



Press Release

24 February 2009

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

e-Therapeutics and Khandelwal Laboratories sign a 50% revenue share agreement for sales in India for three late-stage drug candidates

e-Therapeutics plc (AIM: ETX), the drug discovery and development company, today announces it has entered into an agreement with Khandelwal Laboratories Pvt. Ltd (KLAB), a specialist pharmaceutical company based in Mumbai, India.

The agreement commits KLAB to undertake all further formulation and clinical development necessary to gain regulatory marketing approval for the drugs in the Indian market. The two companies will share revenues from the medicines in India 50:50 after manufacturing costs. e-Therapeutics will retain its exclusive rights in all other markets to all data and IP developed in the partnership with KLAB.

The Agreement follows the successful results from e-Therapeutics' Phase II trials of the Company's oral asthma (ETX9101) and antidepressant (ETS6103) medications, and the successful completion of preclinical studies of the Company's topical antibiotic (ETX1153b).

KLAB operates a sales team of more than 800 representatives, covering 160,000 doctors, and 64,000 pharmacies throughout India. This marketing capability enabled KLAB to deliver the fastest growing sales of any product launched in India between 2004 and 2006 (Cefi XL™). KLAB has also gained a US\$ 8-figure payment in 2008 for out-licensing some of its products to other pharmaceutical companies nine of which products have been licensed to seven different companies to date. KLAB has filed more than 200 patents, has successfully defended against patent infringement in India, and has brought novel products through to regulatory marketing approval.

Commenting on the Agreement, the CEO of KLAB, Sanjeev Khandelwal, commented: "We are excited to be working with e-Therapeutics on the development and marketing of these new medicines in India. The market potential for these three drugs is currently more than £220 million per year, and all three markets are growing

swiftly. The properties of these experimental medicines, if borne out in the Phase III clinical studies we will shortly be starting, will bring benefit to very many patients and yield substantial market penetration”.

Professor Malcolm Young, CEO of e-Therapeutics, said: “I am very impressed by KLAB’s growing track record of undertaking successful development and regulation, successful defence of IP, and its rapid market penetration in the distinctive Indian market. We are very pleased that KLAB are bringing their expertise and infrastructure to this partnership with e-Therapeutics. If the Phase III clinical results are as expected, the agreement should bring e-Therapeutics not only substantial revenues from Indian sales, but also high quality clinical data for our exclusive use in the seven major markets.”

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Notes to Editors

About e-Therapeutics

e-Therapeutics plc is a drug discovery and development 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 in three areas of activity:

- Discovery of new de-risked drugs;
- Discovering novel uses for existing drugs; and
- Analysis of the interactions between different drugs.

Amongst e-Therapeutics' pipeline of compounds in development are an oral asthma treatment in Phase II clinical trials, a novel-mechanism antidepressant, also in Phase II clinical trials, 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. The Company is currently in negotiations with a number of pharmaceutical companies and is progressing the preclinical and clinical development of these products.

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

For further information on KLAB please go to:

<http://www.khandelwallab.com/>