

NeuTec Pharma plc

Mycograb® - Initiation of a Programme for Compassionate Use

18 January 2005 - Manchester, UK: *NeuTec* Pharma plc ("*NeuTec*" or the "Company"), the biopharmaceutical company targeting drug-resistant, life-threatening infections, announces today that it has signed a contract to supply Mycograb®, the company's lead product targeting invasive candidiasis, for compassionate use.

The Company has instigated a limited Named Patient Supply of Mycograb® using a UK based registered and licensed drug distributor who will provide initial distribution into the UK and Europe.

Mycograb®, the Company's lead product, is based on a naturally-occurring human antibody against hsp90 which defends the body against fungal infections. Candidiasis is the leading cause of serious fungal infection worldwide.

NeuTec also announces today that it has been granted a European Patent in "Stress Protein Epitopes" for Mycograb® and the Company has published an evaluation of Mycograb® in combination against *Cryptococcus neoformans* in *Diagnostic Microbiology and Infectious Diseases* 51 (2005) p.19-29.

Prof. James Burnie, Chief Executive Officer of *NeuTec*, commented:

"The named patient programme will allow patients in need to benefit from Mycograb®. This is especially important as invasive candidiasis is a life threatening infection and Mycograb® reduces candida attributable mortality in treated patients."

For further details please contact:

NeuTec Pharma plc

Professor James Burnie, CEO

Andrew King, Finance Director

www.neutecpharma.com

0161 276 8827

07771 867890

Financial Dynamics

Ben Atwell / Lucy Briggs

0207 831 3113

Notes to editors:

NeuTec Pharma plc is a biopharmaceutical company formed in 1997 which specialises in the development of human genetically recombinant antibodies ("grabs") to combat the growing menace of antibiotic-resistant infections. Antibodies are an important, naturally occurring, component of the body's defence system against infectious diseases. The Company is developing a portfolio of antibody-based therapeutic products to treat these infections with particular emphasis on hospital-acquired infections. Over 70 per cent. of the bacteria that cause hospital-acquired infections are resistant to at least one of the drugs most commonly used to treat them. As a result, patients with drug-resistant infections are more likely to have longer hospital stays and require treatment with second line drugs that may be less effective, more toxic and more expensive. Severe sepsis now causes as many deaths annually in the US as heart attacks, is especially common in the elderly and is likely to increase substantially as the elderly population grows.

Mycograb®

Mycograb® is a “grab” against heat shock protein 90 m (“hsp90”) which has been developed for the treatment of invasive candidiasis (also known as systemic or disseminated candidiasis). This is a life-threatening fungal infection, due to species of the yeast *Candida*, which has an overall mortality of around 40 per cent. and a mortality which is a direct result of the *Candida* infection itself (“*Candida*-attributable mortality”) of about 10 per cent. In 1998, the projected average incidence of systemic fungal infection in the US was 306 per million of population with candidiasis accounting for 75 per cent. of cases. The estimated total direct cost of treatment was US\$2.6 billion and the average attributable cost per patient was US\$31,200. Worldwide sales of antifungals were US\$2.2 billion in 2001 increasing to US\$2.9 billion in 2003.