

Regulatory Announcement

For immediate release

18 July 2007

PROXIMAGEN NEUROSCIENCE PLC (“Proximagen” or “the Company”)

Funding Award from The Michael J. Fox Foundation ~ Elan Has Option to License Rights ~

London, UK, 18 July 2007 - Proximagen Neuroscience plc (AIM: PRX), the drug discovery and development company focused on neurodegenerative diseases, is pleased to announce that it has been awarded a *Novel Approaches to Drug Discovery for Parkinson's Disease* grant by The Michael J. Fox Foundation (MJFF) to pursue research into the development of a novel gene therapy approach for the treatment of Parkinson's disease (PD).

MJFF is providing the funding under an initiative established through leadership funding from Elan Corporation, plc (NYSE: ELN), a neuroscience-based biotechnology company. Under the terms of the agreement, Elan is given a first option to obtain an exclusive worldwide commercial licence to the programme.

The funding is to continue Proximagen's PRX4 research and development programme which centres around a gene that produces a neuroprotective protein present in healthy individuals but lacking in patients with PD. The grant enhances Proximagen's research and development pipeline, which consists of four promising drug candidate programmes addressing Parkinson's disease, cognitive decline associated with ageing, dyskinesia and age related neurodegenerative diseases.

Proximagen's PRX4 is being developed using cutting-edge viral vector delivery technology, which delivers genetic material directly into brain cells. The combined neuroprotective gene and viral vector will be targeted to an area of the brain that degenerates in PD. If successful, the treatment may prevent the disease from causing further damage and may restore normal brain function to patients, reversing the difficulties in movement that characterise this illness. Proximagen's pre-clinical studies have already shown that this neuroprotective protein is implicated in the control of many mechanisms associated with the degeneration of neurons. The Company has shown that even in very low concentrations, PRX4 derivatives act as highly potent inhibitors of neurodegeneration in neuronal cells.

Commenting on the award Kenneth Mulvany, Chief Executive of Proximagen, said:

“We are delighted to receive this award from The Michael J. Fox Foundation, made possible through leadership funding from Elan, to continue our PRX4 programme into the development of a novel approach designed to prevent progression of Parkinson's disease with a gene product which may restore normal brain function to patients. Not only does the award strengthen our PD research programme and the value of our pipeline, but it also serves as a strong endorsement of the scientific excellence on which our programmes are based.”

Commenting on the award Sarah Orsay, Chief Executive of the Michael J. Fox Foundation, said:

“For successful translation into real-world PD therapies, early-stage therapeutic approaches must be chaperoned through the necessary preclinical and clinical stages of drug development. Novel Approaches to Drug Discovery for Parkinson's Disease expedites this process. If projects funded under this program warrant further development, Elan may provide follow-on funding – putting us that much closer to our shared goal of delivering new treatments to patients.”

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About Proximagen

Proximagen is a drug discovery and development company that is primarily focused on the identification and subsequent out-licensing of novel therapeutics to improve the quality of life for patients suffering from neurodegenerative disease such as Parkinson's disease and Alzheimer's disease.

Proximagen is building a development pipeline to address the significant medical needs of these patients and has made substantial progress in four proprietary programmes. Proximagen anticipates out-licensing its programmes at early stages up to and including Phase II proof of concept studies and commercialising carefully selected in-licensed and collaborative programmes.

Proximagen joined the AIM market of the London Stock Exchange in March 2005. For more information please visit the Company's web site: www.proximagen.com.

About the Michael J. Fox Foundation

Founded in 2000, The Michael J. Fox Foundation for Parkinson's Research is dedicated to ensuring the development of a cure for Parkinson's disease within this decade through an aggressively funded research agenda. The Foundation has funded over \$94 million in research to date, either directly or through partnerships. For more information please visit www.michaeljfox.org.

About Elan

Elan Corporation, plc (NYSE: ELN) is a neuroscience-based biotechnology company committed to making a difference in the lives of patients and their families by dedicating itself to bringing innovations in science to fill significant unmet medical needs that continue to exist around the world. Elan shares trade on the New York, London and Dublin Stock Exchanges. For additional information about the company, please visit www.elan.com.