

SR Pharma plc Announces Superior Therapeutic Efficacy of Atu027 RNAi in pre-clinical Models of Pancreatic Cancer Compared to Gemcitabine®

London, UK, 29 November 2006 SR Pharma plc (London LSE: SPA) today announces that studies at the Charité Hospital, Berlin, Germany have demonstrated the superior therapeutic efficacy of Atu027 RNAi in pre-clinical models of pancreatic cancer when compared to the standard care treatment. The data showed both inhibition of cancer growth and prevention of metastatic spread, demonstrating potent efficacy and effective systemic delivery with no adverse events. In particular Atu027 RNAi was significantly more effective in the prevention of metastases than Gemcitabine®. The novel anti-angiogenic treatment was feasible, safe and effective *in vivo*. The growth inhibitory and anti-metastatic effects of Atu027 RNAi in the clinically relevant *in vivo* model fully support further development of this substance for pancreatic cancer. A phase I clinical trial using Atu027 RNAi in patients suffering from pancreatic cancer is scheduled to start in 2007.

Pancreatic cancer is the fourth most common cause of cancer death. With the exception of surgery in early stages, no curative treatment for this tumour exists. Until now, only Gemcitabine® has been approved for palliative treatment. A new drug showing effective control of tumour growth or demonstrating tumour shrinkage will meet a large unmet medical need.

SR Pharma has concentrated its efforts to meet this medical need by developing Atu027 RNAi. Atu027 RNAi is an exciting novel therapeutic drug being developed based on small interfering RNA (siRNA). In these pre-clinical studies treatment was with Atu027 RNAi, a modified and stabilized small interfering RNA drug, formulated in a proprietary liposomal based delivery system (AtuPLEX). Atu027 RNAi works by specifically targeting PKN3, a proprietary protein kinase target.

Prof. Bertram Wiedenmann, Director Hepatology & Gastroenterology at the Charité, Berlin, under whose supervision the studies were guided, stated: "The results of these further studies at the Charité are very encouraging for patients suffering from pancreatic cancer. The data achieved in these studies have shown significant inhibition of both cell proliferation and metastatic spread."

Klaus Giese, PhD, Chief Scientific Officer of SR Pharma, said: "The data are very encouraging and we are on track to enter the clinic with Atu027 RNAi in 2007. This product, to be delivered systemically, will be our first oncology product into the clinic using AtuPLEX, our proprietary liposomal formulation".

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SR Pharma (www.srpharma.com)

SR Pharma plc is a European biopharmaceutical company, listed on AIM. The Company has two operating subsidiaries Atugen AG (www.atugen.com) based in Berlin, Germany and Stanford Rook Ltd based in London, UK.

SR Pharma is a world leader in RNAi therapeutics which is a Nobel Prize winning technology that "silences" genes linked to the onset of disease. The Company has developed novel, chemically modified proprietary siRNA molecules ("AtuRNAi") which have a number of advantages over conventional siRNA molecules including enhanced stability and lower manufacturing costs. In addition, the Company has developed a proprietary delivery system ("AtuPLEX") which increases bioavailability, circulation times and functional intracellular uptake of siRNA molecules.

SR Pharma has lead AtuRNAi compounds partnered with Quark Biotech and Pfizer which are anticipated to enter clinical trials shortly. SR Pharma also expects to begin the clinical

development of its own AtuRNAi therapeutic molecules for systemic cancer indications in 2007.

In addition, SR Pharma owns a proprietary Mycobacterium vaccae-based technology and related products. Currently the Company is in discussions with third parties regarding the co-development and out-licensing of these products.

Forward-Looking Statements

This press release includes forward-looking statements that are subject to risks, uncertainties and other factors. These risks and uncertainties could cause actual results to differ materially from those referred to in the forward-looking statements. All forward-looking statements are based on information currently available to SR Pharma and SR Pharma assumes no obligation to update any such forward-looking statements.

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