

Asterand plc AGM Statement July 31, 2006

At today's AGM David Lee, Chairman, Asterand plc made the following statements relating to current trading.

“On 3 January 2006, following completion of the merger of Pharmagene plc and Asterand, Inc., the Company changed its name to Asterand plc. The first half of the year has seen considerable progress in integrating and restructuring the two businesses. The cost base has been reduced compared with the aggregate of both businesses separately prior to the merger and Asterand plc is now selling a wider range of services to an expanded client base. The company has a unified management team with a clear mission to become the leading provider of human tissue and related services to the pharmaceutical sector and a focus on bringing the business to profitability.

The Company's goal is to enable its clients, pharmaceutical and biotechnology companies, to take safer and more effective drugs into the clinic with increased confidence. It is delivering this goal through the provision of human tissue samples and tissue derivatives and by the provision of drug discovery services using the company's expertise in applied human tissue based research.

The company expects to announce its interim results for the six months ended 30 June 2006 in September.

Based on unaudited information the directors expect core revenues, being the supply of tissue samples and derivatives and the provision of drug discovery services, to be not less than £3.7 million. In addition, revenues of £350,000 have been received relating to the licensing of the R4 programme.

At 30 June 2006 the company had cash resources of £6.2 million.

The Board also announces its intention to initiate a search for a successor to Randal Charlton, the current Chief Executive Officer. Mr Charlton will continue to serve as CEO until a successor has been appointed at which time he intends to retire as a director of the Company.

David Lee, Chairman of Asterand plc commented, “As a co-founder of Asterand, Inc. in 2000, Randal has overseen the rapid and successful growth of the company culminating in the merger with Pharmagene plc in January of this year and the subsequent integration of US and UK operations. Randal has been involved in succession planning discussions for some time and has agreed with the Board that now is an appropriate time to commence a search for a successor to take the business through the next phase of growth.”

Randal Charlton commented.” I look forward to working with the successful candidate to effect a smooth transition. The new CEO will inherit a strong management team which has unrivalled experience in the important emerging market of human tissue based research. That team has led the way in developing new standards for the research community. These standards are critical to the use of human tissue in early stage drug development and have already gained wide acceptance in the market place. Asterand now has a customer base that includes 18 of the top 20 drug discovery companies in the world. Over the next few years I believe the demand for Asterand's human tissue research expertise will grow dramatically as the drug discovery industry seeks to develop new drugs, faster, at less cost and take them into the clinic with more confidence.”

For further information, please contact

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