Press Release **8 October 2007**

e-Therapeutics plc

("e-Therapeutics" or "the Company")

Intention to Float on AIM

e-Therapeutics, the systems biology drug discovery company, today announces its intention to proceed with a placing of its shares and to seek admission of its share capital to trading on AIM, the market owned and operated by the London Stock Exchange.

e-Therapeutics Highlights:

- large market opportunity
  - candidate drugs in five therapeutic areas – potential markets worth more than $80 billion
  - strong demand for in-licensing by pharma industry - increasingly at earlier stages of development
- strong technical team
- high speed discovery process
  - platform much faster than conventional approaches
  - allows rapid exploration of commercial opportunities
  - fast throughput of candidates for cherry-picking
- relatively low cost of development
  - high speed and low failure rate expected to result in low overall development costs
- 5 candidate drugs due to enter Phase II trials in 2007/08

e-Therapeutics uses proprietary systems biology technology to discover potential new treatments for diseases where there are either no existing treatments or current treatments are unsatisfactory. Conventionally, drug discovery has been done by identifying a single "target" protein and screening a large number of compounds against it to see whether they have affinity for the target protein. Unfortunately, drug compounds rarely bind to just a single protein and their binding to other proteins often results in unpredicted and adverse effects. e-Therapeutics has a computer-based drug discovery platform that can predict the biological effects of interaction of drug candidates with one or many proteins, thereby enabling it to quickly identify drug candidates and also their likely side effects.

The Company's drug discovery platform can be used not only to discover new drug compounds but also alternative indications for existing compounds, and combinations of compounds. The platform has been validated in testing on several disease states by successfully identifying drugs known in the scientific literature to have had effects on that disease, and also identifying compounds that have subsequently been shown to be active in that disease in laboratory tests. Over the last two years, the Company has built a diverse portfolio of drug candidates, for which it has 10 product patent applications pending. The drug portfolio is outlined in the table below:

Therapeutic need	**Candidate**	**Stage**
Asthma	ETX9101	Starting Phase II trials
Depression	ETS6103	Starting Phase II trials
Malignant melanoma	ETS2101	Starting in vivo efficacy and safety studies
Atherosclerosis	ETS6107/ ETS6114	In in vivo efficacy and safety studies
Antibiotic for MRSA/VRSA/VRE/*C.difficile*/*S.epidermidis*	ETX1153	Due to start clinical trials in 2008

Commenting on the decision to list the Company, Professor Malcolm Young, Chief Executive Officer of e-Therapeutics, said "We are delighted to be joining the London AIM market. The placing will enable us to develop and broaden our pipeline, and will significantly raise the profile of e-Therapeutics with potential licensing partners. I would like to thank all our investors for recognising the exciting opportunity that lies ahead."

e-Therapeutics believes that its discovery platform offers enormous potential for reducing the costs and enhancing the productivity of pharmaceutical discovery and development. The Company has entered into commercial licensing discussions with a number of large pharmaceutical companies, who have recognised the value of the Company's platform and pipeline.

e-Therapeutics' current portfolio is targeting $80 billion global markets. The pharmaceutical industry is experiencing a continued decline in research and development (R&D) productivity, despite substantial increases in expenditure. This decline is the result of a number of factors: the risk-reward ratio for new drugs at

regulatory review has become more challenging. In addition, the Company believes that the therapeutic opportunities that remain are more complex, and that new proprietary drugs have to bring significantly greater benefits over good generic drugs to command a premium. These factors have made it increasingly difficult for the industry to address the three fundamental R&D challenges which, in the Company's opinion, are:

- Complexity: There are millions of possible biological targets and millions of potential compounds to act on them. The complexity of biological systems makes it hard to predict clinical efficacy and toxicity at the early stages of discovery
- Speed: There is tremendous value in increasing the speed of development so as to maximise the period of commercial sales (needed to recoup the costs of development). Increasing generic competition means that peak sales will quickly erode once a drug's patent has expired
- Failure because of lack of efficacy or unpredicted side effects. This is very expensive, particularly for candidates in late-stage development

Large pharmaceutical companies frequently and increasingly in-license drug candidates. The size of average in-licensing deals is increasing, and the distribution of them across development pipelines is reported to be moving forward to earlier stages, as companies seek to pre-empt competitors. e-Therapeutics believes that it is well positioned to exploit this growing trend.

The primary objective of e-Therapeutics is to develop intellectual property in the form of a portfolio of patents for drugs, drug combinations, and drug targets in a wide range of commercially valuable therapeutic areas. The Company will develop these products to the point of premium value before licensing to suitable partners. The Company's technology aims to lower the risks of drug development as far as possible at the start of the development process. This will increase the probability of the Company's drug candidates successfully progressing through development stages to registration, and reduce the probability of write-off costs being incurred by failure late in the development process. The Company expects to receive payment through up-front payments, milestone payments and royalties as a result of licensing transactions.

The Company will use the proceeds of the placing:

- to fund the clinical development of drug compounds, taking the lead candidates through proof of concept trials to a higher value, for licensing

to partners;
- to fund continued pre-clinical development and continued screening of drug compounds, with the aim of identifying further potential lead candidates;
- to continue development of the discovery platform; and.
- to provide working capital.

WH Ireland is acting as Nominated Adviser, and Cornhill is acting as Broker to the Company.

For further information:

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Notes to Editors

e-Therapeutics plc is a systems biology drug discovery company. It has developed proprietary computational systems to swiftly and accurately analyse and predict how medicines interact with cells in the body. This optimises the probability of identifying drug candidates with desirable efficacy and low toxicity. The Company applies its

novel, systematic approach to three areas of activity: discovery of new drugs; discovering novel uses for existing drugs; and analysis of the interactions between different drugs. Amongst e-Therapeutics' pipeline of compounds in development are novel antibiotics that have been shown to kill the "superbug" MRSA, and a novel cancer chemotherapy that has been shown to kill malignant cells at safe doses in a very short time. Other candidate therapies in development are targeted at atherosclerosis, asthma, and major depression. The Company is currently in negotiation with a number of pharmaceutical companies, and is progressing the preclinical and clinical development of these products so that they can be made available to doctors and their patients as soon as possible.

For further information on e-Therapeutics visit www.etherapeutics.co.uk

Directors

Professor Malcolm Young (aged 47), Chief Executive Officer

Malcolm joined e-Therapeutics in 2003. He has been the Company's chief executive since its formation and led it through its first rounds of financing. As chief executive, Malcolm is responsible for developing the Company's strategy and overseeing the operation of the business. Until 2006, Malcolm was Pro-Vice Chancellor for Strategic Development at Newcastle University. Prior to that he had been the Provost of the Faculty of Science, Agriculture and Engineering; Director of the Institute for Neuroscience; and Director of the Complex Systems Group at Newcastle University. The research expertise of his group lay in complex systems analysis and informatics and its outputs included five publications in Science and Nature and 10 in Proceedings and Philosophical Transactions of the Royal Society. His research funding exceeded £11 million between 1992 and 2007 and included programme and project grants for research on complex systems from the Wellcome Trust (the world's largest medical research charity), the Biotechnology and Biological Sciences Research Council and the Engineering and Physical Sciences Research Council, through the UK's National Core e-Science Initiative. He is one of 18 scientists worldwide nominated by the Sunday Times as the "Brains behind the 21st Century".

John Cordiner (aged 41), Commercial and Finance Director

John is a chartered accountant and was formerly an investment banker and a chemist. He has over 15 years' international business experience, having worked in a variety of roles in the financial services and other industries, together with specialised consulting roles for the major accounting firms, including Deloitte, KPMG, and PwC. As an

investment banker with Noble & Co, he specialised in the life sciences and oil and gas sectors. John has also been involved in advising venture capital funds in technology investment, including life sciences. John joined the Company in late 2004 as commercial and finance director and is responsible for commercial strategy and all financial aspects of the Company's business.

Royston Drucker (aged 54), Medical Director

Roy qualified as a physician at Cambridge University in 1977. He is a fellow of the Faculty of Pharmaceutical Medicine, a founder and honorary member of the Association for Human Pharmacology in the Pharmaceutical Industry, a fellow of the Royal Society of Medicine, a member of the British Association of Pharmaceutical Physicians and a member of the Securities Institute. In 1984, following an eight year clinical career, he joined the research and development division of Sterling- Winthrop Limited, becoming a senior departmental manager of its department of biochemistry, with responsibilities for clinical pharmacology, drug metabolism and bioanalysis in Europe. In 1985, he joined the pharmaceutical research laboratories of The Upjohn Company and was appointed European head of clinical pharmacology. He was also appointed an honorary research fellow in clinical pharmacology at Guy's Hospital, London in 1985. He became executive director and subsequently corporate vice president of drug development at The Upjohn Company, based in the US. From 1996 until 2005, he was general manager of Technomark Consulting Services Limited, a London based specialist service company to the pharmaceutical and biotechnology sectors, with corporate finance, venture capital and management consulting arms. Roy joined e-Therapeutics in 2005 and is currently the chief medical officer, with responsibility for organising and overseeing pre-clinical and clinical trials for the Company's drug candidates.