

SR Pharma plc

SR Pharma terminates merger discussions to progress acquisition of a European biotechnology company.

London 3 May 2005 - SR Pharma plc ("the Company") announced today that it has terminated merger and acquisition discussions with an unnamed UK based third party with which, as previously announced, it had been in late stage talks. The Company's decision to terminate discussions was based on the length of time taken to conclude a transaction and other acquisition opportunities available to the Company. In particular, the Company will now concentrate on progressing discussions to acquire an unquoted European biotechnology business and expects shortly to release further details.

Iain Ross, Chairman, stated "It is very important that we find the right partner and I believe the Company which we are negotiating to acquire provides SR Pharma with both scientific and commercial synergies".

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