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Lombard Medical Technologies PLC
("Lombard Medical" or "Company")

Issue of equity to raise up to £27.5 million to fund U.S. approval and launch of Aorfix™

London, UK, 20 April 2011 – Lombard Medical Technologies PLC (AIM: LMT), the specialist medical devices company, today announced that it proposes to raise up to £25.3 million (before expenses) through a placing and subscription arranged on the Company's behalf by Evolution Securities Limited and Eden Financial Limited. As part of the subscription, Abingworth LLP and MVM Life Science Partners LLP, both specialist healthcare investors, have committed to invest, in aggregate, up to £13.0 million. The placing and subscription will be issued and admitted to trading in two tranches. In addition, qualifying shareholders and qualifying employees are being invited to participate in the fundraising pursuant to an offer that may raise up to an additional £2.2 million (before expenses).

The Company will raise up to £13.3 million (before expenses) through the first tranche of the fundraising. The Company will raise a further £14.2million (before expenses) through the second tranche of the fundraising subject to certain milestones and conditions being achieved (or waived by certain of the investors). The Directors believe the net proceeds of the first fundraising and the second fundraising will, assuming that these are received in full, give the Company sufficient cash to fund it through to cash flow break even. The funds will be applied towards:

- Achieving FDA approval of Aorfix™ in the U.S.;
- Launching Aorfix™ post FDA approval in the U.S. market through the Company's own direct sales force;
- Launching Aorfix™ post approval into the Japanese market with the Company's experienced distribution partner;
- Further investment in sales and marketing infrastructure in key European markets, building on the success achieved in the UK and Germany;
- Expansion of production capacity;
- Completion of the Aorfix™ development projects initiated in 2010 (size range extension and next generation delivery system); and
- Development of the Company's endovascular stent graft for the treatment of thoracic aortic aneurysms.

The fundraising is subject to the approval of the shareholders of the Company at a General Meeting to be held on 6 May 2011. A circular containing a notice convening the General Meeting has today been posted to the Company's shareholders.

The Company today also announces Board changes, which are set out below in the full announcement, and the publication of preliminary results for the financial year ended 31 December 2010. Both the circular and the preliminary results will be available to view on the Company's website www.lombardmedical.com.

Commenting on the fundraising, John Rush, Chairman of Lombard Medical, said:

"The successful financing announced today is expected to be sufficient to take the Company through to cash flow break even, providing the necessary resources to achieve our long-term business plans, including the launch of Aorfix™ post approval in the U.S. The first tranche of up to £13.3 million will fund the Company through to Q3 2012 and the anticipated approval of Aorfix™ in the U.S., will trigger payment of the second tranche of £14.2 million."

Simon Hubbert, Chief Executive Officer, said:

“We welcome the continued support of our existing shareholders as well as the addition of two of the most highly regarded investors in medical technology, Abingworth and MVM. Their confidence in the long-term prospects for Aorfix™ is further strengthened by the excellent 2010 results announced today, which show accelerating penetration in Europe’s largest markets.”

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Notes to editors

About Lombard Medical

Lombard Medical Technologies PLC (AIM: LMT), is a medical device company focused on device solutions for the \$1.1 billion dollar abdominal aortic aneurysm (AAA) repair market. AAA’s are a balloon-like enlargement of the aorta which, if left untreated, may rupture and cause death. Approximately 4.5 million people are living with AAA’s in the developed world and each year 600,000 new cases are diagnosed. The market for endovascular stent grafts for this application is expected to grow to \$1.6 billion by 2015. The Company’s lead product, Aorfix™, is an endovascular stent graft which has been specifically designed to solve the problems that exist in treating complex tortuous anatomy which is often present in advanced AAA disease. Aorfix™ is currently being commercialised in the EU, with a pivotal clinical trial ongoing in the USA.

The Company is headquartered in Oxfordshire, with operations in Ayrshire and Phoenix, USA.

Further background on the Company can be found at www.lombardmedical.com.

Definitions used in this announcement will have the same meaning as those used in the Circular, unless the context requires otherwise.

Placing and Subscription to raise up to £25.3 million
Offer to Qualifying Participants to raise up to £2.2 million
Notice of General Meeting

1. Introduction

The Company is pleased to announce that it proposes to raise up to £25.3 million (before expenses) by way of a Placing and Subscription through Evolution Securities and Eden, joint brokers to the Fundraising. In conjunction with the Placing and Subscription, the Board also announces today details of an Offer to Qualifying Participants to raise up to a further £2.2 million (before expenses). The Placing Shares and Subscription Shares will be issued and admitted to trading in two tranches. The First Fundraising and the Second Fundraising (together the "Fundraising") are conditional upon, amongst other things, the Directors obtaining appropriate Shareholder authorities at the GM to seek authority for the Share Split, to grant the Committed Options and the New Options, to allot the Fundraising Shares, to disapply statutory pre-emption rights which would otherwise apply to the allotment of the Fundraising Shares and to adopt the New Articles.

The First Placing and First Subscription will raise £11.1 million (before expenses) through the issue of 1,590,285,710 Fundraising Shares. The Offer will seek to raise up to the €2.5 Million Maximum which at current exchange rates equates to approximately £2.2 million (before expenses) through the issue of up to 314,285,714 Fundraising Shares. The issue price for the Fundraising Shares pursuant to the First Placing, the First Subscription and the Offer (the "First Fundraising") is 0.7 pence per Fundraising Share. It is expected that First Admission will become effective and that dealings in the Fundraising Shares pursuant to the First Fundraising will commence on 31 May 2011. The First Fundraising is conditional upon First Admission occurring but is not conditional upon admission of the Fundraising Shares pursuant to the Second Fundraising occurring.

The Second Placing and Second Subscription (the "Second Fundraising") will seek to raise up to £14.2 million (before expenses). The issue price for the Fundraising Shares pursuant to the Second Fundraising will be a price per New Ordinary Share equal to the lower of (a) 0.7 pence per New Ordinary Share and (b) the closing mid-market price of a New Ordinary Share (as extracted from the London Stock Exchange's Daily Official List) on the Business Day immediately prior to:

- (i) the Company serving notice on the Subscribers, Evolution Securities and Eden that it considers the FDA Milestone Requirements to have been satisfied in accordance with the provisions of the VC Subscription Agreement; or
- (ii) in the event of an exercise as a result of a Waiver Event, the last Business Day immediately prior to the date of the service of a notice to such effect; or
- (iii) in the event of an exercise as a result of a Takeover Offer, the last Business Day immediately prior to the start of the offer period relating to such Takeover Offer,

in all cases subject to a minimum of 0.1 pence per New Ordinary Share.

The Second Fundraising is conditional upon First Admission occurring, the FDA Milestone Requirements having been satisfied (or waived), each of the VC Subscription Agreement and the Placing Agreement not having been terminated and becoming unconditional in relation to the Second Fundraising (save for, in each case, any condition relating to their having become unconditional in accordance with their respective terms and/ or Second Admission) and Second Admission occurring by no later than 31 December 2012.

Pursuant to the Second Subscription, the Concert Parties could acquire, in aggregate and assuming no take up under the Offer and that no Placees or Other Subscribers invest as part of the Second Subscription, up to 73.3 per cent. of the voting rights of the Company based on the minimum Second Issue Price, which without a waiver of the obligations under Rule 9 of the Code would require the Concert Parties to make a general offer under Rule 9 of the Code to acquire all of the New Ordinary Shares not already owned by them. The Panel has approved a waiver of the obligations of the Concert

Parties to make an offer pursuant to Rule 9 of the Code without the requirement for the waiver to be approved by Independent Shareholders at a general meeting, that would otherwise arise on completion of the Second Fundraising, following receipt of written confirmations given by IAML and Fidelity, including confirmation that each of IAML and Fidelity, as Shareholders holding, in aggregate, in excess of 50 per cent. of the shares in the Company capable of being voted at a general meeting of the Independent Shareholders, agree to the waiver.

2. Background to and reasons for the Fundraising

In February 2010 the Company raised £13.3 million (before expenses) to fund the following activities:

- the expansion of the Company's European sales and marketing infrastructure;
- submission of the remaining PMA modular filings and completion of the clinical trial in the U.S. to gain FDA regulatory approval for AorfixTM;
- development of a next generation delivery system for AorfixTM; and
- the improvement of operational efficiency.

Over the last year the Company has made good progress with all these activities as set out below:

- the UK sales force was increased from one to four and a two-man sales force has been set up in Germany. The impact of this investment can be seen in the increase in sales within the main European markets during 2010 as set out in the Preliminary Results which were released by the Company today;
- the Company has now filed five of the six PMA modular filings required for its PMA submission and three of these have now been approved by the FDA. It is not unusual for the FDA to raise questions on data submitted and the Company is currently responding to questions arising from its fourth and fifth modular filings. Some of the FDA's questions in relation to the Company's fourth modular filing require the Company to perform extra bench testing. The Company, therefore, now expects to receive approval of the fourth and fifth modules in the fourth quarter of 2011. The Company does not expect approval of modules four and five to delay overall approval of AorfixTM by the FDA.

In a pre-PMA meeting with the FDA in January 2011, the Company was requested to provide some supplemental analyses of the clinical data that was originally planned to be included in its sixth (clinical) module. Although the Company still expects to submit the sixth module in the first half of 2011, it is likely that this will be towards the end of June 2011, which is slightly later than previously anticipated.

The FDA will have, following submission, up to 180 days in which to review the final module and respond to the Company. As is normal for such submissions, the FDA's initial response is likely to be a list of questions about certain aspects of the data provided. The length of time required to answer such questions and for the FDA to review and agree with conclusions may be anytime up to nine months. The Company is therefore targeting FDA approval in the first quarter of 2012 although if an extended review period is required approval might not be granted until the third quarter of 2012;

- during 2010 the Company initiated two main development projects in respect of AorfixTM. The first of these consists of the expansion of the current size range of AorfixTM to enable the product to be used to treat an estimated 25 per cent. of patients who currently have aortas that are either too large or too small for the current size range. The second project consists of the development of a new, improved AorfixTM delivery system which is intended to reduce the profile and to simplify use of the AorfixTM delivery device. A small clinical trial is required before European approval is granted for the new larger size grafts. The Company expects this trial to have commenced by the end of 2011; and

in order to increase capacity and make the most efficient use of the Company's facilities, stent graft production has recently started at the Company's Prestwick facility. It is the Company's intention that, over time, this facility will take over all the stent graft production currently performed at the Company's Didcot facility in order to free up capacity at Didcot for the assembly and loading of the delivery device.

Despite the Company's progress in relation to the activities described above, the Company no longer has sufficient cash resources to fund the Company through to full U.S. regulatory approval of AorfixTM as originally anticipated in February 2010. The Board is therefore proposing to undertake the First Fundraising in order to secure sufficient cash resources to fund the Company through to the end of the first half of 2012 based on the current business plan. The net proceeds of the First Fundraising will also allow the Company to continue to invest in new product development opportunities and to invest in its sales and marketing infrastructure within the U.S. ahead of the anticipated FDA approval of AorfixTM. If FDA approval is unlikely to be achieved by the end of the second quarter of 2012 the Directors will take action to reduce the ongoing costs within the Company until final approval is achieved. The Directors believe this action will extend the funding of the Company through to the third quarter of 2012.

As part of the Board's efforts to secure funds for the First Fundraising, a two tranche Fundraising was proposed by Abingworth and MVM. The Board concluded that, the influx of future funds subject to full FDA approval of AorfixTM provides the following benefits to the Company:

- by offering investors the ability to participate in the Second Fundraising on pre-agreed terms, the Company has been able to generate sufficient investor interest in order to raise the funds required under the First Fundraising;
- by offering a two tranche Fundraising, the Company has been able to attract a broader range of investors to participate in the First Fundraising. The Directors are especially pleased that Abingworth and MVM, both healthcare specialist investors, will become shareholders in the Company following First Admission;
- the Second Fundraising should reduce any short to mid-term funding risk that may otherwise affect the Company following FDA approval of AorfixTM. The Directors believe that, by removing the funding uncertainty of the Company following FDA approval, new investors will be attracted to the Company and that, going forward, the Company will be better positioned to achieve a more favourable valuation; and
- the Board will be in a position to start to plan and execute a growth strategy for the Company post FDA approval of AorfixTM. The Second Fundraising should also allow the Board to fully focus on operational developments within the business as opposed to being distracted by further fundraising rounds as has occurred in previous years.

3. Working Capital

As at 31 March 2011, the Company had cash and short-term deposits of £2.7 million. Without taking into account the proceeds of the First Fundraising, the Board expects the Company to have sufficient resources to fund the Company through to June 2011.

Shareholders should be aware that, if the Resolutions are not approved at the General Meeting and the conditions of the First Fundraising, as described in Part II of this announcement, are not satisfied on or before 13 June 2011, the net proceeds of the First Fundraising will not be received by the Company. If this were to happen the Company would only have sufficient working capital to trade through to the end of June 2011 at which point the Board would need to seek alternative financing which may or may not be forthcoming. The Directors consider that such a scenario would not be in the best interests of the Company or its Shareholders and that any alternative financing, if available, would be on less favourable terms and could risk leading to substantial dilution for

Shareholders. Accordingly, the Directors unanimously recommend that Shareholders vote in favour of the Resolutions.

The Directors believe that the net proceeds of the First Fundraising provide the Company with sufficient cash to fund its operations through to the third quarter of 2012, by which time they believe that the Company will have satisfied the conditions of the Second Fundraising as described in Part II of this announcement (in which case the Second Subscription pursuant to the Second Fundraising will proceed automatically). If the conditions of the Second Fundraising are neither satisfied, nor waived by Abingworth and MVM who may elect to waive those conditions, the net proceeds of the Second Fundraising will not be received by the Company and the Board would need to seek alternative financing before the end of the third quarter of 2012.

If the conditions of the First Fundraising and the Second Fundraising are fully satisfied (or, in the case of the Second Fundraising, are waived) and the net proceeds of both the First Fundraising and the Second Fundraising are received in full by the Company, the Directors believe the Company will have sufficient cash to fund it through to cash flow break even.

Shareholders should be aware that the working capital assumptions set out above are dependent on a number of key events including, amongst other things, successful completion of the Aorfix™ U.S. trial and receipt of FDA approval by the third quarter of 2012, increased market penetration in Europe in 2011 and 2012, expansion of the Company's manufacturing facilities and U.S. sales of Aorfix™.

4. The Placing and Subscription

The Company proposes to raise up to approximately £11.8 million (before expenses) through a placing through Evolution Securities and Eden, joint brokers to the Fundraising. In addition, certain investors have entered into the Subscription Agreements with the Company thereby raising up to a further £13.5 million (before expenses) in aggregate. Together, the Placing and the Subscription will raise a total of up to £25.3 million (before expenses). Neither the Placing nor the Subscription is underwritten.

The Placing and Subscription will each take place in two tranches:

- the placing of 740,124,000 Fundraising Shares and the subscription of 850,161,710 Fundraising Shares at the First Issue Price (the "First Placing" and the "First Subscription", respectively); and
- the placing and the subscription at the Second Issue Price (the "Second Placing" and the "Second Subscription", respectively) which may occur in multiple tranches as a result of the exercise of the rights to waive certain conditions as set out in Part II.

The First Issue Price represents a discount of 47 per cent. to the closing middle market price of 1.33p per Existing Ordinary Share on 19 April 2011, being the last practicable date prior to the date of this announcement. The Second Issue Price is a price per New Ordinary Share equal to the lower of (a) 0.7 pence per New Ordinary Share and (b) the closing mid-market price of a New Ordinary Share (as extracted from the London Stock Exchange's Daily Official List) on the Business Day immediately prior to:

- (i) the Company serving notice on the Subscribers, Evolution Securities and Eden that it considers the FDA Milestone Requirements to have been satisfied in accordance with the provisions of the VC Subscription Agreement; or
- (ii) in the event of an exercise as a result of a Waiver Event, the last Business Day immediately prior to the date of the service of a notice to such effect; or
- (iii) in the event of an exercise as a result of a Takeover Offer, the last Business Day immediately prior to the start of the offer period relating to such Takeover Offer,

in all cases subject to a minimum of 0.1 pence per New Ordinary Share.

Assuming that the Resolutions are passed, it is expected that First Admission will become effective and that dealings in the Fundraising Shares pursuant to the First Fundraising will commence on 31 May 2011. Conditional on First Admission occurring, it is expected that Second Admission will become effective and that dealings in the Fundraising Shares pursuant to the Second Fundraising will commence within 26 business days following the FDA Milestone Requirements having been satisfied (or waived) with Second Admission occurring by no later than 31 December 2012. The Fundraising Shares to be issued pursuant to the Fundraising will be issued fully paid and will rank equally in all respects with the New Ordinary Shares.

Further details of the Placing and Subscription are set out in Part II of this announcement.

Subscription by MVM and Abingworth

As part of the Subscription, Abingworth and MVM have committed to invest, in aggregate, £13.0 million in the Company on the terms described in Part II of this announcement.

MVM Life Science Partners LLP, the MVM Manager, is a venture capital firm that has been investing in emerging healthcare companies since 1998. It has three funds totalling £277 million under management and makes venture capital and growth equity investments. The team of eight investment professionals is located in London and Boston. The MVM Manager invests in companies that are developing or commercialising medical devices, pharmaceuticals, vaccines, drug delivery technologies, OTC medicines, diagnostics and healthcare services.

Abingworth LLP, the Abingworth Manager, is an international investment group dedicated to the life sciences and healthcare sectors. It invests across all stages of company development including early and late-stage venture financing, growth equity and public companies. Founded in 1973, the Abingworth Manager has a lengthy track record of building market leading companies. The Abingworth Manager has a specialist team of 20 professionals with a broad range of skills that are made available to portfolio companies. Abingworth has funds under management of over \$1.25 billion and offices in London, Menlo Park, CA, and Boston, MA.

Following First Admission, MVM and Abingworth will have an interest in 314,285,714 and 502,857,142 New Ordinary Shares respectively which will represent 8.3 and 13.4 per cent. of the Company's Share Capital immediately following First Admission (assuming no take up under the Offer).

A table setting out the potential shareholdings of MVM and Abingworth after Second Admission is set out in section 7 below.

Subscriptions by the Directors

The following Directors have agreed to subscribe approximately £65,000 in aggregate (before expenses) pursuant to the First Subscription and Second Subscription at the First Issue Price and the Second Issue Price, respectively:

Name	First Subscription Amount £	Second Subscription Amount £
John Barry Rush	4,400	5,600
Simon John Neathercoat	4,400	5,600
Simon Hubbert	4,400	5,600
Timothy Richard Hall	4,312	5,488
Dr. Peter Phillips	6,600	8,400
Professor Martin Terry Rothman	4,400	5,600
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	8,512	36,288

5. The Takeover Code

The proposed Fundraising gives 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, amongst other things, 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 him and an interest in shares held or acquired by persons acting in concert with him) carry 30 per cent. 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, is interested in shares which in aggregate carry not less than 30 per cent. but not more than 50 per cent. of the voting rights of a company which is subject to the Code, and such person, or any person acting in concert with him, acquires an additional interest in shares which increases the percentage of shares carrying voting rights in which he 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 of the Code 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. Under the Code a concert party arises when persons, who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate control of that company. Under the Code, control means an interest or interest in shares carrying in aggregate 30 per cent. or more of the voting rights of a company, irrespective of whether such interest or interests give de facto control.

Rule 9 of the Code further provides, among other things, that where any person who, together with persons acting in concert with him holds over 50 per cent. 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.

Pursuant to the Second Subscription, the Concert Parties could acquire, in aggregate and assuming no take up under the Offer and that no Placees or Other Subscribers invest as part of the Second Subscription, up to 73.3 per cent. of the voting rights of the Company based on the minimum Second Issue Price, which without a waiver of the obligations under Rule 9 of the Code would oblige the Concert Parties 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, amongst other things, 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 pass an ordinary resolution on a poll at a general meeting approving such a waiver. The Takeover Panel may waive the requirement for a 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 per cent. of the company's shares capable of being voted on such a resolution confirm in writing that they would vote in favour of the waiver 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 independent shareholders and the Panel has accordingly waived the requirement for a resolution to be put to a meeting of Independent Shareholders. Accordingly, by voting in favour of the Resolutions to be proposed at the General Meeting, the Second Fundraising may be effected without the requirement for the Concert Parties to make a Rule 9 Offer.

Shareholders should note that, following the Second Fundraising, the Concert Parties could in aggregate hold Ordinary Shares carrying more than 50 per cent. of the Company's voting share capital, and (for so long as they continue to be treated as acting in concert) will be able to acquire interests in further shares without incurring any further obligation under Rule 9 of the Code to make a general offer. A table setting out the shareholding of the Concert Parties is set out below:

	Abingworth		MVM		Aggregate holding of the Concert Parties
	No of New Ordinary Shares	% of issued share capital	No of New Ordinary Shares	% of issued share capital	
After First Admission*	502,587,142	13.4	314,285,714	8.3	21.7
After Second Admission**	1,142,857,142	19.7	714,285,714	12.3	32.0
After Second Admission***	4,982,857,142	27.8	3,114,285,714	17.4	45.2
After Second Admission****	4,982,857,142	45.1	3,114,285,714	28.2	73.3

* Assuming no New Ordinary Shares are allotted pursuant to the Offer.

** Assuming (i) no New Ordinary Shares are allotted pursuant to the Offer, (ii) the maximum Second Issue Price of 0.7 pence per New Ordinary Share and (iii) that each Placee and Other Subscriber subscribes for all the New Ordinary Shares it has agreed to subscribe for.

*** Assuming (i) no New Ordinary Shares are allotted pursuant to the Offer, (ii) the minimum Second Issue Price of 0.1 pence per New Ordinary Share and (iii) that each Placee and Other Subscriber subscribes for all the New Ordinary Shares it has agreed to subscribe for.

**** Assuming (i) no New Ordinary Shares are allotted pursuant to the Offer, (ii) the minimum Second Issue Price of 0.1 pence per New Ordinary Share and (iii) that no New Ordinary Shares are allotted to any Placee and Other Subscriber other than the Concert Parties.

Shareholders should also note that, following completion of the Second Fundraising, the Concert Parties could acquire, in aggregate and assuming no take up under the Offer and that no Placees or Other Subscribers invest as part of the Second Subscription, up to 73.3 per cent. of the voting rights of the Company based on the minimum Second Issue Price 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 New Ordinary Shares on AIM. The Concert Parties stake in the voting rights of the Company will also mean that the Concert Parties will be able, if they so wish, to exert significant influence over resolutions proposed at future general meetings of the Company.

Patrick Paul, who is interested in 54,163,268 Ordinary Shares, representing 2.5 per cent. of the current issued share capital of the Company, is the father-in-law of Thomas Casdagli. Mr Casdagli is a partner at MVM and is therefore considered to be party of the Concert Parties. Mr Paul is not considered to be acting in concert with either Mr Casdagli or MVM nor do any agreements, understandings or arrangements exist between Mr Paul and any member of the Concert Parties. Mr Paul is not participating in either the Subscription or the Placing although, due to his shareholding in the Company, he is entitled to subscribe for New Ordinary Shares as part of the Offer.

Your attention is drawn to the additional information on the Fundraising provided in Part II of this announcement.

6. Related Party Transaction

Owing to the size of their shareholding in the Company, the participation of IAML in the Fundraising, which holds approximately 43.9 per cent. of the current issued share capital of the Company, constitutes a related party transaction for the purposes of the AIM Rules. The Directors consider, having consulted the Company's nominated adviser, Evolution Securities, that the terms on which IAML is participating in the Placing are fair and reasonable insofar as the Shareholders are concerned.

IAML will have an interest in 1,583,751,185 New Ordinary Shares following First Admission, representing 42.1 per cent. of the First Enlarged Share Capital (assuming no take up under the Offer).

7. The Offer

The Company considers it important that Qualifying Participants have an opportunity to participate in the First Fundraising. We have been advised that Qualifying Participants can subscribe for, in aggregate, up to the €2.5 Million Maximum in Offer Shares without the Company having to produce a prospectus which would have both cost and timing implications for the Company. At current exchange rates, the €2.5 Million Maximum equates to approximately £2.2 million (before expenses). In the event that Qualifying Participants apply for, in aggregate, an amount that is greater than the €2.5 Million Maximum, the Directors will use their discretion to scale back such applications such that this threshold is not exceeded. For further information on the Offer, Shareholders should review the circular and the Application Form sent to them today.

The Company proposes to raise the €2.5 Million Maximum through the issue, pursuant to the First Fundraising, of up to 314,285,714 Fundraising Shares at the First Issue Price to Qualifying Participants, by way of an Offer. Assuming that the Resolutions are passed, that each of the Placing Agreement and the Subscription Agreements have not been terminated and become unconditional in all respects in relation to the First Fundraising (save in relation to any condition relating to First Admission), it is expected that dealing in the Fundraising Shares issued pursuant to the Offer will commence on 31 May 2011.

In order to apply for Offer Shares, Qualifying Participants should complete the Application Form in accordance with the instructions set out in the circular and on the Application Form itself and return the Application Form together with the appropriate remittance, by post, to Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU or by hand (during normal business hours only) to Capita Registrars at that address together, in each case, with payment in full, so as to be received by not later than 11.00 a.m. on 24 May 2011.

8. Grant of Options

As at the date of this announcement, the Company has options outstanding over 233,540,197 Existing Ordinary Shares representing 10.7 per cent. of the current issued share capital of the Company.

The Remuneration Committee of the Company has agreed to issue options to subscribe for 8,373,950 and 21,746,950 New Ordinary Shares to Simon Neathercoat and Simon Hubbert, respectively, in accordance with the Lombard Medical Technologies PLC Share Option Plan (2005). The issue of the Committed Options satisfies an existing commitment made by the Company to Simon Neathercoat and Simon Hubbert at the time of their respective appointments as Deputy Chairman and Chief Executive on 1 January 2011. The exercise price per New Ordinary Share at which the options will be issued will be equal to the First Issue Price. The Committed Options will be issued upon First Admission.

In connection with the Fundraising, the Remuneration Committee of the Company has also agreed to issue options to subscribe for up to 301,086,007 New Ordinary Shares in aggregate (representing up

to 8.0 per cent. of the First Enlarged Share Capital). The New Options will be granted by the Company to certain Directors and senior management of the Company within 90 days of First Admission. The exercise price per New Ordinary Share at which the New Options will be issued will be no less than the First Issue Price. The vesting of the New Options will be subject to certain performance criteria to be determined by the Remuneration Committee, following consultation with the Company's major shareholders post First Admission.

A Resolution to authorise the Directors to grant the Committed Options and the New Options is set out in the GM Notice.

Following the grant of the Committed Options and the New Options there will be options in issue over 564,747,103 New Ordinary Shares (representing up to 15 per cent. of the First Enlarged Share Capital).

9. Board Changes

Pursuant to the VC Subscription Agreement, it has been agreed that Abingworth and MVM shall each be entitled, provided that, and for so long as, they each hold not less than 5 per cent. of the issued share capital of the Company, to appoint one nonexecutive director to the Board. Accordingly, it is proposed that the New Articles include relevant provisions to enshrine such rights. Such provisions will include the grant to each of Abingworth and MVM of weighted voting rights in the event that a resolution is proposed for the removal from office of the relevant additional nonexecutive director appointed by them.

Conditional on First Admission occurring, Abingworth intends to nominate Timothy Haines as an additional nonexecutive director of the Company and MVM intends to nominate Thomas Casdagli as an additional nonexecutive director of the Company.

Thomas Casdagli, aged 34, has been an active investor in the life science sector since joining MVM in 2002. During 9 years of investing at MVM he has worked with many of MVM's portfolio companies and has been a board director of Alliance Pharma plc, Heptares Limited and Avantium International BV. Prior to joining MVM, Thomas worked at PricewaterhouseCoopers in London, where he qualified as a chartered accountant. Thomas has a MBioch from Oxford University in Molecular and Cellular Biochemistry.

Timothy Haines, aged 53, has more than 25 years of international management experience in the life sciences industry. Before joining Abingworth in September 2005 he was Chief Executive of the Abingworth portfolio company, Astex Therapeutics. Timothy was with Astex for more than five years and was instrumental in establishing it as one of the leading UK biotechnology companies. Previously, Timothy was Chief Executive of two divisions of the publicly listed medical technology company, Datascope Corp. Prior to Datascope, he held a number of other senior management positions in the US and Europe. Current and past board positions include Akubio, Astex Therapeutics, Fovea, Healthcare Brands International, Intelligent Medical Implants, KSpine, PowderMed, Stanmore Implants and XCounter. Timothy has a BSc from Exeter University and an MBA from INSEAD. Timothy is a former Director of the Biotechnology Industry Association and currently sits on the Venture Committee of the British Venture Capital Association.

There are no further disclosures required pursuant to Schedule 2, paragraph (g) of the AIM Rules for Companies in respect of the appointment of Thomas Casdagli and Timothy Haines.

In order to ensure that the size of the Board remains appropriate relative to the size of the Company, the following nonexecutive directors have agreed to resign with immediate effect: Dr. Timothy Cook, Richard Johnston, Professor Donald Ricci and Michael Stevens. Resignation letters have been signed by each of these former nonexecutive directors waiving their rights save in relation to properly accrued but unpaid fees and expenses and, in the case of each of Michael Stevens and Timothy Cook, in respect of any payment of fees and benefits relating to their respective three month notice periods, the benefit of existing share options issued to them under the terms of the Lombard Medical

Technologies PLC Share Option Plan (2005) and an ex-gratia payment offered to them on their resignation.

10. Share Split

The First Issue Price represents a discount to the current 1 pence nominal value of the Existing Ordinary Shares. The Act prohibits the issue by a company of shares at a price below their nominal value, and, accordingly, the Directors propose to effect the Share Split in order to reduce the nominal value of the Existing Ordinary Shares and to enable the Fundraising to proceed on the basis as described in this announcement.

It is proposed to sub-divide and convert each Existing Ordinary Share into one New Ordinary Share and one C Deferred Share. Following the Share Split, the Company's SEDOL code and ISIN code remain unchanged at B0Q5QP5 and G B00B0Q5QP56, respectively.

11. General Meeting

The Fundraising is subject to the approval of the shareholders at a General Meeting to be held on 6 May 2011. A circular convening the General Meeting has today been posted to shareholders and will be available to view on the Company's website www.lombardmedical.com.

Shareholders should note that the Resolutions to be proposed at the General Meeting are inter-conditional and if any one of them is not passed the Fundraising will not proceed. Without the Fundraising, the Board will need to consider alternative sources of funding, which may or may not be forthcoming.

12. Irrevocable Undertakings

The Company has received irrevocable undertakings from IAML and Craig Rennie to vote (or procure the voting) in favour of the Resolutions, and to not take up any New Ordinary Shares under the Offer, in respect of a total of 1,061,417,527 Existing Ordinary Shares, representing 48.8 per cent. of the existing issued ordinary share capital of the Company.

13. Recommendation

The Directors unanimously recommend that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting as they intend to do in respect of their own beneficial holdings of Existing Ordinary Shares amounting, in aggregate, to 115,979,735 Existing Ordinary Shares, representing approximately 5.3 per cent. of the existing issued ordinary share capital of the Company.

Part II

Details of the Fundraising

1. The Placing

Pursuant to the terms of the Placing Agreement, Evolution Securities and Eden, joint brokers to the Fundraising, have conditionally agreed to use their reasonable endeavours, as agents for the Company, to place the Placing Shares with certain institutional and other investors. The Placing is not being underwritten.

The Placing Agreement is, in relation to the First Placing, conditional upon, amongst other things, the Resolutions being duly passed at the General Meeting without amendment, each of the Subscription Agreements not having been terminated and becoming unconditional in relation to the First Subscription (save for any condition relating to the Placing Agreement having become unconditional in relation to the First Placing and/or First Admission) and First Admission occurring on or before 8.00 a.m. on 31 May 2011 (or such later time and/or date as the Company, Evolution Securities and Eden may agree, but in any event by not later than 8.00 a.m. on 13 June 2011).

The Second Placing is conditional upon, amongst other things, First Admission having occurred, the FDA Milestone Requirements having been satisfied (in accordance with the terms of the VC Subscription Agreement and as described in section 2 below, or receipt by Evolution Securities and Eden of a notification from the Company that the FDA Milestone Requirements have been satisfied), each of the Subscription Agreements not having been terminated and becoming unconditional in relation to the Second Subscription (save for, in each case, any condition relating to the Placing Agreement having become unconditional in relation to the Second Placing and/or Second Admission) and Second Admission occurring on or before 8.00 a.m. on the date which is 26 Business Days from the FDA Milestone Requirements having been satisfied (or such later date as the Company, Evolution Securities and Eden may agree, but in any event not later than 31 December 2012).

Waiver Event

The Company is required to serve notice upon Evolution Securities and Eden in the event of, as described in section 2 below, a waiver by either or both of Abingworth and MVM at any time after First Admission but before Second Admission in respect of themselves of the conditions to the Second Subscription. In such circumstances, Placees will have a period of up to 10 Business Days in which to notify Evolution Securities or Eden of their intention to subscribe such number of Fundraising Shares as they are entitled to by similarly electing to waive the conditions in relation to the Second Placing. The effect of such a waiver mechanism (at the election of each of Abingworth and MVM and, independently, at the discretion of each Placee as to whether or not to follow suit) is that there could be multiple admissions in respect of the Second Placing Shares.

Where Abingworth and MVM have waived the conditions to the Second Subscription in the circumstances described in paragraph 2(a) below, the Board may (with the consent of Abingworth and MVM) and having taken into account the good faith representations of Evolution Securities and Eden, waive the requirement under the Placing Agreement for satisfaction of the FDA Milestone Requirements provided that it has delivered a certificate to Evolution Securities and Eden confirming that, in the reasonable opinion of the Board, notwithstanding the fact that the FDA Milestone Requirements have not been fully satisfied, the Board (acting reasonably) believes that the prospects for commercially exploiting the Product in the U.S. in accordance with the Company's business plan are not materially less than those which would have existed had the FDA Milestone Requirements been fully satisfied at the date of such notice.

Takeover Offer

If an offer by a third party for the entire share capital of the Company has become or been declared wholly unconditional and, at such time, the conditions to the Second Placing have not been satisfied

and the Second Placing has not lapsed due to passage of time and non-fulfilment of such conditions, the Company is required to serve notice on Evolution Securities and Eden and the Placees will then have a period of 28 days in which to subscribe for their entitlement to Second Placing Shares at the relevant Second Issue Price, after which time the Placees' right to subscribe pursuant to the Second Placing lapses.

Indemnities and Warranties

The Placing Agreement contains warranties from the Company in favour of Evolution Securities and Eden in relation to, amongst other things, the accuracy of the information contained in the circular and certain other matters relating to the Group and its business. The warranties will be repeated immediately prior to First Admission. In addition, the Company has agreed to indemnify Evolution Securities and Eden in relation to certain liabilities that they may incur in connection with the Placing. The warranties are not repeated on or prior to Second Admission.

Termination

Evolution Securities and Eden have the right to terminate the Placing Agreement in certain circumstances prior to First Admission, including for *force majeure*, a material adverse change affecting the Group, in the event of a material breach of the warranties set out in the Placing Agreement, an insolvency event or termination (or failure to become unconditional) of the VC Subscription Agreement. Following First Admission, Evolution Securities and Eden have rights to terminate the Placing Agreement in respect of the Second Placing prior to Second Admission in circumstances where there is a material breach by the Company of its obligations under the Placing Agreement (to the extent that such obligations fall to be performed prior to Second Admission), there is a material breach of the AIM Rules or the Financial Services and Markets Act 2000 (as amended), a material adverse change affecting the Group, an insolvency event or *force majeure*. The warranties are not repeated on or prior to Second Admission.

2. The Subscription

(a) VC Subscription Agreement

The VC Subscription Agreement is, in relation to the First Subscription, conditional upon, amongst other things, the Resolutions being duly passed at the General Meeting without amendment, the Placing Agreement not having been terminated and becoming unconditional in relation to the First Placing in all respects (save for any condition relating to the VC Subscription Agreement having become unconditional in accordance with its terms and/or First Admission) and First Admission occurring on or before 8.00 a.m. on 31 May 2011 (or such later date as the Company and both the Abingworth Manager and the MVM Manager may agree being, in any event, no later than 8.00 a.m. on 13 June 2011). The Second Subscription under the VC Subscription Agreement is conditional upon, amongst other things, First Admission having occurred, the FDA Milestone Requirements having been satisfied, and the Placing Agreement not having been terminated and becoming unconditional in relation to the Second Placing (save for any condition relating to the VC Subscription Agreement having become unconditional in accordance with its terms and/or Second Admission) and Second Admission occurring on or before 8.00 a.m. on the date which is 26 Business Days from the FDA Milestone Requirements having been satisfied (or such later date as the Company, the Abingworth Manager and the MVM Manager may agree, but in any event not later than 31 December 2012).

FDA Milestone Requirements

The conditions for satisfaction of the FDA Milestone Requirements consist of (unless otherwise waived as described below):

- 1 the Company having obtained approval from the FDA in the form of an order issued by the FDA confirming that the Company's application for the PMA in respect of the Product is

approved authorising the distribution and use of the Product in the U.S. with labelling specifying that the Product is suitable for clinical use:

(a) in accordance with the limitations disclosed in the instructions for use agreed with the Abingworth and MVM (the “**Instructions for Use**”);

(b) with the following specifications (i) a neck angle flexible between 60 and 90 degrees; (ii) a neck diameter of between 19 and 28mm; (iii) a neck length above 15mm; (iv) an iliac diameter of between 9 and 18mm; and, (v) an access vessel diameter above 7mm; and

(c) with no material limitations on its use beyond those identified in the Instructions for Use;

2 the Company holding all such consents, authorisations, permits, licences and approvals (excluding an approved PMA as described in 1 above) for the lawful distribution, use and/or sale of the Product in the U.S.; and

3 neither the Company nor any of its agents or representatives having received any information or communications, whether formal or otherwise, the consequence of which on an objective and reasonable assessment is reasonably likely to mean that an application for a PMA for the Product with labelling which specifies that the Product is suitable for clinical use:

(a) in accordance with the limitations disclosed in the Instructions for Use;

(b) with the following specifications (i) a neck angle flexible between 0 and 90 degrees; (ii) a neck diameter of between 19 and 28mm; (iii) a neck length above 15mm; (iv) an iliac diameter of between 9 and 18mm; and (v) an access vessel diameter above 7mm; and

(c) with no material limitations on its use beyond those identified in the Instructions for Use;

will not be approved by the FDA before 30 September 2013.

Waiver Event

Abingworth and MVM each has a right to waive the conditions in relation to the Second Subscription in respect of itself which would have the effect of accelerating the Second Subscription with respect to itself and triggering an option for each Placee to accelerate its Second Placing participation. In circumstances where the FDA Milestone Requirements have not been fully satisfied and Abingworth and MVM have waived the conditions to the Second Subscription, the Board may (with the consent of Abingworth and MVM) and having taken into account the good faith representations of Evolution Securities and Eden, waive the requirement under the Placing Agreement for satisfaction of the FDA Milestone Requirements provided that it has delivered a certificate to Evolution Securities and Eden confirming that, in the reasonable opinion of the Board, notwithstanding the fact that the FDA Milestone Requirements have not been fully satisfied, the Board (acting reasonably) believes that the prospects for commercially exploiting the Product in the U.S. in accordance with the Company’s business plan are not materially less than those which would have existed had the FDA Milestone Requirements been fully satisfied at the date of such notice

Takeover Offer

If an offer by a third party for the entire share capital of the Company has become or been declared wholly unconditional and, at such time, the conditions to the Second Subscription have not been satisfied and the VC Subscription Agreement has not lapsed due to passage of time and non-fulfilment of such conditions, each of Abingworth and MVM will have a period of 28 days in which they may subscribe under the Second Subscription, after which time the right to subscribe under the Second Subscription pursuant to the VC Subscription Agreement will fall away.

Warranties

The VC Subscription Agreement contains warranties from the Company in favour of MVM and Abingworth in relation to, amongst other things, certain other matters relating to the Group and its business. The warranties will be repeated immediately prior to First Admission. The warranties are not repeated on or prior to Second Admission.

Termination

Abingworth and MVM have the right to terminate the VC Subscription Agreement in certain circumstances prior to First Admission, including for force majeure, a material adverse change affecting the Group, an insolvency event, in the event of a material breach of the warranties under the VC Subscription Agreement or termination (or failure to become unconditional) of the Placing Agreement. Following First Admission, Abingworth and MVM have rights to terminate the VC Subscription Agreement in respect of the Second Subscription prior to Second Admission and, save in respect of an event constituting *force majeure* or a material adverse change, have a right to terminate the VC Subscription Agreement in similar circumstances as provided for in the Placing Agreement. In respect of an event constituting *force majeure* or a material adverse change, the Abingworth Manager and the MVM Manager have the right, where Evolution Securities and Eden have indicated their intention in writing to terminate the Placing Agreement as a result of such an event, to terminate the obligations of Abingworth and MVM in respect of their portion of Second Subscription by giving written notice of such termination to the Company and to each of Evolution Securities and Eden.

(b) Other Subscription Agreements

The Other Subscription Agreements contain representations and warranties given by the Other Subscribers to the Company and are conditional upon the Placing Agreement having become unconditional in all respects in accordance with its terms (save for First Admission and, where applicable, Second Admission).

The Other Subscribers have rights (analogous to those contained in the Placing Agreement) under the Other Subscription Agreements to waive satisfaction of the conditions to the Second Subscription (in respect of themselves) where either Abingworth or MVM have done so, or where a third party offer for the Company has been declared wholly unconditional (subject to the same provisions regarding their rights to subscribe falling away if not exercised within a 28 day period). The Other Subscribers are not under an obligation, comparable to that imposed on the Placees, to subscribe in a situation where the Board (with the consent of Abingworth and MVM) determines that the Second Subscription should proceed, notwithstanding non-fulfilment of the FDA Milestone Requirements in all respects.

3. The Offer

The Offer comprises an offer of up to 314,285,714 Fundraising Shares with the aggregate consideration to be received by the Company limited to the €2.5 Million Maximum. At current exchange rates, the €2.5 Million Maximum equates to approximately £2.2 million (before expenses). The Directors reserve the right to exercise their discretion in the allocation of successful applications, including, without limitation, to ensure that no Offer Shares are issued so as to exceed the €2.5 Million Maximum.

The Offer is only open to Qualifying Participants. No Qualifying Participant may subscribe for Offer Shares in excess of the €2.5 Million Maximum. Qualifying Shareholders who are joint Shareholders may only apply for Offer Shares as joint applicants.

The Offer is conditional on the Resolutions being duly passed at the GM, the Placing Agreement and Subscription Agreements becoming unconditional in all respects and not having been terminated in accordance with their respective terms and conditions in relation to the First Fundraising, and First Admission occurring.

The Offer Record Date was on 18 April 2011.

Applications must be made on the terms and conditions set out in the circular and in the Application Form and by duly completing and returning the Application Form and appropriate remittance.

4. Dealings and Settlement

The Fundraising Shares to be allotted and issued pursuant to the Fundraising will be allotted and issued fully paid and will, on issue, rank pari passu with the New Ordinary Shares, including the right to receive, in full, all dividends and other distributions thereafter declared, made or paid after the date of issue together with all rights attaching to them and free from all liens, charges and encumbrances of any kind. Application will be made to the London Stock Exchange for the Fundraising Shares to be admitted to trading on AIM.

It is expected that, subject to the Placing Agreement and the Subscription Agreements becoming unconditional in all respects, the first tranche of the Fundraising Shares to be issued pursuant to the Placing Agreement and the Subscription Agreements will be registered in the names of the Placees and/or the Subscribers pursuant to the First Placing and the First Subscription, respectively, and issued either: (a) in certificated form, with the relevant share certificate expected to be despatched by post, at the applicant's risk by 13 June 2011; or (b) in CREST where an applicant who is a "system member" (as defined in the CREST Regulations) in relation to CREST has so elected in which case delivery (to the designated CREST account) of the Fundraising Shares is expected to take place by 31 May 2011, unless the Company exercises its right to issue such Fundraising Shares in certificated form.

No temporary documents of title will be issued. Pending the despatch of definitive share certificates, instruments of transfer will be certified against the register of members of the Company.

5. Prospectus Rules and Financial Promotion Order

Since the Offer is limited to the €2.5 Million Maximum, the Offer falls within an exemption in Schedule 11A of Financial Services and Markets Act 2000 (as amended). Since the Placing and Subscription with UK Subscribers are directed at qualified investors only, the Placing and Subscription fall within an exemption in Section 86 of Financial Services and Markets Act 2000 (as amended). As such this document does not constitute a prospectus.

Furthermore, this document is exempt from the general restriction contained in section 21 of the Financial Services and Markets Act 2000 (as amended) relating to the communication of invitations or inducements to engage in investment activity on the grounds that it is being made available by the Company only to Qualifying Participants. Accordingly, the Offer is only capable of being accepted by Qualifying Participants. As this document relies on the exemption set out in paragraph 43 of the Financial Promotion Order (non real time communications by or on behalf of a body corporate to members of that body corporate) and paragraph 60 of the Financial Promotion Order (participation in employee share schemes), it has not been drawn up in accordance with the FSA's Handbook or its Conduct of Business Sourcebook.

Part III

1. Placing, Subscription and Offer Statistics

Number of Existing Ordinary Shares in issue as at the date of this document	2,174,694,973
Number of Placing Shares being placed on behalf of the Company under the First Fundraising ¹	740,124,000
Number of Subscription Shares being subscribed for under the First Fundraising ¹	850,161,710
Maximum number of Offer Shares being offered pursuant to the Offer ¹	314,285,714
First Issue Price	0.7p
Maximum number of New Ordinary Shares to be issued under the First Fundraising ²	1,590,285,710
Enlarged ordinary share capital of the Company following the First Fundraising ²	3,764,980,683
Number of Fundraising Shares to be issued under the First Fundraising as a percentage of the enlarged ordinary share capital of the Company following the First Fundraising ²	42.2 per cent.
Estimated proceeds receivable by the Company from the First Fundraising, net of expenses ²	£10.4 million
Second Issue Price	To be determined ³
Number of Fundraising Shares to be issued under the Second Fundraising as a percentage of the enlarged ordinary share capital of the Company following the Second Fundraising	To be determined ⁴
Estimated maximum proceeds receivable by the Company from the Second Fundraising, net of expenses ⁵	£13.6 million

Notes

1 The Placing Shares and Subscription Shares will be issued and admitted to trading in two tranches. The First Placing and First Subscription will seek to raise up to £11.1 million (before expenses) through the issue of 1,590,285,710 Fundraising Shares. The Offer will seek to raise up to the €2.5 Million Maximum being, at the current exchange rates, up to approximately £2.2 million (before expenses) through the issue of up to 314,285,714 Fundraising Shares. The First Placing, First Subscription and Offer (the "First Fundraising") will, in aggregate, seek to raise up to £13.3 million (before expenses) through the issue of up to 1,904,571,424 Fundraising Shares. It is expected that First Admission will become effective and that dealings in the Fundraising Shares pursuant to the First Fundraising will commence on 31 May 2011.

2 Assuming no take up under the Offer.

3 The Second Issue Price will be a price per New Ordinary Share equal to the lower of (a) 0.7 pence per New Ordinary Share and (b) the closing mid market price of a New Ordinary Share (as extracted from the London Stock Exchange's Daily Official List) on the Business Day immediately prior to: (i) the Company serving notice on the Subscribers, Evolution Securities and Eden that it considers the FDA Milestone Requirements have been satisfied in accordance with the provisions of the VC Subscription Agreement; or (ii) in the event of an exercise as a result of a Waiver Event, the last Business Day immediately prior to the date of the service of a notice to such effect; or (iii) in the event of an exercise as a result of a Takeover Offer, the last Business Day immediately prior to the start of the offer period relating to such Takeover Offer, in all cases subject to a minimum of 0.1 pence per New Ordinary Share.

4 The number of Fundraising Shares to be issued under the Second Fundraising will be calculated by dividing the gross proceeds of the Second Fundraising by the Second Issue Price. The maximum number of New Ordinary Shares that can be issued under the Second Fundraising is 14,168,000,000 New Ordinary Shares assuming the minimum Second Issue Price of 0.1 pence per New Ordinary Share.

5 Assuming that the Second Fundraising proceeds.

2. Expected Timetable of Principal Events

Offer Record Date	5.00 p.m. on 18 April 2011
Announcement of the Placing, Subscription and Offer posting date of the Application Forms and Forms of Proxy	20 April 2011
Latest time and date for receipt of completed Forms of Proxy	11.00 a.m. on 4 May 2011
General Meeting	11.00 a.m. on 6 May 2011
The results of General Meeting announced through a Regulatory Information Service	6 May 2011
Latest time and date for receipt of completed Application Forms and payment in full under the Offer or settlement	11.00 a.m. on 24 May 2011
Share Split Record Date	5.00 p.m. on 27 May 2011
Admission and dealings in the Fundraising Shares to be issued pursuant to the First Fundraising expected to commence on AIM	8.00 a.m. on 31 May 2011
CREST accounts expected to be credited for the Fundraising Shares in uncertificated form pursuant to the First Fundraising	31 May 2011
Expected date for posting of share certificates for the Fundraising Shares in certificated form pursuant to the First Fundraising	By 13 June 2011

Each of the times and dates in the above timetable is subject to change. If any of the above times and/or dates change, the revised times and/or dates will be notified to Shareholders by announcement through a Regulatory Information Service. References to time in this document are to London time.

The timetable above assumes that the Resolutions are passed at the General Meeting. The Company's SEDOL code is B0Q5QP5 and ISIN code is GB00B0Q5QP56.