THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant, or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 if you are in the United Kingdom or, if you are not, another appropriately authorised independent financial adviser in your own jurisdiction. The whole of this Document should be read, but your attention is in particular drawn to the section entitled "Risk Factors" at Part III, as amended of this Document.

If you have sold or otherwise transferred, or you sell or otherwise transfer, all of your holding of Existing Ordinary Shares held in certificated form prior to the ex-entitlement date, please send this Document and, if appropriate, the accompanying Application Form at once to the purchaser or transferee or to the stockbroker, bank or other agent through or by whom the sale or transfer was or is effected, for onward delivery to the purchaser or transferee, except that such documentation should not be sent into a Restricted Jurisdiction or other jurisdiction where doing so may constitute a violation of local securities laws or regulations. If you have sold or otherwise transferred or sell or otherwise transfer Existing Ordinary Shares held in an uncertificated form prior to the ex-entitlement date, a claim transaction will automatically be generated by Euroclear which, on settlement will transfer the appropriate number of Open Offer Entitlements to the purchaser or transferee through CREST. If you have sold or otherwise transferred, sell or otherwise transfer some only of your Existing Ordinary Shares held in certificated form before the ex-entitlement date you should immediately consult the stockbroker, bank or other agent through or by whom the sale or transfer was effected and refer to the instructions regarding split applications are set out in the Application Form.

The distribution of this Document, the Application Form and/or the transfer of Open Offer Entitlements through CREST or otherwise in jurisdictions other than the United Kingdom may be restricted by applicable laws or regulations and this Document does not form part of any offer or invitation to sell or issue or the solicitation of any offer to purchase or subscribe for Open Offer Shares in any jurisdiction where such offer, invitation or solicitation is unlawful. Persons in jurisdictions other than the United Kingdom into whose possession this Document comes should inform themselves about and observe any such applicable legal or regulatory requirements in such jurisdiction. Any failure to do so may constitute a violation of the securities laws of any such jurisdiction.

Copies of this Document are available, free of charge, at the registered office of 22 Melton Street, London, NW1 2BW for the period of one month from 27 April 2011. A copy of the Investor Presentation made to potential placees can be found on the Company's website www.silence-therapeutics.com

This Document is not a prospectus for the purposes of the Prospectus Rules. Accordingly, this Document has not been, and will not be, reviewed or approved by the Financial Services Authority of the United Kingdom (in its capacity as UK Listing Authority or otherwise) pursuant to sections 85 and 87 of FSMA, the London Stock Exchange or any other authority or regulatory body and has not been approved for the purposes of Section 21 FSMA.

Your attention is drawn to the Letter from the Chairman of Silence Therapeutics plc in Part I of this Document. The Directors of Silence Therapeutics plc accept responsibility for the information contained in this Document including individual and collective responsibility for compliance with the AIM Rules. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Document is in accordance with the facts and this Document makes no omission likely to affect the impact of such information.

Application will be made for the New Ordinary Shares to be admitted to trading on the AIM market of the London Stock Exchange ("AIM"). AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the UK Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. **This Document does not comprise an admission document under the AIM Rules and the London Stock Exchange has not itself examined or approved the contents of this Document. The rules of AIM are less demanding than those of the Official List. It is emphasised that no application is being made for admission of the New Ordinary Shares to the Official List. The New Ordinary Shares will not be dealt on any other recognised investment exchange and no other such application will be made.** Subject to certain conditions being satisfied, including the passing of the Resolutions at the General Meeting, it is anticipated that Admission will become effective and that dealings in the New Ordinary Shares will commence on AIM at 8.00a.m. on 17 May 2011.

Silence Therapeutics plc

(*incorporated and registered in England and Wales under number 2992058*)

Placing of 275,000,000 Placing Shares,
Open Offer to Shareholders of up to 50,380,461 Open Offer Shares
at an Issue Price of 2 pence per New Ordinary Share
and
Notice of General Meeting

Singer Capital Markets Limited

Nominated Adviser, Broker and Underwriter

Singer Capital Markets Limited, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for Silence Therapeutics plc in relation to the Fundraising and will not be responsible to anyone other than Silence Therapeutics plc (whether or not a recipient of this document) for providing the protections afforded to clients of Singer Capital Markets Limited nor for providing advice in relation to the Fundraising nor the contents of this Document.

Apart from the responsibilities and liabilities, if any, which may be imposed on Singer Capital Markets Limited by FSMA or the regulatory regime established thereunder, Singer Capital Markets Limited accepts no responsibility whatsoever for, and makes no representation or warranty, express or implied, as to the contents of this Document including the accuracy, completeness or verification of for any other statement made or purported to be made by it, or on behalf of it, the Company or any other person, in connection with the Company or the Fundraising and nothing in this Document shall be relied upon as a promise or representation in this respect, whether as to the past or the future. Singer Capital Markets Limited accordingly disclaims all and any responsibility or liability whatsoever, whether arising in tort, contract or otherwise (save as above), which they might otherwise have in respect of this Document or any such statement, except for the responsibilities and liabilities, if any, which may be imposed on any of them by FSMA or the regulatory regime established thereunder.

The New Ordinary Shares have not been and will not be registered under the United States Securities Act of 1933, as amended, or under the applicable securities laws of any state or other jurisdiction of the United States or qualified for distribution under any applicable securities laws in any other Restricted Jurisdiction. The New Ordinary Shares may not be offered, sold, taken up, resold, transferred or delivered, directly or indirectly, within, into or in the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with the securities laws of any state or other jurisdiction of the United States. The New Ordinary Shares are being offered and sold either (i) outside the United States in offshore transactions within the meaning of and in accordance with the safeharbour from the registration requirements in Regulation S under the Securities Act or (ii) in the United States in private placement transactions not involving any public offering in reliance on the exemption from the registration requirements of Section 5 of the Securities Act provided by Section 4(2) under the Securities Act or another applicable exemption therefrom. There will be no public offer of the New Ordinary Shares in the United States.

Singer Capital Markets Limited makes no representation or warranty to any offeree or purchaser of the New Ordinary Shares regarding the legality of any investment in the securities by such offeree or purchaser under the laws applicable to such offeree or purchaser. Each investor should consult with his or her own advisers as to the legal, tax, business, financial and related aspects of a purchase of the New Ordinary Shares.

None of the New Ordinary Shares, the Application Form, the Form of Proxy, this Document nor any other document connected with the Fundraising have been or will be approved or disapproved by the United States Securities and Exchange Commission or by the securities commissions of any state or other jurisdiction of the United States or any other regulatory authority, nor have any of the foregoing authorities or any securities commission passed upon or endorsed the merits of the offering of the New Ordinary Shares, the Application Form, the Form of Proxy or the accuracy or adequacy of this Document or any other document connected with the Fundraising. Any representation to the contrary is a criminal offence.

Notwithstanding anything to the contrary herein, each prospective investor may disclose to any and all persons, without limitation of any kind, the US federal income tax treatment and tax structure of the Company and of the transactions contemplated by the Company. For this purpose, "tax structure" shall mean any fact that may be relevant to understanding the purported or claimed US federal tax treatment of the transaction; provided that none of the following shall for this purpose constitute tax treatment or tax structure information, the name of or other identifying information relating to the performance of the Company or its operations.

Not all Shareholders will be Qualifying Shareholders. Subject to certain exceptions. Shareholders in the United States or who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, any other Restricted Jurisdiction will not qualify to participate in the Fundraising and will not be sent an Application Form or a placing letter or otherwise be permitted to participate in the Fundraising. The attention of Overseas Shareholders is drawn to paragraph 6 of Part II of this Document.

The latest time and date for acceptance and payment in full under the Open Offer is 11.00 a.m. on 13 May 2011. The procedure for application and payment for Qualifying Shareholders is set out in paragraph 3 of Part II of this Document, and, where relevant, in the accompanying Application Form.

Notice of the General Meeting of Silence Therapeutics plc, to be held at 11.30 a.m. on 16 May 2011 at the offices of Morrison & Foerster (UK) LLP at CityPoint, One Ropemaker Street, London, EC2Y 9AW, is set out at the end of this Document. A Form of Proxy is enclosed for use by Shareholders in connection with the meeting. To be valid, Forms of Proxy, completed, or submitted electronically, in accordance with the instructions printed thereon, must be received by Silence Therapeutics plc's registrars, Capita Registrars at PXS, 34 Beckenham Road, Beckenham, BR3 4TU or submitted electronically, as soon as possible but in any event by no later than 11.30 a.m. on 13 May 2011. Completion and return, or submission electronically, of the Form of Proxy will not preclude Shareholders from attending and voting at the General Meeting or any adjournment thereof should they so wish.

Cautionary note regarding forward-looking statements: This Document contains statements about Silence Therapeutics plc that are or may be "forward-looking statements". All statements, other than statements of historical facts, included in this Document may be forward-looking statements and are subject to, *inter alia*, the risk factors described in Part III of this Document. Without limitation, any statements preceded or followed by, or that include, the words "targets", "plans", "believes", "expects", "aims", "intends", "will", "may", "should", "anticipates", "estimates", "projects", "would", "could", "continue"or words or terms of similar substance or the negative thereof, are forward-looking statements. Forward-looking statements include statements relating to the following: Managements strategic vision, aims and objectives; the conduct of clinical trials; the filing dates for product licence application; the Company's ability to find partners for the development and commercialisation of its products; the effect of competition; trends in results of operations; margins; the overall pharmaceutical market; and exchange rates. These forward-looking statements are not guarantees of future performance and have not been reviewed by the auditors of Silence Therapeutics plc. These forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of any such person, or industry results, to be materially different from any results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements are based on numerous assumptions regarding the present and future business strategies of such persons and the environment in which each will operate in the future. Investors should not place undue reliance on such forward-looking statements and, save as is required by law or regulation (including to meet the requirements of the AIM Rules, the Disclosure and Transparency Rules and/or the Prospectus Rules), Silence Therapeutics plc does not undertake any obligation to update publicly or revise any forward-looking statements (including to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based). All subsequent oral or written forward-looking statements attributed to Silence Therapeutics plc or any persons acting on their behalf are expressly qualified in their entirety by the cautionary statement above. All forward-looking statements contained in this Document are based on information available to the Directors of Silence Therapeutics plc at the date of this Document, unless some other time is specified in relation to them, and the posting or receipt of this Document shall not give rise to any implication that there has been no change in the facts set forth herein since such date.

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DIRECTORS OF THE COMPANY

Jeremy Anthony Philip Randall	*Non-executive Chairman*
Philip Haworth	*Chief Executive Officer*
Max Stephen Herrmann	*Chief Financial Officer*
Annette Clancy	*Non-executive Director*
James Newman Topper	*Non-executive Director*
David Mack	*Non-executive Director*
David Charles U'Prichard	*Non-executive Director*

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	2011
Record Date and time for entitlements under the Open Offer	5.00 p.m. on 26 April
Announcement of the Fundraising and posting of Circular, Application Forms and Form of Proxy	27 April
Existing Ordinary Shares marked 'ex' by the London Stock Exchange	8.00 a.m. on 27 April
Open Offer Entitlements and Excess Open Offer Entitlements credited to stock accounts in CREST of Qualifying CREST Shareholders	8.00 a.m. on 28 April
Recommended latest time for requesting withdrawal of Open Offer Entitlements and Excess Open Offer Entitlements from CREST	4.30 p.m. on 9 May
Latest time for depositing Open Offer Entitlements and Excess Open Offer Entitlements into CREST	3.00 p.m. on 10 May
Latest time and date for splitting of Application Forms (to satisfy *bona fide* market claims only)	3.00 p.m. on 11 May
Latest time and date for receipt of Forms of Proxy and electronic proxy appointments via the CREST system	11.30 a.m. on 13 May
Latest time and date for receipt of completed Application Forms and payment in full under the Open Offer or settlement of relevant CREST instruction (as appropriate)	11.00 a.m. on 13 May
Results of the Fundraising announced through the RIS	16 May
General Meeting	11.30 a.m. on 16 May
Admission and commencement of dealings of the New Ordinary Shares	17 May
New Ordinary Shares credited to CREST stock accounts	17 May
Despatch of definitive share certificates for New Ordinary Shares	within 14 days of Admission

Notes:

(1) References to times in this Document are to London time (unless otherwise stated).

(2) If any of the above times or dates should change, the revised times and/or dates will be notified by an announcement to an RIS.

(3) The dates and timing of the events in the above timetable and in the rest of this Document is indicative only and may be subject to change.

(4) In order to subscribe for Open Offer Shares under the Open Offer, Qualifying Shareholders will need to follow the procedure set out in Part II of this Document and, where relevant, complete the accompanying Application Form. If Qualifying Shareholders have any queries on the procedure for acceptance and payment, or wish to request another Application Form, they should contact Capita Registrars on 0871 664 0321 or, if calling from outside the United Kingdom, +44 20 8639 3399, where relevant, quoting the allotment number of their Application Form.

Calls to the Capita Registrars 0871 664 0321 number are charged at 10 pence per minute (including VAT) plus any of your service provider's additional network charges. Calls to the Capita Registrars' +44 20 8639 3399 number from outside the UK are charged at applicable international rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purposes. Capita Registrars cannot provide advice on the merits of the Fundraising nor give any financial, legal or tax advice.

FUNDRAISING STATISTICS

Market price per Existing Ordinary Share[1]	3.00 pence
Discount to Existing Ordinary Shares[2]	33.3 per cent.
Number of Existing Ordinary Shares in issue[2]	279,891,452
Entitlement under the Open Offer	0.18 Open Offer Shares for every 1 Existing Ordinary Share
Price of each New Ordinary Share	2 pence
Number of Open Offer Shares to be offered by the Company	up to 50,380,461
Number of Placing Shares to be offered by the Company	275,000,000
Maximum proceeds of the Open Offer (before expenses)[3]	£1.0 million
Maximum proceeds of the Placing (before expenses)	£5.5 million
Maximum Enlarged Share Capital following Admission[3]	605,271,913
Maximum percentage of Enlarged Share Capital represented by the New Ordinary Shares[3]	53.7 per cent.
Estimated net proceeds of the Fundraising[3]	£6.1 million

Notes:

(1) Mid-market price on AIM on 26 April 2011, being the last Business Day prior to the announcement of the Fundraising.

(2) As at 26 April 2011, being the last Business Day prior to the announcement of the Fundraising.

(3) Assuming full take up of the Open Offer and no further exercise of options under Silence Therapeutics share option schemes.

DEFINITIONS

Term	Definition
"2009 Admission Document"	the admission document published by the Company in December 2009 in respect of the Intradigm Acquisition and the related fundraising
"Accredited Investor"	an "accredited investor" as defined in Rule 501 of Regulation D of the Securities Act
"Act"	the Companies Act 2006
"Admission"	the admission of the New Ordinary Shares to trading on the AIM market of the London Stock Exchange
"AIM"	AIM, a market operated by the London Stock Exchange
"AIM Rules"	the AIM Rules for Companies published by the London Stock Exchange in June 2009 (as amended) governing the admission to and the operation of AIM
"Application Form"	the personalised application form on which Qualifying non-CREST Shareholders (other than certain Overseas Shareholders) may apply for Open Offer Shares under the Open Offer
"Astra Zeneca"	Astra Zeneca UK Limited
"Basic Entitlement"	the entitlement of Qualifying Shareholders to apply for Open Offer Shares on the basis of 0.18 Open Offer Shares for every 1 Existing Ordinary Share held and registered in their names on the Record Date
"Business Day"	a day (other than a Saturday or Sunday) on which commercial banks are open for general business in London, England
"Capita Registrars"	trading name of Capita Registrars Limited
"certificated form"	not in an uncertificated form
"Closing Price"	the closing middle market quotation of a share as derived from the AIM Appendix to the Daily Official List of the London Stock Exchange
"Company" or "Silence Therapeutics"	Silence Therapeutics plc (registered number 2992058)
"CREST"	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in the CREST Regulations)
"CREST Manual"	the rules governing the operation of CREST, consisting of the CREST Reference Manual, CREST International Manual, CREST Central Counterparty Service Manual, CREST Rules, Registrars Service Standards, Settlement Discipline Rules, CREST Courier and Sorting Services Manual, Daily Timetable, CREST Application Procedures and CREST Glossary of Terms (all as defined in the CREST Glossary of Terms promulgated by Euroclear on 15 July 1996, as amended) as by published by Euroclear
"CREST member"	a person who has been admitted by Euroclear as a system-participant (as defined in the CREST Regulations)
"CREST Participant"	a person who is, in relation to CREST, a system-participant (as defined in the CREST Regulations)

"CREST payment"	shall have the meaning given in the CREST Manual issued by Euroclear
"CREST Regulations"	the Uncertificated Securities Regulations 2001 (SI 2001/3755) (as amended)
"CREST sponsor"	a CREST Participant admitted to CREST as a CREST sponsor
"CREST sponsored member"	a CREST member admitted to CREST as a sponsored member (which includes all-CREST Personal Members)
"Dainippon Sumitomo"	Dainippon Sumitomo Pharma Co. Ltd
"Directors" or "Board"	the directors of the Company whose names appear on page 3 of this Document
"Document"	this document which, for the avoidance of doubt, does not comprise a prospectus (under the Prospectus Rules) or an admission document (under the AIM Rules)
"enabled for settlement"	in relation to Open Offer Entitlements, enabled for the limited purpose of settlement of claim transactions and USE transactions
"Enlarged Share Capital"	the issued ordinary share capital of Silence Therapeutics immediately following completion of the Placing and the Open Offer
"EU"	the European Union
"Euroclear"	Euroclear UK & Ireland Limited, the operator of CREST
"Excess Application Facility"	the facility for Qualifying Shareholders to apply for Excess Shares in excess of their Basic Entitlements subject to the terms and conditions set out in Part II of this Document
"Excess Applications"	any applications for Excess Shares pursuant to the Excess Application Facility
"Excess Open Offer Entitlements"	in respect of each Qualifying CREST Shareholder who has taken up his Basic Entitlement in full, the entitlement (in addition to the Basic Entitlement) to apply for Excess Shares up to the number of Open Offer Shares credited to his stock account in CREST pursuant to the Excess Application Facility, which may be subject to scaling down according to the Directors' discretion
"Excess Shares"	Open Offer Shares which may be applied for in addition to the Basic Entitlement
"Existing Ordinary Shares"	each Ordinary Share in issue as at the Record Date
"Form of Proxy"	the form of proxy accompanying this Document for use in connection with the General Meeting
"FSA"	the Financial Services Authority
"FSMA"	the Financial Services and Markets Act 2000 (as amended)
"Fundraising"	together the Placing and the Open Offer
"General Meeting"	the general meeting of the Company to be held at 11.30 a.m. on 16 May 2011
"Group"	the Company and its subsidiaries
"H1"	first half of the year

"H2"	second half of the year
"Intradigm Acquisition"	the acquisition of Intradigm Corporation by the Company in January 2010
"Irrevocable Undertakings"	the irrevocable undertakings entered into by certain of the Directors and Major Shareholders, the terms of which are summarised in paragraph 3.2 of Part IV of this Document
"ISIN"	International Securities Identification Number
"Issue Price"	2 pence per New Ordinary Share
"London Stock Exchange"	London Stock Exchange plc
"Member Account ID"	the identification code or number attached to any member account in CREST
"New Ordinary Shares"	up to 325,380,461 new Ordinary Shares to be created pursuant to the Placing and Open Offer
"Nomad Agreement"	The engagement letter between Singer Capital Markets and the Company dated 13 September 2010, the principal terms of which are summarised in paragraph 3.2 of Part IV of this Document
"Novartis"	Novartis AG
"Official List"	the Official List of the FSA
"Open Offer"	the conditional offer made by the Company to Qualifying Shareholders of Open Offer Shares on the terms and conditions set out in this Document and, where relevant, in the Application Form
"Open Offer Entitlements"	the entitlements of Shareholders to participate in the Open Offer Shares
"Open Offer Shares"	up to 50,380,461 new Ordinary Shares to be issued pursuant to the Open Offer
"Ordinary Shares"	ordinary shares of 1p each in the capital of the Company
"Overseas Shareholders"	Shareholders with registered addresses in, or who are citizens, residents or nationals of, jurisdictions outside the UK
"Participant ID"	the identification code or membership number used in CREST to identify a particular CREST member or other CREST Participant
"Pfizer"	Pfizer Inc.
"Placees"	investors in the Placing
"Placing"	the conditional issue and allotment at the Issue Price of the Placing Shares to the Placees further described in this Document
"Placing Agreement"	the placing agreement dated 26 April 2011 between Singer Capital Markets and the Company relating to the Placing, the principal terms of which are summarised in paragraph 3.1 of Part IV of this Document
"Placing Shares"	the 275,000,000 new Ordinary Shares to be issued pursuant to the Placing
"Prospectus Rules"	the Prospectus Rules made in accordance with EU Prospectus Directive 2003/7l/EC

"Qualifying CREST Shareholders"	Qualifying Shareholders holding Existing Ordinary Shares in uncertificated form
"Qualifying Shareholders"	Shareholders whose names appear on the register of members of Silence Therapeutics on the Record Date as holders of Existing Ordinary Shares and who are eligible to be offered Open Offer Shares under the Open Offer in accordance with the terms and conditions set out in this Document
"Qualifying Shareholder's Entitlement"	a Qualifying Shareholder's *pro rata* entitlement to Open Offer Shares
"Qualifying non-CREST Shareholders"	Qualifying Shareholders holding Existing Ordinary Shares in certificated form
"Quark"	Quark Pharmaceuticals Inc. (formerly Quark Biotech Inc.)
"Receiving Agent"	Capita Registrars
"Record Date"	the record date for the Open Offer, being 26 April 2011
"Registrars"	Capita Registrars
"Resolutions"	the resolutions set out in the GM notice
"Restricted Jurisdiction"	the United States, Australia, Canada, Japan, New Zealand and the Republic of South Africa
"RIS"	a regulatory information service as defined by the Listing Rules
"Securities Act"	the US Securities Act of 1933, as amended
"Shareholders"	the holders of Existing Ordinary Shares in Silence Therapeutics
"Singer Capital Markets"	Singer Capital Markets Limited
"Sterling"	pounds sterling, the basic unit of currency in the UK
"Takeover Code"	the City Code on Takeovers and Mergers issued by the Takeover Panel
"UK" or "United Kingdom"	the United Kingdom of Great Britain and Northern Ireland
"UK Listing Authority"	the UK Listing Authority, being the FSA acting as competent authority for the purposes of Part V of FSMA
"uncertificated form"	recorded on the relevant register or other record of the share or other security confirmed as being held in uncertificated form in CREST and title to which, by virtue of the Regulations, may be transferred by way of CREST
"United States" or "US"	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
"US Exchange Act"	the US Securities Exchange Act of 1934, as amended
"USE"	unmatched stock event
"VAT"	value added tax

GLOSSARY OF SCIENTIFIC TERMS

"age related macular degeneration" or "AMD"	degenerative eye disease that causes damage to the macula (central retina) of the eye
"AKI"	acute kidney injury
"AtuRNAi"	a proprietary form of RNAi developed by Silence Therapeutics
"CD31"	Cluster molecule (number 31) also referred to PECAM-1 or Plateletr Endothelial Cell Adhesion Molecule 1
"DACC"	a proprietary siRNA delivery system developed by Silence Therapeutics
"DEGAS"	The name of the Pfizer/Quark Phase II clinical trail to evaluate PF-4523655 in the setting of Diabetic Macular Edema
"DGF"	delayed graft function
"endothelium"	a thin layer of flat epithelial cells that lines serous cavities, lymph vessels, and blood vessels
"GMP"	Good Manufacturing Practice, formal standards of facilities cleanliness, process, quality controls and documentation set out and periodically monitored by the main medicines control agencies to which a company has to conform in order to manufacture a product for human use
"IND"	investigational new drug
"metastases"	tumours produced by the spread of cancer cells to other parts of the body
"macular oedema"	a disorder of the eye caused by leaking blood vessels in the retina leading to impairment of vision
"MONET"	the name of the Pfizer/Quark Phase II clinical trail to evaluate PF-4523655 in the setting of AMD
"open-label"	a clinical trial in which researchers and participants know which drug or vaccine is being administered
"Phase I"	studies conducted usually in healthy subjects to determine the initial safety, tolerability and pharmacokinetics of a drug and from which the participants do not derive any therapeutic benefit
"Phase Ib"	studies usually conducted in patients diagnosed with disease, or condition for which the study drug is intended, who demonstrate some biomarker, surrogate or possibly clinical outcome
"Phase IIa"	early Phase II studies, typically pilot or feasibility studies conducted in a small number of patients
"pre-clinical"	experiments performed before starting clinical trials to assess a compound and its potential to cause adverse side effects
"RNAi"	RNA interference: a technique used to prevent translation of specific genes by targeting and degrading the mRNA embodying the genetic sequence of the relevant gene with the intention of inhibiting production of disease causing proteins
"USPTO"	the United States Patent and Trademark Office

PART I

LETTER FROM THE CHAIRMAN OF SILENCE THERAPEUTICS PLC

22 Melton Street
London
NW1 2BW
Registered Number: 2992058

27 April 2011

Dear Shareholder

Proposed Placing of 275,000,000 Placing Shares and Open Offer of up to 50,380,461 Open Offer Shares at an Issue Price of 2 pence per New Ordinary Share

1. Introduction

On 27 April 2011, the Company announced a share issue to raise up to £5.5 million (before expenses) through the issue of up to 275,000,000 New Ordinary Shares by way of a Placing at 2 pence per Ordinary Share to certain institutional investors and Directors and up to a further 50,380,461 New Ordinary Shares to be issued through an Open Offer at 2 pence per New Ordinary Share. The Issue Price represents a discount of approximately 33.3 per cent. to the price of 3 pence per share, being the Closing Price of the Company's Ordinary Shares on 26 April 2011.

The total amount that the Company could raise under the Fundraising is £6.5 million (before expenses), assuming all the Open Offer Entitlements are taken up. The Placing is being fully underwritten by Singer Capital Markets on, and subject to, the terms of the Placing Agreement. The Open Offer is not underwritten, and accordingly, as set out below the minimum proceeds under the Fundraising are approximately £5.5 million (before expenses).

This letter sets out in more detail the background to the Company's position, the terms of the Fundraising and the Resolutions to be proposed at the General Meeting in order to implement the Fundraising.

2. Background to and Reasons for the Fundraising and Use of Proceeds

On 27 April 2011, the Company announced its audited results for the 12 months ended 31 December 2010. In this announcement, the Company disclosed that the Group had cash resources which, based on the current levels of cash expenditure, are expected to last into the third quarter of 2011. As a consequence, the Group stated that it would require additional finance at some point in the future to enable its strategy for creating Shareholder value to be implemented in an optimal manner.

It is the intention of the Directors that the minimum amount of £5.5 million (before costs) being raised from the Placing, along with any funds raised from the Open Offer, will be used to support the development of the RNAi platform as outlined below.

The proceeds of the Fundraising will significantly enhance the Group's financial position and provide it with sufficient cash resources to fund the business until mid 2012. This injection of funding would extend the existing window of opportunity for exploitation of the RNAi platform and the Company's lead development candidate Atu027 by completing the Phase I trial and initiating a small Phase Ib/IIa trial, as described below, and also enable the Company, and its Shareholders, to benefit from the potential milestone payments from existing licensing agreements. In addition, the proceeds will be used to file an IND for the CD31/Atuplex drug candidate (Atu134) and to allow us to progress the preclinical development of Atu111 that incorporates the DACC pulmonary delivery system, more particularly described below.

If the Resolutions are not passed by Shareholders at the General Meeting, the Fundraising would be unable to proceed. In this situation, the Company would not have cash resources to maintain current operations beyond the third quarter of 2011 and would need to consider alternative strategic options

that the Directors believe would not be in the best interests of Shareholders. These actions could include the sale of the business at a price, which Directors believe would not recognise the potential long-term value of the business.

It is the view of the Board that sale of the business in this circumstance would not enable Shareholders to benefit from the significant investment already made in developing the RNAi platform and Atu027 or the potentially significant value creation opportunity in RNAi therapeutics and in particular in Atu027 that would be afforded if sufficient finances were available.

3. Future Activities

During the last 12 months, Silence Therapeutics has made significant progress in advancing its pipeline, expanding its RNAi drug delivery capabilities and in strengthening its intellectual property. Silence Therapeutics pharmaceutical partners have also made good progress during this period, reflecting the strong enabling technology that Silence Therapeutics has on offer. The Company is now focused on creating value by making further advances in all aspects of the business.

Atu027

Atu027 for the treatment of solid tumours, is Silence Therapeutics most advanced internal drug candidate. Atu027 combines Silence Therapeutics proprietary drug delivery system AtuPlex with AtuRNAi, the Company's proprietary RNAi chemistry. Atu027 specifically targets PKN3, a protein implicated in cancer growth and metastases. Pre-clinical studies have indicated that Atu027 works by inhibiting the blood supply to solid tumours and in particular metastases. Combination with other currently marketed anti-cancer drugs has demonstrated additive effects. Interim results from the ongoing Phase I trial of Atu027 are encouraging and to date the drug has been shown to be safe and well tolerated. The Company believes that completion of the Phase I study of Atu027 is the most important factor in realising value for Shareholders. In addition to planning for future development including initiating exploratory Phase Ib/IIa trials, the Company aims to expand licensing discussions regarding Atu027 with potential pharmaceutical partners.

Successful completion of the Atu027 Phase I trial will provide a major validation of the AtuPlex delivery system. The fact that patients on the Phase I trial of Atu027 have not required pre-treatment provides a major validation of the approach compared to competing delivery systems. The Company believes this will strengthen the ability to secure licensing partners for the delivery of different RNAi therapeutics using AtuPlex.

Atu134

Atu134 is the Company's second potential cancer therapy. Like Atu027, Atu134 combines Silence Therapeutics proprietary drug delivery system AtuPlex with AtuRNAi, the Company's proprietary RNAi chemistry. However, Atu134 specifically targets CD31, a target that has so far proved intractable to small molecule and antibody approaches. Silence Therapeutics has now completed studies in multiple pre-clinical cancer models demonstrating that Atu134 has a profound impact on slowing the progression of solid tumours. The Company plans to use proceeds from this Fundraising to manufacture GMP materials, complete necessary toxicology studies and progress Atu134 to be ready to start clinical development.

Atu111

Atu111, for the treatment of acute lung injury, is the Company's most advanced drug development candidate outside oncology. Unlike Silence Therapeutics oncology drug candidates, Atu111 combines Silence Therapeutics recently developed DACC drug delivery system with AtuRNAi. The target for this RNAi therapeutic is undisclosed. However, pre-clinical models using the DACC delivery system has shown sustained knockdown of up to three weeks in the lung endothelium. Whilst Silence Therapeutics is focused on using proceeds from the current offering to further its oncology portfolio, the Company believes Atu111 is an attractive opportunity for potential pharmaceutical partners.

RNAi technology platform

Over the last 12 months, Silence Therapeutics has advanced two additional proprietary delivery systems enabling delivery to the lung endothelium and certain cells of the liver, respectively. The Company believes this provides a significantly improved offering to potential pharmaceutical partners. In addition, its licensees and sublicencees have now completed multiple Phase I and II trials using the Company's AtuRNAi with no suggestion of activation of the immune system seen with earlier RNAi therapies. This provides increased confidence about the value of AtuRNAi.

4. Planned Restructuring

Following the Intradigm Acquisition, Silence Therapeutics announced in April 2010 a major restructuring to streamline the business. This resulted in a smaller more focused operation headquartered in London with research & development activities in Berlin and corporate development and intellectual property activities in Redwood City, California. Over the last 12 months, it has become apparent that, for an organisation of approximately 40 employees, the geographical diversity of the Group creates considerable operational difficulties as well as increased operating costs. Therefore, the Board plans to close the Redwood City office as soon as practicable. In order to enable a smooth and orderly transition, Phil Haworth has agreed to remain in the role of Chief Executive Officer until an appropriate replacement has been recruited.

5. Terms of the Placing

It was announced today that the Company has conditionally placed up to 275,000,000 New Ordinary Shares at 2 pence per share with existing and new investors to raise £5.5 million before expenses. The Placing Shares are not subject to clawback and are not part of the Open Offer. The Placing has been underwritten by Singer Capital Markets, subject to certain conditions set out in the Placing Agreement. A summary of the Placing Agreement appears in paragraph 3.1 of Part IV of this Document.

6. Details of the Open Offer

Silence Therapeutics is proposing to raise up to £1.0 million (before expenses) pursuant to the Open Offer. The proposed Issue Price of 2 pence per Open Offer Share is the same price as the price at which the Placing Shares are being issued.

The Open Offer is being made on a pre-emptive basis, allowing all Qualifying Shareholders the opportunity to participate. The Open Offer is not underwritten. The Fundraising is not conditional upon the level of applications made to subscribe under the Open Offer. Accordingly, if no applications to subscribe under the Open Offer are received, the total amount that the Company would raise via the Fundraising would be reduced to £5.5 million (before expenses).

The Open Offer provides Qualifying Shareholders with the opportunity to apply to acquire Open Offer Shares at the Issue Price *pro rata* to their holdings of Existing Ordinary Shares as at the Record Date on the following basis:

0.18 Open Offer Shares for every 1 Existing Ordinary Share

and so on in proportion for any other number of Existing Ordinary Shares then held. Entitlements to apply to acquire Open Offer Shares will be rounded down to the nearest whole number and any fractional entitlement to Open Offer Shares will be disregarded in calculating the Qualifying Shareholder's Entitlement.

The Open Offer is subject to the satisfaction, amongst other matters, of the following conditions on or before 17 May 2011 (or such later date being not later than 8.00 a.m. on 8 July 2011, as the Company may decide):

(i) the Placing being unconditional in all respects;

(ii) Admission becoming effective by 8.00 a.m. on 17 May 2011, (or such later time or date not being later than 8.00 a.m. on 8 July 2011 as the Company may decide).

Excess Applications

The Open Offer is structured to allow Qualifying Shareholders to subscribe for Open Offer Shares at the Issue Price *pro rata* to their holdings of Existing Ordinary Shares. Qualifying Shareholders may also make applications in excess of their *pro rata* initial entitlement. To the extent that *pro rata* entitlements to Open Offer Shares are not subscribed by Qualifying Shareholders, such Open Offer Shares will be available to satisfy such Excess Applications. To the extent that applications are received in respect of an aggregate of more than 50,380,461 Open Offer Shares, Excess Applications from Qualifying Shareholders will be scaled back accordingly. However, Excess Applications will be rejected if and to the extent that acceptance would result in a Qualifying Shareholder, together with those acting in concert with him/her for the purposes of the Takeover Code, holding 30 per cent. or more of the issued share capital immediately following Admission.

Those Placees who are Directors will not participate in the Open Offer. Accordingly a minimum of 572,586 Ordinary Shares, being the Open Offer Entitlements of the Placees, who are Directors, will be available to other Qualifying Shareholders by way of Excess Applications as described in paragraph 6 of this Part I.

Qualifying Shareholders should note that the Open Offer is not a rights issue. Qualifying non-CREST Shareholders should be aware that the Application Form is not a negotiable document and cannot be traded. Qualifying Shareholders should also be aware that in the Open Offer, unlike in a rights issue, any Open Offer Shares not applied for will not be sold in the market nor will they be placed for the benefit of Qualifying Shareholders who do not apply under the Open Offer.

Settlement and dealings

Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. It is expected that such Admission will become effective and that dealings will commence at 8.00 a.m. on 17 May 2011. Further information in respect of settlement and dealings in the Open Offer Shares is set out in paragraph 7 of Part II of this Document.

Overseas Shareholders

Certain Overseas Shareholders may not be permitted to subscribe for Open Offer Shares pursuant to the Open Offer and should refer to paragraph 6 of Part II of this Document.

CREST Instructions

Application has been made for the Open Offer Entitlements for Qualifying CREST Shareholders to be admitted to CREST. It is expected that the Open Offer Entitlements will be admitted to CREST on 28 April 2011. The Open Offer Excess Entitlements will also be enabled for settlement in CREST on 28 April 2011. Applications through the CREST system will only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim.

If you are a Qualifying non-CREST Shareholder you will have received an Application Form which gives details of your Qualifying Shareholders' Entitlement under the Open Offer (as shown by the number of the Open Offer Entitlements allocated to you). If you wish to apply for Open Offer Shares under the Open Offer, you should complete the accompanying Application Form in accordance with the procedure for application set out in paragraph 3 of Part II of this Document and on the Application Form itself. The completed Application Form, accompanied by full payment, should be returned by post or by hand (during normal business hours only) to Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to arrive as soon as possible and in any event no later than 11.00 a.m. on 13 May 2011.

If you are a Qualifying CREST Shareholder, no Application Form is enclosed but you will receive a credit to your appropriate stock account in CREST in respect of the Open Offer Entitlements representing your Qualifying Shareholder Entitlement under the Open Offer. You should refer to the procedure for application set out in paragraph 3 of Part II of this Document. The relevant CREST instruction must have settled by no later than 11.00 a.m. on 13 May 2011.

The latest time for applications under the Open Offer to be received is 11.00 a.m. on 13 May 2011. The procedure for application and payment depends on whether, at the time at which application and payment is made, you have an Application Form in respect of your entitlement under the Open Offer or have Open Offer Entitlements credited to your stock account in CREST in respect of such entitlement.

If you are in any doubt as to what action you should take, you should immediately seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent professional adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriate authorized independent financial adviser.

7. Effect of the Fundraising

Upon Admission, and assuming full take up of the Open Offer and no further exercise of options under Silence Therapeutics share option schemes, the Enlarged Share Capital is expected to be 605,271,913 Ordinary Shares. On this basis, the New Ordinary Shares will represent approximately 53.7 per cent. of the Company's Enlarged Share Capital.

The New Ordinary Shares will, when issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid after the date of Admission.

Following the issue of the New Ordinary Shares pursuant to the Placing and the Open Offer, assuming full take up of the Open Offer and no further exercise of options under Silence Therapeutics share option schemes, Qualifying Shareholders who do not take up any of their Open Offer Entitlements will suffer a dilution of approximately 53.8 per cent. to their interests in the Company. If a Qualifying Shareholder takes up his Open Offer Entitlement in full he will suffer a dilution of 45.4 per cent. to his interest in the Company.

8. Irrevocable commitments from certain Directors and major Shareholders

The Directors who in aggregate hold 572,586 Existing Ordinary Shares, representing approximately 0.2 per cent. of the existing issued ordinary share capital of the Company, have irrevocably undertaken to vote in favour of the Resolutions at the General Meeting.

Certain major Shareholders, namely Frazier Healthcare Ventures and ACP IV, L.P., who in aggregate hold 52,621,887 Existing Ordinary Shares representing approximately 18.8 per cent. of the existing issued ordinary share capital of the Company, have irrevocably undertaken to vote in favour of the Resolutions at the General Meeting.

9. Current Trading and Prospects

Silence Therapeutics Plc is a global leader in RNAi therapeutics. The Company is currently conducting an open-label, dose escalation Phase I trial of its lead drug candidate Atu027 in patients with solid tumours. As at 31 March 2011, 23 out of a potential maximum of 36 patients have been treated with the drug, which has been found to be safe and well tolerated. This trial is on track to be completed in the second half of 2011 with trial results expected at around the end of 2011.

In addition to Silence Therapeutics own programmes, the Company has licensed its RNAi technology to several pharmaceutical companies including AstraZeneca, Dainippon Sumitomo, Pfizer and Quark. Silence Therapeutics has licensed its technology to both Quark and Pfizer which are collaborating on the development of PF-04523655 (PF-'655). In March 2011, Quark reported results of a Phase II trial of PF-'655 in diabetic macular oedema. Quark now plans to start a Phase IIb in the same indication. In addition PF-'655 is currently in a Phase II trial as a treatment for age-related macular degeneration, results from which are due during the course of 2011. In addition to royalties on product sales, milestones to Silence Therapeutics from these programmes could total approximately $95 million of which $6 million has been received to date. Results from both the above trials are due during the course of 2011. In addition to PF-'655, Quark is also developing QPI-1002 for the treatment of delayed graft function and prevention of acute kidney

injury. QPI-1002 is based on Silence Therapeutics AtuRNAi technology. In August 2010, Quark signed an option agreement with Novartis for QPI-1002. In September 2010, Quark initiated a Phase II trial of QPI-1002 in the treatment of delayed graft function. Quark plans to initiate a second Phase II trial of QPI-1002 in acute kidney injury during the course of 2011. In addition to royalties on product sales, milestones to Silence Therapeutics from these programmes could total approximately $80 million.

Silence Therapeutics collaboration with AstraZeneca is based on two agreements; a discovery collaboration entered into in July 2007 related to five targets and a delivery collaboration signed in March 2008. Both these collaborations were extended in 2010 for one year. AstraZeneca has now selected all five targets and evaluation of these targets under the collaboration is almost complete. During 2011, Silence Therapeutics expects to complete this evaluation. AstraZeneca may choose to continue development of some or all of these targets. It is anticipated that such a decision would trigger milestone payments to Silence Therapeutics. Alternatively, AstraZeneca could discontinue work on these programmes or enter into a further collaboration with Silence Therapeutics.

Silence Therapeutics delivery collaboration with Dainippon Sumitomo was signed in August 2009. Whilst the original agreement related to two drug targets, in March 2010 it was expanded to include a further two targets. The collaboration is ongoing.

Potential News Flow Events 2010–2012

In the near and medium term, the Directors believe there are multiple potential news flow events from the existing product portfolio of programme deals, and opportunities within the RNAi technology platform, that could, dependent on success, act as value creation points for the business. The indicative dates are the Company's estimates, however no assurance can be given that the various milestones will be achieved by those dates, or indeed at all.

Internal Product Portfolio

Atu027 (treatment of solid tumours)

- Completion of Phase I clinical trial (H2 2011)
- Phase I results of Atu027 (H1 2012)
- Initiation of Phase Ib/IIa clinical trials (mid-2012)
- License of Atu027 (2012)

Atu134 (treatment of solid tumours)

- Initiate IND enabling toxicology studies (H1 2012)
- File IND to start Phase I trials (H2 2012)

Atu111 (treatment of acute lung injury)

- License of Atu111 (2012)

Partnered Product Portfolio

PF-'655 (Age-related macular degeneration and diabetic macular oedema)

- Completion of Phase II MONET trial in age-related macular degeneration (H2 2011)
- Initiation of a Phase IIb trial in diabetic macular oedema (H1 2011)

QP-1002 (acute kidney injury 'AKI' and delayed graft function 'DGF')

- Commencement of Phase II trial in acute kidney injury (H2 2011)
- Completion of Phase II trial in treatment of delayed graft function (H2 2012)
- Potential milestone payment upon Novartis' exercise of a license in DGF (2012)

- Potential milestone payment upon Novartis' exercise of a license in AKI (2012)

10. General Meeting

You will find set out at the end of this Document a notice convening the General Meeting to be held at the offices of Morrison & Foerster, Citypoint, One Ropemaker Street, London EC2Y 9AW at 11.30 a.m. on 16 May 2011.

The Resolutions to be proposed at the General Meeting are as follows:

1. an ordinary resolution to authorise the Directors, pursuant to section 551 of the Act, to allot the New Ordinary Shares in relation to the Placing and the Open Offer; and

2. a special resolution, pursuant to section 571 of the Act, to disapply the statutory pre-emption rights on the allotment of equity securities, pursuant to the authority contained in Resolution 2.

The authorities in Resolutions 1 and 2 will expire (unless previously revoked or varied by the Company in general meeting) on the date 15 months from the passing of such Resolutions or at the conclusion of the next annual general meeting, whichever occurs first. The authority and power in Resolutions 1 and 2 are in addition to any like authority or power previously conferred on the Directors.

11. Action to be taken

Shareholders will find attached to this Document a Form of Proxy for use in connection with the General Meeting. The Form of Proxy should be completed and returned in accordance with the instructions thereon so as to be received by Capita Registrars at PXS, 34 Beckenham Road, Beckenham, BR3 4TU as soon as possible and in any event not later than 48 hours before the time of the General Meeting. Completion and return of the Form of Proxy will not prevent a Shareholder from attending and voting at the meeting should he/she so wish.

12. Additional Information

Your attention is drawn to the Risk Factors and Additional Information set out in Parts III and IV of this Document. Shareholders are advised to read the whole of this Document and not rely solely on the summary information presented in this Part I.

13. Intentions of the Directors in relation to the Placing and Open Offer

Several of the Directors have agreed to subscribe for Placing Shares as follows:

Director	*Number of Placing Shares*
Jerry Randall	1,000,000
Phil Haworth	750,000
Max Herrmann	500,000
Annette Clancy	500,000

The Directors do not intend to acquire Open Offer Shares pursuant to their respective Open Offer Entitlements.

14. Recommendation

The Board, who have been advised by Singer Capital Markets, believe the terms of the Fundraising and the Resolutions to be fair and reasonable so far as the Shareholders are concerned. The Placing constitutes a related party transaction under Rule 13 of the AIM Rules.

Accordingly, the Directors unanimously recommend Shareholders to vote in favour of the Resolutions as the Directors intend to do in respect of their beneficial shareholdings which amount to 572,586 Ordinary Shares, representing approximately 0.2 per cent. of the Company's existing issued Ordinary Share capital.

Yours faithfully

Jerry Randall
Non-executive Chairman

PART II

DETAILS OF THE OPEN OFFER

1. Introduction

The Open Offer has been structured so as to allow Qualifying Shareholders to subscribe for Open Offer Shares at the Issue Price *pro rata* to their existing holdings. Qualifying Shareholders may also make applications in excess of their *pro rata* initial entitlement. To the extent that *pro rata* entitlements to Open Offer Shares are not subscribed for by Qualifying Shareholders, such Open Offer Shares will be available to satisfy such Excess Applications, subject to a maximum of 50,380,461 Open Offer Shares in aggregate. To the extent that applications for Basic Entitlements and Excess Shares are received in respect of an aggregate of more than 50,380,461 Open Offer Shares, Excess Applications will be scaled back accordingly.

However, Excess Applications will be rejected if and to the extent that acceptance would result in the Qualifying Shareholder, together with those acting in concert with for the purposes of the Takeover Code, holding 30 per cent. or more of the Enlarged Share Capital immediately following Admission.

2. The Open Offer

Silence Therapeutics hereby invites Qualifying Shareholders, on the terms and subject to the conditions set out herein and, for Qualifying non-CREST Shareholders, in the accompanying Application Form, to apply to acquire any number of Open Offer Shares (subject to the limit of the number of Excess Shares that can be applied for using the Excess Application Facility) at 2 pence per Open Offer Share (payable in full on application) and will have the right to subscribe for:

0.18 Open Offer Share for every 1 Existing Ordinary Share

registered in their name at the close of business on the Record Date and so on in proportion for any other number of Existing Ordinary Shares then held ("Basic Entitlement"). Applications by Qualifying Shareholders will be satisfied in full up to their Basic Entitlements.

Basic Entitlements will be rounded down to the nearest whole number and any fractional entitlements to Open Offer Shares will be disregarded in calculating Qualifying Shareholders' Basic Entitlements and will be aggregated and made available to Qualifying Shareholders under the Excess Application Facility.

Qualifying Shareholders may apply to acquire less than their Basic Entitlement should they so wish. In addition, Qualifying Shareholders may apply to acquire Excess Shares using the Excess Application Facility. Please see below for further details of the Excess Application Facility.

Holdings of Existing Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating Basic Entitlements, as will holdings under different designations and in different accounts.

Qualifying CREST Shareholders will have their Open Offer Entitlements credited to their stock accounts in CREST and should refer to paragraphs 2, 3 and 7 of this Part II and also to the CREST Manual for further information on the relevant CREST procedures.

Excess Applications

Qualifying Shareholders may apply to acquire any number of Open Offer Shares subject to the limit on applications under the Excess Application Facility referred to below. The Basic Entitlement, in the case of Qualifying non-CREST Shareholders, is equal to the number of Open Offer Shares shown in Box 2 on the Application Form or, in the case of Qualifying CREST Shareholders, is equal to the number of Open Offer Entitlements standing to the credit of their stock account in CREST.

The Excess Application Facility enables Qualifying Shareholders to apply for any whole number of Ordinary Shares in excess of their Basic Entitlement ("Excess Shares"). Qualifying non-CREST Shareholders who

wish to apply to subscribe for more than their Basic Entitlement should complete Boxes 2, 3, 4 and 5 on the Application Form. Applications for Excess Shares may be allocated in such manner as the Directors may determine, in their absolute discretion, and no assurance can be given that applications by Qualifying Shareholders will be met in full or in part or at all.

The aggregate number of Ordinary Shares available for subscription pursuant to the Open Offer (including under the Excess Application Facility) is 50,380,461 Ordinary Shares.

Qualifying Shareholders should be aware that the Open Offer is not a rights issue. Qualifying non-CREST Shareholders should also note that their Application Forms are not negotiable documents and cannot be traded, Qualifying CREST Shareholders should note that, although the Basic Entitlements and Excess Open Offer Entitlements will be credited to CREST and be enabled for settlement, applications in respect of Basic Entitlements and Excess Open Offer Entitlements may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim raised by Euroclear's Claims Processing Unit. Open Offer Shares not applied for under the Open Offer will not be sold in the market for the benefit of those who do not apply to take up their Basic Entitlements and Excess Open Offer Entitlements, but may be allotted to Qualifying Shareholders to meet any valid applications under the Excess Application Facility. Qualifying Shareholders who do not apply to take up Open Offer Shares will have no rights under the Open Offer. If valid acceptances are not received in respect of all the Open Offer Shares under the Open Offer, unallocated Open Offer Shares may be allotted to Qualifying Shareholders to meet any valid applications under the Excess Application Facility and the proceeds retained for the benefit of the Company.

The Existing Ordinary Shares are already admitted to CREST. No further application for admission to CREST is accordingly required for the New Ordinary Shares. All such New Ordinary Shares, when issued and fully paid, may be held and transferred by means of CREST.

Application will be made for the Basic Entitlements and Excess Open Offer Entitlements to be admitted to CREST. The conditions for such admission having already been met, the Basic Entitlements and Excess Open Offer Entitlements are expected to be admitted to CREST with effect from 28 April 2011.

The Open Offer Shares will be issued credited as fully paid and will rank *pari passu* in all respects with the Existing Ordinary Shares. The Open Offer Shares are not being made available in whole or in part to the public except under the terms of the Open Offer.

Overseas Shareholders are referred to the section entitled "Overseas Shareholders" set out in paragraph 6 of this Part II.

The Existing Ordinary Shares are in registered form, are traded on the AIM market and are not traded on any other exchange. The Open Offer Shares will also be in registered form, will be issued credited as fully paid and will rank *pari passu* in all respects with the issued Existing Ordinary Shares. The Open Offer Shares will be issued only pursuant to the Open Offer and, subject as set out in this Part II, will not otherwise be marketed or made available in whole or in part to the public.

The proceeds of the Open Offer will amount to a maximum of approximately £1.0 million. The Open Offer Shares (assuming full take-up) will represent approximately 8.3 per cent. of the Enlarged Share Capital.

3. Procedure for application and payment

The action to be taken by Qualifying Shareholders in respect of the Open Offer depends on whether, at the relevant time, a Qualifying Shareholder has an Application Form in respect of his Open Offer Entitlement or a Qualifying Shareholder has Basic Entitlements and Excess Open Offer Entitlements credited to his CREST stock account in respect of such entitlement.

Qualifying Shareholders who hold their Existing Ordinary Shares in certificated form on the Record Date will be allotted Open Offer Shares in certificated form. Qualifying Shareholders who hold all or part of their Existing Ordinary Shares in uncertificated form will be allotted Open Offer Shares in uncertificated form to

the extent that their entitlement to Open Offer Shares arises as a result of holding Existing Ordinary Shares in uncertificated form. However, it will be possible for Qualifying Shareholders to deposit Open Offer Entitlements into, and withdraw them from, CREST. Further information on deposit and withdrawal from CREST is set out in paragraph 3.2(g) of this Part II.

CREST sponsored members should refer to their CREST sponsor, as only their CREST sponsor will be able to take the necessary action specified below to apply under the Open Offer in respect of the Basic Entitlements and Excess Open Offer Entitlements of such members held in CREST. CREST members who wish to apply under the Open Offer in respect of their Basic Entitlements and Excess Open Offer Entitlements in CREST should refer to the CREST Manual for further information on the CREST procedures referred to below.

Qualifying Shareholders who do not want to take up or apply for the Open Offer Shares under the Open Offer should take no action and should not complete or return the Application Form. Qualifying Shareholders, however, are encouraged to vote at the General Meeting by attending in person or by completing and returning the Form of Proxy.

3.1 ***If you have an Application Form in respect of your entitlement under the Open Offer***

(a) *General*

Subject as provided in paragraph 6 of this Part II in relation to Overseas Shareholders, Qualifying non-CREST Shareholders will have received an Application Form with this Document. The Application Form shows the number of Existing Ordinary Shares registered in their name at the close of business on the Record Date. It also shows the maximum number of Open Offer Shares for which they are entitled to apply under the Open Offer, as shown by the total number of Open Offer Entitlements allocated to them. Qualifying non-CREST Shareholders may apply for less than their maximum entitlement should they wish to do so. Qualifying non-CREST Shareholders may also hold such an Application Form by virtue of a *bona fide* market claim.

The instructions and other terms set out in the Application Form form part of the terms of the Open Offer.

(b) *Market claims*

Applications to acquire Open Offer Shares may only be made on the Application Form and may only be made by the Qualifying non-CREST Shareholder named in it or by a person entitled by virtue of a *bona fide* market claim in relation to a market purchase of Existing Ordinary Shares prior to the date upon which the Existing Ordinary Shares were marked "ex" for the purposes of entitlement to participate in the Open Offer. Application Forms may be split, but only to satisfy *bona fide* market claims, up to 3.00 p.m. on 11 May 2011. The Application Form is not a negotiable document and cannot be separately traded. A Qualifying non-CREST Shareholder who has sold or otherwise transferred all or part of his holding of Existing Ordinary Shares prior to the date upon which the Existing Ordinary Shares were marked "ex" for the purposes of entitlement to participate in the Open Offer, should consult his broker or other professional adviser as soon as possible, as the invitation to acquire Open Offer Shares under the Open Offer may be a benefit which may be claimed by the transferee from his counterparty. Qualifying non-CREST Shareholders who have sold all or part of their registered holdings should, if the market claim is to be settled outside CREST, complete Box 10 on the Application Form and immediately send it to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. The Application Form should not, however, subject to certain exceptions, be forwarded to or transmitted in or into any Restricted Jurisdiction.

If the market claim is to be settled outside CREST, the beneficiary of the claim should follow the procedures set out in the accompanying Application Form. If the market claim is to be

settled in CREST, the beneficiary of the claim should follow the procedures set out in paragraph 3.2(e) below.

(c) *Excess Application Facility*

Qualifying Shareholders may apply to acquire Excess Shares using the Excess Application Facility, should they wish provided they have agreed to take up their Basic Entitlement in full. Qualifying non-CREST Shareholders wishing to apply for Excess Shares may do so by completing Boxes 2, 3, 4 and 5 of the Application Form. The total number of Open Offer Shares is fixed and will not be increased in response to any Excess Applications. Excess Applications will therefore only be satisfied to the extent that other Qualifying Shareholders do not apply for their Basic Entitlements in full or where fractional entitlements have been aggregated and made available under the Excess Application Facility. Applications under the Excess Application Facility shall be allocated in such manner as the Directors may determine, in their absolute discretion, and no assurance can be given that the applications by Qualifying Shareholders will be met in full or in part or at all. Excess monies in respect of applications which are not met in full will be returned to the applicant (at the applicant's risk) without interest as soon as practicable thereafter by way of cheque or CREST payment, as appropriate.

(d) *Application procedures*

Qualifying non-CREST Shareholders wishing to apply to acquire all or any of the Open Offer Shares to which they are entitled should complete the Application Form in accordance with the instructions printed on it. Completed Application Forms should be posted in the accompanying reply paid envelope (for use only in the UK) or delivered by hand (during normal business hours only) to Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, with a cheque or banker's draft drawn in Sterling on a bank or building society in the UK which is either a member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques or banker's drafts to be cleared through the facilities provided for members of any of those companies. Cheques should be drawn on the personal account to which the Shareholder has sole or joint title. Third party cheques will not be accepted with the exception of bankers drafts or building society cheques where the bank or building society has endorsed the back of the draft by adding the Shareholders details and the branch stamp. Such cheques or banker's drafts must bear the appropriate sort code in the top right-hand corner and must be for the full amount payable on application. Applications must be received by Capita Registrars (at the address detailed above) no later than 11.00 a.m. on 13 May 2011, after which time Application Forms will not be valid. Once submitted, applications are irrevocable. If an Application Form is being sent by post in the UK, Qualifying Shareholders are recommended to allow at least four working days for delivery. Cheques should be made payable to "Capita Registrars Limited re: Silence Therapeutics plc Open Offer Account" and crossed "A/C Payee Only". It is a condition of application that cheques will be honoured on first presentation and Silence Therapeutics may in its absolute discretion elect not to treat as valid any application in respect of which a cheque is not so honoured. Silence Therapeutics may, in its sole discretion but shall not be obliged to, treat an Application Form as valid and binding on the person by whom or on whose behalf it is lodged, even if not completed in accordance with the relevant instructions or not accompanied by a valid power of attorney where required, or if it otherwise does not strictly comply with the terms and conditions of the Open Offer. Silence Therapeutics further reserves the right (but shall not be obliged) to accept either Application Forms received after 11.00 a.m. on 13 May 2011 with the envelope bearing a legible postmark not later than 11.00 a.m. on 13 May 2011 or applications in respect of which remittances are received before 11.00 a.m., on 13 May 2011 from authorised persons (as defined in FSMA) specifying the Open Offer Shares applied for and undertaking to lodge the Application Form in due course but, in any event, within two Business Days. Multiple applications will not be accepted.

Cheques and banker's drafts are liable to be presented for payment upon receipt. If they are presented before the conditions of the Open Offer are fulfilled, the application monies will be kept in a separate bank account until the conditions are fully met. If the conditions of the Open Offer are not fulfilled on or before 8.00 a.m. on 17 May 2011, or such later date as Silence Therapeutics may determine (being no later than 8.00 a.m. 8 July 2011), the Open Offer will lapse and all application monies will be returned without interest by crossed cheque in favour of the first named applicant through the post at the risk of the applicant(s) as soon as is practicable after that date, Interest earned on monies held in the separate bank account will be retained for the benefit of the Company.

Cheques, which must be drawn on the personal account where you have sole or joint title to the funds, should be made payable to "Capita Registrars Limited re: Silence Therapeutics plc Open Offer Account". Third party cheques, other than building society cheques or banker's drafts, where the building society or bank has confirmed that you have title to the underlying funds by detailing the account name on the back of the cheque/draft and adding the bank stamp, will not be accepted.

Payments must be made by cheque or banker's draft in Sterling drawn on a branch in the United Kingdom of a bank or building society which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques to be cleared through the facilities provided for the members of any of those companies and must bear the appropriate sort code in the top right-hand corner. Cheques may be cashed immediately upon receipt. Post-dated cheques will not be accepted.

(e) *Effect of application*

All documents and remittances sent by post by or to an applicant (or as the applicant may direct) will be sent at the applicant's own risk. By completing and delivering an Application Form the applicant:

(i) agrees that all applications under the Open Offer and contracts resulting therefrom, shall be governed by and construed in accordance with the laws of England;

(ii) confirms that, in making the application, the applicant is not relying on any information or representation other than that contained in this Document, and the applicant accordingly agrees that no person responsible solely or jointly for this Document or any part thereof shall have any liability for any such information or representation not so contained; and

(iii) represents and warrants that, if the applicant received some or all of their Open Offer Entitlements from a person other than Silence Therapeutics, the applicant is entitled to apply under the Open Offer in relation to such Open Offer Entitlements by virtue of a *bona fide* market claim.

(iv) represent and warrant that you are not a person who by virtue of being resident in or a citizen of any country outside the United Kingdom is prevented by the law of any relevant jurisdiction from lawfully applying for Open Offer Shares;

(v) represent and warrant that, (i) you are not in the United States, any other Restricted Jurisdiction or any other territory in which it is unlawful to make or accept an offer to apply for Open Offer Shares or to use the Application Form in any manner in which you have used or will use it; (ii) you are not acting for the account or benefit of a person located within the United States, or any other Restricted Jurisdiction or any other territory in which it is unlawful to make or accept an offer to apply for Open Offer Shares and were not acting for the account or benefit of such a person at the time the instruction to apply for the Open Offer Shares was given; and (iii) you are not acquiring Open Offer Shares with a view to the offer, sale, resale, delivery or transfer, directly or indirectly, of any such Open Offer Shares into the United States, or any other Restricted

Jurisdiction or any other territory in which it is unlawful to make or accept an offer to apply for Open Offer Shares, in each case except where proof satisfactory to the Company and Singer Capital Markets has been provided that you are entitled to take up your entitlement without and breach of applicable law;

(vi) the Open Offer Shares have not been offered to you by the Company, Singer Capital Markets or any of their affiliates by means of any: (a) "directed selling efforts" as defined in Regulation S under the Securities Act (b) "general solicitation" or "general advertising" as defined in Regulation D under the Securities Act; and

(vii) represent and warrant that you are not, and nor are you applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in Section 93 (depositary receipts) or Section 96 (clearance services) of the Finance Act 1986.

Further representations and warranties are contained in the Application Form.

Should you need advice with regard to these procedures, please contact Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road. Beckenham, Kent BR3 4TU on 0871 664 0321 or if calling from outside the UK on +44 20 8639 3399, where relevant, quoting the Allotment number of your Application Form. Calls to the Capita Registrar's 0871 664 0321 number are charged at 10 pence per minute (including VAT) plus any of your service provider's network extras. Calls to the Capita Registrar's +44 20 8639 3399 number from outside the UK are charged at applicable international rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purposes. Capita Registrars cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice. Qualifying Shareholders who do not wish to apply for the Open Offer Shares under the Open Offer should take no action and should not complete or return the Application Form.

3.2 ***If you have Basic Entitlements and Excess Open Offer Entitlements credited to your stock account in CREST in respect of your entitlement under the Open Offer***

(a) *General*

Subject as provided in paragraph 6 of this Part II in relation to certain Overseas Shareholders, each Qualifying CREST Shareholder will receive a credit to his stock account in CREST of his Open Offer Entitlements equal to the number of Open Offer Shares which represents his Basic Entitlement. Any fractional entitlements to Open Offer Shares will be disregarded in calculating Qualifying Shareholders' Basic Entitlement and will be aggregated and made available under the Excess Application Facility.

The CREST stock account to be credited will be an account under the participant ID and member account ID that apply to the Existing Ordinary Shares held on the Record Date by the Qualifying CREST Shareholder in respect of which the Basic Entitlements and Excess Open Offer Entitlements have been allocated.

If for any reason the Basic Entitlements and/or Excess Open Offer Entitlements cannot be admitted to CREST, or the stock accounts of Qualifying CREST Shareholders cannot be credited on 28 April 2011, or such later time and/or date as the Company may decide, an Application Form will be sent to each Qualifying Shareholder in substitution for the Basic Entitlements and Excess CREST Open Offer Entitlements which should have been credited to his stock account in CREST. In these circumstances, the expected timetable as set out in this Document will be adjusted as appropriate and the provisions of this Document applicable to Qualifying non-CREST Shareholders with Application Forms will apply to Qualifying CREST Shareholders who receive such Application Forms.

CREST members who wish to apply to acquire some or all of their entitlements to Open Offer Shares should refer to the CREST Manual for further information on the CREST procedures

referred to below. Should you need advice with regard to these procedures, please contact the Registrar on the shareholder helpline on 0871 664 0321, or, if calling from overseas, +44 208 639 3399. Calls to this number are charged at ten pence per minute (including VAT) from a BT landline (other provider costs may vary). Calls to the helpline from outside the UK will be charged at applicable international rates. Please note the Registrar cannot provide financial advice on the merits of the Open Offer or as to whether applicants should take up their Open Offer Entitlements. Calls may be recorded and monitored for security and training purposes. If you are a CREST sponsored member you should consult your CREST sponsor if you wish to apply for Open Offer Shares as only your CREST sponsor will be able to take the necessary action to make this application in CREST.

(b) *Market claims*

The Basic Entitlements and the Excess Open Offer Entitlements will constitute separate securities for the purposes of CREST and will have separate ISIN's. Although Basic Entitlements and the Excess Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of Basic Entitlements and the Excess Open Offer Entitlements may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim transaction. Transactions identified by the CREST Claims Processing Unit as "cum" the Basic Entitlement and the Excess Open Offer Entitlement will generate an appropriate market claim transaction and the relevant Basic Entitlement(s) and Excess Open Offer Entitlement(s) will thereafter be transferred accordingly.

(c) *Excess Application Facility*

Qualifying Shareholders may apply to acquire Excess Shares using the Excess Application Facility, should they wish, provided they have agreed to take up their Basic Entitlement in full. The Excess Application Facility enables Qualifying CREST Shareholders to apply for Excess Shares in excess of their Basic Entitlement.

An Excess Open Offer Entitlement may not be sold or otherwise transferred. Subject as provided in paragraph 6 of this Part II in relation to Overseas Shareholders, the CREST accounts of Qualifying CREST Shareholders will be credited with an Excess Open Offer Entitlement in order for any applications for Excess Shares to be settled through CREST.

Qualifying CREST Shareholders should note that, although the Basic Entitlements and the Excess Open Offer Entitlements will be admitted to CREST, they will have limited settlement capabilities (for the purposes of market claims only). Neither the Basic Entitlements nor the Excess Open Offer Entitlements will be tradable or listed and applications in respect of the Open Offer may only be made by the Qualifying Shareholders originally entitled or by a person entitled by virtue of a *bona fide* market claim.

To apply for Excess Shares pursuant to the Open Offer, Qualifying CREST Shareholders should follow the instructions in paragraphs 3.2(d) and (f) below and must not return a paper form and cheque.

Should a transaction be identified by the CREST Claims Processing Unit as "cum" the Basic Entitlement and the relevant Basic Entitlement be transferred, the Excess Open Offer Entitlements will not transfer with the Basic Entitlement claim, but will be transferred as a separate claim. Should a Qualifying CREST Shareholder cease to hold all of his Existing Ordinary Shares as a result of one or more *bona fide* market claims, the Excess Open Offer Entitlement credited to CREST and allocated to the relevant Qualifying Shareholder will be transferred to the purchaser. Please note that a separate USE instruction must be sent to Euroclear in respect of any application under the Excess Open Offer Entitlement.

Fractions of Excess Shares will not be issued under the Excess Application Facility and fractions of Excess Shares will be rounded down to the nearest whole number. Any fractional Excess Shares will be aggregated and sold for the benefit of the Company.

The total number of Open Offer Shares is fixed and will not be increased in response to any applications under the Excess Application Facility. Applications under the Excess Application Facility will therefore only be satisfied to the extent that other Qualifying Shareholders do not apply for their Basic Entitlements in full or where fractional entitlements have been aggregated and made available under the Excess Application Facility. Applications under the Excess Application Facility shall be allocated in such manner as the Directors may determine, in their absolute discretion, and no assurance can be given that the applications by Qualifying Shareholders will be met in full or in part or at all. Excess monies in respect of applications which are not met in full will be returned to the applicant (at the applicant's risk) without interest as soon as practicable thereafter by way of cheque or CREST payment, as appropriate.

All enquiries in connection with the procedure for application of Excess Open Offer Entitlements should be made to the Registrar on the shareholder helpline 0871 664 0321, or, if calling from overseas, +44 208 639 3399. Calls to the 0871 number are charged at ten pence per minute (including VAT) from a BT landline (other provider costs may vary). Calls to the helpline from outside the UK will be charged at applicable international rates. Please note the Registrar cannot provide financial advice on the merits of the Open Offer or as to whether applicants should take up their entitlement or apply for Excess Shares. Calls may be recorded and monitored for security and training purposes.

(d) *USE instructions*

Qualifying CREST Shareholders who are CREST members and who want to apply for Open Offer Shares in respect of all or some of their Basic Entitlement and Excess Open Offer Entitlements in CREST must send (or, if they are CREST sponsored members, procure that their CREST sponsor sends) a USE instruction to Euroclear which, on its settlement, will have the following effect:

(i) the crediting of a stock account of the Registrar under the participant ID and member account ID specified below, with a number of Basic Entitlements and/or Excess Open Offer Entitlements corresponding to the number of Open Offer Shares applied for; and

(ii) the creation of a CREST payment, in accordance with the payment arrangements, in favour of the payment bank of the Registrar in respect of the amount specified in the USE instruction which must be the full amount payable on application for the number of Open Offer Shares referred to in paragraph 4.2(d)(i) above.

(e) *Content of USE instruction*

The USE instruction must be properly authenticated in accordance with Euroclear's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

(i) the number of Open Offer Shares for which application is being made (and hence the number of the Open Offer Entitlement(s) being delivered to Capita Registrars):

(ii) the ISIN of the Basic Entitlements. This is GB00B4Y9YS63;

(iii) the participant ID of the accepting CREST member;

(iv) the member account ID of the accepting CREST member from which the Open Offer Entitlements are to be debited;

(v) the participant ID of Capita Registrars in its capacity as a CREST receiving agent. This is 7RA33;

(vi) the member account ID of Capita Registrars in its capacity as a CREST receiving agent is 27349;

(vii) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of Open Offer Shares referred to in (i) above:

(viii) the intended settlement date. This must be on or before 11.00 a.m. on 13 May 2011; and

(ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 13 May 2011.

In order to assist prompt settlement of the USE instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE instruction:

(i) a contact name and telephone number (in the free format shared note field); and

(ii) a priority of at least 80.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE instruction may settle on 13 May 2011 in order to be valid is 11.00 a.m. on that day.

In the event that Admission of the Open Offer Shares does not take place on 17 May 2011 or such later time and date as Silence Therapeutics may determine (being no later than 8.00 a.m. on 8 July 2011), the Open Offer will lapse, the Open Offer Entitlements admitted to CREST will be disabled and Capita Registrars will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, within 14 days thereafter. The interest earned on such monies will be retained for the benefit of the Company.

(f) *Content of USE instruction in respect of Excess Open Offer Entitlements*

The USE instruction must be properly authenticated in accordance with Euroclear specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

(i) the number of Open Offer Shares for which the application is being made (and hence the number of the Excess Open Offer Entitlement(s) being delivered to the Registrar);

(ii) the ISIN of the Excess Open Offer Entitlement. This is GB00B5V31M13;

(iii) the participant ID of the accepting CREST member;

(iv) the CREST member account ID of the accepting CREST member from which the Excess Open Offer Entitlements are to be debited;

(v) the participant ID of the Capita Registrars in its capacity as Receiving Agent. This is 7RA33;

(vi) the member account ID of the Capita Registrars in its capacity as Receiving Agent. This is 27349EXC;

(vii) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of Ordinary Shares referred to in paragraph 3.2(f)(i) above;

(viii) the intended settlement date. This must be on or before 11.00 a.m. on 13 May 2011; and

(ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for the application in respect of an Excess Open Offer Entitlement under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 13 May 2011.

In order to assist prompt settlement of the USE instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE instruction:

(i) a contact name and telephone number (in the free format shared note field); and

(ii) a priority of at least 80.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE instruction may settle on 13 May 2011 in order to be valid is 11.00 a.m. on that day. Please note that automated CREST generated claims and buyer protection will not be offered on the Excess Open Offer Entitlement security.

In the event that Admission of the Open Offer Shares does not take place by 8.00 a.m. on 17 May 2011 or such later time and date as the Directors determine (being no later than 8.00 a.m. on 8 July 2011), the Open Offer will lapse, the Basic Entitlements and Excess Open Offer Entitlements admitted to CREST will be disabled and the Registrar will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter. The interest earned on such monies will he retained for the benefit of the Company.

(g) *Deposit of Open Offer Entitlements into, and withdrawal from, CREST*

A Qualifying non-CREST Shareholder's entitlement under the Open Offer as shown by the number of Open Offer Entitlements and excess entitlement set out in his Application Form may be deposited into CREST (either into the account of the Qualifying Shareholder named in the Application Form or into the file name of a person entitled by virtue of a *bona fide* market claim). Similarly, Open Offer Entitlements and Excess Open Offer Entitlement held in CREST may be withdrawn from CREST so that the entitlement under the Open Offer and Excess Open Offer Entitlement are reflected in an Application Form. Normal CREST procedures (including timings) apply in relation to any such deposit or withdrawal, subject (in the case of a deposit into CREST) as set out in the Application Form.

A holder of an Application Form who is proposing to deposit the entitlement set out in such form into CREST is recommended to ensure that the deposit procedures are implemented in sufficient time to enable the person holding or acquiring the Open Offer Entitlements following their deposit into CREST to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 13 May 2011.

In particular, having regard to normal processing times in CREST and on the part of Capita Registrars, the recommended latest time for depositing an Application Form with the CREST Courier and Sorting Service, where the person entitled wishes to hold the entitlement under the Open Offer set out in such Application Form as Open Offer Entitlements in CREST, is 11.00 a.m. on 13 May 2011, and the recommended latest time for receipt by Euroclear of a dematerialised instruction requesting withdrawal of Open Offer Entitlements from CREST is 11.00 a.m. on 13 May 2011, in either case so as to enable the person acquiring or (as appropriate) holding the Open Offer Entitlements following the deposit or withdrawal (whether as shown in an Application Form or held in CREST) to take all necessary steps in connection with applying in respect of the Open Offer Entitlements prior to 11.00 a.m. on 13 May 2011.

Delivery of an Application Form with the CREST deposit form duly completed whether in respect of a deposit into the account of the Qualifying Shareholder named in the Application Form or into the name of another person, shall constitute a representation and warranty to Silence Therapeutics and Capita Registrars by the relevant CREST member(s) that it/they is/are not in breach of the provisions of the notes under the paragraph headed "Instructions for depositing entitlements under the Open Offer into CREST" on page 3 of the Application Form, and a declaration to Silence Therapeutics and Capita Registrars from the relevant CREST to member(s) that it/they is/are not citizen(s) or resident(s) of any Restricted Jurisdiction and, where such deposit is made by a beneficiary of a market claim, a representation and warranty that the relevant CREST member(s) is/are entitled to apply under the Open Offer by virtue of a *bona fide* market claim.

(h) *Validity of application*

A USE instruction complying with the requirements as to authentication and contents set out above which settles by no later than 11.00 a.m. on 13 May 2011 will constitute a valid application under the Open Offer.

(i) *CREST procedures and timings*

CREST members and (where applicable) their CREST sponsors should note that Euroclear does not make available special procedures, in CREST, for any particular corporate action. Normal system timings and limitations will therefore apply in relation to the input of a USE instruction and its settlement in connection with the Open Offer. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member, to procure that his CREST sponsor takes) such action as shall be necessary to ensure that a valid application is made as stated above by 11.00 a.m. on 13 May 2011. In this connection, CREST members and (where applicable) their CREST sponsors are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

(j) *Incorrect or incomplete applications*

If a USE instruction includes a CREST payment for an incorrect sum, Silence Therapeutics, through Capita Registrars, reserves the right:

(i) to reject the application in full and refund the payment to the CREST member in question;

(ii) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Open Offer Shares as would be able to be applied for with that payment at the Issue Price, refunding any unutilised sum to the CREST member in question: and

(iii) in the case that an excess sum is paid, to treat the application as a valid application for all the Open Offer Shares referred to in the USE instruction, refunding any unutilised sum to the CREST member in question.

(k) *Effect of valid application*

A CREST member who makes or is treated as making a valid application in accordance with the above procedures will thereby:

(i) pay the amount payable on application in accordance with the above procedures by means of a CREST payment in accordance with the CREST payment arrangements (it being acknowledged that the payment to Capita Registrars' payment bank in accordance with the CREST payment arrangements shall, to the extent of the payment, discharge in full the obligation of the CREST member to pay to Silence Therapeutics the amount payable on application);

(ii) request that the Open Offer Shares to which he will become entitled be issued to him on the terms set out in this Document and subject to the articles of association of Silence Therapeutics;

(iii) agree that all applications and contracts resulting therefrom under the Open Offer shall be governed by, and construed in accordance with, the laws of England;

(iv) represent and warrant that, (i) he is not in the United States, any other Restricted Jurisdiction or any other territory in which it is unlawful to make or accept an offer to apply for Open Offer Shares; (ii) he is not acting for the account or benefit of a person located within the United States, any other Restricted Jurisdiction or any other territory in which it is unlawful to make or accept an offer to apply for Open Offer Shares and he was not acting for the account or benefit of such a person at the time the instruction to apply for the Open Offer Shares was given; and (iii) he is not acquiring Open Offer Shares with a view to the offer, sale, resale, delivery or transfer, directly or indirectly, of any such Open Offer Shares into the United States, any other Restricted Jurisdiction or any other territory in which it is unlawful to make or accept an offer to apply for Open Offer Shares, in each case except where proof satisfactory to the Company and Singer Capital Markets has been provided that he is entitled to take up your entitlement without breach of applicable law;

(v) the Open Offer Shares have not been offered to you by the Company, Singer Capital Markets or any of their affiliates by means of any: (a) "directed selling efforts" as defined in Regulation S under the Securities Act (b) "general solicitation" or "general advertising" as defined in Regulation D under the Securities Act;

(vi) represent and warrant that he is not and nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in Section 93 (depository receipts) or Section 96 (clearance services) of the Finance Act 1986;

(vii) confirm that in making such application he is not relying on any information in relation to the Company other than that contained in this Document and agrees that no person responsible solely or jointly for this Document or any part thereof or involved in the preparation thereof shall have any liability for any such other information and further agree that having had the opportunity to read this Document, he will be deemed to have had notice of all the information concerning the Company contained therein; and

(viii) represent and warrant that he is the Qualifying Shareholder originally entitled to the Open Offer Entitlements and the Excess Open Offer Entitlements or that he has received such Open Offer Entitlements and the Excess Open Offer Entitlements by virtue of a *bona fide* market claim.

Company's discretion as to the rejection and validity of applications Silence Therapeutics may in its sole discretion:

(i) treat as valid (and binding on the CREST member concerned) an application which does not comply in all respects with the requirements as to validity set out or referred to in this Part II of this Document;

(ii) accept an alternative properly authenticated dematerialised instruction from a CREST member or (where applicable) a CREST sponsor as constituting a valid application in substitution for or in addition to a USE instruction and subject to such further terms and conditions as Silence Therapeutics may determine;

(iii) treat a properly authenticated dematerialised instruction (in this sub-paragraph the "first instruction") as not constituting a valid application if, at the time at which Capita Registrars receives a properly authenticated dematerialised instruction giving details of

the first instruction or thereafter, either Silence Therapeutics or Capita Registrars have received actual notice from Euroclear of any of the matters specified in Regulation 35(5)(a) of the CREST Regulations in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and

(iv) accept an alternative instruction or notification from a CREST member or CREST sponsored member or (where applicable) a CREST sponsor, or extend the time for settlement of a USE instruction or any alternative instruction or notification, in the event that, for reasons or due to circumstances outside the control of any CREST member or CREST sponsored member or (where applicable) CREST sponsor, the CREST member or CREST sponsored member is unable validly to apply for Open Offer Shares by means of the above procedures. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST) or on the part of the facilities and/or systems operated by Capita Registrars in connection with CREST.

4. Money laundering regulations

4.1 *Shareholders of Application Forms*

It is a term of the Open Offer that, to ensure compliance with the Money Laundering Regulations 2007 (as amended and supplemented), the money laundering provisions of the Criminal Justice Act 1993, Part VIII of FSMA and the Proceeds of Crime Act 2002 (together with other guidance and source books produced in relation to financial sector firms), Capita Registrars may at its absolute discretion require verification of identity from any person lodging an Application Form (the "applicant") including, without limitation, any applicant who (i) tenders payment by way of cheque or banker's draft drawn on an account in the name of a person or persons other than the applicant, or (ii) appears to Capita Registrars to be acting on behalf of some other person. In the former case, verification of the identity of the applicant may be required. In the latter case, verification of the identity of any person on whose behalf the applicant appears to be acting may be required.

The verification of identity requirements will not usually apply:

(i) if the applicant is an organisation required to comply with the Money Laundering Directive (the Council Directive on prevention of the use of the financial system for the purpose of money laundering (no. 91/308/EEC));

(ii) if the applicant is a regulated United Kingdom broker or intermediary acting as agent and is itself subject to the Money Laundering Regulations;

(iii) if the applicant (not being an applicant who delivers his application in person) makes payment by way of a cheque drawn on an account in the applicant's name; or

(iv) if the aggregate subscription price for the Open Offer Shares is less than the Sterling equivalent of €15,000 (approximately £13,200).

In other cases the verification of identity requirements may apply. Satisfaction of these requirements may be facilitated in the following ways:

(a) if payment is made by building society cheque (not being a cheque drawn on an account in the name of the applicant) or banker's draft, by the building society or bank endorsing on the cheque or banker's draft the applicant's name and the number of an account held in the applicant's name at such building society or bank, such endorsement being validated by a stamp and an authorised signature;

(b) if the Application Form is lodged with payment by an agent which is an organisation of the kind referred to in (i) above or which is subject to anti-money laundering regulation in a country which is a member of the Financial Action Task Force (the non-European Union

members of which are Argentina, Australia, Brazil, Canada, Hong Kong, Iceland, India, Japan, Mexico, New Zealand, Norway, People's Republic of China, Republic of Korea, Russian Federation, Singapore, South Africa, Switzerland, Turkey and the United States and, by virtue of their membership of the Gulf Co-operation Council, Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates), the agent should provide with the Application Form written confirmation that it has that status and that it has obtained and recorded evidence of the identity of the person for whom it acts and that it will on demand make such evidence available to Capita Registrars. If the agent is not such an organisation, it should contact Capita Registrars using the telephone numbers set out in this Document.

(c) if the Application Form is in respect of Open Offer Shares with an aggregate subscription price of the sterling equivalent of €15,000 (currently approximately £13,200) or more and is/are lodged by hand by the applicant in person, he should ensure that he has with him evidence of identity bearing his photograph (for example, his passport) and evidence of his address.

Third-party cheques will not be accepted.

If you deliver your Application Form personally by hand, you should ensure that you have with you evidence of identity bearing your photograph (for example your passport). If, within a reasonable period of time following a request for verification of identity, and in any case by no later than 11.00 a.m. on 13 May 2011, Capita Registrars have not received evidence satisfactory to them as aforesaid, Capita Registrars may, at their discretion, as the agents of Silence Therapeutics, reject the relevant application, in which event the monies submitted in respect of that application will be returned without interest to the account at the drawee bank from which such monies were originally debited (without prejudice to the rights of the Company to undertake proceedings to recover monies in respect of the loss suffered by it as a result of the failure to produce satisfactory evidence as aforesaid).

4.2 ***Basic Entitlements and allocations of Excess Shares held in CREST***

If you hold your Basic Entitlement and allocation of Excess Shares in CREST and apply for Open Offer Shares in respect of all or some of your Basic Entitlement and Excess Shares as agent for one or more persons and you are not a UK or EU regulated person or institution (e.g. a UK financial institution), then, irrespective of the value of the application, the Registrar is obliged to take reasonable measures to establish the identity of the person or persons on whose behalf you are making the application. You must therefore contact the Receiving Agent before sending any USE instruction or other instruction so that appropriate measures may be taken.

Submission of a USE instruction which on its settlement constitutes a valid application as described above constitutes a warranty and undertaking by the applicant to provide promptly to the Registrar such information as may be specified by the Registrar as being required for the purposes of the Money Laundering Regulations. Pending the provision of evidence satisfactory to the Registrar as to identity, the Registrar may in its absolute discretion take, or omit to take, such action as it may determine to prevent or delay issue of the Open Offer Shares concerned. If satisfactory evidence of identity has not been provided within a reasonable time, then the application for the Open Offer Shares represented by the USE instruction will not be valid. This is without prejudice to the right of the Company to take proceedings to recover any loss suffered by it as a result of failure to provide satisfactory evidence as to the identity of the person or persons on whose behalf the application is made.

5. No public offering outside the United Kingdom

Silence Therapeutics has not taken or will take any action in any jurisdiction that would permit a public offering of Existing Ordinary Shares in any jurisdiction where action for the purpose is required, other than in the United Kingdom.

6. Overseas Shareholders

6.1 *General*

The making of the Open Offer to Overseas Shareholders may be affected by the laws or regulatory requirements of the relevant jurisdiction. Overseas Shareholders who are in any doubt in this respect should consult their professional advisers. No person receiving a copy of this Document and/or an Application Form and/or receiving a credit of Basic Entitlements and/or Excess Open Offer Entitlements to a stock account in CREST in any territory other than the United Kingdom may treat the same as constituting an invitation or offer to him, nor should he in any event use such Application Form or credit of Basic Entitlements and/or Excess Open Offer Entitlements to a stock account in CREST, unless, in the relevant territory, such an invitation or offer could lawfully be made to him or such Application Form or credit of Basic Entitlements and/or Excess Open Offer Entitlements to a stock account in CREST could lawfully be used without contravention of any legislation or other local regulatory requirements. Receipt of this Document and/or an Application Form or the crediting of Basic Entitlements and/or Excess Open Offer Entitlements to a stock account in CREST does not constitute an invitation or offer to Overseas Shareholders in the territories in which it would be unlawful to make an invitation or offer and in such circumstances this Document and/or any Application Forms are sent for information only. It is the responsibility of any person receiving a copy of this Document and/or an Application Form and/or receiving a credit of Basic Entitlements and/or Excess Open Offer Entitlements to a stock account in CREST outside the United Kingdom and wishing to make an application for any Open Offer Shares to satisfy himself as to the full observance of the laws and regulatory requirements of the relevant territory in connection therewith, including obtaining any governmental or other consents which may be required or observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes due in such other territory.

Persons (including, without limitation, stockbrokers, banks and other agents) receiving an Application Form and/or receiving a credit of Basic Entitlements and/or Excess Open Offer Entitlements to a stock account in CREST should not, in connection with the Open Offer, distribute or send the Application Form or transfer the Basic Entitlements and/or Excess Open Offer Entitlements into any Restricted Jurisdictions or any other jurisdiction where to do so would or might contravene local securities laws or regulations.

If an Application Form or a credit of Basic Entitlements and/or Excess Open Offer Entitlements to a stock account in CREST is received by any person in any such jurisdiction or by the stockbrokers, banks and other agents or nominees of such person, he or she must not seek to take up the Open Offer Shares except pursuant to an express agreement with the Company. Any person who does forward an Application Form or transfer the Basic Entitlements and/or Excess Open Offer Entitlements into any such jurisdiction, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this paragraph. The Company and Singer Capital Markets reserve the right to reject an Application Form or transfer of Basic Entitlements credited in CREST from or in favour of Shareholders in any such jurisdiction or persons who are acquiring Open Offer Shares for resale in any such jurisdiction.

The Company and Singer Capital Markets reserve the right in their absolute discretion to treat as invalid any application for Open Offer Shares under the Open Offer if it appears to the Company and Singer Capital Markets and their agents that such application or acceptance thereof may involve a breach of the laws or regulations of any jurisdiction or if in respect of such application the Company and Singer Capital Markets have not been given the relevant warranty concerning overseas jurisdictions set out in the Application Form or in this Document, as appropriate. All payments under the Open Offer must be made in Sterling.

6.2 *United States*

The New Ordinary Shares have not been and will not be registered under the Securities Act, or under the securities laws of any state or other jurisdiction of the United States and, unless so registered, may not be offered, sold, resold, taken up, delivered or distributed, directly or indirectly, within, into or in

the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States.

Outside the United States, the New Ordinary Shares may not be offered, taken up, delivered or transferred, except in an "offshore transaction" (as defined in Rule 902(h) under the Securities Act) in accordance with Rule 903 or Rule 904 of Regulation S.

Inside the United States, the New Ordinary Shares may not be offered, taken up, delivered or transferred except in a private placement transaction not involving any public offering in reliance on the exemption from the registration requirements of Section 5 of the Securities Act provided by Section 4(2) under the Securities Act or another applicable exemption therefrom (a "US Placing"). There will be no public offer in the United States.

This Document does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities, or any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, such securities in the United States.

An offer to a person in the United States pursuant to a US Placing will only be made by the delivery of additional offering materials to a limited number of investors in the United States who have satisfied the Company and Singer Capital Markets in advance that they are Accredited Investors who have knowledge and experience in financial and business matter and are capable of evaluating the merits and risks of an investment in the New Ordinary Shares. Any US Placing will be made by broker dealers who are registered as such under the US Exchange Act.

Application Forms are not being sent to, and Basic Entitlements and/or Excess Open Offer Entitlements are not being credited to a stock account in CREST of, any Shareholder with a registered address in the United States unless such Shareholder satisfies the Company and Singer Capital Markets that an allotment is permitted under an exception from the Securities laws referred to above. Subject to certain exemptions this Document is being sent to such Shareholders for information purposes only and does not constitute an offer or invitation to apply for New Ordinary Shares. Subject to certain exemptions, any application for New Ordinary Shares under the Open Offer will be treated as invalid if it appears to have been executed or effected in, postmarked or otherwise despatched in or from the United States, or if it provides an address in the United States for the registration or issue of New Ordinary Shares in uncertificated form or for the delivery of Open Offer Shares in certificated form, or if it appears to have been sent by a person who cannot make the representations and warranties set out in the Application Form or in this Document.

In addition, until 40 days after the commencement of the Open Offer, an offer, sale or transfer of the Open Offer Shares within the US by a dealer (whether or not participating in the Fundraising) may violate the registration requirements of the Securities Act.

6.3 ***Other Restricted Jurisdictions***

Due to the restrictions under the securities laws of the Restricted Jurisdictions, Shareholders who have registered addresses in or who are resident or ordinarily resident in, or citizens of, any Restricted Jurisdiction will not qualify to participate in the Open Offer and will not be sent an Application Form and no Basic Entitlements or Excess Open Offer Entitlements will be credited to their CREST stock accounts.

The Open Offer Shares have not been and will not be registered under the relevant laws of any Restricted Jurisdiction or any state, province or territory thereof and may not be offered, sold, resold, delivered or distributed, directly or indirectly in or into any Restricted Jurisdiction or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any Restricted Jurisdiction except pursuant to an applicable exemption.

Each person to which the New Ordinary Shares are distributed, offered or sold outside the United States will be deemed by its subscription for, or purchase of, the New Ordinary Shares to have represented and agreed, on its behalf and on behalf of any investor accounts for which it is subscribing or purchasing the New Ordinary Shares, as the case may be, that:

(i) it is acquiring the New Ordinary Shares from the Company in an "offshore transaction" as defined in Regulation S under the Securities Act; and

(ii) the New Ordinary Shares have not been offered to it by the Company or Singer Capital Markets by means of any "directed selling efforts" as defined in Regulation S under the Securities Act.

7. Settlement and dealings

The result of the Open Offer is expected to be announced on 16 May 2011. Application will be made to the London Stock Exchange for the Open Offer Shares to be admitted to trading on AIM. It is expected that, subject to the Open Offer becoming unconditional in all respects, Admission will become effective and that dealings in the Open Offer Shares will commence on 17 May 2011. The earliest date for settlement of such dealings will be 17 May 2011. Silence Therapeutics Existing Ordinary Shares are already admitted to CREST. Accordingly, no further application for admission to CREST is required for the Open Offer Shares, all of which, when issued and fully paid, may be held and transferred by means of CREST.

Application has been made for the Open Offer Shares to be admitted to CREST. The conditions to such admission having already been met, the Open Offer Shares are expected to be admitted to CREST with effect from 17 May 2011. Open Offer Shares held in CREST are expected to be disabled in all respects after 11.00 a.m. on 13 May 2011 (the latest date for applications under the Open Offer). Open Offer Shares will be issued in uncertificated form to those persons who submitted a valid application for Open Offer Shares by utilising the CREST application procedures and whose applications have been accepted by Silence Therapeutics on the day on which such conditions are satisfied (expected to be 17 May 2011). On this day, Capita Registrars will instruct Euroclear to credit the appropriate stock accounts of such persons with such persons' entitlements to Open Offer Shares with effect from Admission (expected to be 17 May 2011). The stock accounts to be credited will be accounts under the same participant IDs and member account IDs in respect of which the USE instruction was given.

Notwithstanding any other provision of this Document, Silence Therapeutics reserves the right to send Qualifying CREST Shareholders an Application Form instead of crediting the relevant stock account with Open Offer Entitlements, and/or to issue Open Offer Shares in certificated form. In normal circumstances, this right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST), or on the part of the facilities and/or systems operated by Capita Registrars in connection with CREST, This right may also be exercised if the correct details (such as participant ID and member account ID details) are not provided as requested on the Application Form.

For Qualifying non-CREST Shareholders who have applied by using an Application Form, share certificates for the Open Offer Shares validly applied for are expected to be despatched by post within 14 days of Admission. No temporary documents of title will be issued. Pending despatch of definitive share certificates, transfers of the Open Offer Shares by Qualifying non-CREST Shareholders will be certified against the register. All documents or remittances sent by or to an applicant (or his agent as appropriate) will (in the latter case) be sent through the post and will (in both cases) be at the risk of the applicant. Qualifying CREST Shareholders should note that they will be sent no confirmation of the credit of the Open Offer Shares to their CREST stock account nor any other written communication by Silence Therapeutics in respect of the issue of the Open Offer Shares.

8. Share option schemes

The Open Offer is not being extended to the holders of options under Silence Therapeutics share option schemes, save to the extent that any such options are or have been validly exercised and Ordinary Shares have been allotted in consequence of such exercise prior to the Record Date.

PART III

RISK FACTORS

The Directors consider the following risks to be the most significant for existing and potential investors in the Company. In addition to the other relevant information set out in this Document, these risks should be considered carefully in evaluating an investment in the Company. An investment in the Company may not be suitable for all of its existing or prospective investors. If you are in any doubt about the action you should take, you should consult a person authorised under the Financial Services and Markets Act 2000, as amended, who specialises in advising on the acquisition of shares and other securities. It should be noted that the risks described below are not the only risks faced by the Company. There may be additional risks that the Directors currently consider not to be material or of which they are currently unaware. The risks set out below are not presented in any assumed order of priority.

The Group's principal activity is biotechnology research and development. As with any business in this sector, there are risks and uncertainties relevant to the Group's business. Certain of these risk factors affect the majority of businesses, some are common to businesses in the biotechnology sector and others are more specific to the Group.

Requirement for additional funds

The Group's business and growth strategies will require additional capital and there can be no guarantee that funds will be available to the Group on satisfactory terms in the future, if required. To the extent that the Group raises additional equity capital, it would have a dilutive effect on existing Shareholders. If adequate funds are not available, the Group will not be able to continue to grow at the planned rate or otherwise achieve certain management objectives. Additionally, the Group would have to reduce significantly its planned research and development, sales and marketing. This would impact deleteriously on the Group's prospects.

Drug Discovery risk

The Company's products are at an early stage of development and none has yet completed clinical development. These products will require significant additional pre-clinical and clinical development and investment prior to commercialisation. Results of pre-clinical studies are not necessarily indicative of results that may be obtained in human clinical trials. Furthermore, results in early human trials may be different from those obtained later in controlled multi-centre human trials. Adverse or inconclusive results from pre-clinical testing or clinical trials could significantly delay, or ultimately preclude, the introduction or further testing of certain products.

The production and marketing of the Company's products and their ongoing research and development activities are subject to regulation by governmental authorities in the United States, the United Kingdom, the European Community and by regulatory agencies in other countries where the Directors intend to test or market such of the Group's products that it may develop or to which it may have rights.

The Directors do not expect to apply for regulatory approval for commercial sales of any of the Group's therapeutic products for some time. Prior to marketing, any product developed by the Group or to which it may have rights must undergo an extensive regulatory approval process. This process can take many years and requires the expenditure of substantial resources. Data obtained from pre-clinical and clinical activities is susceptible to varying interpretations which could delay, limit or prevent regulatory agency approval. In addition, delay or rejections may result from change in regulatory agency policy for product approval during the period of product development. Even after such time and expenditure, regulatory agency approval may not be obtained for any product developed or marketed under licence by the Group.

The Group's policy is to enter collaborative agreements to develop and commercialise future products. The Group may not be able to negotiate acceptable collaborative agreements. The Group's business environment

is characterised by rapid change. There can be no assurance that the Group's competitors will not succeed in developing technologies and products that are more effective than any which are being developed by the Group or which will render the Group's products obsolete and/or non-competitive or which may reach the market first.

If adequate coverage and reimbursement levels are not provided by governments and third party payers for the Group's potential products the market acceptance of these products may be adversely effected.

The Group operates in a highly regulated environment which has been characterised by changes in regulation. There can be no assurance that any future regulatory changes will not result in the requirement for further expenditure or the cessation, alteration or suspension of some or all of the Group's operations.

Clinical and regulatory risk

The nature of pharmaceutical development is such that drug candidates may not be successful due to an inability to demonstrate in a timely manner the necessary safety and efficacy in a clinical setting to the satisfaction of appropriate regulatory bodies, such as the Food and Drug Administration (FDA) in the US and the European Medicines Agency (EMEA) in Europe. The Group will have limited control over the type and cost of trial required to obtain regulatory approval. Even after a pre-clinical or clinical trial is deemed successful, or regulatory approval is received, a drug candidate may later be shown to be unsafe. The existence of side effects may require the Group and its partners to conduct additional trials or studies, and may subject the Group and its partners to fines, suspension or withdrawal of regulatory approvals, product recalls, seizure of products, operating restrictions and even civil litigation and/or criminal prosecution.

The Group will rely on third parties to conduct clinical trials. If these third parties do not successfully carry out their contractual duties or meet expected deadlines, the programmes of the Group may be delayed or the Group may not be able to obtain regulatory approval for its products. Any failure or delay of projects in development or clinical trials could have an adverse effect on the business.

With the prime focus of the Group being on such a new area of technology, there can be no assurance that the Group's products will receive and maintain regulatory approval and loss of such regulatory approval will have adverse effects on business.

Product development risk

The Group is involved at the leading edge of a revolutionary technology. Development of drug candidates involves a lengthy and complex process. Any drug candidate which the Group wishes to offer commercially to the public must be put through extensive research and pre-clinical and clinical development which will be costly to the Group. In addition, more drugs fail in development than progress to market and there is no guarantee that the Group will be able to successfully develop this new technology or bring any of the drug candidates it is developing to market. Further, the drugs that the Group does bring to market may not be commercially successful.

The technology upon which the Group's products and services are based is characterised by rapid evolution and frequent innovations. To succeed, the Group must develop and introduce new or improved techniques. Any delay in the Group's ability to develop and release enhanced or new technologies could seriously harm its business and operating results. The Group has no track record of successful development and registration of any product and will need to acquire or gain access to relevant additional expertise.

In order to progress the Group's product development plans it may be desirable or necessary to find collaborators on certain projects. The Group cannot guarantee that it will be able to find and maintain suitable collaborators under acceptable terms, or that, once found, such collaborators will devote sufficient resources to the collaboration to make it commercially successful.

The Group's suppliers may encounter unexpected difficulties in the design and construction of manufacturing processes and the scale-up of production to viable commercial levels or may otherwise be unable to supply materials to the Group in a timely manner.

In addition, the Group is exposed to potential product liability risks that are inherent in the research, the pre-clinical and clinical evaluation, pre-clinical study, clinical trials, manufacturing, marketing and use of pharmaceutical products. No assurance can be made that product liability, clinical trials or any future necessary insurance cover will be available to the Group at an acceptable cost, if at all, or that, if there is any claim, the level of the insurance the Group carries now or in the future will be adequate or that a product liability, professional indemnity or other claim would not materially and adversely affect the Group's business.

Intellectual Property risk

The Group may be unable successfully to protect its competitive position through the establishment and enforcement of intellectual property; the lack of sufficient intellectual property protection for the Group's technologies may have a material adverse effect on its commercial success. In particular, there can be no assurance that the Group's patent, and other intellectual property, applications will be granted, or that its granted intellectual property (including any granted in future further to those applications) are or will be valid or of sufficiently broad scope to provide commercially meaningful protection against third party competition. The Group's competitors may also have, or acquire in future, substantially equivalent technologies to those on which the Group does or will depend, or otherwise design around the Group's intellectual property.

The Group's intellectual property may become invalid or expire before its products are successfully commercialised.

Other companies may have or acquire intellectual property that restricts the Group's freedom to operate or imposes high additional costs for the Group in obtaining licences, and there can be no assurance that the Group will be able to design around such intellectual property or obtain relevant licences on commercially acceptable terms, if at all.

The Group may incur substantial costs in enforcing its intellectual property and in bringing and prosecuting opposition or interference actions to seek to prevent third parties from obtaining patent or other protection. The Group may incur substantial costs in defending against such actions. There can be no guarantee that such actions will be successful for the Group.

The patent landscape in the field of RNAi pharmaceuticals is complex, and the Group is aware of the issuance of many patents and the pendency of many patent applications in Europe, the US and in other jurisdictions where the Group has operations or may develop or market products, that are owned by third parties and that purport to cover, among other things, structurally-defined classes of siRNAs, various aspects of nucleic acid chemistry, various nucleic acid delivery systems, genes or portions of genes and uses of the foregoing. This patent landscape is in flux, with ongoing oppositions, expirations, litigations, and continuing prosecution before patent offices around the world, and the Directors cannot be certain that claims that have already issued, or that will later issue, to third parties will not restrict the Group's freedom to operate.

Thus, it is possible that one or more third parties may hold, or later will hold, patent rights to which the Group will need a license. If those parties refuse to grant the Group a license to such patent rights on reasonable terms, the Group may not be able to market products covered by these patents.

Furthermore, any intellectual property litigation to determine the validity of any third party patents, whether determined in the Group's favour or not, could be costly and would divert the efforts and attention of the Groups management and technical personnel. Any intellectual property litigation, including any threatened litigation, could also force the Group to take specific actions including ceasing development or commercialisation of drug candidates that use the challenged intellectual property, pay substantial monetary damages, obtain a license to the relevant technology, if available, or redesign those products that use the challenged intellectual property.

Although the Opposition Division of the European Patent Office confirmed the validity of the Group's core patent on AtuRNAi structural features, EP 1 527 176 B1 (albeit with claims narrower than upon first issuance), the Group filed an appeal in an attempt to reclaim some of the lost claim scope, and the Directors cannot guarantee that the claims will survive any such appeal.

An opposition was filed against the Group's European PKN-3 patent, EP 1 536 827. The Directors cannot guarantee that the issued claims will be maintained.

An opposition was filed against the Group's Zamore "Design Rules" European patent which is exclusively licensed from the University of Massachusetts, EP 1 633 890. The Directors cannot guarantee that the issued claims will be maintained. Additionally, the USPTO received four anonymous requests for re-examination of the US issued Zamore "Design Rule" patents which are also exclusively licensed from the University of Massachusetts, US 7,772,203, US 7,732,593, US 7,459547 and US 7,750144. The Group is working with the University of Massachusetts and its attorneys in defending these re-examinations. The Directors cannot guarantee that the issued claims will be maintained.

The Group also relies on trade secrets, know-how and technology, which are not protected by patents, to maintain its competitive position. If any trade secret, know-how or other technology not protected by a patent were to be disclosed to or independently developed by a competitor, the Group's business and financial condition could be materially adversely affected.

The Group's success will depend in part on the ability of its licensors to obtain, maintain and enforce patent protection for its licensed intellectual property, in particular those patents to which it has secured exclusive rights. The Group's licensors may not successfully prosecute the patent applications to which the Group is licensed. Even if patents are issued in respect of these patent applications, the Group's licensors may fail to maintain these patents; may determine not to pursue litigation against other companies that are infringing these patents; or may pursue such litigation less aggressively than the Group would. Without protection for the intellectual property the Group licences, other companies might be able to offer substantially identical products for sale, which could adversely affect the Group's competitive business position and harm its business prospects.

Profitability risk

The Group cannot be certain that it will achieve profitability. Any adverse events relating to the Group's business or a significant delay or shortfall of revenue in relation to the Group's expectations would have an immediate adverse effect on the Group's business, operating results and financial condition. There can be no assurance that the Group will be profitable in any future period. The Group is subject to the risks inherent in the operation of a small and growing business. It may not be able to successfully address these risks.

Competition risk

RNAi technology is attracting increased interest and with that is increased competition. Competitors in the sector may have greater financial, human and other resources and more experience to develop competing products or technology.

Many companies are trying to develop competing technologies and one or more of these may restrict the potential commercial success of the Group's products or render them obsolete.

Increasing competition may also have an adverse effect on the timing or scale of commercialisation of the Group's technology.

Financial risk

Silence Therapeutics has a history of operating losses. These losses have arisen mainly from the costs incurred in research and development of its products and general administrative costs. In order to support the research and development of the Group's product candidates, the Group is likely to incur expenses considerably in excess of revenue. The Group may not be successful in developing any additional products and any other products it may develop may not generate revenues.

The lack of a substantial recurrent revenue stream and the significant resources needed for ongoing investment in its R&D pipeline require the Group to gain access to additional funding from licensing, capital markets or elsewhere. There can be no assurances that such funding will be achieved on favourable terms, if at all.

Additional funding will be required to give the Group time to reach profitability. If the Group is unable to raise those funds, there may be insufficient finance for product development or operations and consequent delay, reduction or elimination of development programmes could result.

The Group has a small portfolio of products. The Group's success depends on acceptance of the Group's products by the market, including by physicians and third-party payers, and consequently the Group's progress may be adversely affected if it is unable to achieve market acceptance of its products. This in turn may make it difficult for the Group to continue funding its development programme.

The Company has not paid dividends in the past and does not expect that dividends will be paid in the foreseeable future. The declaration and payment of any dividends in the future and the amount of any future dividends will depend upon the results of operations, financial conditions, cash requirements, future prospects, profits available for distribution and other factors deemed by Directors to be relevant at the time. Subject to English law, the Company may declare a dividend at a general meeting upon the recommendation of the Board. The Shareholders may declare a smaller dividend than recommended by the Board but they may not declare a larger dividend.

Retention of key personnel risk

The Group's success is largely dependent on the personal efforts and abilities of the Group's existing senior management. The loss of key employees or advisers or the inability to attract or retain other qualified employees or advisers could have a material adverse effect on the Group's results of operations and financial condition.

Government actions

All governments reserve the right to amend their policies in relation to drug development and biotechnology. These policies are subject to change at any time, in any country and can impact profoundly upon the biotechnology industry as a whole or in part.

Share price volatility and liquidity

The share prices of publicly traded companies in the biotechnology sector may be highly volatile and subject to wide fluctuations in price in response to a variety of factors, which could lead to losses for Shareholders. These factors include: announcement of technological innovations, changes in government policies, changes in legislation and economic conditions, the provision of new services by the Group or its competitors, fluctuations in the Group's operating results, changes in economic performance or market valuations of similar businesses, announcements by the Group or its competitors of significant acquisitions, strategic partnerships, joint ventures or capital commitments, additions or departures of key personnel, litigation and press, newspaper and other media reports. In addition, the Ordinary Shares may not be traded in sufficient volumes to give share liquidity to Shareholders.

Stock markets have also from time to time experienced extreme price and volume fluctuations, which have affected the market prices of securities and which have often been unrelated to the operating performance of the companies affected. These broad market fluctuations, as well as general economic and political conditions, could adversely affect the market price for the Ordinary Shares.

Investment risk and AIM

The Existing Ordinary Shares and the New Ordinary Shares will be quoted on AIM rather than the Official List. The rules of AIM are less demanding than those of the Official List and an investment in shares quoted on AIM may carry a higher risk than an investment in shares quoted on the Official List. AIM has been in existence since June 1995 but its future success and liquidity in the market for the Company's securities cannot be guaranteed. Investors should be aware that the value of the Ordinary Shares may be volatile and may go down as well as up and investors may therefore not recover their original investment.

The market price of the Ordinary Shares may not reflect the underlying value of the Company's net assets. The price at which investors may dispose of their shares in the Company may be influenced by a number of

factors, some of which may pertain to the Company, and others of which are extraneous. On any disposal investors may realise less than the original amount invested.

Foreign exchange risk

The Group has operations in the UK, Germany and the US. The Group reports its financial results in Sterling and, as a consequence of the international nature of its business, the Group is exposed to risks associated with foreign currency exchange rates.

The Group's operations are primarily based in Germany, with the costs being largely denominated in Euros. Future income and equity related financings may be generated in a number of different currencies, although principally in Sterling, US Dollars or Euros. It is likely that the funds generated in each currency will not match the costs incurred in the same currency and therefore the Group will be subject to a foreign exchange risk when re-aligning its cash holdings with the currencies in which costs are incurred. As the results and assets and liabilities of foreign operations which use a functional currency other than Sterling will be translated into Sterling at each balance sheet date, movements in foreign currency exchange rates may have a material effect on the Group's reported results of operations, financial position, cash flows and the value of its investments.

Silence Therapeutics approach to managing this foreign exchange risk will be as far as possible to match its currency of cash holding with the currency of expected expenditure but also to consider entering into derivative contracts, cross-currency swaps and forward sales, to hedge the risk. The effect of this will be to reduce the potential volatility in income and net asset value caused by currency fluctuations.

However, there is no assurance that such hedging transactions will be available at a reasonable cost or will be successful in reducing the foreign exchange risk exposures.

Contracts hedging Silence Therapeutics net assets would be hedge accounted as net investment hedges. The change in the market value of these hedges would, therefore, be taken direct to equity reserves. Currency contracts entered into as short term cash flow hedges would be matched against equal and opposite hedge positions and the movement in value would be taken to the income statement as the valuation movement usually reverses when the matched contract matures.

The Ordinary Shares have not been, nor will they be, registered under the Securities Act and there are restrictions on transfer under the Securities Act

The Ordinary Shares have not been and will not be registered under the Securities Act. The New Ordinary Shares are being offered and sold outside the United States in transactions exempt from the registration requirements of the Securities Act in reliance on Regulation S under the Securities Act. The New Ordinary Shares may not be offered, sold or delivered in or into the United States unless the transfer is registered under the Securities Act, or an exemption from the registration requirements of Section 5 of the Securities Act provided by section 4(2) under the Securities Act or another applicable exemption is available.

Only the Company is entitled to register the Ordinary Shares under the Securities Act and the Company has no obligation to do so. The Company can give no assurances that an exemption from registration under the Securities Act will be available to any subscribers for or purchasers of Ordinary Shares.

The above restrictions severely restrict holders of Ordinary Shares from selling those Ordinary Shares in the United States. The Ordinary Shares are not and will not be admitted for trading on any US securities exchange in connection with the Fundraising. Qualifying Shareholders who have registered addresses in the United States, or who are citizens of or resident or located in the United States, should consult their professional advisers as to whether they require any governmental or other consent, or need to observe any other formalities to enable them to receive New Ordinary Shares.

The Company's corporate disclosure may differ from the disclosure made by similar companies in the United States

The Company's corporate disclosure may differ from the disclosure made by similar companies in the United States. Publicly available information about the issuers of securities listed on AIM differs from and, in certain respects, is less detailed than the information that is regularly published by or about listed companies in the United States. In addition, regulations governing AIM may not be as extensive in all respects as those in effect on United States markets.

The Company's financial statements are not prepared in accordance with US GAAP

Financial Statements prepared under IFRS differ from those prepared under US GAAP in a number of respects including, but not limited to, revenue recognition, share option compensation, accounting for business combinations and acquisitions of intellectual property and accounting for capital instruments. Potential investors are advised to consult their own professional advisers as to the significance of these differences. In making an investment decision, investors must rely upon their own examination of the Company, the terms of the offering and the financial information. Potential investors should consult their own professional advisors for an understanding of the differences between IFRS and US GAAP, and how those differences might affect the financial information herein.

The ability of Overseas Shareholders to bring actions or enforce judgments against Silence Therapeutics or the Directors may be limited

The ability of an Overseas Shareholder to bring an action against Silence Therapeutics may be limited under law. Silence Therapeutics is a public limited company incorporated in England and Wales. The rights of holders of Ordinary Shares are governed by English law and by Silence Therapeutics Memorandum and Articles. These rights differ from the rights of Shareholders in typical US corporations and some other non-UK corporations. An Overseas Shareholder may not be able to enforce a judgment against some or all of the Directors and executive officers. The majority of the Directors and executive officers are residents of the UK. Consequently, it may not be possible for an Overseas Shareholder to effect service of process upon the Directors and executive officers within the Overseas Shareholder's country of residence or to enforce against the Directors and executive officers judgments of courts of the Overseas Shareholder's country of residence based on civil liabilities under that country's securities laws. There can be no assurance that an Overseas Shareholder will be able to enforce any judgments in civil and commercial matters or any judgments under the securities laws of countries other than the UK against the Directors or executive officers who are residents of the UK or countries other than those in which judgment is made. In addition, English or other courts may not impose civil liability on the Directors or executive officers in any original action based solely on foreign securities laws brought against Silence Therapeutics or the Directors in a court of competent jurisdiction in England or other countries.

Investors should consider carefully whether an investment in Silence Therapeutics is suitable for them in light of the Risk Factors outlined above, their personal circumstances and the financial resources available to them.

This list should not be considered an exhaustive statement of all potential risks and uncertainties.

PART IV

ADDITIONAL INFORMATION

1. RESPONSIBILITY

The Directors, whose names appear on page 3 of this Document, accept individual and collective responsibility for the information contained in this Document including individual and collective responsibility for compliance with the AIM Rules. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Document is in accordance with the facts and there is no omission likely to affect the import of such information.

2. INTERESTS AND DEALINGS

2.1 ***Directors***

(a) At the close of business on 26 April 2011 (being the last practicable date prior to the publication of this Document) the interests of the Directors (all of which are beneficial) and their families and the interests of persons connected with them (within the meaning of section 346 of the Act) in relevant securities (whether by interests, rights to subscribe or short positions) of the Company are as follows:

Director	*Number of Ordinary Shares*	*% of Issued Share Capital*
Jerry Randall	120,000	0.04
Philip Haworth	334,302	0.12
Max Herrmann	–	–
Annette Clancy	68,284	0.02
James Topper	–	–
David Mack	–	–
David U'Prichard	50,000	0.02

(b) During the period of 12 months preceding the date of this Document, there have been no dealings made by any Director in the Company's securities.

2.2 ***Options***

At the close of business on 26 April 2011 (being the last practicable date prior to the publication of this Document) the share options granted to Directors are shown below:

	Date of grant	*Exercise price*	*Number of shares*	*Date from which exercisable*
Jerry Randall	26/09/2008	29.5p	200,000	26/09/2008
Philip Haworth	05/01/2010	21.225p	441,667	05/01/2010
	05/01/2010	21.225p	441,667	05/01/2011
	05/01/2010	21.225p	441,666	05/01/2012
Total			1,325,000	
Max Herrmann	–	–	–	–
Annette Clancy	26/09/2008	29.5p	200,000	26/09/2008
James Topper	–	–	–	–
David Mack	–	–	–	–

	Date of grant	Exercise price	Number of shares	Date from which exercisable
David U'Prichard	25/07/2005	23p	50,000	25/07/2005
	25/07/2005	23p	60,000	25/07/2006
	25/07/2005	23p	70,000	25/07/2007
	25/07/2005	23p	70,000	25/07/2008
	05/12/2008	20p	116,667	05/12/2009
	05/12/2008	20p	116,667	05/12/2010
	05/12/2008	20p	116,666	05/12/2011
Total			600,000	

3. MATERIAL CONTRACTS

Save as described below, no contracts have been entered into by the Company or any of its subsidiaries, other than in the ordinary course of business, within the two years prior to the publication of this Document which are still in force and material.

3.1. *The Placing Agreement*

The Placing is being fully underwritten by Singer Capital Markets subject to certain condition set out in the Placing Agreement.

The Company and Singer Capital Markets have entered into the Placing Agreement pursuant to which Singer Capital Markets has conditionally agreed, as agent of the Company, to use its reasonable endeavours to procure placees to subscribe for the Placing Shares at the Issue Price. To the extent Singer Capital Markets is not able to procure placees to subscribe for all of the Placing Shares, it has agreed, subject to the terms and conditions of the Placing Agreement, to subscribe itself at the Issue Price for such shares.

The Placing and Open Offer is conditional, *inter alia*, upon Admission becoming effective and the Placing Agreement becoming unconditional in all other respects on 17 May 2011 or such later date (being no later than 8 July 2011) as the Company and Singer Capital Markets may agree.

The Company has agreed to pay Singer Capital Markets (a) a fee of £125,000; (b) a commission equal to 2.5 per cent. of Placing Shares subscribed for by Robert Keith (or parties connected with him), Beagle Partners LLP (or parties connected with them) or institutional investors registered in Restricted Jurisdictions (c) a commission equal to 5 per cent. of the aggregate value of the Issue Price of the Placing shares (apart from those described in (a)); and (d) a commission of 2.5 per cent. of the aggregate value of the Issue Price of the Open Offer Shares. The Placing Agreement also contains customary warranties, *inter alia*, as to the accuracy of information contained in the Document and an indemnity given by the Company in favour of Singer Capital Markets.

Singer Capital Markets may terminate the Placing Agreement in specified circumstances prior to Admission, including (i) in the event of a breach of the Placing Agreement the consequences of which are material in the context of the Placing and Open Offer or of any of the warranties contained therein, or (ii) where, in the opinion of Singer Capital Markets acting in good faith there is a material adverse change in the financial or trading position or prospects of the Group, or (iii) where any material adverse change in the financial markets occurs or certain other *force majeure* events take place, the effect of which make it, in the opinion of Singer Capital Markets acting in good faith, impractical or inadvisable to proceed with the Placing and Open Offer.

The Company will also bear all costs and expenses of the Placing and Open Offer, including fees due to the Financial Services Authority, the Receiving Agent's fees, the costs of printing, advertising and circulating this document and related documents, accounting fees and expenses, the Company's legal fees and expenses, Singer Capital Markets' legal fees and expenses, stamp duty and stamp duty reserve tax (if any).

If, for any reason, the underwriting falls away, the Placing and Open Offer will not proceed and monies will be returned to Shareholders.

3.2 ***Irrevocable Undertakings***

(a) Irrevocable undertakings dated 27 April 2011 have been entered into between the Company and each of the Directors who hold Existing Ordinary Shares pursuant to which each Director has agreed, *inter alia*, to vote in favour of the Resolutions in respect of the Existing Ordinary Shares held by them.

(b) An irrevocable undertaking dated 27 April 2011 has been entered into between the Company and Frazier Healthcare Ventures pursuant to which Frazier Healthcare Ventures has agreed, *inter alia*, to take up its Open Offer Entitlement in full and vote in favour of the Resolutions, to the extent it is permitted by law to do so.

(c) An irrevocable undertaking dated 27 April 2011 has been entered into between the Company and ACP IV, L.P. pursuant to which ACP IV, L.P. has agreed, *inter alia*, to vote in favour of the Resolutions.

3.3 ***The Nomad Agreement***

On 13 September 2010, the Company appointed Singer Capital Markets as the Company's nominated adviser and sole corporate broker, subject to certain terms and conditions. In consideration for the services provided by Singer Capital Markets, the Company pays a retainer of £50,000 per annum, payable quarterly in advance, and the reasonable expenses of Singer Capital Markets.

Under the terms of the engagement letter, the Company has agreed to indemnify Singer Capital Markets against, *inter alia*, losses arising directly or indirectly out of its provision of services under the engagement. The engagement may be terminated at will on 30 days written notice, or immediately for material breach.

3.4 ***Intradigm acquisition agreement***

On 16 December 2009, the Company entered into an acquisition agreement to acquire Intradigm Corporation. The acquisition was structured as a merger of Silence Acquisition Corp, a wholly-owned US subsidiary of Silence Therapeutics, and Intradigm Corporation pursuant to which, Intradigm Corporation continued as the surviving corporation of the merger. As a result of the acquisition, Intradigm Corporation became a wholly-owned subsidiary of the Company and each issued and outstanding share of Intradigm Corporation converted into Ordinary Shares in Silence Therapeutics.

At the closing of the acquisition, Philip Haworth, Michael Riley, Xiao-Dong Yang and Samuel Zalipsky, were entitled to receive an aggregate of 2,700,00 Ordinary Shares (subject to applicable tax withholding requirements) as consideration for the termination of the Intradigm 2009 Plan (described in paragraph 3.10 below). Of those entitlements, the Company withheld a total of 1,359,332 Ordinary Shares, which were sold in the Placing enabling the Company to meets its employer's tax liability.

All unexercised Intradigm Corporation equity stock options and stock purchase warrants that remained outstanding at the closing of the Intradigm Acquisition were cancelled and all Intradigm Corporation stock options that were held by employees and consultants of Intradigm Corporation were exchanged for share options under Silence Therapeutics unapproved share option scheme.

3.5 ***Lock-up agreements***

On 16 December 2009, each of Philip Haworth, Mike Riley, Xiao-Dong Yang, Samuel Zalipsky, ACP IV, L.P., Frazier Healthcare V, L.P., Lilly Ventures, Eli Lilly and Company, lain Ross, Melvyn Davies, Jerry Randall, David U'Prichard, Annette Clancy, Bernd Wetzel, Peter Reynolds, John Lucas, Jeremy Cook, Klaus Giese and Thomas Christély entered into lock-up agreements with the Company pursuant to which they each agreed not to offer, dispose of, directly or indirectly, any of the Ordinary Shares held by them for a period of 12 months from 5 January 2010 (the "Restricted Period"). Philip

Haworth further agreed to prohibit any such disposal, except through the Company's brokers, for a further 6 months following the Restricted Period.

3.6 ***The 2009 Placing Agreement***

On 16 December 2009, Nomura Code and the Company entered into a placing agreement pursuant to which Nomura Code agreed to use its reasonable endeavours, as agent on behalf of the Company, to procure placees for the placing shares, and to the extent that placees were not so procured, to subscribe for such placing shares itself.

The Company paid Nomura Code a commission of 4 per cent. of the aggregate value of the placing shares at the issue price and a corporate finance fee of £200,000. Additionally, the Company agreed to pay all of Nomura Code's costs and expenses (including any applicable VAT) of the placing, including the legal and other professional fees and expenses of Nomura Code.

The Company, the Directors and the proposed directors gave certain customary warranties to Nomura Code regarding the accuracy of the information contained in the 2009 Admission Document and other matters relating to the Group and its business and the Intradigm Acquisition.

3.7 ***Subscription agreements***

In December 2009, Roche Finance Ltd., Astellas Venture Fund I L.P., Lilly Ventures, MP Healthcare Venture Management, Inc, ACP IV, L.P., Frazier Healthcare V, L.P., MediBIC Alliance technology Fund-1, Novartis Bioventures Ltd., WS Investment Company, LLC (2008A) and WS Investment Company, LLC (2008C), in their capacity as shareholders of Intradigm Corporation, entered into subscription agreements with the Company pursuant to which they irrevocably undertook to subscribe and pay for, in cash, an aggregate of 22,724,295 Ordinary Shares, at the issue price.

In addition, AstraZeneca UK Limited entered into a subscription agreement, pursuant to which it undertook to subscribe and pay for, in cash, 2,608,695 Ordinary Shares at the issue price.

3.8 ***Termination Agreement***

On 16 December 2009, Silence Therapeutics, Intradigm Corporation and key service providers (defined in paragraph 3.10 below) entered into a termination agreement pursuant to which Intradigm Corporation and key service providers, who had been awarded grants pursuant to the 2009 Plan (described in paragraph 3.10 below), agreed to terminate the 2009 Plan. The 2009 Plan provided the key service providers with the right to receive consideration in the event of a change of control of Intradigm Corporation. Under the termination agreement and in exchange for the termination 2009 Plan, Silence Therapeutics issued 2,700,000 Ordinary Shares to the key service providers at the completion of the Intradigm Acquisition.

3.9 ***Bridge Loan***

On December 2009, a Bridge Loan was provided by certain investors of Intradigm Corporation ("Investors") to Intradigm Corporation pursuant to which Intradigm Corporation was entitled to make draw downs under the loan of (i) $500,000 in the event the Intradigm Acquisition had not completed on or before 15 December 2009 and (ii) a further $500,000 in the event the Intradigm Acquisition had not completed on or before 31 December 2009. The Investors, who were subscribers ("Subscribers") under the subscription agreements ("Subscription"), (described in paragraph 3.7 above), funded the Bridge Loan on a *pro rata* basis based on their participation in the Subscription. In consideration for the Bridge Loan, the Investors received convertible promissory notes from Intradigm Corporation ("Promissory Notes"). The Promissory Notes were novated to Silence Therapeutics at completion of the Intradigm Acquisition, following which they were capitalised into Ordinary Shares at the issue price.

3.10 ***Change of Control Incentive Plan ("2009 Plan")***

On 22 July 2009, Intradigm Corporation entered into a change of control incentive plan. Under the 2009 Plan, certain individuals designated by an administrator entered into participation agreements further to which they were designated "key service providers". The 2009 Plan created an acquisition pool based on a percentage of the net proceeds received by Intradigm Corporation on a change of control. Under the 2009 Plan, 50 per cent. of the acquisition pool was awarded under participation agreements (12.5 per cent. to each of the four senior management). The 2009 Plan was terminated by Intradigm Corporation upon completion of the Intradigm Acquisition on the terms set out in the termination agreement (described in paragraph 3.8 above).

4. SERVICE CONTRACTS

Service Contracts and non-executive letters of appointment

Executive Directors

4.1 ***Philip Haworth***

Dr. Philip Haworth is Chief Executive Office of Silence Therapeutics and has a service agreement with the Company (effective 5 January 2010) which is terminable by either the Company or Dr. Haworth giving 12 months' written notice. Under his service agreement, Dr. Haworth receives an annual fee of US$30,000 per annum payable in arrears by equal monthly instalments plus reasonable expenses. There is provision for early termination of the agreement by payment in lieu of notice and a garden leave clause. There is no provision for compensation in addition to the contractual notice period.

Dr. Haworth has an additional service agreement with Intradigm Corporation, a wholly owned US subsidiary of Silence Therapeutics, appointing him Chief Executive Officer of Intradigm Corporation (effective 5 January 2010). This service agreement is terminable at will. A severance payment of 12 months' salary, pro-rated bonus, medical plan premiums for 12 months and accelerated vesting apply to termination in certain circumstances. Dr. Haworth receives a salary of US$300,000 per annum and is eligible to receive an annual bonus of up to 50 per cent. of salary and to participate in the Intradigm Corporation employee benefit plans.

4.2 ***Max Herrmann***

Max Herrmann is Chief Financial Officer of Silence Therapeutics and has a service agreement with the Company (effective 1 May 2010) which is terminable by either the Company or Mr. Herrmann giving six months' written notice. Under his service agreement, Mr. Herrmann receives a salary of £180,000 per annum payable in arrears by equal monthly instalments plus reasonable expenses. He is entitled to participate in the Company's private medical care, life assurance and permanent health insurance. Mr. Herrmann is also entitled to participate in the Company's pension scheme. There is provision for early termination of the agreement by payment in lieu of notice and a garden leave clause. There is no provision for compensation in addition to the contractual notice period.

Non-Executive Directors

4.3 ***Jerry Randall***

On 26 March 2010, Jerry Randall signed a letter of appointment with the Company in respect of the provision of services as non-executive Chairman. Mr. Randall's appointment commenced on 27 February 2010 for an initial term of 12 months following which his reappointment is reviewed annually or (if earlier) upon the date that he reaches the age of 65. Either party may terminate the appointment by giving six months' written notice. Mr. Randall is paid a fee of £60,000 annually.

4.4 ***Annette Clancy***

On 12 June 2008, Annette Clancy signed a letter of appointment with the Company in respect of the provision of services as a non-executive director. Ms Clancy's appointment commenced on 1 July 2008 for an initial term of 12 months following which her reappointment is reviewed annually or

(if earlier) upon the date that she reaches the age of 60. Either party may terminate the appointment by giving six months' written notice. Ms Clancy is paid a fee of £30,000 annually.

4.5 ***James Topper***

On 14 December 2009, Dr. James Topper signed a letter of appointment with the Company in respect of the provision of services as a non-executive director. Dr. Topper's appointment commenced on 5 January 2010 for an initial term of 12 months following which his reappointment is reviewed annually or (if earlier) upon the date that he reaches the age of 65. Termination of his appointment is on an 'at will' basis but it is envisaged that his appointment will be reviewed annually on 1 January each year or (if earlier) upon the date that he reaches the age of 65. Dr. Topper is paid a fee of £30,000 annually.

4.6 ***David Mack***

On 11 December 2009, Dr. David Mack signed a letter of appointment with the Company in respect of the provision of services as a non-executive director. Dr. Mack's appointment commenced on 5 January 2010 for an initial term of 12 months following which his reappointment is reviewed annually or (if earlier) upon the date that he reaches the age of 65. Termination of his appointment is on an 'at will' basis but it is envisaged that his appointment will be reviewed annually on 1 January each year or (if earlier) upon the date that he reaches the age of 65. Dr. Mack is paid a fee of £30,000 annually.

4.7 ***Dr. David U'Prichard***

On 25 July 2005, Dr. U'Prichard signed a letter of appointment with the Company in respect of the provision of services as a non-executive director. Dr. U'Prichard's appointment commenced on 25 July 2005 for an initial term of six months following which his reappointment is reviewed annually or (if earlier) upon the date that he reaches the age of 60. Either party may terminate the appointment by giving six months' written notice. Dr. U'Prichard is paid a fee of £30,000 annually.

5. SERVICE CONTRACTS

5.1 Singer Capital Markets has given and has not withdrawn its written consent to the inclusion in this Document of references to its name in the form and context in which they appear.

5.2 The Directors are not aware of any agreement or arrangement or understanding by which beneficial ownership of any Ordinary Shares acquired by the Company pursuant to the Placing or the Open Offer will be transferred to any other person.

6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours on any weekday (Saturdays and public holidays excepted) at the offices of Silence Therapeutics from the date of this Document up to the time of the General Meeting:

6.1 written consent referred to in paragraph 5.1 above;

6.2 this Document.

NOTICE OF GENERAL MEETING

SILENCE THERAPEUTICS plc

(incorporated in England and Wales with registered number 2992058)

Notice is hereby given that a General Meeting of Silence Therapeutics plc (the "**Company**") will be held at the offices of Morrison and Foerster (UK) LLP at CityPoint, One Ropemaker Street, London EC2Y 9AW at 11.30 a.m. on 16 May 2011 for the purpose of considering and, if thought fit, passing the following resolutions of which Resolution 1 will be proposed as an ordinary resolution and Resolution 2 will be proposed as a special resolution.

1. THAT the Directors be and they are hereby generally and unconditionally authorised, pursuant to section 551 of the Companies Act 2006 (the "**Act**"), to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for or convert any security into such shares (all of which transactions are hereafter referred to as an allotment of "relevant securities") up to an aggregate nominal amount of £6,500,000 pursuant to the Placing and Open Offer (as defined and described in the Circular to which this Notice is attached) which authority shall be in addition to all existing authorities conferred, which shall continue in full force and effect. The authority conferred by this resolution shall expire (unless previously revoked or varied by the Company in general meeting) on the conclusion of the next annual general meeting of the Company or the date 15 months from the date of passing of this resolution, whichever is the earlier, save that the Company may before such expiry, revocation or variation make an offer or agreement which would or might require relevant securities to be allotted after such expiry, revocation or variation and the Directors may allot relevant securities in pursuant of such offer or agreement as if the authority hereby conferred had not expired or been revoked or varied.

2. THAT, conditional upon the passing of Resolution 1 above, in addition to all other existing powers of the Directors under section 570 of the Act which shall continue in full force and effect, the Directors are empowered under the said section 570 to allot equity securities (as defined by that section of the Act) for cash, pursuant to the authority conferred by Resolution 1 above, as if section 561 of the Act did not apply to any such allotment, provided that such allotments are made pursuant to the Placing and Open Offer (as defined and described in the Circular to which this Notice is attached). Such power shall, subject to the continuance of the authority conferred by Resolution 1, expire on the conclusion of the next annual general meeting of the Company or the date 15 months from the date of passing of this resolution, whichever is the earlier, but may be revoked or varied from time to time by Special Resolution so that the Company may before such expiry, revocation or variation make an offer or agreement which would or might require equity securities to be allotted after such expiry, revocation or variation and the Directors may allot equity securities in pursuance of such offer or agreement as if such power had not expired or been revoked or varied.

BY ORDER OF THE BOARD
Dr. Jerry Randall

Registered office
22 Melton Street
London
NW1 2BW

Dated 27 April 2011

Notes

(1) Members entitled to attend and vote at the General Meeting are also entitled to appoint one or more proxies to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A shareholder may appoint more than one proxy in relation to the General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder which must be identified on the Form of Proxy. A proxy need not be a shareholder of the company. A Form of Proxy which may be used to make such appointment and give proxy instructions accompanies this notice. If you wish your proxy to speak at the meeting, you should appoint a proxy other than the chairman of the meeting and give your instructions to that proxy.

(2) A Form of Proxy is enclosed for use by members. To be valid it should be completed, signed and delivered (together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of authority)

to the Company's registrars Capita Registrars at PXS, 34 Beckenham Road, Beckenham, BR3 4TU or submitted electronically via www.capitashareportal.com (see note 3), not later than 48 hours before the time appointed for holding the General Meeting or, in the case of a poll taken subsequently to the date of the General Meeting, or any adjourned meeting, not less than 24 hours before the time appointed for the taking of the poll which is taken more than 48 hours after the day of the General Meeting or adjourned meeting. Shareholders who intend to appoint more than one proxy can obtain additional forms of proxy from Capita Registrars. Alternatively, the form provided may be photocopied prior to completion. The forms of proxy should be returned in the same envelope and each should indicate that it is one of more than one appointments being made.

(3) You may submit your proxy vote electronically via www.capitashareportal.com. From there you can log in to your Capita share portal account or register for the Capita share portal if you have not already done so. To register, select "Register" then enter your surname, Investor Code, postcode and an e-mail address. Create a password and click "Register" to proceed. You will be able to vote immediately by selecting "Proxy Voting" from the menu. You can find your Investor Code on the Form of Proxy enclosed with this Document.

(4) An abstention (or "vote withheld") option has been included on the Form of Proxy. The legal effect of choosing the abstention option on any resolution is that the shareholder concerned will be treated as not having voted on the relevant resolution. The number of votes in respect of which there are abstentions will however be counted and recorded, but disregarded in calculating the number of votes for or against each resolution.

(5) The statement of rights of shareholders in relation to the appointment of proxies in paragraphs 1 and 2 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.

(6) CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so by utilising the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment by means of CREST to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with CRESTCo's specification and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the Registrar (ID RA10) by 11.30 a.m. on 13 May 2011. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST applications host) from which the Registrar is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

CREST members and, where applicable, their CREST sponsors or voting service providers, should note that CRESTCo does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST members concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST proxy instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

(7) Completion and return of a form of proxy will not affect the right of such member to attend and vote in person at the meeting or any adjournment thereof.

(8) Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company gives notice that only those shareholders entered on the register of members of the Company at 6.00 p.m. on 26 April 2011 will be entitled to attend or vote (whether in person or proxy) at the General Meeting in respect of the number of shares registered in their name at that time. Changes to entries on the register after 6.00 p.m. on 26 April 2011 will be disregarded in determining the rights of any person to attend or vote at the meeting or any adjourned meeting (as the case may be).

(9) As at 26 April 2011 (being the last Business Day prior to the publication of this Notice) the Company's issued share capital consists of 279,891,452 Ordinary Shares, carrying one vote each. Therefore, the total voting rights in the Company as at 26 April 2011 are 279,891,452.

(10) Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.

(11) A copy of this notice of meeting, together with any members' statements which have been received by the Company after the despatch of this notice and the other information required by s.311A of the Companies Act 2006 are all available on the Company's website at www.silence-therapeutics.co.uk under 'investors: shareholder meetings'.

(12) Shareholders, proxies and authorised representatives will be required to provide their names and addresses for verification against the register of members and proxy appointments received by the Company before entering the meeting. Each authorised representative must produce proof of his or her appointment, in the form of the actual appointment or a certified copy. Other than this, there are no procedures with which any such persons must comply in order to attend and vote at the meeting.

(13) Shareholders, proxies and authorised representatives may raise questions at the meeting concerning any business being dealt with at the meeting and will receive answers, except that a question need not be answered where it would interfere unduly with the conduct of the meeting, would involve the disclosure of confidential information, where the answer has already been given on a website in the form of an answer to a question or where it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.