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London, 9 January 2009

RECOMMENDED ALL SHARE OFFER
by
Avacta Group plc ("Avacta")
for
Curidium Medica plc ("Curidium")

(TO BE EFFECTED BY MEANS OF A SCHEME OF ARRANGEMENT)

Summary

The boards of Avacta and Curidium are pleased to announce that they have today reached agreement on the terms of a recommended all share offer (the "Recommended Offer") by Avacta for the entire issued and to be issued ordinary share capital of Curidium.

The combination of Avacta with Curidium is intended to create a stronger diagnostics business within the Enlarged Group delivering new technology and tests in the important areas of point-of-care human diagnostics and personalised medicine. The boards of Avacta and Curidium believe that the business of the Enlarged Group will benefit from the combination of Avacta's expertise in developing new technology products and services, and its ability to commercialise diagnostics intellectual property, with Curidium's expertise in the biology of disease and personalised medicine, underpinned by Curidium's existing cash resources.

The Enlarged Group will have opportunities to generate long term value in specialised fields as well as near term opportunities for revenue growth through:

- Avacta's current contract services business and imminent first product launches;
- Curidium's development of diagnostic tests in schizophrenia and its commercial partnership with Takeda Research International Inc to develop similar diagnostic tests in major depressive disorder;
- opportunities to commercialise diagnostic tests through Avacta's contract services business, and through the development of novel diagnostic technologies to deliver tests in the clinic or at home;
- accelerating the development of some of Avacta's prognostic and diagnostic products by applying Curidium's expertise in biostatistics and bioinformatics with the aim of getting these products to market sooner, and
- the expertise of the Enlarged Group in delivering solutions to the high value problem of rescuing failed drug compounds for pharmaceutical companies.

It is proposed that the Recommended Offer be implemented by way of a scheme of arrangement under part 26 of the Companies Act 2006.

Under the terms of the Recommended Offer, Scheme Shareholders will receive:

14.5 New Avacta Shares for every 1 Scheme Share

held at the Scheme Record Time and so in proportion for any other number of Scheme Shares held at the Scheme Record Time.

Based upon the Closing Price of 2.25 pence per Avacta Share on 8 January 2009 (being the Business Day prior to this document), the Recommended Offer values each Curidium Share at 32.6 pence and Curidium's Existing Share Capital at approximately £6.18 million.

On this agreed basis, the Recommended Offer represents a premium of 20.7 per cent. to the Closing Price of a Curidium Share of 27 pence on 8 January 2009 (being the Business Day prior to this announcement).

Assuming no further Avacta Shares are issued in the period between the date of this announcement and the Effective Date, immediately following the Effective Date approximately 25 per cent. of the enlarged issued ordinary share capital of Avacta will be held by former Curidium Shareholders and approximately 75 per cent. will be held by existing Avacta Shareholders.

The Recommended Offer will be conditional on, amongst other things, the approval of the Avacta Shareholders and the approval of Curidium Shareholders.

The Curidium Directors, who have been so advised by J M Finn Capital Markets Limited ("FinnCap"), consider the terms of the Recommended Offer to be fair and reasonable. In providing its advice, FinnCap has taken into account the commercial assessments of the Curidium Directors.

The Avacta Directors intend unanimously to recommend that Avacta Shareholders vote in favour of the Avacta Resolutions at the Avacta General Meeting and the Curidium Directors intend unanimously to recommend that Curidium Shareholders vote in favour of the Scheme at the Court Meeting and the Curidium Resolutions at the Curidium General Meeting.

Avacta has received irrevocable undertakings to vote in favour of the Scheme and the Curidium Resolutions from each of the Curidium Directors who collectively hold 4,128,156 Curidium Shares, representing approximately 21.8 per cent. of Curidium's Existing Share Capital. In addition certain investors have irrevocably undertaken to vote in favour of the Scheme and the Curidium Resolutions in respect of, in aggregate, 8,804,214 Curidium Shares, representing 46.5 per cent. of Curidium's Existing Share Capital. Accordingly Avacta has received undertakings to vote in favour of the Scheme and the Curidium Resolutions from the holders of, in aggregate, 12,932,370 Curidium Shares, representing approximately 68.3per cent. of Curidium's Existing Share Capital.

In addition, Avacta has received irrevocable undertakings to vote in favour of the Avacta Resolutions at the Avacta General Meeting from the Avacta Directors who hold Avacta Shares in respect of their entire holding of Avacta Shares amounting to, in aggregate, 194,582,525 Avacta Shares, representing approximately 23.6 per cent. of the existing issued share capital of Avacta.

The Scheme Document setting out further details of the Recommended Offer and the procedures to be followed in connection with the implementation of the Scheme will be posted to Curidium Shareholders as soon as reasonably practicable. The Acquisition is expected to be completed in March 2009.

Dr. Alastair Smith, Chief Executive Officer of Avacta, commented:

"The merger of Curidium and Avacta will strengthen the Enlarged Group's ability to deliver a range of commercially valuable and clinically effective diagnostic products. The point-of-care testing and personalised medicine markets offer high value and high growth opportunities and the combined strengths of Avacta and Curidium will put us in a strong position to capitalise on these opportunities."

Dr. Barry Porter, Chairman of Curidium, added:

"The combination of Avacta and Curidium creates an entity that will have significant potential in the diagnostics field. Curidium's expertise in the underlying mechanisms of human diseases combined with Avacta's existing business activities presents a number of opportunities to accelerate the commercialisation of Curidium's products."

Novum Securities Limited is acting as financial adviser to Avacta. FinnCap is acting as financial adviser to Curidium.

This summary should be read in conjunction with and is subject to, the full text of this announcement and the Appendices. The Recommended Offer will be subject to the Conditions set out in Appendix I to this announcement and to the further terms to be set out in the Scheme Document. Appendix II sets out the bases and sources of information from which the financial calculations used in this announcement have been derived. Appendix III contains particulars of the irrevocable undertakings referred to in paragraph 11 of this announcement. Appendix IV contains the definitions of terms used in this announcement (including this summary).

Enquiries

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Novum Securities Limited, which is authorised and regulated in the UK by the Financial Services Authority, is acting as financial adviser to Avacta in connection with the Recommended Offer and no-one else and will not be responsible to anyone other than Avacta for providing the protections afforded to clients of Novum Securities nor for providing advice in relation to the Recommended Offer nor any other matter referred to in this announcement.

FinnCap, which is authorised and regulated in the UK by the Financial Services Authority, is acting as financial adviser and broker to Curidium in connection with the Recommended Offer and no-one else and will not be responsible to anyone other than Curidium for providing the protections afforded to clients of FinnCap nor for providing advice in relation to the Recommended Offer nor any other matter referred to in this announcement.

This announcement is not intended to and does not constitute or form part of, an offer or invitation to sell or subscribe for or acquire or exchange securities in Avacta or Curidium or a solicitation of any vote or approval in any jurisdiction pursuant to the Recommended Offer or otherwise. The full terms and conditions of the Scheme will be set out in the Scheme Document. Curidium Shareholders are advised to read carefully the formal documentation in relation to the Recommended Offer, once it is dispatched. In deciding whether or not to approve the Scheme, Curidium Shareholders must rely solely on the terms and conditions of the Recommended Offer and the information contained, and the procedures described, in the Scheme Document.

The distribution of this announcement in jurisdictions other than the UK and the implications of the Scheme for Curidium Shareholders outside the UK may be affected by the laws of the relevant jurisdictions. Curidium Shareholders outside the UK should inform themselves about and observe any applicable requirements. It is the responsibility of each Curidium Shareholder to satisfy himself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required to be observed and the payment of any issue, transfer or other taxes in such jurisdictions. This announcement has been prepared for the purpose of complying with English law and the City Code and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside the UK.

Cautionary note on forward looking statements

This announcement contains certain forward-looking statements with respect to the financial condition, results of operations and business of Avacta and Curidium and certain plans and objectives of the Avacta Directors and the Curidium Directors with respect thereto. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", "will", "may", "should", "would", "could" or other words of similar meaning. These statements are based on assumptions and assessments made by the Avacta Directors and/or the Curidium Directors in light of their experience and their perception of historical trends, current conditions, expected future developments and other factors they believe appropriate. By their nature, forward-looking statements involve risk and uncertainty, because they relate to events and depend on circumstances that will occur in the future and the factors described in the context of such forward-looking statements in this announcement could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements. Although the Avacta Directors and Curidium Directors believe that the expectations reflected in such forward-looking statements are reasonable, they can give no assurance that such expectations will prove to have been correct and assume no obligation to update or correct the information contained in this document and Avacta and Curidium therefore caution you not to place undue reliance on these forward-looking statements which speak only as at the date of this announcement.

Nothing in this announcement is intended to be a profit forecast and the statements in this announcement should not be interpreted to mean that the earnings per Avacta Share for the current or future financial periods will necessarily be greater than those for the relevant preceding financial period.

Dealing disclosure requirements

Under the provisions of Rule 8.3 of the City Code, if any person is, or becomes, "interested" (directly or indirectly) in 1 per cent. or more of any class of "relevant securities" of Avacta or Curidium, all "dealings" in any "relevant securities" of that company (including by means of an option in respect of, or a derivative referenced to, any such "relevant securities") must be publicly disclosed by no later than 3.30 pm (London time) on the London business day following the date of the relevant transaction. This requirement will continue until the date on which the Acquisition and/or Scheme becomes effective, lapses or is otherwise withdrawn or on which the "offer period" otherwise ends. If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire an "interest" in "relevant securities" of Curidium or Avacta, they will be deemed to be a single person for the purpose of Rule 8.3. Under the provisions of Rule 8.1 of the Code, all "dealings" in "relevant securities" of Avacta or of Curidium by Avacta or Curidium, or by any of their respective "associates", must be disclosed by no later than 12.00 noon (London time) on the London business day following the date of the relevant transaction. A disclosure table, giving details of the companies in whose "relevant securities" "dealings" should be disclosed, and the number of such securities in issue, can be found on the Panel's website at www.thetakeoverpanel.org.uk.

"Interests in securities" arise, in summary, when a person has long economic exposure, whether conditional or absolute, to changes in the price of securities. In particular, a person will be treated as having an "interest" by virtue of the ownership or control of securities, or by virtue of any option in respect of, or derivative referenced to, securities. Terms in quotation marks are defined in the Code, which can also be found on the Panel's website.

If you are in any doubt as to whether or not you are required to disclose a dealing under Rule 8 you should consult the Panel.

In accordance with Rule 2.10 of the City Code, Avacta confirms that it has 824,638,212 ordinary shares of 0.1 pence each in issue and admitted (or pending admission) to trading on the AIM Market of the London Stock Exchange's under the UK ISIN Code GB0033519546.

In accordance with Rule 2.10 of the City Code, Curidium confirms that it has 18,943,439 ordinary shares of 3 pence each in issue and admitted to trading on the AIM Market of the London Stock Exchange's under the UK ISIN Code GB00B2PNRV79.

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London, 9 January 2009

RECOMMENDED ALL SHARE OFFER
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AVACTA GROUP PLC ("AVACTA")
for
CURIDIUM MEDICA GROUP PLC ("CURIDIUM")
(TO BE EFFECTED BY MEANS OF A SCHEME OF ARRANGEMENT)

1. Introduction

The boards of Avacta and Curidium are pleased to announce that they have today reached agreement on the terms of a recommended all share offer (the "Recommended Offer") by Avacta for the entire issued and to be issued ordinary share capital of Curidium. It is proposed that the Recommended Offer be implemented by way of a scheme of arrangement under part 26 of the Companies Act 2006.

The combination of Avacta with Curidium is intended to create a stronger diagnostics business within the Enlarged Group delivering new technology and tests in the important areas of point-of-care diagnostics and personalised medicine. The Avacta Directors and the Curidium Directors believe that the business of the Enlarged Group will benefit from the combination of Avacta's expertise in developing new technology products and services, and its ability to commercialise diagnostics intellectual property with Curidium's expertise in the biology of disease and personalised medicine.

The Enlarged Group will have opportunities to generate longer term value in specialised fields as well as near term opportunities for revenue growth from Avacta's current contract services business and imminent first product launches. It will continue to focus on Curidium's development of diagnostic tests and its commercial partnership with Takeda Research International Inc to develop similar tests in major depressive disorder whilst seeking opportunities to commercialise diagnostic tests through Avacta's contract services business, and through the development of novel diagnostic technologies to deliver tests in the clinic or at home. The Avacta Directors believe that the combination of Curidium's expertise in biostatistics and bioinformatics should accelerate the development of some of Avacta's prognostic and diagnostic products to reach market sooner. Further, the Avacta Directors believe that the Enlarged Group will also be in a strong position to address the high value problem of rescuing failed drug compounds for pharmaceutical companies.

The Curidium Directors, who have been so advised by FinnCap, consider the terms of the Recommended Offer to be fair and reasonable. In providing its advice, FinnCap has taken into account the commercial assessments of the Curidium Directors. Accordingly, the Curidium Directors unanimously intend to recommend Curidium Shareholders to vote in favour of the Scheme at the Court Meeting of the Curidium Shareholders and in favour of the Curidium Resolutions to be proposed at the Curidium General Meeting, as they have irrevocably undertaken to do in respect of their own beneficial holdings of 4,128,156 Curidium Shares, representing, in aggregate, approximately 21.8 per cent. of the Curidium Shares in issue on 8 January 2009 being the last Business Day prior to the date of this announcement.

2. The Recommended Offer

The Recommended Offer involves the acquisition by Avacta of the entire issued and to be issued ordinary share capital of Curidium and is to be effected by way of a scheme of arrangement between Curidium and Scheme Shareholders under part 26 of the Companies Act 2006. Under the terms of the Scheme, which will be subject to satisfaction or (where appropriate) waiver of the Conditions set out in Appendix I and to the further terms to be set out in the Scheme Document, Scheme Shareholders who are on the register of members at the Scheme Record Time will receive:

14.5 New Avacta Shares for every 1 Scheme Share

and so in proportion for any other number of Scheme Shares held at the Scheme Record Time. Fractions of New Avacta Shares will not be allotted or issued pursuant to the Recommended Offer and fractional entitlements will be rounded down to the nearest whole number of New Avacta Shares.

Based upon the Closing Price of 2.25 pence per Avacta Share on 8 January 2009 (being the Business Day prior to this announcement), the Recommended Offer values each Curidium Share at 32.6 pence and Curidium's Existing Share Capital at approximately £6.18 million.

On this agreed basis, the Recommended Offer represents a premium of 20.7 per cent. to the Closing Price of a Curidium Share of 27 pence on 8 January 2009 (being the Business Day prior to this announcement).

Assuming no further Avacta Shares are issued in the period between the date of this announcement and the Effective Date, immediately following the Effective Date approximately 25 per cent. of the enlarged issued ordinary share capital of Avacta will be held by former Curidium Shareholders and approximately 75 per cent. will be held by Avacta Shareholders.

If the Scheme becomes effective, it will be binding on all Curidium Shareholders irrespective of whether or not they attended or voted in favour of the resolutions at the Court Meeting or the Curidium General Meeting.

The New Avacta Shares will be issued credited as fully paid, and on identical terms to and will rank *pari passu* with the existing Avacta Shares, including the right to receive and retain all dividends and other distributions declared, paid or made on Avacta Shares after the Scheme becomes effective.

3. Background to, and reasons for, Avacta's Recommended Offer

Rationale for the combination of Avacta and Curidium

Avacta and Curidium are both developing diagnostic products aimed at the emerging diagnostics markets in point-of-care testing and personalised medicine. Diagnostic products for these markets generally combine a biological test for the presence of one or more biomarkers of disease with a means of delivering that test to the patient. Curidium has expertise in developing biological tests, which the Avacta and Curidium Directors believe strongly fits with Avacta's services and technology products that can be used to commercialise such expertise.

Avacta has identified significant potential markets in point-of-care diagnostic technology and is currently seeking to develop new and powerful diagnostic technologies to address these market needs. The development of Avacta's first diagnostic products – a rapid immunoassay system and a breath diagnostics technology – will benefit from the type of biostatistical expertise in biomarker pattern recognition which is fundamental to Curidium's technology – "Homomatrix". The skills to develop these advanced data analysis methods are currently being developed by Avacta and Curidium's established expertise should accelerate Avacta's data analysis programmes. Avacta intends to grow its diagnostics product revenues by partnering with diagnostics companies that have established biological tests, for example a blood test to identify food allergies, which they want to provide at the point-of-care for reasons of improved patient outcomes or improved business performance. Avacta has hitherto adopted this plan because it does not have in-house expertise in developing the biological tests themselves. However, Avacta believes that acquiring biological tests and Curidium's expertise to develop them in-house and combining these with the technology or services to deliver those tests represents an attractive opportunity.

Near term opportunities and long term value

The Curidium Directors believe that Curidium has the potential to deliver significant long term value in human diagnostics in the central nervous system ("CNS") area. Avacta has focused on near term markets by developing prognostic tests that could be used by biopharmaceutical developers, to help them get their products to market quicker and more cheaply, and in the veterinary diagnostics market where regulatory hurdles are much lower than in the human healthcare applications. Avacta believes

that the skills in bioinformatics and biostatistics within Curidium can be applied in both of these areas and that there is an immediate, opportunity for these skills to accelerate the prognostic biopharmaceutical testing product in the near term.

The Curidium Directors believe that the human diagnostics market offers significant opportunities for long term value generation. Further they believe that whilst Avacta has strengths in developing technology products that can commercialise diagnostic tests by delivering them to patients, Curidium's experience and knowledge of the healthcare markets and the biology of disease will be of value in contributing to the strategic development of the combined diagnostics business and identification of additional opportunities.

Consolidation and sustainable growth

Consolidation of the two diagnostics businesses, underpinned by Curidium's existing cash resources, current revenues from Avacta's contract services business and future revenues from its first two technology products, will create an Enlarged Group with both immediate revenue and the potential for substantial growth in the longer term.

4. Recommendation

The Curidium Directors, who have been so advised by FinnCap, consider the terms of the Offer to be fair and reasonable. In providing its advice, FinnCap has taken into account the Curidium Directors' commercial assessments. Accordingly, the Curidium Directors intend unanimously to recommend that Curidium Shareholders vote in favour of the Scheme and the Curidium Resolutions.

5. Directors, Management and Employees

Upon the Scheme becoming effective, Barry Porter will join the Enlarged Group's board as a non-executive director. The Curidium Directors have all agreed to resign from the board of Curidium on the date on which the Scheme becomes effective. It is intended that Alastair Smith and Tim Sykes will be appointed to the board of Curidium on the date on which the Scheme becomes effective. As a result of the Scheme, Avacta intends to establish an operating board for the Enlarged Group which Anne Bruinvels and Smita Price will join. In addition it is expected that Ann Hayes will make her services available to the Enlarged Group in a consultancy capacity.

Simon Webster, Kurt Baldwin and Russell Hodgetts who are currently directors of Avacta will resign from the board of Avacta upon the Scheme becoming effective and join the Enlarged Group's newly created operating board.

Further details of the termination arrangements, modification of terms and consultancy arrangements will be set out in the Scheme Document.

Avacta has given assurances that, following the Scheme becoming effective, the existing employment rights, including accrued pension rights, of Curidium's employees will be fully safeguarded and, save as in the case of the Curidium Directors as referred to above, its plans for Curidium do not include any material changes in the terms and conditions of employment of Curidium employees.

6. Information on Avacta

Avacta seeks to provide solutions to high value problems in Life Sciences markets through innovative products and expert contract services. Avacta is focused on opportunities in two large Life Sciences sub-sectors: biopharmaceuticals and diagnostics.

The Avacta Group is working to equip biopharmaceutical developers with tools to get their drugs to market earlier and at a lower cost, and to optimise the performance of those products. Avacta's technology devices and services are designed to assist drug developers to analyse their compounds in much greater detail and at an earlier stage in the drug development cycle than currently possible, thereby providing timely identification of problems that can cause costly late stage failures or poor

performance. Avacta's first product for market, "Optim" - a benchtop protein analyser, is expected to be launched early this year. Avacta has developed its own route to market for this product, through its contract services business, an ISO 9001 registered operation which provides high end analytical contract services to the biopharmaceutical, pharmaceutical and healthcare industries specialising in its core strengths of biophysical analysis, spectroscopy and microscopy.

Avacta's laser analysis and automated fluid handling technology also provide solutions to unmet needs in diagnostics markets for rapid point-of-care testing and Avacta believes that this is a market that will play a key role in driving commercial progress and shareholder value. Avacta's technologies currently in development include a rapid immunoassay system, "MIDAS", and a laser based breath analysis technology. Both of these technologies can be applied equally in animal and human diagnostics markets and Avacta has chosen to focus its early commercial efforts in the veterinary diagnostics sector because of the lower regulatory hurdles in this market compared with human diagnostics. This strategy is intended to generate nearer term revenues whilst providing opportunities to rigorously validate new technologies before moving to human healthcare applications. Avacta has a commercial partner for its first veterinary diagnostics test product which is expected to be launched in the middle of this year.

Additionally Avacta is seeking to commercialise its technologies through licensing opportunities with partners in the homeland security/defence and industrial gas sensing markets to generate further near term revenues to support the longer term development of its products. Avacta has secured two commercial partners in the area of industrial gas sensing to co-develop two new products.

Based in York, UK, Avacta occupies purpose built laboratories at the Biocentre in the University Science Park and employs approximately thirty people.

7. Information on Curidium

Curidium is focused on identifying targeted medicines and companion diagnostics to treat patients more effectively. Curidium aims to more accurately define patient subpopulations and to identify targeted drug therapies for these subgroups.

Curidium has used its proprietary technology, Homomatrix[®], to identify what the Curidium Directors believe to be a potential companion diagnostic for schizophrenia and bipolar affective disorder. The test, called PsychINDx[™], may be used to sub-classify patients into four subgroups, which are characterized by distinct gene expression profiles.

The Curidium Directors believe that Curidium's proprietary technology, has the potential to uncover underlying disease mechanisms and to separate heterogeneous patient populations into more homogeneous subgroups based on gene expression profiles. Homomatrix[®] can be applied to investigate a number of human diseases.

Curidium is working with Takeda Research Investment Inc. to apply Curidium's platform, Homomatrix[®], to develop and license diagnostic tests and other intellectual property to aid with drug development and discovery in the disease area of major depressive disorder.

8. Current trading and prospects of the Enlarged Group

Avacta

Avacta is generating revenues through its contract services business, which provides high end analytical contract services to the pharmaceutical and healthcare materials sectors. In the financial year ended 31 July 2008, revenue growth within the contract services business was 120% at £0.47 million (2007: £0.21 million). The operating loss of the Avacta Group was £1.65 million (2007: loss £1.27 million) and the Avacta Group had cash at bank of £1.10 million (2007: £2.53 million). Losses before tax of the Avacta Group were £1.57 million (2007 : loss £1.22 million) and the loss per share

remained flat at 0.18p (2007: loss 0.18p). The pipeline and work in progress within the contract services business is encouraging whilst product launches remain on track, as set out above.

Avacta has made considerable progress during the past year having continued to meet the commercial and developmental targets set at the time of the admission to AIM in August 2006. The Avacta Group's overall objective is to bring technology products to market and deliver high value contract services, based on unique in-house technologies and expertise, which enable the very early stage identification and analysis of drug compounds, chemicals or organisms. Such technologies have commercial relevance in a range of high value sectors, notably drug development, point-of-care medical diagnosis and defence and security.

The Avacta Group's lead product, Optim, is expected to launch in the early part of this year and Avacta's first diagnostics product, MIDAS, into the veterinary market shortly afterwards, ahead of schedule. With these product launches and a pipeline of future product developments over the coming few years, Avacta is making strong progress towards its target to become a leading provider of high value technology products and services to the broad Life Sciences sector.

Curidium

Curidium's unaudited revenue for the six months ended 30 June 2008 was nil (audited year ended 31 December 2007: nil). In the same period unaudited expenditure on Research and Development activities was £0.25 million (audited year ended 31 December 2007: £0.39 million). The unaudited operating loss for the Curidium Group was £0.57 million (audited year ended 31 December 2007: £1.3 million).

In the first half of 2008 Curidium introduced PsychINDx™, its diagnostic blood test to sub-classify patients with schizophrenia or bipolar disorder, to multinational pharmaceutical companies. Further product development initiatives to strengthen PsychINDx™ have commenced with the aim of enhancing the test's attractiveness to potential customers.

The Curidium Directors believe that Curidium's work in major depressive disorder, in partnership with Takeda Research Investment Inc., is progressing well and the Curidium Group is applying its Homomatrix® technology to brain tissue samples sourced by the Company.

As a pre revenue company with ongoing research and development costs and expenditure, the Curidium Group continues to manage cash resources and as at 30 June 2008 had unaudited cash balances and other financial assets of £3.6 million (as at 31 December 2007 £4.2 million audited).

Prospects for the Enlarged Group

The Avacta Directors believe that the combination of the complementary skills and expertise within the two businesses, a stronger balance sheet underpinned by near term revenue generation through services and products, will provide the Enlarged Group with excellent prospects to build a high value and long term sustainable diagnostic and detection business.

The Avacta Directors believe that there is potential to accelerate the scale of the Enlarged Group via strategic acquisitions. The Avacta Directors have identified a private company which operates within the veterinary diagnostics services market with which Avacta intends to launch MIDAS. The Directors believe this company will benefit from the ability of the Enlarged Group to grow its business by developing and delivering new diagnostic service and will also provide the Enlarged Group with a direct sales channel for its first diagnostics products. Avacta has signed heads of terms to acquire this company and is in the process of carrying out due diligence. The consideration for this acquisition is expected to be approximately £0.8 million, which will be payable in cash.

9. Structure of the Acquisition and shareholder meetings

It is intended that the Acquisition will be implemented by way of a scheme of arrangement between Curidium and the Scheme Shareholders under part 26 of the Companies Act 2006 (including a reduction of capital under section 135 of the Companies Act 1985). The purpose of the Scheme is to allow Avacta to become the owner of the entire issued ordinary share capital of Curidium. The procedure involves an application by Curidium to the Court to sanction the Scheme, the cancellation of the Scheme Shares held by the Scheme Shareholders, the application of the reserve arising from such cancellation in paying up in full a number of new ordinary shares in Curidium (which is equal to the number of the Scheme Shares cancelled) and issuing those new shares to Avacta in consideration for which the Scheme Shareholders will receive New Avacta Shares on the basis set out in paragraph 2 of this announcement.

The implementation of the Scheme is subject to satisfaction or (where appropriate) waiver of all the Conditions set out in Appendix I and the further terms to be set out in the Scheme Document. Implementation of the Scheme is subject, amongst other things, to the approval of a majority in number of the Scheme Shareholders present and voting in person or by proxy at the Court Meeting and which represent not less than 75 per cent. in value of the Scheme Shares voted by the Scheme Shareholders at the Court Meeting. Implementation of the Scheme will also require the passing of the Curidium Resolutions, requiring the approval of Curidium Shareholders representing at least 75 per cent. of the votes cast at the Curidium General Meeting. Application will shortly be made to the Court for leave to convene the Court Meeting which (subject to the approval of the Court) is expected to be held at 12 noon on 11 February 2009. It is expected that the Curidium General Meeting will be convened at 12.30pm (or as soon thereafter as the Court Meeting is concluded or adjourned) on 11 February 2009.

In order for Avacta to obtain the necessary shareholder approvals required in connection with the issue of the New Avacta Shares, the Acquisition is also conditional upon the Avacta Shareholders passing the Avacta Resolutions at the Avacta General Meeting, which is expected to be held at 10.00am on 9 February 2009.

Following the Meetings, the Scheme and the Reduction of Capital will only become effective once the Court sanctions the Scheme and confirms the Reduction of Capital and copies of the Court Orders have been delivered to the Registrar of Companies in England and Wales and, in the case of the Reduction of Capital upon the Reduction Court Order being registered by the Registrar of Companies together with a minute of the Reduction of Capital. The Scheme is also conditional on Admission occurring. Once the Scheme becomes effective, it will be binding on all Curidium Shareholders whether or not they attended or voted at the Court Meeting or the Curidium General Meeting.

The Scheme Document setting out full details of the Acquisition and the Scheme, together with notices of the Court Meeting and the Curidium General Meeting will be posted as soon as practicable to Curidium Shareholders. At the same time, Avacta will post the Avacta Circular, containing a notice convening the Avacta General Meeting to Avacta Shareholders.

Curidium is also proposing to cancel its 0.9 pence deferred shares in issue and its 24 pence deferred shares in issue in accordance with their terms as set out in Curidium's Articles of Association. The cancellation will be effected by a reduction of capital under section 135 of the Companies Act 1985 and will require the approval of the Curidium Shareholders at the Curidium General Meeting by a special resolution.

10. Implementation, Non-Solicitation and Inducement Fee Agreement

Curidium and Avacta have entered into an agreement ("Implementation Agreement") dated 8 January 2009 in connection with the Acquisition, pursuant to which each of the parties has undertaken, among other things, and, as promptly as practicable, to take or cause to be taken all such reasonable steps as are within their respective powers and necessary to implement the Scheme.

Each of the parties has agreed that prior to the Scheme becoming effective or the Implementation Agreements being terminated in accordance with its terms (whichever is earlier), each of Curidium

and Avacta will conduct their respective businesses in the ordinary and normal course and not do or omit to take any action which will or would reasonably be expected to result in any of the Conditions not being satisfied.

As an inducement to Avacta proceeding with the Recommended Offer, Curidium has agreed to pay Avacta an inducement fee of £61,802 (inclusive of any irrecoverable VAT) if:

- (i) a Competing Proposal in relation to Curidium is announced which is recommended by the Curidium Directors;
- (ii) the Curidium Directors withdraw or modify their recommendation of the Recommended Offer;
- (iii) there is a material breach by Curidium of certain undertakings relating to the implementation of the Scheme;
- (iv) any matter requiring the consent of Curidium Shareholders under Rule 21 of the City Code occurs without the consent of Avacta;
- (v) the Curidium Resolutions required to implement the Acquisition are not passed with the requisite majorities; or
- (vi) the resolutions required to implement the Acquisition are passed and the Scheme does not become effective within 6 weeks of such date by virtue of a failure of Curidium or the failure of the Court to sanction the Scheme.

The obligation of Curidium to pay the inducement fee ceases if:

- (i) Curidium does not proceed with the Recommended Offer by virtue of it identifying a material issue affecting the Avacta Group in the course of its due diligence on the Avacta Group; or
- (ii) Avacta seeks to materially and adversely alter the terms of the Recommended Offer; or
- (iii) the Scheme becomes effective.

As an inducement to Curidium proceeding with the Recommended Offer, Avacta has agreed to pay Curidium an inducement fee of £61,802 (inclusive of any irrecoverable VAT) if:

- (i) the Avacta Shareholders do not pass the Avacta Resolutions at the Avacta General Meeting;
- (ii) Avacta notifies Curidium that it wishes to materially and adversely change the terms of the Recommended Offer or that it is not willing or able to proceed with the Recommended Offer (other than by virtue of a material issue arising out of the due diligence undertaken on the Curidium Group); or
- (iii) Curidium is not willing to proceed with the Recommended Offer by virtue of Curidium identifying a material issue in the course of its due diligence on the Avacta Group.

The obligation of Avacta to pay the inducement fee ceases if Avacta does not proceed with the Recommended Offer by virtue of it identifying a material issue affecting the Curidium Group in the course of its due diligence on the Curidium Group.

However, nothing in the Implementation Agreement shall oblige Curidium or Avacta to pay any amount which the Panel would determine would not be permitted by Rule 21.2 of the Code.

Curidium has also agreed that until the Scheme has become unconditional or lapsed it shall not solicit or invite enquiries, proposals or offers relating to an offer for the Curidium Shares from a third party.

11. Irrevocable undertakings

Avacta has received irrevocable undertakings to vote in favour of the resolutions at the Court Meeting and the Curidium General Meeting from each of the Curidium Directors in respect of their entire legal and beneficial holdings of Curidium Shares and those of their connected and related persons amounting, in aggregate, to 4,128,156 Curidium Shares, representing approximately 21.8 per cent. of Curidium's Existing Share Capital. These undertakings will continue to be binding even in the event of a higher competing offer for Curidium being announced, and cannot be withdrawn other than in the event of the Scheme lapsing or being withdrawn.

In addition certain investors have irrevocably undertaken to vote in favour of the resolutions at the Court Meeting and the Curidium General Meeting in respect of, in aggregate, 8,804,214 Curidium Shares, representing 46.5 per cent. of Curidium's Existing Share Capital. Save for the irrevocable undertaking given by Gartmore Investment Limited, these irrevocable undertakings will continue to be binding on such persons even in the event that a third party makes a higher competing offer for Curidium and cannot be withdrawn other than in the event of the Scheme lapsing or being withdrawn. The irrevocable given by Gartmore Investment Limited will cease to be binding in the event that a Competing Proposal is announced pursuant to Rule 2.5 of the City Code and which in the reasonable opinion of Gartmore Investment Limited represents an increase of more than 10 per cent. to the value of the Recommended Offer.

Accordingly Avacta in aggregate has received undertakings to vote in favour of the resolutions at the Court Meeting and the Curidium General Meeting from the holders of 12,932,370 Curidium Shares representing approximately 68.3 per cent. of Curidium's Existing Share Capital.

Avacta has received irrevocable undertakings to vote in favour of the Avacta Resolutions at the Avacta General Meeting from the Avacta Directors who hold Avacta Shares in respect of their entire holding of Avacta Shares amounting to, in aggregate, 194,582,525 Avacta Shares, representing approximately 23.6 per cent. of the existing issued share capital of Avacta.

Particulars of these irrevocable undertakings are contained in Appendix III to this announcement.

12. Curidium Share Schemes and the Curidium Warrants

The Scheme will extend to any Curidium Shares that are unconditionally allotted or issued pursuant to the exercise of options or vesting of awards under the Curidium Share Schemes, or the exercise of the Curidium Warrants, in each case on or prior to the Scheme Record Time.

Appropriate proposals will be made to participants in the Curidium Share Schemes and to the holders of the Curidium Warrants at the same time as the Scheme Document is posted to Scheme Shareholders or as soon as possible thereafter. Details of these proposals will be set out in the Scheme Document and in separate letters to be sent to participants in the Curidium Share Schemes and the holders of the Curidium Warrants.

13. Settlement, listing and dealings

Prior to the Scheme becoming effective, Curidium will make an application to the London Stock Exchange for the cancellation of the Curidium Shares from trading on AIM. Accordingly, if the Scheme is sanctioned by the Court and the other conditions to the Scheme are waived or satisfied, it is expected that the Curidium Shares will cease to be traded on AIM on or before 8.00 a.m. on the first Business Day following the Effective Date and that the last day of dealings in Curidium is expected to be on 2 March 2009.

On the Effective Date, share certificates in respect of Curidium Shares will cease to be valid and should, if so requested by Curidium, be sent to Curidium for cancellation. In addition, on the Effective

Date entitlements to Curidium Shares held within the CREST system will be cancelled. It is proposed that following the Effective Date and after its shares have been delisted, Curidium will be re-registered as a private limited company.

The New Avacta Shares are to be issued in registered form. Settlement of the New Avacta Shares to which Curidium Shareholders are entitled is expected to occur as soon as possible after the Effective Date and in any event within 14 days of the Effective Date.

14. Overseas Curidium shareholders

Curidium Shareholders who are resident in, ordinarily resident in, or who are citizens of any jurisdiction outside the UK (“Overseas Curidium Shareholders”) should consult their independent professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to participate in the Recommended Offer. If a Curidium Shareholder is in any doubt as to his eligibility to participate in the Recommended Offer, he should contact his independent professional adviser immediately.

The implications of the Scheme for Overseas Curidium Shareholders may be affected by the laws of the relevant jurisdictions. Such Overseas Curidium Shareholders should inform themselves about and observe any applicable legal requirements. It is the responsibility of each Overseas Curidium Shareholder to satisfy himself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required to be observed and the payment of any issue, transfer or other taxes in such jurisdictions.

15. Expected timetable of principal events

| | |
|---|-----------------------------|
| Posting of the Scheme Document | 16 January 2009 |
| Avacta General Meeting | 10.00am on 9 February 2009 |
| Court Meeting | 12 noon on 11 February 2009 |
| Curidium General Meeting | 12.30pm on 11 February 2009 |
| Court hearing to sanction the Scheme and confirm the Reduction of Capital and the Cancellation | 2 March 2009 |
| Scheme Record Time | 6 p.m. on 27 February 2009 |
| Effective Date of the Scheme | 3 March 2009 |
| Cancellation of trading of Curidium Shares | 8.00am on 4 March 2009 |
| Commencement of dealings on AIM in New Avacta Shares and crediting of New Avacta Shares to CREST accounts | 8.00am on 4 March 2009 |
| Latest date for dispatch of share certificates in respect of New Avacta Shares | 18 March 2009 |

These dates are indicative only and will depend, amongst other things, on the date upon which the Court sanctions the Scheme.

16. Disclosure of interests in Curidium Shares

Save as disclosed below, as at the time of this announcement neither Avacta (nor any of its directors) nor, so far as Avacta is aware, any person acting in concert with Avacta, has any interest in, any right to subscribe for, or has borrowed or lent any Curidium Shares or any securities convertible or exchangeable into Curidium Shares ("Relevant Securities"), nor does any such person hold any short positions in relation to Relevant Securities (whether conditional or absolute and whether in the money or otherwise) including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery, nor does any such person have any arrangement in relation to Relevant Securities. For these purposes, "arrangement" includes any indemnity or option arrangement, any agreement or understanding, formal or informal, of whatever nature, relating to Relevant Securities which may be an inducement to deal or refrain from dealing in such securities.

| Name | Number of Curidium Shares | Relationship to Avacta |
|---|---------------------------|---|
| Robert Quested | 130,166 | Deemed to be acting in concert with Ora Capital Partners plc which controls Novum Securities Limited, a connected adviser |
| Bainunah Trading Limited | 2,105,833 | Beneficial interest of Robert Quested |
| Elenora International Investments Limited | 832,217 | Beneficial interest of Robert Quested |
| OCS Trading Limited | 1,929,999 | A wholly owned subsidiary of Ora Capital plc which controls Novum Securities Limited, a connected adviser to Avacta |
| Henry Turcan | 11,000 | A director of Novum Securities Limited |
| James Ede-Golightly | 16,666 | A director of Ora Capital Partners plc |
| Chris Potts | 870,965 | Deemed to be acting in concert with parties in concert with Ora Capital Partners plc which controls Novum Securities Limited, a connected adviser |
| Daron Lee | 133,333 | Deemed to be acting in concert with parties in concert with Ora Capital Partners plc which controls Novum Securities Limited, a connected adviser |

In addition to the above, Ora Capital Partners plc and Novum Securities Limited, both of whom are deemed to be acting in concert with Avacta, have the following warrants to subscribe for Curidium Shares as set out below:

| Name | No of Warrants | Exercise Price | Exercise Period |
|--------------------------|----------------|----------------|-------------------------|
| Ora Capital Partners plc | 166,666 | 75p | 26/07/2007 – 26/07/2012 |
| Novum Securities Limited | 33,333 | 78.75p | 05/05/2009 – 04/02/2018 |

The above warrants may be exercised on a change of control of Curidium.

In view of the requirement for confidentiality and therefore the availability to Avacta of all relevant persons who are presumed to be acting in concert with Avacta to provide information, Avacta has not made any enquiries in this respect of certain parties who may be deemed by the Panel to be acting in concert with it for the purposes of the Recommended Offer. Any such additional interest(s) or dealing(s) will be discussed with the Panel and, if appropriate, will be disclosed in the Scheme Document or announced if requested by the Panel.

17. Enquiries

Avacta

Dr. Alastair Smith, Chief Executive Officer
Tim Sykes, Chief Financial Officer
Tel: 0870 835 4367

Curidium

Dr. Barry Porter, Chairman
Rob Smith, Chief Financial Officer
Tel: 020 7554 5100

Novum Securities Limited (financial adviser to Avacta)

Henry Turcan
Tel: 020 7562 4700

FinnCap (financial adviser to Curidium)

Charlie Cunningham
Tel: 020 7600 1658

Haggie Financial (PR to Avacta)

Nicholas Nelson
Tel: 020 7417 8989

18. Cautionary note on forward looking statements

This announcement contains certain forward-looking statements with respect to the financial condition, results of operations and business of Avacta and Curidium and certain plans and objectives of the Avacta Directors and the Curidium Directors with respect thereto. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as “anticipate”, “target”, “expect”, “estimate”, “intend”, “plan”, “goal”, “believe”, “will”, “may”, “should”, “would”, “could” or other words of similar meaning. These statements are based on assumptions and assessments made by the Avacta Directors and/or the Curidium Directors in light of their experience and their perception of historical trends, current conditions, expected future developments and other factors they believe appropriate. By their nature, forward-looking statements involve risk and uncertainty, because they relate to events and depend on circumstances that will occur in the future and the factors described in the context of such forward-looking statements in this announcement could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements. Although the Avacta Directors and the Curidium Directors believe that the expectations reflected in such forward-looking statements are reasonable, they can give no assurance that such expectations will prove to have been correct and assume no obligation to update or correct the information contained in this document and Avacta and Curidium therefore caution you not to place undue reliance on these forward-looking statements which speak only as at the date of this announcement.

Nothing in this announcement is intended to be a profit forecast and the statements in this announcement should not be interpreted to mean that the earnings per Avacta Share for the current or future financial periods will necessarily be greater than those for the relevant preceding financial period.

19. Dealing disclosure requirements

Under the provisions of Rule 8.3 of the Code, if any person is, or becomes, “interested” (directly or indirectly) in 1 per cent. or more of any class of “relevant securities” of Avacta or of Curidium, all “dealings” in any “relevant securities” of that company (including by means of an option in respect of, or a derivative referenced to, any such “relevant securities”) must be publicly disclosed by no later than 3.30 pm (London time) on the London business day following the date of the relevant transaction. This requirement will continue until the date on which the Acquisition and/or Scheme

becomes effective, lapses or is otherwise withdrawn or on which the “offer period” otherwise ends. If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire an “interest” in “relevant securities” of Avacta or Curidium, they will be deemed to be a single person for the purpose of Rule 8.3. Under the provisions of Rule 8.1 of the City Code, all “dealings” in “relevant securities” of Avacta or of Curidium by Avacta or Curidium, or by any of their respective “associates”, must be disclosed by no later than 12.00 noon (London time) on the London business day following the date of the relevant transaction. A disclosure table, giving details of the companies in whose “relevant securities” “dealings” should be disclosed, and the number of such securities in issue, can be found on the Panel’s website at www.thetakeoverpanel.org.uk.

“Interests in securities” arise, in summary, when a person has long economic exposure, whether conditional or absolute, to changes in the price of securities. In particular, a person will be treated as having an “interest” by virtue of the ownership or control of securities, or by virtue of any option in respect of, or derivative referenced to, securities. Terms in quotation marks are defined in the City Code, which can also be found on the Panel’s website.

If you are in any doubt as to whether or not you are required to disclose a dealing under Rule 8, you should consult the Panel.

20. General

Avacta reserves the right, with the consent of the Panel, to elect to implement the Recommended Offer by making a takeover offer for the entire issued and to be issued share capital of Curidium. If Avacta elects to implement the Recommended Offer by a takeover offer, that offer will be implemented on the same terms (subject to appropriate amendments), so far as applicable, as those which would apply to the Scheme, except that the Acquisition may exclude Curidium Shareholders resident in certain overseas jurisdictions. Further, if sufficient acceptances of any such offer are received and/or sufficient Curidium Shares are otherwise acquired, it is the intention of Avacta to acquire compulsorily any outstanding Curidium Shares to which such offer relates.

This announcement is not intended to and does not constitute or form part of, an offer or invitation to sell or subscribe for or acquire or exchange securities in Avacta or Curidium or a solicitation of any vote or approval in any jurisdiction pursuant to the Recommended Offer or otherwise. The full terms and conditions of the Scheme will be set out in the Scheme Document. Curidium Shareholders are advised to read carefully the formal documentation in relation to the Recommended Offer, once it is dispatched. In deciding whether or not to approve the Scheme, Curidium Shareholders must rely solely on the terms and conditions of the Recommended Offer and the information contained, and the procedures described, in the Scheme Document.

The distribution of this announcement in jurisdictions other than the UK and the implications of the Scheme for Curidium Shareholders outside the UK may be affected by the laws of the relevant jurisdictions. Curidium Shareholders outside the UK should inform themselves about and observe any applicable requirements. It is the responsibility of each Curidium Shareholder to satisfy himself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required to be observed and the payment of any issue, transfer or other taxes in such jurisdictions. This announcement has been prepared for the purpose of complying with English law and the City Code and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside the UK.

Novum Securities, which is authorised and regulated in the UK by the Financial Services Authority, is acting as financial adviser to Avacta in connection with the Recommended Offer and no-one else and will not be responsible to anyone other than Avacta for providing the protections afforded to clients of Novum Securities nor for providing advice in relation to the Recommended Offer nor any other matter referred to in this announcement.

FinnCap, which is authorised and regulated in the UK by the Financial Services Authority, is acting as financial adviser and broker to Curidium in connection with the Recommended Offer and no-one else and will not be responsible to anyone other than Curidium for providing the protections afforded to clients of FinnCap nor for providing advice in relation to the Recommended Offer nor any other matter referred to in this announcement.

21. Appendices

Appendix I sets out the Conditions for implementation of the Recommended Offer and the Scheme.

Appendix II sets out the bases and sources of information from which the financial calculations used in this announcement have been derived.

Appendix III contains particulars of the irrevocable undertakings referred to in paragraph 11 of this announcement.

Appendix IV contains the definitions of terms used in this announcement (including the summary).

APPENDIX 1

CONDITIONS TO THE IMPLEMENTATION OF THE SCHEME AND THE ACQUISITION

- 1 The Acquisition is conditional upon the Scheme becoming unconditional and becoming effective by no later than 30 June 2009 or such later date (if any) as Avacta and Curidium may, with the consent of the Panel (if required) agree and the Court may allow.
- 2 The Scheme is subject to the following Conditions:
 - 2.1 the approval of the Scheme by a majority in number representing 75% or more in value of the Scheme Shareholders present and voting, either in person or by proxy, at the Court Meeting (or any adjournment thereof);
 - 2.2 all resolutions required to approve and implement the Scheme, as set out in the notice of the Curidium General Meeting, being duly passed by the requisite majority at the Curidium General Meeting (or any adjournment thereof) and not being subsequently revoked; and
 - 2.3 the sanction of the Scheme (with or without modification, such modification being reasonably acceptable to Avacta and Curidium) and the confirmation of the Reduction of Capital by the Court, an office copy of the Scheme Court Order and the Reduction Court Order being delivered to the Registrar of Companies and the registration of the Reduction Court Order by the Registrar of Companies.
- 3 Curidium and Avacta have agreed that, subject to the provisions of paragraph 4 below, the Acquisition is also conditional upon, and accordingly the necessary action to make the Scheme effective will only be taken upon, the satisfaction or waiver of the following Conditions (as amended, if appropriate) prior to the Scheme being sanctioned by the Court:
 - 3.1 the passing at the Avacta General Meeting (or any adjournment thereof) of such resolution or resolutions as are necessary to approve, implement and effect the Acquisition including a resolution or resolutions to increase the share capital of Avacta and to authorise the creation and allotment of the New Avacta Shares;
 - 3.2 the admission of the New Avacta Shares to trading on AIM becoming effective in accordance with the AIM Rules;
 - 3.3 save as Disclosed, there being no provision of any agreement, arrangement, licence, permit or other instrument to which any member of the wider Curidium Group or the wider Avacta Group is a party or by or to which any such member or any of its assets may be bound, entitled or subject, which in consequence of the Acquisition or the proposed acquisition of any shares or other securities in Curidium or the issue of the New Avacta Shares pursuant to the Acquisition or because of a change in the control or management of Curidium or Avacta or otherwise, would or might reasonably be expected to result in to an extent which is material in the context of the wider Curidium Group as a whole or, as the case may be, the wider Avacta Group taken as a whole:
 - 3.3.1 any monies borrowed by or any other indebtedness (actual or contingent) of, or grant available to any such member, being or becoming repayable or capable of being declared repayable immediately or earlier than their or its stated maturity date or repayment date or the ability of any such member to borrow moneys or incur any indebtedness being withdrawn or inhibited or being capable of becoming or being withdrawn or inhibited;
 - 3.3.2 any such agreement, arrangement, licence, permit or instrument or the rights, liabilities, obligations or interests of any such member thereunder

being terminated or adversely modified or affected or any onerous obligation or liability arising or any adverse action being taken thereunder;

- 3.3.3 any assets or interests of any such member being or falling to be disposed of or charged or any right arising under which any such asset or interest could be required to be disposed of or charged otherwise than in the ordinary course of business;
- 3.3.4 the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property or assets of any such member;
- 3.3.5 the rights, liabilities, obligations or interests of any such member in, or the business of any such member with, any person, firm or body (or any arrangement or arrangements relating to any such interest or business) being terminated, adversely modified or affected;
- 3.3.6 the value of any such member or its financial or trading position or prospects being prejudiced or adversely affected;
- 3.3.7 any such member ceasing to be able to carry on business under any name under which it presently does so; or
- 3.3.8 the creation of any liability, actual or contingent, by any such member,

and no event having occurred which, under any provision of any agreement, arrangement, licence, permit or other instrument to which any member of the wider Curidium Group or the wider Avacta Group is a party or by or to which any such member or any of its assets may be bound, entitled or subject, would reasonably be expected to result, to an extent which is material in the context of the wider Curidium Group taken as a whole or, as the case may be, the wider Avacta Group taken as a whole, in any of the events or circumstances as are referred to in sub-paragraphs 3.3.1 to 3.3.8 of this paragraph;

- 3.4 no central bank government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental or investigative body (including, without limitation, any national or supranational anti-trust or merger control authority), court, trade agency, association, institution or any other body or person whatsoever in any jurisdiction (each a **Third Party**) having decided to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference, or enacted, made or proposed any statute, regulation, decision or order, or having taken any other steps which would or might reasonably be expected to:

- 3.4.1 require, prevent or delay the divestiture, or alter the terms envisaged for any proposed divestiture by any member of the wider Avacta Group or any member of the wider Curidium Group of all or any portion of their respective businesses, assets or property or impose any limitation on the ability of any of them to conduct their respective businesses (or any part of them) or to own any of their respective assets or properties or any part thereof which, in any such case, is material in the context of the wider Avacta Group or the wider Curidium Group, in either case taken as a whole;
- 3.4.2 require, prevent or delay the divestiture by any member of the wider Avacta Group of any shares or other securities in Curidium which, in any such case, is material in the context of the wider Avacta Group taken as a whole;
- 3.4.3 impose any material limitation on, or result in a material delay in, the ability

of any member of the wider Avacta Group or wider Curidium Group, directly or indirectly, to acquire or to hold or to exercise effectively any rights of ownership in respect of the Curidium Shares (whether acquired pursuant to the Acquisition or otherwise);

- 3.4.4 otherwise adversely affect the business, assets, profits or prospects of any member of the wider Avacta Group or of any member of the wider Curidium Group in a manner which is adverse to and material in the context of the Avacta Group or the Curidium Group in either case taken as a whole;
- 3.4.5 make the Acquisition or its implementation or the acquisition or proposed acquisition by Avacta or any member of the wider Avacta Group of any shares or other securities in, or control of Curidium void, illegal and/or unenforceable under the laws of any jurisdiction, or otherwise, directly or indirectly, restrain, restrict, prohibit, delay or otherwise materially interfere with the same, or impose additional conditions or obligations with respect thereto, or otherwise challenge or materially interfere therewith which, in any such case, is material in the context of the wider Avacta Group taken as a whole;
- 3.4.6 require any member of the wider Avacta Group or the wider Curidium Group to offer to acquire any shares or other securities (or the equivalent) or interest in any member of the wider Curidium Group or the wider Avacta Group owned by any third party (other than in the implementation of the Acquisition) which, in either case, is material in the context of the wider Avacta Group or the wider Curidium Group (as the case may be), taken as a whole; or
- 3.4.7 impose any limitation on the ability of any member of the wider Curidium Group or the wider Avacta Group to co-ordinate their respective businesses, or any part of them, with the businesses of any other members of the wider Curidium Group or the wider Avacta Group, in each case which is adverse to and material in the context of the group concerned taken as a whole,

and all applicable waiting and other time periods during which any such Third Party could institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference or any other step under the laws of any jurisdiction in respect of the Acquisition or the acquisition or proposed acquisition of any Curidium Shares having expired, lapsed or been terminated;

- 3.5 all necessary filings or applications having been made in connection with the Acquisition and all statutory or regulatory obligations in any jurisdiction having been complied with in connection with the Acquisition or the acquisition by any member of the wider Avacta Group of any shares or other securities in, or control of, Curidium (and all waiting and other time periods (including extensions thereto) under any applicable legislation and/or regulations in any jurisdiction having expired, lapsed or been terminated (as appropriate)) and all authorisations, orders, recognitions, grants, consents, licences, confirmations, clearances, permissions and approvals reasonably deemed necessary or appropriate by both Curidium and Avacta for or in respect of the Acquisition or the proposed acquisition of any shares or other securities in, or control of, Curidium by any member of the wider Avacta Group having been obtained in terms and in a form reasonably satisfactory to both Curidium and Avacta from all appropriate Third Parties and all such authorisations, orders, recognitions, grants, consents, licences, confirmations, clearances, permissions and approvals together with all material authorisations orders, recognitions, grants, licences, confirmations, clearances, permissions and approvals necessary or appropriate to carry on the business of any member of the wider Avacta Group or the wider Curidium Group

which are material in the context of the relevant group as a whole remaining in full force and effect and all filings necessary for such purpose having been made and there being no notice of any intention to revoke or not to renew any of the same at the time at which the Acquisition becomes otherwise effective and all necessary statutory or regulatory obligations in any jurisdiction in respect of the Acquisition having been complied with in each case where a consequence of a failure to make such notification or filing or to wait for the expiry, termination or lapsing of any waiting period or to comply with any such obligation or obtain any necessary authorisation would have a material adverse effect on the relevant group taken as a whole;

3.6 save as Disclosed no member of the wider Curidium Group having, and no member of the wider Avacta Group having:

3.6.1 save for Curidium Shares issued pursuant to the exercise of options granted under the Curidium Share Option Schemes and/or the exercise of the Curidium Warrants issued authorised or agreed to the issue of additional shares of any class;

3.6.2 recommended, declared, paid or made or proposed to recommend, declare, pay or make any bonus, dividend or other distribution whether payable in cash or otherwise;

3.6.3 merged or demerged with any body corporate or acquired or disposed of or transferred, mortgaged or charged or created any security interest over any assets or any right, title or interest in any asset (including shares and trade investments) or authorised or proposed or announced any intention to propose any merger, demerger, acquisition or disposal, transfer, mortgage, charge or security interest which is material to the Curidium Group or the Avacta Group (as the case may be), and other than in the ordinary course of business;

3.6.4 made or authorised or proposed or announced an intention to propose any change in its loan capital which is material to the Curidium Group or the Avacta Group (as the case may be);

3.6.5 issued, authorised or proposed the issue of any debentures or, save in the ordinary course of business, incurred or increased any indebtedness or become subject to any contingent liability to an extent which is material in the context of the Curidium Group or the Avacta Group (as the case may be);

3.6.6 purchased, redeemed or repaid or announced any proposal to purchase, redeem or repay any of its own shares or other securities or reduced or, save in respect to the matters mentioned in sub-paragraph 3.6.1 above, made any other change to any part of its share capital;

3.6.7 implemented, or authorised, proposed or announced its intention to implement, any reconstruction, amalgamation, scheme, commitment or other transaction or arrangement otherwise than in the ordinary course of business which is material in the context of the wider Curidium Group taken as a whole or, as the case may be, the wider Avacta Group taken as a whole, or entered into or materially changed the terms of any contract with any director or senior executive of Curidium or any director of any member of the wider Curidium Group;

3.6.8 made any material change to:
(a) the terms of the trust deeds constituting the pension scheme(s)

- (b) established for its directors, employees or their dependents; or
 - (b) the benefit entitlements which accrue or the pension entitlements which are payable thereunder; or
 - (c) the terms on which qualification for, or accrual or entitlement, to such benefit entitlements or pension entitlements are determined; or
 - (d) the terms upon which the liabilities (including pension entitlements) of such pension schemes are funded or made, which is material and adverse in the context of the wider Curidium Group taken as a whole or, as the case may be, the wider Avacta Group taken as a whole;
- 3.6.9 entered into or varied or authorised, proposed or announced its intention to enter into or vary any contract, transaction or commitment (whether in respect of capital expenditure or otherwise) which is of a long term, onerous or unusual nature or magnitude or which is or could be materially restrictive on the businesses of any member of the wider Curidium Group or the wider Avacta Group or which involves or could involve an obligation of such a nature or magnitude or which is other than in the ordinary course of business and which in each case is material in the context of the wider Curidium Group taken as a whole or, as the case may be, the wider Avacta Group taken as a whole;
- 3.6.10 taken any corporate action or had any legal proceedings started or threatened against it for its winding-up, dissolution or reorganisation or for the appointment of a receiver, administrative receiver, administrator, trustee or similar officer of all or a material part of its assets or revenues or any analogous proceedings in any jurisdiction or had any such person appointed;
- 3.6.11 entered into any contract, transaction or arrangement which would be restrictive on the business of any member of the wider Curidium Group or the wider Avacta Group which is material in the context of the wider Curidium Group taken as a whole or, as the case may be, the wider Avacta Group taken as a whole;
- 3.6.12 waived or compromised any claim which is material in the context of the wider Curidium Group taken as a whole or, as the case may be, the wider Avacta Group taken as a whole, otherwise than in the ordinary course of business;
- 3.6.13 been unable or admitted that it is unable to pay its debts or having stopped or suspended (or threatened to stop or suspect) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business;
- 3.6.14 modified in any respect the terms of the Curidium Share Schemes, the Curidium Warrants or proposed, agreed to provide, or modified in any respect any other share option scheme or incentive scheme relating to the employment or termination of employment of any person employed by the wider Curidium Group, in each case to the extent material in the context of the wider Curidium Group taken as a whole; or
- 3.6.15 entered into any contract, commitment, arrangement or agreement otherwise than in the ordinary course of business or passed any resolution or made any offer (which remains open for acceptance) with respect to or announced any intention to, or to propose to, effect any of the transactions, matters or events referred to in this condition, and, for the purposes of this condition, the term Curidium Group shall mean Curidium and its wholly-

owned subsidiaries and the term Avacta Group shall mean Avacta and its wholly-owned subsidiaries;

- 3.7 since (in respect of the wider Curidium Group) 31st December 2007 and save as Disclosed and which in any such case is material in the context of the wider Curidium Group taken as a whole and since (in respect of the wider Avacta Group) 31st July 2008 and save as Disclosed and which in any such case is material in the context of the wider Avacta Group taken as a whole:
- 3.7.1 no adverse change or deterioration having occurred in the business, assets, financial or trading position or profits or prospects of any member of the wider Curidium Group or, as the case may be, the wider Avacta Group;
 - 3.7.2 no litigation, arbitration proceedings, prosecution or other legal proceedings to which any member of the wider Curidium Group or, as the case may be, the wider Avacta Group is or may become a party (whether as a plaintiff, defendant or otherwise) and no investigation by any Third Party against or in respect of any member of the wider Curidium Group or, as the case may be, the wider Avacta Group having been instituted, announced or threatened by or against or remaining outstanding in respect of any member of the wider Curidium Group or, as the case may be, the wider Avacta Group which in any such case might reasonably be expected to affect adversely any member of the wider Curidium Group or, as the case may be, the wider Avacta Group;
 - 3.7.3 no contingent or other liability having arisen or become apparent to Avacta or, as the case may be, Curidium which would be likely to adversely affect any member of the wider Curidium Group or, as the case may be, the wider Avacta Group; and
 - 3.7.4 no steps having been taken which are likely to result in the withdrawal, cancellation, termination or modification of any licence held by any member of the wider Curidium Group or, as the case may be, the wider Avacta Group which is necessary for the proper carrying on of its business;
- 3.8 save as Disclosed Avacta not having discovered:
- 3.8.1 that any financial, business or other information concerning the wider Curidium Group as contained in the information publicly disclosed at any time by or on behalf of any member of the wider Curidium Group is misleading, contains a misrepresentation of fact or omits to state a fact necessary to make that information not misleading, where the misleading information, misrepresentation or omission is material in the context of the Acquisition;
 - 3.8.2 that any member of the wider Curidium Group or any partnership, company or other entity in which any member of the wider Curidium Group has a significant economic interest and which is not a subsidiary undertaking of Curidium is subject to any liability (contingent or otherwise) and which is material in the context of the wider Curidium Group taken as a whole; or
 - 3.8.3 any information which adversely affects the import of any information Disclosed at any time by or on behalf of any member of the wider Curidium Group and which is material in the context of the wider Curidium Group as a whole; and

- 3.9 save as Disclosed Avacta not having discovered that:
- 3.9.1 any past or present member of the wider Curidium Group has failed to comply with any and/or all applicable legislation or regulation, of any jurisdiction with regard to the disposal, spillage, release, discharge, leak or emission of any waste or hazardous substance or any substance likely to impair the environment or harm human health or animal health or otherwise relating to environmental matters, or that there has otherwise been any such disposal, spillage, release, discharge, leak or emission (whether or not the same constituted a non-compliance by any person with any such legislation or regulations, and wherever the same may have taken place) any of which disposal, spillage, release, discharge, leak or emission would be likely to give rise to any liability (actual or contingent) on the part of any member of the wider Curidium Group which is material in the context of the wider Curidium Group taken as a whole; or
- 3.9.2 there is, or is reasonably likely to be, for that or any other reason whatsoever, any liability (actual or contingent) of any past or present member of the wider Curidium Group to make good, repair, reinstate or clean up any property or any controlled waters now or previously owned, occupied, operated or made use of or controlled by any such past or present member of the wider Curidium Group, under any environmental legislation, regulation, notice, circular or order of any government, governmental, quasi-governmental, state or local government, supranational, statutory or other regulatory body, agency, court, association or any other person or body in any jurisdiction and which is material in the context of the wider Curidium Group taken as a whole;
- 3.10 save as Disclosed Curidium not having discovered:
- 3.10.1 that any financial, business or other information concerning the wider Avacta Group as contained in the information publicly disclosed at any time by or on behalf of any member of the wider Avacta Group is misleading, contains a misrepresentation of fact or omits to state a fact necessary to make that information not misleading, where the misleading information, misrepresentation or omission is material in the context of the Acquisition;
- 3.10.2 that any member of the wider Avacta Group or any partnership, company or other entity in which any member of the wider Avacta Group has a significant economic interest and which is not a subsidiary undertaking of Avacta is subject to any liability (contingent or otherwise) and which is material in the context of the wider Avacta Group taken as a whole; or
- 3.10.3 any information which adversely affects the import of any information Disclosed at any time by or on behalf of any member of the wider Avacta Group and which is material in the context of the wider Avacta Group as a whole; and
- 3.11 save as Disclosed Curidium not having discovered that:
- 3.11.1 any past or present member of the wider Avacta Group has failed to comply with any and/or all applicable legislation or regulation, of any jurisdiction with regard to the disposal, spillage, release, discharge, leak or emission of any waste or hazardous substance or any substance likely to impair the environment or harm human health or animal health or otherwise relating to environmental matters, or that there has otherwise been any such disposal, spillage, release, discharge, leak or emission (whether or not the same

constituted a non-compliance by any person with any such legislation or regulations, and wherever the same may have taken place) any of which disposal, spillage, release, discharge, leak or emission would be likely to give rise to any material liability (actual or contingent) on the part of any member of the wider Avacta Group in the context of the wider Avacta Group taken as a whole; or

- 3.11.2 there is, or is reasonably likely to be, for that or any other reason whatsoever, any liability (actual or contingent) of any past or present member of the wider Avacta Group to make good, repair, reinstate or clean up any property or any controlled waters now or previously owned, occupied, operated or made use of or controlled by any such past or present member of the wider Avacta Group, under any environmental legislation, regulation, notice, circular or order of any government, governmental, quasi-governmental, state or local government, supranational, statutory or other regulatory body, agency, court, association or any other person or body in any jurisdiction and which is material in the context of the wider Avacta Group taken as a whole; and

for the purposes of these Conditions, the wider Curidium Group means Curidium and its subsidiary undertakings, associated undertakings and any other undertaking in which Curidium and or such undertakings (aggregating their interests) have a significant interest and the wider Avacta Group means Avacta and its subsidiary undertakings, associated undertakings and any other undertaking in which Avacta and/or such undertakings (aggregating their interests) have a significant interest and for these purposes significant interest means a direct or indirect interest in 10% or more of the equity share capital (as defined in the Companies Act 2006).

- 4 Subject to the requirements of the Panel, Avacta reserves the right, with the consent of Curidium, to waive, and shall at the direction of Curidium waive, in whole or in part, all or any of Conditions 3.3, 3.6 and 3.7, insofar as they relate to Avacta or any member of the wider Avacta Group, and/or all or any of Conditions 3.10 and 3.11.
- 5 Subject to the requirements of the Panel, Avacta reserves the right, with the consent of Curidium, to waive, in whole or in part, all or any of Conditions 3.4 and 3.5.
- 6 Subject to the requirements of the Panel, Avacta reserves the right to waive, in whole or in part, all or any of Conditions 3.3, 3.6 and 3.7 insofar as they relate to Curidium or any member of the wider Curidium Group, and/or all or any of Conditions 3.8 and 3.9.
- 7 Avacta shall be under no obligation to waive or treat as satisfied, and Curidium shall be under no obligation to direct Avacta to waive, or consent to Avacta's waiver of, any of Conditions 3.3 to 3.11 (inclusive) by a date earlier than the latest date for the satisfaction thereof, notwithstanding that the other Conditions of the Acquisition may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any of the Conditions may not be capable of fulfilment.
- 8 If Avacta is required by the Panel to make an offer for Curidium Shares under the provisions of Rule 9 of the City Code, Avacta may make such alterations to any of the above Conditions as are necessary to comply with the provisions of that Rule.
- 9 Avacta reserves the right to elect to implement the Acquisition by way of a takeover offer. In such event, such offer will be implemented on the same terms (subject to any revisions or appropriate amendments including (without limitation) an acceptance condition set out at 90 per cent (or such lesser percentage (not being less than 50 per cent) as Avacta may decide) of the shares to which such offer relates, so far as applicable, as those which would apply to the Scheme and the Scheme will be stopped.

- 10 The Scheme will not proceed if, following the publication of this document, the Acquisition or any matter arising from the Acquisition is referred to the Competition Commission or if the European Commission initiates proceedings under Article 6(1)(c) of the Regulation in respect of the Acquisition or any aspect of the Acquisition before the date on which the resolutions are passed at the Court Meeting and at the Curidium General Meeting.
- 11 The Acquisition and the Scheme are governed by the laws of England and Wales and are subject to the exclusive jurisdiction of the courts of England and Wales.

Appendix II

Bases and Sources of Financial Information

Save as otherwise stated, the following constitute the bases and sources of certain information referred to in this announcement:

1. Historic financial information relating to Curidium has been extracted without material adjustment from the relevant published audited reports and accounts and unaudited interim results of Curidium.
2. Historic financial information relating to Avacta has been extracted without material adjustment from the relevant published audited reports and accounts of Avacta.
3. Unless otherwise stated, all prices quoted for shares are Closing Prices.
4. The percentage ownership of the Enlarged Group held by former Curidium Shareholders and existing Avacta Shareholders is based on the enlarged issued share capital of Avacta following the Acquisition, being the aggregate of 824,638,212 Avacta Shares in issue on 8 January January 2009 (source: Avacta registrar) and approximately 274,679,865 New Avacta Shares to be issued pursuant to the Recommended Offer.
5. Curidium's Existing Share Capital means the 18,943,439 Curidium Shares in issue as at the date of this announcement.

Appendix III

Details of Irrevocable Undertakings

The following persons, all of whom are Curidium Directors, have given irrevocable undertakings to Avacta as described in paragraph 11 of this announcement in respect of the number of Curidium Shares set out below (and any further shares acquired by them prior to the completion of the Scheme):

| Name | Number of Curidium Shares |
|-------------------|----------------------------------|
| Dr Barry Porter | 1,013,501 |
| Dr Anne Bruinvels | 3,089,282 |
| Dr Ann Hayes | 16,882 |
| Mr Robert Smith | 8,491 |
| Total | 4,128,156 |

The following Curidium Shareholders, have given irrevocable undertakings to Avacta as described in paragraph 11 of this announcement in respect of the number of Curidium Shares set out below (and ,save for Gartmore Investment Limited, any further shares acquired by them prior to the completion of the Scheme):

| Name | Number of Curidium Shares |
|-----------------------------|----------------------------------|
| Gartmore Investment Limited | 3,805,999 |
| Robert Qusted | 3,068,216 |
| OCS Trading Limited | 1,929,999 |
| Total | 8,804,214 |

The following persons, all of whom are Avacta Directors, have given irrevocable undertakings to Avacta as described in paragraph 11 of this announcement in respect of the number of Avacta Shares set out below (and any further shares acquired by them prior to the completion of the Scheme):

| Name | Number of Avacta Shares |
|------------------------|--------------------------------|
| Dr Alastair Smith | 49,577,022 |
| Dr Gwyn Humphreys | 13,325,836 |
| Russell Hodgetts | 9,847,912 |
| Dr Kurt Baldwin | 48,824,258 |
| Tim Sykes | 3,118,718 |
| Dr Simon Webster | 48,824,258 |
| Alan Aubrey | 12,173,419 |
| Professor Tony Robards | 8,891,102 |
| Total | 194,582,525 |

Each of the undertakings given by the above named Curidium Directors and Curidium Shareholders shall terminate and be of no further force and effect upon the first to occur of;

1. a Scheme Document not being issued prior to 6 February 2009 (or such other date as Avacta and Curidium may, with the consent of the Panel agree);
2. the Scheme or any of the Curidium Resolutions or resolution(s) to be proposed at the Court Meeting not being approved by the requisite majority of Curidium Shareholders;
3. the Scheme lapsing or otherwise being withdrawn; and
4. the Acquisition becoming effective or otherwise completing.

Save for the irrevocable given by Gartmore Investment Limited, these irrevocable undertakings will continue to be binding on such persons even in the event that a third party makes a higher competing offer for Curidium or (as the case may be) Avacta. The irrevocable given by Gartmore Investment Limited will cease to be binding in the event that a Competing Proposal is announced pursuant to Rule 2.5 of the City Code and which in the reasonable opinion of Gartmore Investment Limited represents an increase of more than 10 per cent. to the value of the Recommended Offer.

Appendix IV

DEFINITIONS

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| Acquisition | the recommended acquisition of the entire issued, and to be issued ordinary share capital of Curidium by Avacta to be implemented by way of the Scheme (or, should Avacta elect, with the consent of Curidium, by means of a takeover offer) on the terms and subject to the Conditions set out in this announcement and the Scheme Document and any subsequent revision, variation extension or renewal thereof (such agreed terms and conditions also being set out in the Scheme Document). |
| Admission | the admission of the New Avacta Shares becoming effective within the meaning of the AIM Rules |
| AIM | AIM, a market of that name operated and regulated by the London Stock Exchange; |
| AIM Rules | means the AIM Rules for Companies published by the London Stock Exchange (as amended from time to time) which govern the admission to trading on and the regulation of AIM; |
| Avacta | Avacta Group plc, a company incorporated in England and Wales with registered number 4748597 |
| Avacta Circular | means the circular to be sent to Avacta Shareholders convening the Avacta General Meeting |
| Avacta Directors | the directors of Avacta |
| Avacta General Meeting | the general meeting of Avacta to be convened in connection with the Acquisition, including any adjournment thereof |
| Avacta Group | Avacta and its subsidiary undertakings |
| Avacta Resolutions | the resolution(s) to be proposed at the Avacta General Meeting for the purpose of approving such matters as may be necessary or desirable for the purposes of implementing the Acquisition |
| Avacta Shareholders | holders of Avacta Shares as appearing on the register of members of Avacta from time to time |
| Avacta Shares | the existing unconditionally allotted or issued and fully paid ordinary shares of 0.1 pence each in the capital of Avacta |
| Business Day | a day (excluding Saturdays, Sunday or public holidays in England and Wales) on which banks are generally open for business in London for the transaction of normal banking business |
| Curidium or the Company | Curidium Medica plc, a company incorporated in England and Wales with registered number 4846588 |

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| Curidium Directors | the directors of Curidium |
| Curidium EMI Scheme | Curidium Medica plc Enterprise Management Incentive Scheme |
| Curidium's Existing Share Capital | has the meaning set out in Appendix II |
| Curidium General Meeting | the general meeting of Curidium to be convened for the purpose of passing the Curidium Resolutions |
| Curidium Group | Curidium and its subsidiary undertakings |
| Curidium Resolutions | the resolution(s) to be proposed at the Curidium General Meeting for the purposes of approving the Reduction of Capital and certain amendments to the articles of association of Curidium, together with such other matters as may be agreed between Curidium and Avacta as necessary or desirable for the purposes of implementing the Acquisition |
| Curidium Share Schemes | the Curidium EMI Scheme and the Curidium Unapproved Scheme |
| Curidium Shares | the existing unconditionally allotted or issued and fully paid ordinary shares of 3 pence each in the capital of Curidium and any further such shares which are unconditionally allotted or issued prior to the Scheme Record Time |
| Curidium Shareholders | holders of Curidium Shares, as appearing in the register of members of Curidium from time to time |
| Curidium Unapproved Scheme | Curidium Medica plc Unapproved Share Option Scheme |
| Curidium Warrants | warrants to subscribe for up to 866,667 Curidium Shares issued to a number of companies prior to the date of this announcement |
| City Code | the City Code on Takeovers and Mergers |
| Closing Price | the closing middle market price of a relevant share as derived from the Daily Official List of the London Stock Exchange |
| Companies Act 1985 | the Companies Act 1985 (as amended) |
| Companies Act 2006 | the Companies Act 2006 (as amended) |
| Competing Proposal | a takeover offer as defined in section 974 of the Companies Act 2006 and shall be deemed to include a scheme of arrangement under Part 26 of the Companies Act 2006 or any other recapitalization or other transaction when the effect of such a scheme, recapitalization or other transaction is to vest more than 50 per cent. of the voting shares of Curidium in a third party |
| Completion | the Scheme becoming effective |
| Conditions | the conditions to the implementation of the Scheme and the Acquisition, which are set out in Appendix I (Conditions to Implementation of the Scheme and the Acquisition) to this announcement |
| Court | the High Court of Justice in England and Wales |

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| Court Meeting | the meeting of the holders of Curidium Shares other than Avacta, convened by order of the Court pursuant to Part 26 of the Companies Act 2006, if thought fit, to approve the Scheme. |
| Court Orders | the Reduction Court Order and the Scheme Court Order |
| CREST | the system for the paperless settlement of trades in securities and the holding of uncertificated securities operated by CRESTCo in accordance with the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) |
| CRESTCo Disclosed | CRESTCo. Limited means disclosed in: (a) the 2007 annual report and accounts of Curidium and the Curidium interim report for the six months ended 30 th June 2008; (b) any documents delivered to any director, officer or employee of Avacta or any professional advisor engaged by Avacta in connection with any member of the wider Curidium Group and the Acquisition by or on behalf of Curidium at any time prior to 6.00 pm on 8 January 2009; (c) the 2008 annual report and accounts of Avacta; (d) any documents delivered to any director, officer or employee of Curidium or any professional advisor engaged by Curidium in connection with any member of the wider Avacta Group and the Acquisition by or on behalf of Avacta at any time prior to 6.00 pm on 8 January 2009; or (e) any public announcement released by or on behalf of Curidium or as the case may be, Avacta to a Regulatory Information Service at any time prior to 6.00 pm on 8 January 2009. |
| Effective Date | the date on which the Scheme becomes effective in accordance with its terms |
| Enlarged Group | the Curidium Group and the Avacta Group following completion of the Acquisition |
| FSA FSMA | the UK Financial Services Authority the Financial Services and Markets Act 2000, as amended |
| London Stock Exchange Meetings | London Stock Exchange plc the Court Meeting and the Curidium General Meeting and the Avacta General Meeting |
| New Avacta Shares | the new Avacta Shares to be issued and credited as fully paid pursuant to the Scheme |
| Panel pounds or £ | the Panel on Takeovers and Mergers UK pounds sterling, the lawful currency of the UK |

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| Reduction of Capital | the reduction of Curidium's share capital associated with the cancellation and extinguishing of the Scheme Shares provided for by the Scheme under section 137 of the Companies Act 1985 |
| Reduction Court Hearing | the hearing by the Court of the petition to confirm each Reduction of Capital |
| Reduction Court Hearing Date | the date of the Reduction Court Hearing |
| Reduction Court Order | the order of the Court confirming the Reduction of Capital under section 137 of the Companies Act |
| Regulatory Information Service | A service approved by the London Stock Exchange for the distribution to the public of AIM announcements and included within the list maintained on the London Stock Exchange's website www.londonstockexchange.com |
| Registrar of Companies | the Registrar of Companies in England and Wales |
| Scheme or Scheme of Arrangement | the scheme of arrangement to be proposed to be made under part 26 of the Companies Act 2006 between Curidium and the holders of Scheme Shares, with or subject to any modification, addition or condition approved or imposed by the Court and agreed to by Curidium and Avacta |
| Scheme Court Hearing | the hearing by the Court of the petition to sanction the Scheme |
| Scheme Court Hearing Date | the date of the Scheme Court Hearing |
| Scheme Court Order | the Order of the Court sanctioning the Scheme under section 899 of the Companies Act 2006 |
| Scheme Document | means the document to be dispatched by Curidium to, amongst others, Curidium Shareholders containing, amongst other things, the terms and conditions of the Acquisition, the Scheme, the explanatory statement required by section 897 of the Companies Act 2006, and the notices of the Court Meeting and the Curidium General Meeting (other than the Avacta General Meeting). |
| Scheme Record Time | 6.00p.m. on the Business Day immediately preceding the Court Meeting |
| Scheme Shareholders | holders of Scheme Shares |
| Scheme Shares | Curidium Shares excluding any held by Avacta: (a) in issue at the date of the Scheme Document; (b) in issue after the date of the Scheme Document and prior to the voting record time in respect of the Court Meeting; and (c) in issue at or after the voting record time in respect of the Court Meeting, on and at or prior to the Scheme Record Time either on terms that the original or any subsequent holders of such shares are to be bound by |

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| Shareholder | the Scheme or in respect of which the holders are or have agreed in writing to be bound by the terms of the Scheme. a holder of Curidium Shares up to the Effective Date or a holder of New Avacta Shares thereafter |
| subsidiary or subsidiary undertaking | have the meanings given by the Companies Act |
| United Kingdom or UK | the United Kingdom of Great Britain and Northern Ireland |
| US or USA or United States | the United States of America, its territories and possessions, any state in the United States of America and the District of Columbia |
| US Securities Act | the United States Securities Act of 1933, as amended |
| US Securities Exchange Act | the United States Securities Exchange Act of 1934, as amended |

For the purposes of this document, **holding company**, **subsidiary**, **subsidiary undertaking** and **undertaking** have the meanings given by the Companies Act 2006.