THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD IMMEDIATELY CONSULT YOUR STOCKBROKER, SOLICITOR, ACCOUNTANT OR OTHER INDEPENDENT FINANCIAL ADVISER AUTHORISED UNDER THE FINANCIAL SERVICES AND MARKETS ACT 2000 ("FSMA").

IF YOU HAVE SOLD OR OTHERWISE TRANSFERRED ANY OF YOUR SHARES IN CYPROTEX PLC, PLEASE FORWARD THIS DOCUMENT AND THE ACCOMPANYING APPLICATION FORM IMMEDIATELY TO THE PURCHASER OR TRANSFEREE.

CYPROTEX PLC

(the **Company**)

(Incorporated in England and Wales under the Companies Act 1985 with registered number 04311107)

PROPOSED PLACING (THE "PLACING") OF 40,000,000 NEW ORDINARY SHARES OF 0.1p EACH IN THE SHARE CAPITAL OF THE COMPANY (THE "NEW ORDINARY SHARES") AT A PRICE OF 2.5p PER NEW ORDINARY SHARE AND NOTICE OF GENERAL MEETING

This document, its contents and its accompanying documents have not been approved by an authorised person as may be required by section 21 of the Financial Services and Markets Act 2000 (**FSMA**) as it is exempt from the general restriction (section 21 FSMA) on the grounds that it is being sent only to the shareholders of the Company (the **Shareholders**) in accordance with section 43 FSMA (Financial Promotion) Order 2005 (the **FSMA Order**). It is being solely issued to, directed at and is not intended to be read by any person other than the Shareholders of the Company and their professional advisers and it is not for distribution to any person not falling within the exemption contained in section 43 set out above. Persons who do not fall within the above exemption should not rely or act on this document or attempt to participate in the offer for subscription contained herein. Reliance on this document for the purpose of engaging in any investment activity may expose an individual to a significant risk of losing all of the property or other assets invested.

The attention of Shareholders is drawn to the notice of a general meeting (the "EGM") (the "Notice") attached to this document and to the application form (the "Application Form") and the proxy form (the "Proxy Form") enclosed with this document. Completed Proxy Forms should be sent to Capita Registrars at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU to be received by no later than 48 hours before the time appointed for the holding of the meeting.

In making any decision whether to subscribe for shares in the Company or otherwise, Eligible Shareholders must rely on their own examination of the Company and the terms of the subscription set out in this document including the possible merits and risks involved. No representation or warranty, express or implied, is made in relation to whether Eligible Shareholders should or should not subscribe for shares in the

Company. Completed Application Forms for New Ordinary Shares should be sent to the Company Secretary, Cyprotex PLC at 15 Beech Lane, Macclesfield, Cheshire SK10 2DR by midday on Tuesday 26 August 2008.

This document is not a prospectus prepared in accordance with the Prospectus Rules and it contains no offer to the public as such expression is defined in the Prospectus Directive (2003/71/EC), the Companies Act 1985 or FSMA or otherwise.

The distribution of this document and accompanying documents into jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this document and/or accompanying documents come should inform themselves about and observe any such restrictions. Any failure to comply with any such restrictions may constitute a violation of the securities laws of those jurisdictions.

The issue and allotment of New Ordinary Shares to you is conditional upon the Company first being satisfied that it is not unlawful for the New Ordinary Shares to be offered or issued to you or for you to accept an offer of the New Ordinary Shares under all applicable securities legislation (and in the event that the Company is not satisfied, then this letter does not constitute an offer which is capable of acceptance by you); and the offer of New Ordinary Shares made pursuant to the Placing is made on the basis that, if it is accepted, your rights and obligations in respect thereof will be incapable of revocation, rescission or termination by you in any circumstances save that of fraud on you.

PART 1
LETTER FROM THE CHAIRMAN

STRICTLY PRIVATE AND CONFIDENTIAL

Company number: 04311107

CYPROTEX PLC

100 Barbirolli Square
Manchester
M2 3AB

(the **Company**)

20 June 2008

*To holders of shares in the Company (the **Shareholders**)*

Dear Shareholder

Placing and notice of General Meeting (EGM)

1. **INTRODUCTION**

1.1 It is the intention of the board of directors of the Company (the **Board**) to raise £1 million (before expenses) by the issue of 40,000,000 new ordinary shares of 0.1p each (**Ordinary Shares**) at 2.5 pence per New Ordinary Share. Further details of the Placing are set out below.

1.2 The purpose of this letter is to provide you with details of, and the reasons for, the proposed Placing (which is being carried out on a non pre-emptive basis) and to seek your approval to the resolutions to be proposed at the forthcoming EGM, (the **Resolutions**) the Notice of which is set out at the end of this letter.

2. **BACKGROUND TO AND REASONS FOR THE PLACING**

I am pleased to say that Cyprotex has enjoyed revenue growth ahead of management forecasts in the first half of 2008. This, combined with the improved confidence of major shareholders in your Company following the appointment of Dr. Baxter as CEO, has led to a combination of shareholders, one new investor and management agreeing to subscribe for the New Ordinary Shares as set out in this letter. Their investment will be used to strengthen the commercial sales infrastructure with a view to increasing revenue from the existing high quality customer base and securing new prospects, investment in laboratory quality, efficiency and capacity. The intention is to provide sufficient confidence for mid-scale pharmaceutical companies to consider committing to longer-term and significant outsourcing of their ADMET requirement to the Company and its subsidiaries.

3. **THE PLACING**

3.1 The Placing (which includes the Shareholder Offer as defined and referred to below) is conditional on the passing of the resolutions at the EGM described in paragraph 6.2 below (the **Resolutions**) and the admission of the New Ordinary Shares to AIM (**Admission**). Assuming that the said conditions are satisfied (the **Conditions**), the New Ordinary Shares will be issued credited as fully paid plus a premium of 2.4 pence and will rank pari passu in all respects with, and be identical to, all other issued Ordinary Shares and in particular will rank in full for all dividends and other distributions declared, paid or made on the ordinary share capital of the Company, as from the date of allotment.

3.2 I am pleased to say that the Board has already received irrevocable undertakings to subscribe for all the New Ordinary Shares on the terms referred to above from a combination of existing shareholders, management and one new investor (the **Placees**).

3.3 However your Board has agreed with one of the Placees that up to £400,000 of his allocation of the New Ordinary Shares (i.e. sixteen million New Ordinary Shares) should be offered to Shareholders who are registered as at the close of business on 11 July 2008, being the record date for the EGM (the **Record Date**) (the **Eligible Shareholders**) on the terms set out below (the **Shareholder Offer**), on the basis that if not fully subscribed he will subscribe for the balance.

4. **SHAREHOLDER OFFER**

4.1 Conditional on the Resolutions being passed and due completion and compliance with the Application Form, Eligible Shareholders are hereby offered the entitlement (the **Entitlement**) to subscribe for New Ordinary Shares in the proportion that their existing holding of Ordinary Shares bears to the total number of the enlarged ordinary share capital in issue assuming full subscription of the New Ordinary Shares as detailed in the formula set out in the Application Form. Accordingly, for the purpose of this Offer, the total number of shares in issue will be 178,647,988.

4.2 Eligible Shareholders’ fractional entitlements to New Ordinary Shares pursuant to the Entitlement should be rounded up to the nearest whole number of New Ordinary Shares, subject to final confirmation by the Board as at the Closing Date.

4.3 To be valid, duly completed Application Forms together with payment must be received by the Company (attn: the Company Secretary) at 15 Beech Lane, Macclesfield, Cheshire, SK10 2DR by midday on Tuesday, 26 August 2008 (the **Closing Date**).

4.4 **New Ordinary Shares will, when issued, comprise 22.39% of the enlarged entire issued share capital of the Company.**

5. **VOTING INTENTIONS**

Prior to the date of this letter, your Board has received indications of support in favour of the Resolutions from Shareholders representing 62.41% of the issued share capital of the Company.

6. **THE EGM**

6.1 All Shareholders are invited to attend the EGM on 14 July 2008 to be held at the National Liberal Club at 1 Whitehall Place, London SW1A 2HE, commencing immediately after the Company's Annual General Meeting. The EGM is being convened in order to approve and implement the above proposals. The Notice appears at Part 2 of this document.

6.2 The passing of the Resolutions set out in the Notice is necessary in order to enable the Placing to proceed.

6.2.1 Resolution 1 seeks Shareholder approval to increase the authorised share capital of the Company from £200,000 to £300,000 by the creation of an additional 100,000,000 Ordinary Shares.

6.2.2 Resolution 2 seeks Shareholder approval to give the Company's directors (the **Directors**) authority to allot the New Ordinary Shares pursuant to the Placing. This authority will expire on 30 September 2008.

6.2.3 Resolution 3 seeks Shareholder approval to give the Directors specific authority to allot the New Ordinary Shares pursuant to the Placing.

6.3 The Placing (including the Shareholder Offer) is conditional upon the passing of the Resolutions.

6.4 The notice of the Annual General Meeting also contains resolutions seeking Shareholder authority in favour of the Board to allot Shares in the Company free from pre-emption rights. These are general authorities requested in accordance with the Company's past practice and different from the authorities requested above which are specific to the Placing.

7. **TIMETABLE**

7.1 As referred to above we anticipate that we shall close the Placing (including the Shareholder Offer) no later than Tuesday, 26 August 2008. As soon as practical thereafter, the Board shall meet to issue and allot the New Ordinary Shares on the basis of the Application Forms received to such date.

7.2 Please note that the Company reserves the right to postpone the Closing Date as it thinks fit, but not later than seven days from Tuesday, 26 August 2008. If the Placing is not closed before such date or if the Placing is otherwise terminated your obligations under your Application Form will cease and your subscription money for your New Ordinary Shares returned without interest and at your risk to the bank account from which it was paid.

8. CONFIRMATIONS, WARRANTIES AND UNDERTAKINGS

8.1 Please note that your acceptance to the Shareholder Offer is conditional upon the completion of the Application Form.

8.2 By accepting the Shareholder Offer and completing the accompanying Application Form you confirm, warrant and further undertake to the Company:

8.2.1 that you are not relying on any information or representation in relation to the Company or its subsidiaries (whether contained in this letter, any investor presentation or otherwise) and that, accordingly, neither the Company, or its respective directors, officers, agents, employees or advisers or any person acting on behalf of any of them shall have any responsibility for any such other information or representation (provided that nothing in this letter shall exclude any liability for fraud or any liability which, by law, is not capable of limitation or exclusion);

8.2.2 that you irrevocably agree to acquire the number of New Ordinary Shares offered to you in this letter on the terms and subject to the conditions referred to herein and that you have obtained all necessary consents and authorities to enable you to give your commitment to acquire the New Ordinary Shares;

8.2.3 that you acknowledge and agree that the existing Ordinary Shares and the New Ordinary Shares have not been and will not be registered under the Securities Act or under the securities law of any state of the United States or other jurisdictions within the United States or under the securities legislation of any province or territory of Canada nor has any prospectus in relation to the New Ordinary Shares been lodged or registered by the Australian Securities and Investments Commission and the existing Ordinary Shares and the New Ordinary Shares may not be offered, sold, taken up, delivered, renounced or transferred within the United States, Canada, Japan, or Australia or their respective states, territories or possessions. By committing to subscribe for the New Ordinary Shares you warrant that: you were outside the United States at the time you received this letter and completed the Application Form, you are not a US Person (and were not acquiring on behalf of, or purchasing for the account or benefit of, a US Person); you are not a national or resident of Canada, Australia, the Republic of Ireland or Japan or a corporation, partnership or other entity organised under the laws of Canada (or any political sub-division of it), Australia, the Republic of Ireland, or Japan; you have not offered, sold or delivered, and will not offer, sell or deliver, any New Ordinary Shares within the

United States, Canada, Japan or Australia or their respective states, territories or possessions and neither you nor your affiliates, nor any person acting on your behalf has engaged or will engage in any such direct selling efforts with respect to the New Ordinary Shares. Terms used in this letter have the same meaning, where appropriate, as in Regulation S promulgated under the Securities Act;

8.2.4 that you are [a] Eligible Shareholder[s];

8.2.5 if you are a person outside the United Kingdom, that by committing to subscribe the New Ordinary Shares you have fully observed the laws of your relevant territory, including having obtained any requisite governmental or other consent, and that you have observed any other requisite formalities and have paid any issue, transfer or other taxes due in such territory and you have not taken any action which will or may result in the Company or any of its respective directors, officers, employees or agents acting in breach of any regulatory or legal requirement in connection with the Placing or your acceptance of the offer of New Ordinary Shares contained herein;

8.2.6 that you are not resident in any other territory in which it is unlawful to make an offer to subscribe for the New Ordinary Shares or to reply to this letter and that you are not acting as nominee or agent for any person or persons who by virtue of their residence or incorporation are not entitled to subscribe for any of such New Ordinary Shares;

8.2.7 that the Company is entitled to exercise or refrain from exercising any of their rights under this letter (including the right of termination or any right of waiver) and that the Company shall have no liability to you whatsoever in connection with any decision to exercise or not to exercise any such rights;

8.2.8 that in accepting your Shareholder Offer you irrevocably appoint any director or employee of the Company as your agent for the purpose of executing and delivering to the Company and/or its registrars any document on your behalf necessary to enable you to be registered as the holder of the New Ordinary Shares in your Shareholder Offer;

8.2.9 for the avoidance of doubt you agree that by offering you this Shareholder Offer the neither Company nor ay of its advisers is making any recommendation to you nor advising you regarding the suitability of any transaction into which you may enter in connection with your application for New Ordinary Shares;

8.2.10 you do not expect the Company nor any of its advisers to have any duty to you similar and comparable to the “best execution”, “suitability” and “risk warning” rules of the FSA and that you are not relying on the

Company nor any of its advisers to advise whether or not the New Ordinary Shares are in any way a suitable investment for you;

8.2.11 you are not entitled to be paid any commission in relation to your Shareholder Offer;

8.2.12 you, your clients and funds under your management are not engaged in money laundering (as defined in the Money Laundering Regulations 2007 (as amended) (**the Money Laundering Regulations**) and, if you are making a payment on behalf of a third party, you are an authorised institution bound by the Money Laundering Regulations and that satisfactory evidence has been obtained and recorded by you to verify the identity of such a third party as required by the Money Laundering Regulations;

8.2.13 that you agree to be bound by the terms of the memorandum and articles of association of the Company; and

8.2.14 if the Placing is terminated or does not proceed your only remedy is the return (without interest), at your risk, of any monies paid to the Company in respect of the Shareholder Offer to you in the bank account from which it was paid.

9. ACTION TO BE TAKEN

9.1 The EGM

A Proxy Form is enclosed for your use in relation to the EGM to which you are invited. Whether or not you intend to be present at the EGM, you are asked to complete, sign and return the Proxy Form in respect of the EGM to Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible but in any event so as to arrive no later than 48 hours before the time appointed for the holding of the EGM. The completion and return of the Proxy Form will not preclude a Shareholder from attending the EGM and voting in person should they wish to do so. Accordingly, whether or not you intend to attend the EGM in person, you should complete and return the Proxy Form as soon as possible.

9.2 The Shareholder Offer

9.2.1 If you are an Eligible Shareholder and wish to apply for New Ordinary Shares under the terms of the Shareholder Offer, you should complete the Application Form enclosed with this letter and return it to the Company, together with the full amount payable for your Application Form in accordance with the instructions set out below, to arrive no later than the Closing Date.

9.2.2 If you do not wish to take up your entitlement under the Shareholder Offer, you do not need to take any action in that respect.

9.3 **Payment**

Payment for the New Ordinary Shares should be made in full not later than midday on Tuesday, 26 August 2008 and made either by cheque to Cyprotex PLC or by telegraphic transfer direct to Bank of Scotland, St. James's Gate, 14/16 Cockspur Street, London SW1Y 5BL, account name: Cyprotex PLC, account number 06090664, sort code: 12-11-03, IBAN GB03 BOFS 1211 0306 0906 64, SWIFT (or BIC) BOFSGB21238 quoting "Shareholder Offer". Please contact Russell Gibbs so that the necessary arrangements for the identification of funds thus transferred can be made.

9.4 **General**

9.4.1 Applications will be irrevocable on the part of the Eligible Shareholder(s) and the Board reserves the right to treat any application not strictly complying with the terms of the Shareholder Offer as valid. If an Application Form is not accepted in full by the Company, the relevant portion of the application monies will be refunded without interest to the relevant Eligible Shareholder(s).

9.4.2 All subscription monies will be held on trust by the Company pending the allocation and allotment of the New Ordinary Shares pursuant to the Investor and Shareholder Offers. Any interest thereon shall be retained by, and be for the benefit of, the Company. Eligible Shareholders who are not allocated New Ordinary Shares pursuant to the Secondary Entitlement will have their surplus funds returned to them. If the Resolutions are not passed, all subscription monies will be returned to Shareholders.

9.4.3 **This letter is sent pursuant to Article 43 of the FSMA Order and accordingly has not been approved by an authorised person. While all reasonable care has been taken by the Directors in preparing this letter, neither the Company nor the Directors make any representations nor give any warranties or indemnities or undertakings, whether express or implied, with respect to the accuracy of the information contained in this letter. If you are in any doubt as to the action you should take, you should immediately consult your stockbroker, solicitor, accountant or other independent financial adviser authorised under FSMA.**

10. **STAMP DUTY AND STAMP DUTY RESERVE TAX**

The Investor and Shareholder Offers are likely to be free of stamp duty at £5.00 for every £1,000 or part £1,000 and stamp duty reserve tax (**SDRT**) at 0.5%. If stamp duty or SDRT is payable, the Company will not be responsible for payment of it and if any such person is obliged by law to pay any such stamp duty or SDRT, they shall be entitled to recover this from you. Circumstances in which a higher rate of stamp duty or SDRT may be chargeable include where the New Ordinary Shares are being acquired by you in connection with arrangements to transfer the New Ordinary Shares into a clearance service, where duly completed forms of acceptance are not returned to us by the time referred to below.

11. RECOMMENDATION

The Board believes that the Placing (including the Shareholder Offer) should be implemented and is in the best interests of the Company. The Directors therefore intend to vote their shareholdings, which currently account for 0.065% of the Company's issued share capital in favour of the arrangements relating to the Placing.

12. MONEY LAUNDERING

It is also a term of the Shareholder Offer that, to ensure compliance with the Money Laundering Regulations 2007 (as amended), we may, in our absolute discretion, require verification of your identity to the extent that you have not already provided the same. Pending the provision to us of evidence of identity, New Ordinary Shares subscribed by you may be retained at our absolute discretion. If within a reasonable time after a request for verification of identity we have not received evidence satisfactory to us, we may, at our absolute discretion, terminate your participation in the Shareholder Offer in which event the monies payable on acceptance of the allotment will, if paid, be returned without interest to the account of the drawee bank from which they were originally debited.

13. GENERAL

13.1 Times stated in this letter are London Times.

13.2 We would expressly draw to your attention that the value of shares can fluctuate and can go down as well as up. Accordingly, on disposal of any New Ordinary Shares which you acquire you may not realise the full amount of your investment.

13.3 This letter and the Application Form and any dispute arising therefrom shall be governed by English law and you irrevocably submit to the jurisdiction of the English courts.

Yours faithfully
for and on behalf of Cyprotex PLC
Nikolas Sofronis
Chairman

If you have any enquiries relating to this letter please contact me on 01625 505 100.

PART 2

NOTICE OF EXTRAORDINARY GENERAL MEETING

CYPROTEX PLC

(the **Company**)

(Incorporated in England and Wales under the Companies Act 1985 with registered number 04311107)

NOTICE OF GENERAL MEETING ("EGM")

Notice is hereby given that a general meeting of Cyprotex PLC (the **Company**) will be held on 14 July 2008 at Cyprotex PLC, National Liberal Club, 1 Whitehall Place, London SW1A 2HE immediately following the Company's Annual General Meeting which is scheduled to begin at 10.00 a.m. for the following purposes:

AGENDA

To consider and, if thought fit, to pass the following resolutions which, in the case of resolutions 1 and 2 are to be proposed as ordinary resolutions and, in the case of resolution 3 to be proposed as a special resolution:

1. that the authorised share capital of the Company be increased from £200,000 to £300,000 by the creation of 100,000,000 ordinary shares of 0.1p each, such shares to rank pari passu with the existing issued ordinary shares of 0.1p each and having the rights set out in the articles of association of the Company;

2. that the Directors be generally and unconditionally authorised for the purpose of Section 80 of the Companies Act 1985 to exercise all powers of the Company to allot relevant securities (within the meaning of Section 80(2) of the Companies Act 1985) up to an aggregate nominal amount of £40,000 provided that this authority shall expire on 30 September 2008 save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such offer or agreement as if this authority had not expired and so that this authority is in substitution for and shall replace all existing authorities pursuant in Section 80 which, to the extent not exercised prior to the passing of this resolution, are hereby revoked.

3. that, subject to the passing of resolution 1 and in place of all existing powers, the Directors be empowered pursuant to Section 95 of the Companies Act 1985 to allot equity securities (within the meaning of Section 94(2) to Section 94(3A) of the Companies Act 1985) for cash pursuant to the authority conferred by resolution 1 as if Section 89(1) of the Companies Act 1985 did not apply to such allotment provided that this power shall be limited to allotments of equity securities up to an aggregate nominal amount of £40,000, and shall expire on 30 September 2008 save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of

such offer or agreement as if this power had not expired and so that this power is in substitution for and shall replace all existing powers which to the extent not exercised prior to the passing of this resolution, are hereby revoked.

20 June 2008

On behalf of the Board
Mark C. Warburton
Company Secretary

Notes to the Notice of EGM:

1. *A member of the Company entitled to attend and vote at the EGM is entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the EGM. A shareholder may appoint more than one proxy in relation to the EGM provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a member of the Company. Forms of proxy, if used, must be lodged at Capita Registrars, 34 Beckenham Road, Beckenham, Kent BR3 4TU no later than 10.00 a.m. on 12 July 2008.*
2. *Only ordinary shareholders and their proxies are entitled to attend and vote at the EGM.*
3. *In order to facilitate voting by corporate representatives at the EGM, arrangements will be put in place at the EGM so that (i) if a corporate shareholder has appointed the Chairman of the EGM as its corporate representative with instructions to vote on a poll in accordance with the directions of all of the other corporate representatives for that shareholder at the EGM, then on a poll those corporate representatives will give voting directions to the Chairman and the Chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and (ii) if more than one corporate representative for the same corporate shareholder attends the EGM but the corporate shareholder has not appointed the Chairman of the EGM as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives (**www.icsa.org.uk**) for further details of this procedure. The guidance includes a sample form of appointment letter if the Chairman is being appointed as described in (i) above.*
4. *The statement of the rights of ordinary shareholders in relation to the appointment of proxies above does not apply to 'nominated persons'. The rights described in these paragraphs can only be exercised by ordinary shareholders of the Company.*
5. *The Company, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, specifies that only those shareholders registered in the register of members of the Company as at the close of business on 11 July 2008 or, in the event the EGM is adjourned, in the register of members 48 hours before the time of any adjourned EGM, shall be entitled to attend and vote at the EGM in respect of the number of shares registered in their name at that time. Changes to entries on the relevant register of securities after at the close of business on 11 July 2008, or in the event that the EGM is adjourned less than 48 hours before the time of any adjourned EGM, shall be disregarded in determining the rights of any person to attend or vote at the EGM.*