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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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A copy of this announcement will be available at www.asterand.co.uk. The content of the website referred to in this announcement is not incorporated into and does not form part of this announcement.

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This announcement is not intended to, and does not, constitute or form part of any offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities whether pursuant to this announcement or otherwise. The distribution of this announcement in jurisdictions outside the United Kingdom may be restricted by law and therefore persons into whose possession this announcement comes should inform themselves about, and observe, such restrictions. Any failure to comply with the restrictions may constitute a violation of the securities law of any such jurisdiction.

Disclosure requirements of the Code

Under Rule 8.3(a) of the Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any paper offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any paper offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree

company and (ii) any paper offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any paper offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a paper offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any paper offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any paper offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any paper offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a paper offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. If you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure, you should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129.