagement
- Oxonica actively involved - participated in Royal Society (UK) and Nanosafe (EU) reports
- Nanotechnology products can offer significant environmental and health benefits such as those developed by Oxonica

Oxonica Board

Executive Directors:

Christopher Moore – Executive Chairman

Dr Kevin Matthews – Chief Executive Officer

Richard Clarke – Chief Financial Officer

Non Executive Directors:

Charles Eld

Bob Pettigrew

Ed Weeks

Martin Hagen

Dr Gordon Ringold

Summary

- Nanotechnology is a major transforming technology
- Oxonica is successfully implementing its strategy and delivering revenue growth
- Oxonica is one of the few international nanotech companies with products in the market place
- Oxonica is a multi-sector business with strong product opportunities
- Floating on AIM has enabled Oxonica to increase resources, raise its profile and make the Nanoplex acquisition
- 2006 outlook: anticipate increasing revenues and commercial milestones

Appendix

Nanotechnology

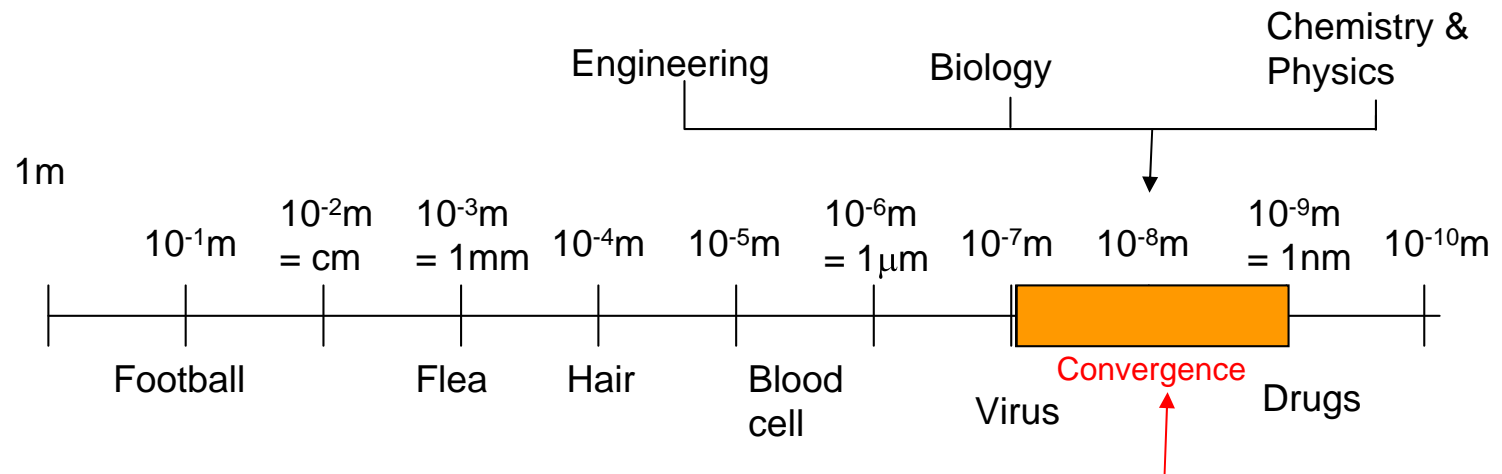
- A transforming technology
- *“Nanoscience and nanotechnologies are widely seen as having huge potential to bring benefits to many areas of research and application, and are attracting rapidly increasing investments from Governments and from businesses in many parts of the world.” **
- Identified global investment into nanotechnology in 2004 exceeded \$8.4bn**
- Commercialised products include self-cleaning windows, anti-stain and odour-proof clothing, tennis racquets, sunscreens, fuel additives and bandages for burns

* The Royal Society, Nanoscience & Nanotechnologies Report, July 2004

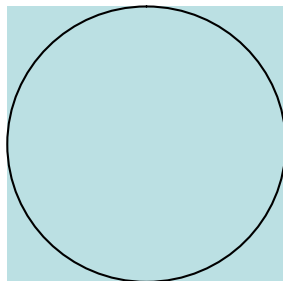
** LUX Research, The Nanotech Report 2004

Oxonica Technology

- Creating products with enhanced properties
- Convergence offers opportunity



Make it Small... Keep it Small ← **Oxonica's technology focus**



- Design & production of nanomaterials deliver specific benefits
- Dispersant coating needed to maintain individual particles and properties

One technology → multiple applications across vertical markets