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OXFORD ADVANCED SURFACES GROUP PLC
(AIM: OXA)

Directors' interest in shares

Oxford Advanced Surfaces Group ("OAS" or "the Company"), the AIM listed technology developer targeting a number of global markets including eyewear, displays, solar panels and the electronics market, has today issued and allotted 2,000,000 new ordinary shares of 1p each in the Company ("the New Ordinary Shares") to the Oxford Advanced Surfaces Group Employee Benefit Trust ("the Trust").

Jointly Owned Equity Awards

On 1 October 2012, Adrian Meldrum, the Company's newly appointed Chief Executive Officer, was awarded the right to purchase a beneficial interest in the New Ordinary Shares pursuant to the terms of the Joint Ownership Agreements ("JOAs") which will be held jointly with the Trust. Under the rules of the JOAs, employees are entitled to benefit from most of the future growth of the share value of such jointly held shares by way of a right to receive from the Trust, a proportionate number of wholly owned shares equivalent in value to that growth. Adrian Meldrum will be entitled to a proportion of the growth of the share value above 10.0p per share, subject to meeting certain performance criteria as outlined below. Employees are also, under certain circumstances, able to benefit from an increase in the value of the shares, on a takeover, change of control, scheme of arrangement or a voluntary winding-up of the Company. Where these conditions are not met, the Trustee has an option to buy back the employee interests in the shares at a price equal to the original purchase cost paid by the employee so that none of any increase in the value of the shares will accrue to the employee.

Performance Criteria - Under the terms of the JOAs, no growth can be realised by employees until earliest realisation dates and performance criteria are met for each tranche of jointly owned shares. Adrian Meldrum's beneficial interest in the 2,000,000 new ordinary shares comprises 2 equal tranches for which the earliest realisation dates arise on or after the two consecutive annual anniversaries of four years after the date of acquisition of the interest subject to the employee having not ceased employment with the Group and the Company's share price on AIM reaching particular target values and remaining at or above those values, for at least 22 consecutive business days each, as follows:

Adrian Meldrum's beneficial interest

	Number of Shares	Earliest Realisation Date	Realisation Condition Target Price in pence Per Share
Shares Tranche No. 1	1,000,000	01/10/2016	25
Shares Tranche No. 2	1,000,000	01/10/2017	30
	<u>2,000,000</u>		

These New Ordinary Shares will rank *pari passu* with the existing ordinary shares and application has been made for the New Ordinary Shares to be admitted to trading on AIM ("Admission"). It is expected that Admission will occur at 08:00 a.m. on 2 October 2012. Following Admission the total number of ordinary shares of 1p each in issue will be 197,740,641 with each share carrying one voting right.

Share Options

On 1 October 2012, Mr Meldrum was also granted options to subscribe for 2,200,000 new ordinary shares under the Company's EMI scheme exercisable at 10p per ordinary share and which are subject to earliest vesting dates and share price performance criteria as set out below.

In addition, on 1 October 2012, Philip Spinks, Chief Financial Officer, was granted options to subscribe for 1,600,000 new ordinary shares under the Company's EMI scheme exercisable at 10p per ordinary share and Michael Edwards, Sales & Marketing Director, was granted options to subscribe for 1,000,000 new ordinary shares under the Company's EMI scheme exercisable at 10p per ordinary share, all of which are also subject to earliest vesting dates and share price performance criteria as set out below.

On 1 October 2012, Philip Spinks also entered in to a Deed of Cancellation of Option in respect of options over 1,296,714 ordinary shares in the Company representing all options previously granted to him in the period 2008 to 2009 so that his only remaining options are over 1,600,000 ordinary shares as granted to him on 1 October 2012. On 1 October 2012, Michael Edwards also entered in to a Deed of Cancellation of Option in respect of options over 350,000 ordinary shares in the Company representing all options previously granted to him in 2009 so that his only remaining options are over 1,000,000 ordinary shares as granted to him on 1 October 2012.

Under the terms of the Option agreements, none of the options granted on 1 October 2012 can vest until earliest vesting dates, subject to the employee having not ceased employment with the Group, and the Company's share price on AIM reaching particular target values and remaining at or above those values, for at least 22 consecutive business days each, as follows:

Number of	Earliest	Vesting Condition Target Price in pence Per
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Employee	Options	Vesting Date	Share
A Meldrum	1,200,000	01/10/2014	15
	1,000,000	01/10/2015	20
	<u>2,200,000</u>		
P Spinks	400,000	01/10/2013	15
	400,000	01/10/2014	20
	400,000	01/10/2015	25
	400,000	01/10/2016	30
	<u>1,600,000</u>		
M Edwards	400,000	01/10/2013	15
	300,000	01/10/2014	20
	300,000	01/10/2015	25
	<u>1,000,000</u>		

On Friday 28 September, the closing mid market price of the Company's shares was 12p and the average closing mid market price of the shares for the previous 22 business days was 9.48p.

The Directors, having consulted with WH Ireland, the Company's nominated adviser, consider that the terms of these transactions are fair and reasonable insofar as its shareholders are concerned.

03rd October 2012

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