



**Early Success of Ark's Manufacturing Partnership with PsiOxus  
Initiation of Toxicology Study for PsiOxus's ColoAd1 Oncolytic Product**

**London, UK - 4 January 2012**, Ark Therapeutics Group plc ("Ark") and PsiOxus Therapeutics Ltd ("PsiOxus") are pleased to announce that the partnership announced on 12 September 2011 has successfully achieved its first milestone, by the timely manufacture of PsiOxus's ColoAd1 oncolytic adenoviral product. As a result, PsiOxus has initiated final pre-clinical toxicology studies of this product, as scheduled, prior to the planned commencement of a Phase I study in 2012. The material was manufactured at Ark's facility in Kuopio, Finland, using Ark's proprietary suspension based single use process ("ATOSUS"), which was able to achieve the required product quality and demonstrate capability to exceed target process yields. ColoAd1 is under development by PsiOxus for the treatment of colorectal cancer.

John Beadle, CEO of PsiOxus, said: *"Initiation of the toxicology study is an important milestone in the development of ColoAd1. PsiOxus can now progress the preparations for clinical trials of this promising therapeutic, knowing that a manufacturing solution for us is in place. We are very pleased with the close working relationship established with Ark Therapeutics, and we recognise their expertise in viral manufacture and the exceptional efforts they have made to fulfil our requirements."*

Martyn Williams, CEO of Ark commented: *"We are delighted that our early success with ColoAd1 will enable the development of this exciting product to move forward as planned and we look forward to continuing to provide full support to our partner as their programme moves into the clinic. This further validation for Ark's ATOSUS process as a platform for (adeno)viral manufacture is very helpful as we continue discussions with other potential partners."*

For further information please contact:

**Ark Therapeutics Group plc**  
Martyn Williams, CEO  
Iain Ross, Chairman

**Tel: + 44 (0)20 7388 7722**

**FTI Consulting**  
Ben Atwell  
Susan Quigley

**Tel: +44 (0)20 7831 3113**

**PsiOxus Therapeutics Ltd**  
Dr John Beadle, CEO

**Tel: + 44 (0) 7810 770 310**

***Ark Therapeutics Group plc***

Ark Therapeutics Group plc is a specialist healthcare group (the "Group") addressing high value areas of unmet medical need within vascular disease and cancer. These are large and growing markets, where opportunities exist for effective new products to generate significant revenues.

Ark has an early stage pipeline emanating from collaborations with University College, London and the AI Virtanen Institute in Kuopio, Finland, the development of which it intends to progress in collaboration with pharmaceutical and biotech partners.

In addition Ark has the ability to off-set a proportion of its R&D costs and to generate sustainable revenues through the exploitation of its proprietary technology platform, process development, scale-up and manufacturing capabilities on behalf of third parties.

Ark has its origins in businesses established in the mid-1990s by Professor John Martin of University College London and Professor Seppo Ylä-Herttua of the AI Virtanen Institute at the University of Kuopio, Finland, both of whom remain consultants on the Company's research and development programmes.

Ark's shares were first listed on the London Stock Exchange in March 2004 (AKT.L).

### ***PsiOxusTherapeutics, Ltd.***

PsiOxus Therapeutics is an Oxford, UK based development stage biotechnology company using non-traditional approaches to develop novel therapeutics that address cancer and other clinically unmet diseases. The Company's lead candidate is MT-102, a dual action Anabolic Catabolic Transforming Agent (ACTA) in phase II clinical development for the treatment of cachexia and sarcopenia. ColoAd1, an oncolytic virus for the systemic treatment of metastatic cancer, has demonstrated optimal anti-cancer properties in late pre-clinical development against a wide range of solid tumours and will enter phase I/II clinical development in 2012. The Company is also developing treatments based upon the research phase vaccine platform PolySTAR, which combines recombinant viral vectors with polymers to shield them from the immune system, and the research phase adjuvant and immunotherapeutic platform PolyMAP, which combines polymers with synthetic adjuvants to significantly enhance the effectiveness of vaccines. [www.PsiOxus.com](http://www.PsiOxus.com)

*This announcement includes "forward-looking statements" which include all statements other than statements of historical facts, including, without limitation, those regarding the Group's financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to the Group's products and services), and any statements preceded by, followed by or that include forward-looking terminology such as the words "targets", "believes", "estimates", "expects", "aims", "intends", "will", "can", "may", "anticipates", "would", "should", "could" or similar expressions or the negative thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Group's control that could cause the actual results, performance or achievements of the Group to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which the Group will operate in the future. Among the important factors that could cause the Group's actual results, performance or achievements to differ materially from those in forward-looking statements include those relating to Ark's funding requirements, regulatory approvals, clinical trials, reliance on third parties, intellectual property, key personnel and other factors. These forward-looking statements speak only as at the date of this announcement. The Group expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained in this announcement to reflect any change in the Group's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based. As a result of these factors, readers are cautioned not to rely on any forward-looking statement.*