

SR PHARMA PLC ANNOUNCES IND FOR A 2nd siRNA THERAPEUTIC BASED ON ITS UNIQUE PROPRIETARY CHEMISTRY

London, UK, 16 March 2007 SR Pharma plc (London LSE: SPA) today announces that the U.S. Food and Drug Administration (FDA) has approved an Investigational New Drug application (IND) for a second siRNA therapeutic which is based on the company's unique proprietary chemistry. The product is AKli-5, which is being developed by Quark Biotech Inc for the treatment of Acute Kidney Injury (AKI). This product was licensed to Quark Biotech Inc. by SR Pharma's subsidiary Atugen and its structure and composition of matter is protected by Atugen's patent portfolio.

AKli-5 is Quark's lead product candidate for the prevention of Acute Kidney Injury in high-risk patients undergoing major cardiovascular surgery. The product is expected to reduce the frequency of post-surgery AKI requiring dialysis as well as AKI associated mortality. AKI is a very serious disease with a 50-70% mortality rate in patients developing it in the intensive care unit and up to 88% in patients developing the disease following major cardiovascular surgery. Over the past 40 years, the survival rate for AKI has not improved. In patients at the highest risk-level, AKI incidence is 22%.

Iain Ross, Executive Chairman of SR Pharma stated, "We are very excited by this achievement, as this is the second product based upon our proprietary AtuRNAi chemistry which has been approved for use in humans. Only last month we announced that the AtuRNAi compound RTP-801i, which we sub-licensed to Pfizer through our partner Quark Biotech Inc. for the treatment of Age-related Macular Degeneration, was moving into the clinic."

Dr Klaus Giese, Chief Scientific Officer, said "These developments further demonstrate our ability to design stabilised and highly potent siRNA molecules, based on our own patented siRNA chemistry, which can address specific disease targets. We generate new molecules for our own development programmes in the cancer field, whilst concurrently offering collaboration partners access to our stabilised siRNA molecules for other targets in cancer and other indications."

Notes to Editors

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 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 against nuclease degradation. 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 expects to begin the clinical development of its proprietary AtuRNAi therapeutic molecules for systemic cancer indications in 2007. SR Pharma has sublicensed the AtuRNAi compound RTP-801i to Pfizer through its collaboration partner Quark Biotech Inc. for the treatment of Age-related Macular Degeneration (AMD) and a number of other indications. This compound entered the clinic in early 2007. In addition SR Pharma has licensed a further AtuRNAi compound, AKli-5, to Quark Biotech Inc. which, as announced above, has been granted an IND and therefore is likely to enter the clinic within the next few weeks.

SR Pharma also 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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