

**SR Pharma announces £10m of new funding following a successful fundraising with institutional investors and strategic investor, Introgen Therapeutics Inc., Austin Texas, USA**

**London, UK and Berlin, Germany, Austin, Texas USA, 28 July 2005** SR Pharma plc (SR Pharma or the Company, AIM:SPA), the European biotechnology company which is developing an oncology and inflammation business both internally and via acquisition, announces that following its recent acquisition of Atugen AG, it has raised £8.3m via a placing with institutional investors. The proceeds of the fundraising will be used to develop the products and technologies of the Company, as well as to exploit any acquisition opportunities that may arise in its target areas. Mulier Capital Limited acted as the financial adviser on the placing.

In addition SR Pharma and Introgen Therapeutics, Inc. (NASDAQ:INGN) have announced that Introgen will make an immediate \$3m (£1.7m) equity investment in SR Pharma which will give Introgen 8.3% of the Company's enlarged issued share capital after giving effect to the £8.3m placing described above. The investment by Introgen will be used to develop the products and technologies of strategic interest to both SR Pharma and Introgen.

As a result of these transactions SR Pharma will issue 43,513,044 new Ordinary Shares at 23p per share, resulting in an enlarged share capital comprising 90,219,494 Ordinary Shares of 1p. Further information about the placing and the Company's substantial shareholders will be announced separately.

Iain Ross, Chairman of SR Pharma, said: *"We are absolutely delighted at the support that SR Pharma has received in the fundraising from both existing shareholders including Apax Partners and new shareholders, including some of the best performing UK small cap funds.*

*The strategic investment by Introgen Therapeutics Inc underlines the importance of working with quality partners. We have identified a number of initiatives upon which the two companies plan to collaborate and will be making further announcements about collaborative activities as events warrant.*

*The new proceeds will be used to develop SR Pharma's leading siRNA technology in the oncology area, including atuPLEX its proprietary delivery system, which it has accessed through the acquisition of Atugen. In addition, we will consider the acquisition of other undervalued assets in the European biotechnology sector, if they fit our business model and oncology and inflammatory diseases focus."*

David Nance, President and CEO of Introgen Therapeutics Inc said *"I am enthusiastic about the opportunity to work with the team at SR Pharma. Through the recent acquisition of Atugen, SR Pharma has gained access to innovative technologies within the field of RNAi. Through a combination of our respective competences Introgen and SR Pharma have the opportunity to develop some exciting oncology product candidates."*

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## Notes to editors

### About SR Pharma

SR Pharma (AIM SPA.L) is a European biotechnology company, based in the UK and Germany, which is focused on the development of proprietary products for the treatment of unmet medical needs in the oncology and inflammatory diseases. Located in London, the company, founded in 1992, has been developing innovative immunomodulating vaccines and adjuvants for therapeutic use in atopy, cancer and tuberculosis. The company's proprietary *Mycobacterium vaccae*-based technology is the source of a number of product developments. SR Pharma is currently evaluating SRP299™ for the treatment of asthma and SRL172™ as a therapeutic in cancer and tuberculosis. SR Pharma has also isolated a novel molecule from *M. vaccae* that is potentially active in a pre-clinical model of asthma. A synthetic version is active and code named SRP312™. In addition, SR Pharma holds a portfolio of intellectual property on inositol phosphoglycans (IPGs).

The Company plans to build its portfolio both organically and via acquisition in order to develop a revenue-generating business in the near term. Following the recent acquisition of Atugen AG its key products and technologies now include atuRNAi (chemically stabilised siRNA molecules) and atuPLEX, a liposomal system for the in vivo delivery of these molecules. The first RNAi product expected to enter the clinic in 2006. These technologies, which are covered by a strong intellectual property portfolio, are expected to allow systemic siRNA delivery and have been validated through partnerships with Sanofi-Aventis and Quark Biotech. In addition, they generate contract research revenues of around €3m per annum. For more information, please go to [www.srpharma.com](http://www.srpharma.com)

RNA-mediated interference, or RNAi, is a powerful new approach for achieving targeted gene silencing of pathological genes using complementary double stranded RNA such as short interfering (si)RNA. siRNA has advantages, such as increased potency, over other methods like antisense. It harnesses a naturally occurring cellular mechanism, in order to prevent the expression of target genes by inducing degradation of the target messenger RNA.

### About Introgen Therapeutics, Inc.

Introgen Therapeutics (NASDAQ: INGN) is a biopharmaceutical company focused on the discovery, development and commercialization of targeted molecular therapies for the treatment of cancer and other diseases. We are developing product candidates to treat a wide range of cancers using non-integrating tumor suppressors, cytokines and genes. These agents are designed to increase production of normal cancer-fighting proteins that act to overpower cancerous cells, stimulate immune activity. Product candidates can be used alone and also to enhance conventional cancer therapies such as surgery, chemotherapy, radiation and monoclonal antibodies. The Company has treated hundreds of patients with thousands of doses of its tumor suppressor lead product candidate ADVEXIN® in approximately 30 completed and ongoing Phase 1, Phase 2, and Phase 3 clinical trials worldwide. INGN 241 is in Phase 2 clinical development, INGN 225, a therapeutic vaccine, is in Phase 1-2 clinical development. Also in Phase 1-2 clinical development are INGN 234, a topical formulation for oral cancer prevention and treatment of oral pre-malignancies and INGN 401, a systemic nanoparticle tumor suppressor. Introgen's drug discovery and development programs have resulted in innovative approaches by which physicians may use targeted molecular agents to more precisely treat cancer. With the limited efficacy and debilitating toxic effects of conventional cancer treatments, Introgen's low-toxicity approach to cancer treatment has drawn global interest from oncologists.

Introgen also controls a broad intellectual property portfolio that includes more than 250 pending and issued patents for a variety of molecular therapy technologies and adenovirus production, purification and formulation. The Company has active collaborations with numerous academic centers of excellence and biotechnology industry partners