

ValiRx plc

Proposed reorganisation of share capital and General Meeting

The Company announces that it has today posted a circular to Shareholders convening a General Meeting of the Company to be held at 2.30 pm on 21 April 2010 at which the Directors are seeking to effect the sub-division and reclassification of the Existing Ordinary Shares. A resolution will also be proposed to adopt new articles of association to reflect the implementation of the remaining provisions of the Companies Act 2006 in October 2009. A summary of the announcement made by the Company on 1 April 2010 relating to the issue of equity and directors' shareholdings was enclosed with the Circular. A copy of the Circular and the accompanying summary document will be available on the Company's website www.valirx.com.

Proposed Reorganisation

As previously announced, the Company continues to develop its operations which are focused on creating new markets for the very early detection of cancer so as to be able to offer significantly improved treatments. Until its operations are revenue generating to a sufficient level, the Company is dependent on the availability of grants to fund its operating subsidiaries, its ability to raise additional capital through the issue of further equity and the successful recovery of contractual sums due to be paid. Until grants are received and contractual sums due are recovered, the Company is dependent on its ability to raise additional capital through the issue of equity.

The Directors believe that additional funds will be required for the further development of the business and, as announced earlier today, intend to raise additional capital by a placing of New Ordinary Shares immediately following approval of the Proposed Reorganisation (the "Placing"). Under the provisions of the Companies Act 2006, the Company may not allot shares at a discount to their nominal value. The Existing Ordinary Shares have recently been trading at a price which is around or below the nominal value of 1p per share. Accordingly, the Directors are proposing a reorganisation of the Company's share capital, approval of which will provide the Directors with greater flexibility to raise finance through the issue of additional ordinary share capital.

Subject to approval by the Shareholders at the General Meeting, the Directors propose to sub-divide each issued Existing Ordinary Share into one New Ordinary Share and one Deferred Share. Immediately following the Proposed Reorganisation, each Shareholder will hold one New Ordinary Share and one Deferred Share in place of each Existing Ordinary Share. The rights of the holders of New Ordinary Shares will be the same as the rights of the holders of Existing Ordinary Shares.

Immediately following the Proposed Reorganisation, and assuming that no further Existing Ordinary Shares are issued between the date of this announcement and the Proposed Reorganisation becoming effective, the issued share capital of the Company will comprise 157,945,030 New Ordinary Shares, 157,945,030 Deferred Shares and 58,378,365 deferred shares of 5p each, before taking into account the New Ordinary Shares proposed to be issued pursuant to the Placing.

Share certificates representing the Existing Ordinary Shares will remain valid for the New Ordinary Shares. No share certificates will be issued for the Deferred Shares.

Deferred Shares

The Deferred Shares will have no right to vote, attend or speak at general meetings of the Company and will have no right to receive any dividend or other distribution and will have only limited rights to participate in any return of capital on a winding-up or liquidation of the

Company. No application will be made to the London Stock Exchange for admission of the Deferred Shares to trading on AIM.

New Articles of Association

The Company is also asking Shareholders to approve a number of amendments to its articles of association primarily to reflect the implementation of the remaining provisions of the Companies Act 2006 in October 2009.

A copy of the proposed new articles of association of the Company will be available for inspection at the Company's Registered Office until the time of the General Meeting and at the offices of Rooks Rider Solicitors, Challoner House, 19 Clerkenwell Close, London EC1R 0RR from 15 minutes before the General Meeting until it ends.

Recommendation

The Directors consider the proposals described in the Circular are in the best interests of the Company and of Shareholders as a whole. Accordingly, the Directors unanimously recommend that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting, as they intend to do in respect of their own beneficial holdings of 15,007,910 Ordinary Shares representing 9.50 per cent. of the Existing Ordinary Shares in issue.

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Definitions

The following definitions apply throughout this announcement, unless the context requires otherwise:

“Board” or “Directors”	the directors of the Company or any duly authorised committee thereof;
“Circular”	the circular to shareholders of the Company dated 1 April 2010;
“Company”	ValiRx plc;
“Deferred Shares”	the deferred shares of 0.9 pence each in the capital of the Company to be created by Special Resolution 1;
“Existing Ordinary Shares”	157,945,030 ordinary shares of 1 pence each in the capital of the Company in issue at the date of this document;
“Form of Proxy”	the form of proxy for use by Shareholders in connection with the General Meeting;

“General Meeting”	the general meeting of the Company to be held at the offices of Rooks Rider Solicitors, Challoner House, 19 Clerkenwell Close, London EC1R 0RR at 2.30pm on 21 April 2010 (or any adjournment thereof);
“New Ordinary Shares”	new ordinary shares of 0.1 pence each in the capital of the Company following the Proposed Reorganisation;
“Proposed Reorganisation”	the sub-division and reclassification of each of the Existing Ordinary Shares in issue into one New Ordinary Share and one Deferred Share;
“Resolutions”	the resolutions to be put to Shareholders at the General Meeting;
“Shareholders”	holders of Ordinary Shares.