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24 October 2011

Asterand Plc

(**"Asterand"** or the **"Company"**)

Update on Re-Financing Talks

Commencement of Formal Sales Process

In its Interim results statement on 30 August 2011, the Company announced that it would be in breach of its banking covenants in the near future. The Company has now received notices of default from Silicon Valley Bank ("SVB") and from the holders of the BioSeek notes. In the case of the latter, the Company has 120 days to remedy the situation, however, since any refinancing of the Company will occur within this time frame the Board do not believe this situation to be of concern. However, with SVB there is no such time frame allowed to the Company.

The Company has been in discussions with a potential funder for the business which it was expected would result in the business being refinanced and enable it to move forward. However, whilst these discussions are still on-going there is no certainty that these talks will be successful. Given the Company's financial position and the need to raise additional working capital in the short term, the Board now feel that alternative options need to be considered including a sale of all or part of the business. As such, the Board has decided to commence a formal sale process for the entire issued and to be issued share capital of the Company. Accordingly, the Company invites interested parties to contact Daniel Stewart (contact details are provided below).

The Takeover Panel has granted a dispensation from the requirements of Rules 2.4(a), 2.4(b) and 2.6(a) of the Takeover Code such that any interested party participating in the formal sale process will not be required to be publicly identified, subject to note 3 on Rule 2.2, as a result of this announcement and will not be subject to the 28 day deadline referred to in Rule 2.6(a), for so long as it is participating in the formal sale process. Interested parties should note Rule 21.2 of the Takeover Code, which will prohibit any form of inducement fee or other offer-related arrangement, and that the Company has not requested any dispensation from this prohibition under Note 2 of Rule 21.2 at this stage.

The Company proposes to conduct the formal sale process in the following manner. Any interested party who approaches the Board will be required to enter into a non-disclosure agreement with the Company on reasonable terms satisfactory to the Board and on the same terms, in all material respects, as other interested parties, before being permitted to participate in the process. Once the non-disclosure agreement has been signed the participant will be given access to a dataroom and management presentations. The Board is currently targeting a deadline of second half of November for determining a potential offer for

the Company. Due to the Board's desire to conclude a deal within a short period of time, preference will be given to cash only offers for the Company.

The Board reserves the right to alter any aspect of the sale process as outlined above or to terminate it at any time and in such cases will make an announcement as appropriate. The Company will continue with the refinancing discussions in parallel with the formal sales process.

The Board reserves the right to reject any approach or terminate discussions with any interested party or participant at any time. There can be no certainty that any offer will be made for the Company, or even proposed, or as to the level of any proposal or offer that may be made.

For further information, please contact:

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