

Avacta Group plc

Office of Science and Innovation funded agreement with government research organisations

Field Detection of Micro-organisms

Avacta Group plc ("Avacta"), which develops detection and analysis technology aimed at the defence & security, pharmaceutical and clinical diagnostics markets, announces an agreement with the Health Protection Agency's Centre for Emergency Preparedness and Response, Porton Down ("HPA") and Central Science Laboratory, York ("CSL"). The agreement is for the joint development of field devices for the rapid detection of micro-organisms and other agents of disease. The goal is to provide a means to assist in the diagnosis and containment of human, animal and plant disease, either natural outbreaks or caused by terrorism.

Avacta completed a phase of laboratory bench testing of the technology earlier this year and has been in discussions with HPA and CSL with a view to converting the prototype into a practical and reliable hand held field detector.

The joint evaluation project will be funded for 12 months by the InterAct project Proof of Concept fund, a partnership of four of Britain's leading government research institutions, funded by the Department of Trade and Industry's Office of Science and Innovation ("OSI"), by which time the Directors of Avacta believe that the detector will be viable for commercial production and sale. Immediate applications are expected to lie in the detection of infectious agents like anthrax, MRSA, clostridium difficile, H5N1 avian flu virus and SARS, and in screening for plant pathogens such as *Phytophthora ramorum*, a fungus-like pathogen causing a disease commonly known as 'sudden oak death'.

The technology will be able to identify pathogens by detecting both the proteins and the DNA of the micro-organisms, using a dual detection assay method that minimises false readings and maximises specificity, on a disposable 'chip' with the information displayed via a user-friendly opto-electronic readout.

The partnership with HPA and CSL will provide Avacta with access to expertise in pathogen detection, bio-assay reagents and sophisticated containment testing facilities.

Professor Alastair Smith, Chief Executive, Avacta, commented:

"This is a significant step for Avacta and delivery of one of the objectives set out at the time of our admission to AIM.

"Access to the bio-assay expertise of HPA and CSL and their containment facilities that are needed to validate instrument performance on real systems, gives Avacta a huge advantage in the race to develop effective tools for defence against the invisible threat of large scale disease.

"The fact that funding has been secured from the OSI's InterAct project is a strong validation of the need for rapid detection technologies and the ability of the four partners to deliver."

Dr Neil Boonham, Team Leader, Central Science Laboratory, commented:

"There is still a critical lack of practical, portable detection equipment to address a number of challenges that we face in controlling diseases that affect agriculture, horticulture and the environment and we are very keen to work with Avacta to transpose well developed laboratory assays into a field detection technology".

Dr Phil Luton of the Health Protection Agency commented:

"The Agency looks forward to working with the partners to develop this technology for applications in health protection and diagnostic markets".

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Notes to Editors:

About Avacta

Avacta was spun-out from the University of Leeds in 2004 by its current management team as a biophysics company, with the aim of combining the disciplines of physics and biology to develop innovative technologies and expert technical services to address needs in the pharmaceutical, defence and clinical diagnostics markets. Avacta has a core bio-analytical technology development programme addressing the needs of the biopharmaceutical sector to fully characterise their new products at the earliest stage in their development to reduce the risk of late stage failure. High value solutions in defence and clinical diagnostics are also being provided by Avacta's development programmes. A successful and growing part of the Avacta business model is its technical services arm, Avacta Analytical Ltd, which is focused on providing contract research to the biopharmaceutical and healthcare/personal-care materials sectors. Avacta was admitted to trading on AIM in August 2006 through the reverse takeover of Readybuy plc which changed its name to Avacta Group plc.

About HPA

The Health Protection Agency is an independent body that protects the health and well-being of the population. The Agency plays a critical role in protecting people from infectious diseases and in preventing harm when hazards involving chemicals, poisons or radiation occur. They also prepare for new and emerging threats, such as a bio-terrorist attack or virulent new strain of disease.

About CSL

The Central Science Laboratory is dedicated to applying science in protection of food chain safety and environmental health. Through developing and applying knowledge CSL supports customers in assessing risks, delivering sustainable environmental solutions and responding to emergencies.

About InterAct

InterAct is a unique partnership between four leading UK government research organisations: Central Science Laboratory (CSL), Veterinary Laboratories Agency (VLA), Health Protection Agency (HPA), and the Defence Science and Technology Laboratory (Dstl). InterAct is funded by the Department of Trade and Industry's Office of Science and Innovation (OSI) and was established to capture the synergies derived from combining intellectual property, know-how and R&D services of these world class institutes.