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If you have sold or otherwise transferred all of your Ordinary Shares please forward this document and the accompanying Form of Proxy at once to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee. If you have sold or otherwise transferred only some of your Ordinary Shares you should retain this document and consult with the stockbroker, bank or other agent through whom the sale or transfer was effected.

The Directors, whose names appear on page 3 of this document, accept responsibility, both individually and collectively, for the information contained in this document. To the best of the knowledge of the Directors, who have taken all reasonable care to ensure that such is the case, the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Application will be made to the London Stock Exchange for the New Shares to be admitted to trading on AIM. It is expected that admission to AIM will become effective and dealings in the New Shares will commence at 8.00 a.m. on 28 February 2013 and 8.00 a.m. on 1 March 2013 for the First Placing and the Second Placing, respectively.

e-Therapeutics plc

(Incorporated and registered in England and Wales with registered number 4304473)

PLACING OF 125,000,000 NEW ORDINARY SHARES

AT 32 PENCE PER SHARE

NOTICE OF GENERAL MEETING

WAIVER OF RULE 9 OF THE CITY CODE

Panmure Gordon (UK) Limited

Nominated Adviser

Panmure Gordon (UK) Limited, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for the Company in relation to the Placings and will not be responsible to any person other than the Company under the Financial Services and Markets Act 2000, the rules of the Financial Services Authority or otherwise for providing the protections afforded to its clients or for advising any other person in relation to the contents of this document, the Proposals or any matter, transaction or arrangement referred to in this document. Panmure Gordon (UK) Limited is not making any representation or warranty, express or implied, as to the contents of this document.

This document does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for any securities. This document provides you with information about the Placings but does not invite you to participate in them.

This document should be read as a whole. Your attention is drawn to the letter from the Chairman of the Company which is set out on pages 7 to 12 of this document and in which the Board recommends that Shareholders vote in favour of the Resolutions. Notice of the General Meeting to be held at St Ann's Wharf, 112 Quayside, Newcastle upon Tyne, NE1 3DX at 9.30 a.m. on 27 February 2013 is set out on page 16 of this document. The Form of Proxy for use at the General Meeting forms part of this document and should be returned, together with the power of attorney or other authority (if any) under which the Form of Proxy is signed or a certified copy of such power or authority, to Neville Registrars at Neville House, 18 Laurel Lane, Halesowen, West Midlands, B63 3DA by hand or by post (in each case marked for the attention of the Company Secretary) so as to be received not less than 48 hours before the time fixed for the holding of the meeting or any adjournment thereof (as the case may be). Completion and return of the Form of Proxy will not preclude Shareholders from attending and voting in person at the General Meeting should they wish to do so.

Copies of this document will be available, free of charge, for a period of one month from the date of this document, at the Company's registered office during normal business hours (Saturdays, Sundays and public holidays excepted) and at the Company's website, www.etherapeutics.co.uk.

The distribution of this document in jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this document and/or the accompanying Form of Proxy comes should inform themselves about and observe such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities law of any such jurisdiction.

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KEY STATISTICS

Placing Price per Ordinary Share	32 pence
Number of Existing Shares	138,198,359
Number of New Shares to be issued pursuant to the First Placing	4,750,000
Number of New Shares to be issued pursuant to the Second Placing	120,250,000
Total number of New Shares to be issued	125,000,000
Number of Ordinary Shares in issue immediately following Completion of the First Placing	142,948,359
Enlarged Share Capital following Completion of the Second Placing	263,198,359
Number of New Shares to be issued pursuant to the Placings as a percentage of the Enlarged Share Capital	47.49%
Gross proceeds of the Placings to the Company	£40 million
Estimated net proceeds to the Company	£39 million

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Posting of circular	11 February 2013
Latest time and date for receipt of Forms of Proxy	9.30 am, 25 February 2013
General Meeting	9.30 am, 27 February 2013
Completion of the First Placing	28 February 2013
Completion of the Second Placing	1 March 2013
First Admission	28 February 2013
Second Admission	1 March 2013

DIRECTORS, SECRETARY AND ADVISERS

Directors	Professor Oliver James (Non-executive Chairman) Professor Malcolm Young (Chief Executive Officer) Dr Daniel Elger (Chief Financial Officer) Stephen Self (Development Director) Brad Hoy (Non-executive Director) Dr Rajesh Chopra (Non-executive Director)
Registered Office	17 Blenheim Office Park Long Hanborough Oxfordshire OX29 8LN United Kingdom
Company Secretary	Sean Nicolson
Nominated Adviser and broker	Panmure Gordon (UK) Limited One New Change London EC4M 9AF
Auditors	KPMG Audit Plc Quayside House 110 Quayside Newcastle upon Tyne NE1 3DX
Solicitors to the Company	Dickinson Dees LLP St Ann's Wharf 112 Quayside Newcastle upon Tyne NE1 3DX
Registrar	Neville Registrars Limited Neville House 18 Laurel Lane Halesowen West Midlands B63 3DA

DEFINITIONS

“Accelerated Panel Waiver”	the approval by the Takeover Panel of the waiver from the obligations that would otherwise apply to Invesco to make a general offer for the Company pursuant to Rule 9 of the Code as a result of its subscription for New Shares pursuant to the Second Placing, the Takeover Panel having received written confirmation from Independent Shareholders consenting to this waiver without the requirement for the waiver to be approved by Independent Shareholders at a general meeting
“Act”	the Companies Act 2006 (as amended)
“Admission”	the admission of the New Shares to trading on AIM becoming effective in accordance with the AIM Rules following Completion
“AIM”	AIM, a market operated by the London Stock Exchange
“AIM Rules”	the AIM Rules for Companies as published by the London Stock Exchange from time to time
“Code”	the City Code on Takeovers and Mergers
“Company”	e-Therapeutics plc
“Completion”	the Placings being completed and Admission taking place
“Completion of the First Placing”	the First Placing being completed and the First Admission taking place
“Completion of the Second Placing”	the Second Placing being completed and the Second Admission taking place
“CREST”	the computerised settlement system (as defined in the CREST Regulations) operated by Euroclear which facilitates the transfer of title to shares in uncertificated form
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755) including any variation thereof
“Directors” or “Board”	the directors of the Company whose names are set out on page 3 of this document
“EIS”	enterprise investment scheme
“Enlarged Share Capital”	the Ordinary Shares in issue immediately following the Second Admission

“Euroclear”	Euroclear UK & Ireland Limited
“Existing Shares”	the 138,198,359 Ordinary Shares in issue at the date of this document
“First Admission”	the admission of 4,750,000 of the New Shares to trading on AIM becoming effective in accordance with the AIM Rules following Completion of the First Placing
“First Placing”	the conditional placing of 4,750,000 New Shares to the investing VCT and EIS funds for the purpose of qualifying under VCT and EIS legislation
“Form of Proxy”	the form of proxy for use in connection with the General Meeting which accompanies this document
“General Meeting”	the general meeting of the Company to be held on 27 February 2013 at 9.30 am
“Group”	the Company, its subsidiaries and its subsidiary undertakings
“Independent Shareholders”	those Shareholders who have consented to the Accelerated Panel Waiver and which Shareholders in aggregate hold more than 50% of the Company’s issued share capital carrying voting rights excluding those deemed to be acting in concert with Invesco, as at the date of this document
“Invesco”	Invesco Asset Management Limited acting as agent for and on behalf of its discretionary managed clients
“London Stock Exchange”	London Stock Exchange plc
“New Shares”	the 125,000,000 new Ordinary Shares to be issued pursuant to the Placings subject to the passing of the Resolutions
“Notice of General Meeting”	the notice convening the General Meeting which is set out on page 16 of this document
“Ordinary Shares”	ordinary shares of 0.1 pence each in the capital of the Company
“Panel” or “Takeover Panel”	the Panel on Takeovers and Mergers
“Panmure Gordon”	Panmure Gordon (UK) Limited
“Placing Agreement”	the agreement dated 11 February 2013 made between (1) the Company and (2) Panmure Gordon relating to the Placings, details of which are set out on page 13 of this document

“Placing Price”	32 pence per Placing Share
“Placings”	the conditional placing of the New Shares by way of the First Placing and the Second Placing pursuant to the Placing Agreement
“Resolutions”	the resolutions set out in the Notice of General Meeting
“Rule 9 Offer”	the requirement for a general offer to be made in accordance with Rule 9 of the Code
“Second Admission”	the admission of 120,250,000 of the New Shares to trading on AIM becoming effective in accordance with the AIM Rules following Completion of the Second Placing
“Second Placing”	the conditional placing of New Shares other than those New Shares already placed in the First Placing
“Shareholders”	holders of Ordinary Shares
“Significant Shareholder”	any person with a holding of 3% or more of the Company’s existing issued share capital, as defined in the AIM Rules for Companies
“VCT”	venture capital trust
“Whitewash Resolution”	an ordinary resolution to approve the Panel’s waiver of the obligation to make an offer under Rule 9 of the Code passed on a poll at a general meeting by the shareholders of a company who are independent of the person who would otherwise be required to make an offer under Rule 9 of the Code and any person acting in concert with him or her

PART 1

LETTER FROM THE CHAIRMAN

e-Therapeutics plc

(Registered in England and Wales with company number 4304473)

Directors:

Prof. Oliver James (Non-executive Chairman)
Prof. Malcolm Young (CEO)
Dr Daniel Elger (CFO)
Stephen Self (Development Director)
Brad Hoy (Non-executive Director)
Dr Rajesh Chopra (Non-Executive Director)

Registered Office:

17 Blenheim Office Park
Long Hanborough
Oxfordshire
OX29 8LN
United Kingdom

11 February 2013

Dear Shareholder

Proposed Placings, Rule 9 waiver and Notice of General Meeting

Introduction

The Company is pleased to report that its broker, Panmure Gordon, has conditionally placed 125,000,000 new Ordinary Shares (the “New Shares”) with new and existing institutional investors (the “Placees”) at a Placing Price of 32 pence per share, with proposed net proceeds of approximately £39 million to the Company.

Subject to Completion of the Placings, Invesco, which currently holds 45.92% of the voting rights of the Company, will increase its holding of the voting rights of the Company to 49.90%, which without a waiver of the obligations under Rule 9 of the Takeover Code would require Invesco to make a general offer for the Company. The Panel has agreed to such a waiver following written confirmations consenting to such waiver from the Independent Shareholders who hold in excess of 50% of the Company’s existing voting rights, excluding those deemed to be in concert with Invesco.

The purpose of this letter is to explain the background to, and reasons for, the Placings, to set out why the Board considers the Placings to be in the best interests of its Shareholders as a whole and to seek Shareholder approval for the Placings.

Background to and reasons for the Placings

e-Therapeutics is a drug discovery and development company with a proprietary platform technology in network pharmacology, a novel means of discovering drugs based on network science and chemical biology.

The Company’s core strategy is to discover drugs using its platform technology and then advance the most promising of these through clinical trials to a point where they can be out-licensed to larger companies. The Board expects that licensing deals will provide the Company with revenues in the form of upfront and progress-based milestone payments and royalties on any product sales. The Company may also derive future revenues from drug discovery collaborations with partners.

The Company has advanced two drugs into clinical trials: ETS2101 is in phase I trials for cancer and ETS6103 is in phase II development for major depressive disorder. An additional candidate to treat infections with the bacterium *C. difficile* is undergoing preclinical evaluation. The Board considers the cancer drug ETS2101 to be the Company’s most important product asset.

The Company plans to add further candidates to its development pipeline through its in-house discovery effort, which currently is mainly being applied to cancer and degenerative diseases of the nervous system. At least one new candidate is expected to enter development by the end of 2013.

The costs of completing the current phase I trials of ETS2101 and the planned phase IIb trial of ETS6103 are covered by the cash resources available to the Company before the Placings.

The principal reasons for the Placings are:

- 1) **to advance the Company's cancer drug ETS2101 seamlessly into and through the next phase of its clinical development.** The Directors believe that prospects for partnering ETS2101 will be significantly better, and any licensing deal for the drug considerably more lucrative, if the Company completes further clinical trials following the current phase I studies. The proposed Placings will provide sufficient funds for the Company to conduct a controlled phase II trial to evaluate the drug in its lead indication of brain cancer and also conduct a phase Ib/II study to evaluate the drug in approximately four to six other cancers;
- 2) **to continue investment in new drug discovery using the Company's network pharmacology platform.** The Directors are confident that sustained and substantial investment in the platform and its application to drug discovery will yield new drug candidates that will drive future value in the business. Availability of funds from the Placings will enable the Company to plan a long-term campaign of discovery work in the fields of cancer and central nervous system disorders; and
- 3) **to advance newly discovered drugs and, potentially, certain existing product candidates into and through preclinical and clinical development.** The Directors anticipate that the building of a well-balanced business will be aided by continuing investment in candidates at various stages of development.

Recent results and financial position

The Company's latest reports and accounts and its interim results, can be found at www.etherapeutics.co.uk/. As noted in the 2012 interim results, the Company had cash and liquid resources of £11.7 million as at 31 July 2012.

Current trading and prospects

In March 2011, e-Therapeutics raised £16.7 million net through a placing. This enabled the start of a new wave of discovery work with the Company's network pharmacology platform. It also allowed the Company to progress the clinical development of its most advanced drugs.

In June 2012, the Company announced that its cancer drug ETS2101 had entered a phase I trial in patients with primary or secondary brain cancer. In October 2012, a second phase I study was initiated in patients with a variety of solid tumours. The two phase I trials are expected to report final data in Q4 2013 (brain cancer study) and Q1 2014 (solid tumour study). By mid-December 2012, 12 patients had been treated in the phase I programme (six in each study); patients treated with low doses of ETS2101 had not experienced any serious drug-related adverse events, and so the studies were allowed to proceed to treat further patients with higher doses of the drug.

The Company is making preparations to advance its second clinical product, ETS6103 for major depressive disorder, into a phase IIb study. As indicated with the interim results in October, this is expected to start in Q2 2013 and report results in Q2 2014.

Other anticipated milestones include a decision in Q3 2013 on whether a drug from the Company's *C. difficile* programme will be advanced into clinical trials, and the progress of at least one new product from discovery into development by the end of 2013.

The Placings

The Company proposes to raise gross proceeds of £40 million (approximately £39 million net of estimated expenses) through the issue of the New Shares. The Placing Price represents a premium of 4% to the closing mid-market price of 30.75 pence on 8 February, being the last dealing day prior to the announcement of the Placings. The New Shares will represent approximately 47.49% of the Enlarged Share Capital.

The Placings are conditional, *inter alia*, upon:

- the Resolutions being passed at the General Meeting; and
- Admission occurring on or before 8.00am on 15 March 2013 (or such later date as the Company may agree with Panmure Gordon).

The Placings will be effected in two stages in order to allow investments made by certain venture capital trust and enterprise investment scheme funds, (the “VCT Investors” and the “EIS Investors,” respectively) to qualify under VCT and EIS legislation. A portion of the New Shares will first be issued to the VCT Investors and the EIS Investors (the “First Placing”) and, on the following day, the remaining New Shares will be issued to non-VCT and EIS investors (the “Second Placing”). The Second Placing is conditional upon, *inter alia*, Completion of the First Placing.

The New Shares will rank *pari passu* with the existing Ordinary Shares in all respects including the right to receive all dividends or other distributions declared, made or paid by the Company by reference to record dates falling after their respective dates of allotment.

Placees and Significant Shareholders of the Company and their shareholdings before and after the Placings are shown in Part 2 of this document.

Use of Proceeds

The Company expects to deploy the approximately £39m net proceeds of the Placings together with its existing resources of approximately £9m (and such funds as are available from Research and Development tax credits and interest earned during the period over which these resources are deployed) to advance the Company’s lead drug ETS2101 into and through further clinical trials that will include patients with a number of different cancers; to support additional drug discovery and drug development activities for other drug candidates; and for general corporate purposes. The Company conducts regular reviews of its discovery and development portfolios, as a result of which the allocation of resources to particular programmes is set and adjusted. The Directors currently expect that approximately £25m of the resources available after the Placings will be deployed to advance ETS2101.

The Directors intend that the resources available following the Placings should support all of the Company’s currently planned discovery and development activities into 2017, by which time the Directors believe an out-licensing deal could be concluded for ETS2101 if data from its trials are supportive.

The Takeover Code

The proposed Placings give rise to certain considerations under the Code. Brief details of the Panel, the Code and the protections they afford are described below.

The Code is issued and administered by the Panel. The Code applies to all takeover and merger transactions, however effected, where the offeree company is, *inter alia*, a listed or unlisted public company resident in the United Kingdom (and to certain categories of private limited companies). The Company is a listed public company and its Shareholders are entitled to the protections afforded by the Code.

Under Rule 9 of the Code, where any person acquires, whether by a series of transactions over a period of time or not, an interest in shares which (taken together with shares already held by that person and an interest in shares held or acquired by persons acting in concert with him or her) carry 30% or more of the voting rights of a company which is subject to the Code, that person is normally required to make a general offer to all the holders of any class of equity share capital or other class of transferable securities carrying voting rights in that company to acquire the balance of their interests in the company.

Rule 9 of the Code also provides that, among other things, where any person who, together with persons acting in concert with him or her, is interested in shares which in aggregate carry not less than 30% but not more than 50% of the voting rights of a company which is subject to the Code, and such person, or any

person acting in concert with him or her, acquires an additional interest in shares which increases the percentage of shares carrying voting rights in which he or she is interested, then such person is normally required to make a general offer to all the holders of any class of equity share capital or other class of transferable securities carrying voting rights of that company to acquire the balance of their interests in the company.

An offer under Rule 9 must be in cash (or with a cash alternative) and at the highest price paid within the preceding 12 months for any shares in the company by the person required to make the offer or any person acting in concert with him or her.

Rule 9 of the Code further provides, among other things, that where any person who, together with persons acting in concert with him or her holds over 50% of the voting rights of a company, acquires an interest in shares which carry additional voting rights, then they will not generally be required to make a general offer to the other shareholders to acquire the balance of their shares.

Following completion of the Placings, Invesco will have increased its interest in shares carrying voting rights of the Company from approximately 45.92% to 49.90%, which, without a waiver of the obligations under Rule 9 would oblige Invesco to make a general offer to Shareholders under Rule 9 of the Code.

Dispensation from General Offer

Under Note 1 on the Notes on the Dispensations from Rule 9 of the Code, the Takeover Panel will normally waive the requirement for a general offer to be made in accordance with Rule 9 of the Code (a "Rule 9 Offer") if, *inter alia*, the shareholders of the company who are independent of the person who would otherwise be required to make an offer and any person acting in concert with him or her (the "Independent Shareholders") pass an ordinary resolution on a poll at a general meeting (a "Whitewash Resolution") approving such a waiver. The Takeover Panel may waive the requirement for a Whitewash Resolution to be considered at a general meeting (and for a circular to be prepared in accordance with Section 4 of Appendix 1 to the Code) if Independent Shareholders holding more than 50% of the company's shares capable of being voted on such a resolution confirm in writing that they would vote in favour of the Whitewash Resolution were such a resolution to be put to the shareholders of the company at a general meeting.

The Company has obtained such written confirmation from the Independent Shareholders and the Panel has accordingly waived the requirement for a Whitewash Resolution. Accordingly, by voting in favour of the Resolutions to be proposed at the General Meeting, the Placings will be effected without the requirement for Invesco to make a Rule 9 Offer.

Shareholders should note that, following the Placings, Invesco will not be entitled to increase its interest in the voting rights of the Company without incurring a further obligation under Rule 9 of the Code to make a general offer (unless a dispensation from this requirement has been obtained from the Panel in advance).

Shareholders should also note that, following completion of the Placings, Invesco will control 49.90% of the voting rights of the Company and that this will increase the percentage of the Ordinary Shares that are not in public hands (as defined in the AIM Rules). This may in turn have the effect of reducing the liquidity of trading in the Ordinary Shares on AIM. Invesco's stake in the voting rights of the Company will also mean that Invesco will be able, if it so wishes, to exert significant influence over resolutions proposed at future general meetings of the Company. Although it is not the current intention of Invesco to seek a resolution at a general meeting of the Company to de-list the Ordinary Shares from AIM, Invesco could, if it so wishes in the future, propose and exert significant influence over the result of such a resolution.

Additional information

Your attention is drawn to the additional information provided in Part 2 of this document.

General Meeting

Set out at the end of this document is a notice convening the General Meeting of the Company to be held at St Ann's Wharf, 112 Quayside, Newcastle upon Tyne, NE1 3DX at 9.30 am on 27 February 2013.

The Resolutions to be proposed at the General Meeting are as follows:

- Resolution 1 is an ordinary resolution to authorise the Directors to allot the New Shares.
- Resolution 2 is a special resolution to disapply pre-emption rights in relation to the issue of shares including the New Shares.

Resolution 1 seeks shareholder approval for the directors to be authorised to allot shares. Under the provisions of section 551 of the Companies Act 2006, the directors are not permitted to allot shares unless authorised to do so by the shareholders. At the annual general meeting of the Company held on 31 July 2012, the directors were given authority to allot ordinary shares in the capital of the Company up to approximately 70% of the Company's then issued ordinary share capital. The directors consider it appropriate that they be granted authority to allot shares in the capital of the Company up to a maximum nominal amount of £184,238.85 representing 70% of the Company's issued ordinary share capital following completion of the Placings. This power will last until the conclusion of the next annual general meeting. The directors have no present intention of exercising this authority other than in connection with the Placings.

Resolution 2 supplements the directors' authority to allot shares in the Company proposed by resolution 1. Section 561 of the Companies Act 2006 requires a company proposing to allot equity securities (which includes selling shares held in treasury) to offer them first to existing shareholders in proportion to their existing shareholdings. Equity securities includes ordinary shares (the only class of share capital the Company has at present), but does not include shares issued under employee share schemes. If resolution 2 is passed, the requirement imposed by section 561 will not apply to allotments by the directors in the specific cases referred to in the resolution and also in the following cases:

- in connection with a rights (or similar) issue, where strict application of the principle in section 561 could (for example) either result in fractional entitlements to shares arising or require the issue of shares where this would be impractical because of local, legal or regulatory requirements in any given overseas jurisdiction; and
- allotments of shares for cash up to a total nominal value of £52,639.67 (representing 20% of the Company's issued share capital following completion of the Placings). This gives the directors flexibility to take advantage of business opportunities as they arise.

This authority will expire at the conclusion of the next annual general meeting or, if earlier, 15 months after the date of the resolution, except in so far as commitments to allot shares have been entered into before that date.

The attention of Shareholders is also drawn to the voting intentions of the Directors as set out in the paragraph entitled "Recommendation" below.

Irrevocable Undertakings

The Company has received irrevocable undertakings and indications of intent to vote in favour of the Resolutions in respect of 119,256,375 Ordinary Shares in aggregate representing approximately 86% of the existing issued share capital of the Company.

Recommendation

The Directors believe that the proposed Placings are in the best interests of the Company and its Shareholders. Accordingly, the Directors, recommend that Shareholders vote in favour of the Resolutions, as they have irrevocably committed to do in respect of their individual holdings amounting in aggregate to approximately 8% of the current issued share capital.

Action to be taken

A Form of Proxy for use at the General Meeting accompanies this document. The Form of Proxy should be completed in accordance with the instructions thereon and returned to the Company's registrars, Neville Registrars Limited, at Neville House, 18 Laurel Lane, Halesowen, West Midlands, B63 3DA, UK, as soon as possible, but in any event so as to be received by no later than 48 hours before the time of the General Meeting. The completion and return of a Form of Proxy will not preclude Shareholders from attending the General Meeting and voting in person should they so wish.

Yours sincerely

Professor Oliver James
Chairman

PART 2
ADDITIONAL INFORMATION

1. The Placing Agreement

Under the Placing Agreement, Panmure Gordon has agreed to use reasonable endeavours to seek to procure subscribers for the New Shares pursuant to the Placings and to submit applications for admission to the London Stock Exchange. The obligations of the parties under the Placing Agreement are conditional upon certain conditions having been fulfilled (or waived) by such date as may be agreed by Panmure Gordon and the Company (not being later than 15 March 2013). The Placing Agreement contains certain representations and warranties by the Company as to the accuracy of the information contained in this document and other matters relating to the Company and its business. Under the Placing Agreement and conditional upon Admission, the Company will pay to Panmure Gordon for its services a commission based on the total value of the New Shares subscribed pursuant to the Placings and an additional fixed fee. The Company shall reimburse Panmure Gordon for all costs and expenses in connection with the application for Admission. The Company has agreed to indemnify Panmure Gordon against certain losses, costs, charges and expenses which Panmure Gordon may suffer or incur as a result of, occasioned by or attributable to the carrying out of its duties under the Placing Agreement.

2. Shareholdings

The table on the following page summarises the movements in shareholdings in e-Therapeutics plc as a result of the Placings for Shareholders with notifiable interests, Directors and Placees. Your attention is drawn to the explanatory notes below the table, which provide additional relevant information.

	Shareholding prior to the Placings		New Shares acquired in the Placings	Shareholding after the Placings	
	Shares	%		Shares	Shares
Existing shareholders (excluding Directors)					
Invesco	63,461,539	45.92%	67,870,000	131,331,539	49.90%
Henderson Global Investors	17,539,408	12.69%	0	17,539,408	6.66%
Octopus Investments Limited	8,753,908	6.33%	2,343,750	11,097,658	4.22%
Newcastle University Holdings Limited	6,744,000	4.88%	0	6,744,000	2.56%
Other Placees	2,584,583	1.87%	3,875,000	6,459,583	2.45%
Other	17,681,560	12.79%	0	17,681,560	6.72%
Directors					
Malcolm Young (CEO) (1)	21,037,662	15.22%	0	21,037,662	7.99%
Oliver James (Chairman)	110,500	0.08%	0	110,500	0.04%
Rajesh Chopra (NED)	8,122	0.01%	0	8,122	0.00%
Brad Hoy (NED)	8,500	0.01%	0	8,500	0.00%
Stephen Self (Development Director)	253,577	0.18%	0	253,577	0.10%
Dr. Daniel Elger (CFO)	15,000	0.01%	0	15,000	0.01%
New Shareholders					
Aviva Investors Global Services Limited	0	0.00%	41,250,000	41,250,000	15.67%
Other Placees	0	0.00%	9,661,250	9,661,250	3.67%
Total	138,198,359	100.00%	125,000,000	263,198,359	100.00%

- (1) Malcolm Young has an aggregate interest in 21,037,662 of the Company's shares comprising a direct interest in 20,640,482 shares (of which 10,310,241 shares are held by Professor Young's wife) and an indirect interest in 397,180 shares, representing 14.94% and 0.29% respectively, of the Company's issued share capital as at the date of this document.

3. The Independent Shareholders

The Panel will normally waive the requirement for a general offer to be made in accordance with Rule 9 if the Independent Shareholders pass a Whitewash Resolution. The Panel has the power to waive the requirement for a Whitewash Resolution to be put to the shareholders of a company at a general meeting where the independent shareholders confirm in writing that they would vote in favour of a Whitewash Resolution. The Independent Shareholders detailed below have provided the Panel with the relevant written confirmations in connection with the Company and the Panel has accordingly waived the requirement for a general offer to be made in accordance with Rule 9. Accordingly, by voting in favour of the Resolutions to be proposed at the General Meeting of the Company, the Placings will be effected without the requirement for Invesco to make a general offer.

Independent Shareholders

Name of Shareholder (beneficial owners)	Number of Ordinary Shares held	Percentage of current issued ordinary share capital of the Company represented by the holding of Ordinary Shares	Percentage of voting rights of current issued ordinary share capital of the company eligible to give written consent
Henderson Global Investors	17,539,408	12.69%	27.67%
Prof Malcolm Young	10,330,241	7.47%	16.29%
Mrs Deborah Young	10,310,241	7.46%	16.26%
Newcastle University Holdings Limited	6,744,000	4.88%	10.64%
RAB Capital	2,200,000	1.59%	3.47%
Total	47,123,890	34.10%	74.33%

Each of the Independent Shareholders (who together are the beneficial owners of 47,123,890 Ordinary Shares, representing 34.10% of the Company's issued share capital carrying voting rights as at the date of this document) has written to the Takeover Panel to confirm:

- 3.1 that it/he/she has absolute discretion over the manner in which its/his/her respective Ordinary Shares are voted and that these Ordinary Shares are held free of all liens, pledges, charges and encumbrances;
- 3.2 that:
- (a) save for the fact that they are shareholders in the Company, there is no connection between it/him/her and the concert party;
 - (b) it/he/she does not have any interest or potential interest, whether commercial, financial or personal, which is conditional on the outcome of the Placings; and
 - (c) it/he/she is an Independent Shareholder of the Company; and
- 3.3 that, in connection with the Placings:
- (a) it/he/she has consented to the Takeover Panel granting a waiver from the obligation for the concert party to make a Rule 9 offer to the Company's Shareholders;
 - (b) subject to Independent Shareholders of the Company holding more than 50% of the shares capable of being voted on a Whitewash Resolution giving separate confirmations in writing, it/he/she consents to the Takeover Panel dispensing with the requirement that Independent Shareholders approve a Whitewash Resolution at a general meeting of the Company; and
 - (c) it/he/she would vote in favour of a Whitewash Resolution were such a resolution put to the Independent Shareholders of the Company at a general meeting.

In giving the confirmations referred to above, each of the Independent Shareholders acknowledged:

- 3.4 that, if the Takeover Panel receives written confirmation from independent shareholders holding more than 50% of the shares capable of being voted on a Whitewash Resolution, the Takeover Panel will approve a waiver from the obligation for the concert party to make a Rule 9 Offer, without the requirement for the waiver to be approved by independent shareholders of the Company at a general meeting (an "**Accelerated Panel Waiver**"); and
- 3.5 that, if no general meeting is held to approve the Whitewash Resolution:

- (a) there would not be an opportunity for any other person to make any alternative proposal to the Company conditional on such Whitewash Resolution not being approved by Independent Shareholders of the Company;
- (b) there would not be an opportunity for any other Shareholders to make known their views on the Placings; and
- (c) there would be no requirement for the Company either (i) to obtain and make known to the Shareholders competent independent advice under Rule 3 of the Code on either the Placings or the waiver of the obligation for the concert party to make a Rule 9 offer or (ii) to publish a circular to Shareholders in compliance with Appendix 1 of the Code in connection with this matter.

The Independent Shareholders also confirmed that they would not sell, transfer, pledge, charge or grant any option or other right over, or create any encumbrance over, or otherwise dispose of their Ordinary Shares until after the conclusion of the proposed General Meeting to approve, amongst other things, the Placings.

Consent

Panmure Gordon and Invesco have each given and not withdrawn their consent to the issue of this document and the references to their respective names in the form and context in which they appear.

NOTICE OF A GENERAL MEETING

Notice is hereby given that a general meeting of e-Therapeutics plc (the "Company") will be held at St Ann's Wharf, 112 Quayside, Newcastle upon Tyne, NE1 3DX at 9.30am on 27 February 2013 to consider and, if thought fit, pass the following resolutions of which resolution 1 will be proposed as an ordinary resolution and resolution 2 will be proposed as a special resolution.

1. That the directors be generally and unconditionally authorised for the purpose of section 551 of the Companies Act 2006 to exercise all the powers of the Company to:

- 1.1 allot or grant rights to subscribe for or to convert any security into shares in the Company up to an aggregate nominal amount of £221,506.06; and
- 1.2 to allot equity securities (within the meaning of section 560 of the Companies Act 2006) up to a further aggregate nominal amount of £87,732.79 provided that they are offered by way of a rights issue to holders of ordinary shares on the register of members at such record dates as the directors may determine, where the shares or equity securities respectively attributable to the interests of the ordinary shareholders are proportionate (as nearly as may be practicable) to the respective number of ordinary shares held or deemed to be held by them on any such record dates, subject to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with treasury shares, fractional entitlements or legal or practical problems arising under the laws of any overseas territory or the requirements of any regulatory body or stock exchange or by virtue of shares being represented by depositary receipts or any other matter

provided that in both cases:

- 1.3 (except as provided in paragraph 1.4 below) this authority shall expire on the date of the next annual general meeting of the Company; and
- 1.4 the Company may before such expiry make an offer or agreement which would or might require shares or equity securities, as the case may be, to be allotted or such rights granted after such expiry and the directors may allot shares or equity securities or grant such rights, as the case may be, in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

All unexercised authorities previously granted to the directors to allot shares or to grant rights to subscribe for or to convert any security into shares be and are hereby revoked.

2. That, subject to the passing of resolution 1 above, the directors, pursuant to the general authority conferred on them by that resolution be empowered pursuant to section 570 of the Companies Act 2006 (the "Act") to allot for cash, either pursuant to the authority so conferred or where the equity securities are held by the Company as treasury shares (within the meaning of section 724(5) of the Act), to allot equity securities (within the meaning of section 560 of the Act) as if section 561 of the Act did not apply to any such allotment provided that this power shall be limited to the allotment of equity securities:

- 2.1 of up to 125,000,000 ordinary shares of 0.1 pence each pursuant to the Placings (as defined in the circular to shareholders issued by the Company of which this notice forms a part, a copy of which circular was produced to the meeting and initialled by the chairman for identification (the "Circular");
- 2.2 made in connection with the allotment of ordinary shares of 0.1p each in the capital of the Company pursuant to the e-Therapeutics plc Long Term Incentive Plan 2007 (as amended from time to time);

- 2.3 made in connection with the allotment of up to 1,492,480 ordinary shares of 0.1p each in the capital of the Company pursuant to those option agreements referred to in paragraphs 2.9 to 2.13 of Part VII of the admission document relating to the Company dated 22 November 2007 that have not been fully exercised and have not lapsed;
- 2.4 made in connection with the allotment and issue of up to 198,332 ordinary shares of 0.1p each in the capital of the Company pursuant to the unexercised warrants described in the circular to shareholders of the Company dated 25 February 2009;
- 2.5 made in connection with the allotment and issue of up to 677,409 ordinary shares of 0.1p each in the capital of the Company pursuant to the unexercised warrants described in the circular to shareholders of the Company dated 15 February 2011;
- 2.6 made in connection with the allotment and issue of up to 168,020 ordinary shares of 0.1p each in the capital of the Company pursuant to the options granted to B R Hoy and O F W James;
- 2.7 made in connection with an offer of securities, open for acceptance for a fixed period, by the directors to ordinary shareholders of the Company on the register on a fixed record date in proportion (as nearly as may be) to their then holdings of such shares (but subject to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with treasury shares or any legal or practical problems under the laws or requirements of any recognised regulatory body or any stock exchange in any overseas territory or in connection with fractional entitlements) or by virtue of shares being represented by depositary receipts or any other matter whatsoever; and/or
- 2.8 wholly for cash (otherwise than pursuant to paragraphs 2.1 to 2.7 above) up to an aggregate nominal value of £52,639.67

and shall expire on the conclusion of the next annual general meeting of the Company or, if earlier, 15 months after the passing of this resolution, but the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities pursuant to such an offer or agreement notwithstanding that the power conferred by this resolution has expired.

All unexercised authorities previously granted to the directors under section 570 of the Act are hereby revoked.

By order of the board

Sean Nicolson

Secretary

Registered office
17 Blenheim Office Park
Long Hanborough
Oxfordshire
OX298LN
United Kingdom

Incorporated in England and Wales, company number 4304473

Notes

The following notes explain your general rights as a shareholder of the Company and your right to attend and vote at this meeting or to appoint someone else to vote on your behalf.

1. Only those members registered in the register of members of the Company as 48 hours before the time set for the meeting shall be entitled to attend and vote at the meeting convened above in respect of the

number of shares registered in their names at that time. This time will still apply for the purpose of determining who is entitled to attend and vote if the general meeting is adjourned from its scheduled time by 48 hours or less. If the general meeting is adjourned for longer, members who wish to attend and vote must be on the Company's register of members by 48 hours before the time fixed for the adjourned meeting. Changes to entries on the register of members after that time will be disregarded in determining the rights of any person to attend or vote at the meeting.

2. A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint another person as his or her proxy to exercise all or any of his or her rights to attend and to speak and vote at a meeting of the Company. On a poll demanded, all of a member's voting rights may be exercised by one or more duly appointed proxies. Any such member may appoint more than one proxy provided that each proxy is appointed to exercise the rights attached to a different share or shares held by such member. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please contact Neville Registrars Limited at Neville House, 18 Laurel Lane, Halesowen, West Midlands, B63 3DA. A proxy need not be a member of the Company. Appointing a proxy will not prevent a member from attending in person and voting at the meeting. If you wish your proxy to speak on your behalf at the meeting you will need to appoint your own choice of proxy (not the chairman of the meeting) and give your instructions directly to them. A proxy must vote in accordance with any instructions given by the appointing member.
3. A form of appointment of proxy is enclosed. To appoint a proxy using this form in hard copy form, this form must be completed and signed, sent or delivered to Neville Registrars Limited at Neville House, 18 Laurel Lane, Halesowen, West Midlands, B63 3DA. In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney of the company. If you return more than one proxy appointment, either by hard copy form or by electronic form, that received last by the registrar before the latest time for the receipt of proxies will take precedence.
4. The form of proxy includes a vote withheld option. Please note that a vote withheld is not a vote in law and will not be counted in the calculation of the proportion of the votes for and against any particular resolution.
5. The appointment of a proxy and the original or duly certified copy of the power of attorney or other authority (if any) under which it is signed or authenticated should be deposited with Neville Registrars Limited at Neville House, 18 Laurel Lane, Halesowen, West Midlands, B63 3DA not later than 48 hours before the time for holding the general meeting or any adjourned meeting.
6. In the case of joint holders of shares, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first named being the most senior).
7. Copies of the following documents are available for inspection during normal business hours at the registered office of the Company on any business day and they may also be inspected on the day of the meeting until the conclusion of the meeting:
 - 7.1 the directors' service contracts with the Company; and
 - 7.2 the non-executive directors' letters of appointment.
8. Except as provided above, members who have general queries about the meeting should write to the company secretary at the Company's registered office. No other methods of communication will be accepted. You may not use any electronic address provided either in this notice of meeting or any related documents (including the chairman's letter and proxy form) to communicate with the Company for any purposes other than those expressly stated.