

Company Proximagen Neuroscience Plc
Headline Acquisition of Minster Pharmaceuticals
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For immediate release

4 January 2010

**RECOMMENDED CASH OFFER FOR THE
ENTIRE ISSUED AND TO BE ISSUED SHARE CAPITAL
OF MINSTER PHARMACEUTICALS PLC
BY PROXIMAGEN NEUROSCIENCE PLC**

Summary

The Boards of Proximagen and Minster are pleased to announce that they have today reached agreement on the terms of a recommended cash offer by Proximagen for the entire issued and to be issued share capital of Minster.

Under the terms of the Offer, Minster Shareholders will receive 6.0 pence in cash for each Minster Share held by them, valuing the entire issued and to be issued share capital of Minster at approximately £4.3 million.

The Offer represents a premium of approximately 45.45 per cent. to the Closing Price of 4.13 pence per Minster Share on 31 December 2009, being the last dealing day prior to this announcement.

The bases for these calculations are set out in Appendix II to this announcement.

Proximagen is a biopharmaceutical company focused on the development and commercialisation of novel therapeutics for diseases of the central nervous system. In June 2009, Proximagen raised £50 million to pursue its strategy of acquiring attractive drug programmes in its preferred therapeutic area of the central nervous system. Proximagen recently acquired the entire issued share capital of Cambridge Biotechnology Limited and certain other assets from Biovitrum AB which together considerably broadened its portfolio of programmes which now includes clinical stage assets.

Minster is a drug development company focused on neurological and psychiatric disorders. Its principal pipeline assets are tonabersat and sabcomeline. Worldwide rights to both compounds were acquired from GlaxoSmithKline (“GSK”) and these compounds benefit from comprehensive safety tolerance data as a result of investment by GSK. Tonabersat is the leading compound in an exciting new class of selective drugs designated as neuronal gap junction blockers. Sabcomeline, a muscarinic partial agonist, has potential in the treatment of cognitive decline in schizophrenia.

The Minster Directors, who have been so advised by Nomura Code Securities, consider the terms of the Offer to be fair and reasonable. In providing advice to the Minster Directors, Nomura Code Securities has taken into account the commercial assessments of the Minster Directors. In addition, the Minster Directors consider the terms of the Offer to be in the best interests of the Minster Shareholders as a whole.

Accordingly, the Minster Directors unanimously intend to recommend that all Minster Shareholders accept the Offer, as those Minster Directors who hold Minster Shares have irrevocably undertaken to do (or procure to be done) in respect of each of their own respective beneficial holdings of Minster Shares amounting, in aggregate, to 14,431,957 Minster Shares, representing approximately 24.50 per cent. of the existing issued share capital of Minster.

In addition, further irrevocable undertakings to accept the Offer have been secured by Proximagen in respect of, in aggregate, 18,460,096 Minster Shares, representing approximately 31.34 per cent. of Minster’s existing issued share capital.

Accordingly, irrevocable undertakings to accept (or procure the acceptance of) the Offer have been received in respect of, in aggregate, 32,892,053 Minster Shares, representing approximately 55.84 per cent. of Minster’s existing issued share capital.

The Offer Document containing the formal terms of, and Conditions to, the Offer will be posted to Minster Shareholders in due course and, in any event, within 28 days following the date of this announcement.

Commenting on the Offer, John Russell, Chairman and CEO of Minster, said:

“The Offer represents a good premium to the share price and the Minster Board is pleased to recommend it to shareholders. Following the announcement of the TEMPUS study last year, the Minster Board has explored a number of options for extracting maximum value for shareholders. We believe the Offer provides a more certain investment outcome for shareholders since the prospects for Minster, without the funding it needs to progress its business plan, are extremely uncertain.”

Commenting on the Offer, Dr. Kenneth Mulvany, CEO of Proximagen, said:

“We are delighted to announce the Offer for Minster Pharmaceuticals. We are particularly interested in Minster’s compound, tonabersat, which we believe has potential for the treatment of epilepsy, one of the most common of the serious neurological disorders.”

Evolution Securities is acting as financial adviser to Proximagen. Nomura Code Securities is acting as financial adviser to Minster.

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The above summary should be read in conjunction with, and is subject to, the full text of this announcement (including its Appendices). Appendix I to this announcement contains the Conditions and certain terms of the Offer. Appendix II to this announcement contains further details of the bases of calculations and sources of information set out in this announcement. Terms used in the summary have the meaning given to them in Appendix III to this announcement.

This announcement does not constitute the Offer. The Offer will be made solely through the Offer Document which will contain the full terms of and conditions to the Offer (including details on how to accept the Offer). Any response in relation to the

Offer should be made only on the basis of the information contained in the Offer Document or any other document by which the Offer is made.

Distribution of Announcement

The distribution of this announcement and the availability of the Offer in jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe, any applicable requirements. This announcement has been made for the purpose of complying with English law and the City Code and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside England and Wales.

Copies of this announcement are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any jurisdiction where to do so would violate the laws of that jurisdiction and persons receiving this announcement (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send it in, into or from any such jurisdiction.

The statements contained herein are made as at the date of this announcement, unless some other time is specified in relation to them, and the issue of this announcement shall not give rise to any implication that there has been no change in the facts set forth herein since that date. Nothing contained herein shall be deemed to be a forecast, projection or estimate of the future financial performances of Minster or Proximagen, except where otherwise stated.

This announcement does not constitute an offer or an invitation to purchase any securities or a solicitation of an offer to buy any securities in any jurisdiction in which such offer or solicitation is unlawful.

Notice to US investors

The Offer is being made for securities of an English company and United States investors should be aware that this announcement, the Offer Document and any other documents relating to the Offer have been or will be prepared in accordance with the City Code and UK disclosure requirements, format and style, all of which may differ from those in the United States. Minster's financial statements, and all financial information relating to Minster that is included in this announcement or that may be included in the Offer Document or any other documents relating to the Offer, have been or will be prepared in accordance with UK generally accepted accounting principles and/or International Financial Reporting Standards and thus may not be comparable to financial statements of US companies.

This announcement does not constitute a Tender Offer Statement or a Solicitation/Recommendation Statement under the rules and regulations of the US Securities and Exchange Commission (the "SEC"). The Offer will be made in the United States

pursuant to applicable US tender offer rules and also in accordance with the requirements of the City Code.

The receipt of cash pursuant to the Offer by a US holder of Minster Shares may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other tax laws. Each holder of Minster Shares is urged to consult his independent professional adviser regarding the tax consequences of acceptance of the Offer.

Minster is incorporated under English law. All or some of the directors of Minster are residents of countries other than the US. As a result, it may not be possible for United States holders of Minster Shares to effect service of process within the US upon Minster or such directors of Minster or to enforce against any of them judgements of the United States predicated upon the civil liability provisions of the federal securities laws of the United States. It may not be possible to sue Minster or its officers or directors in a non-US court for violations of US securities laws.

Forward Looking Statements

This announcement contains statements with respect to the financial condition, results of operations and business of Minster and Proximagen and certain plans and objectives of the boards of directors of Minster and Proximagen that are or may be forward-looking statements. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as “anticipate”, “target”, “expect”, “estimate”, “intend”, “plan”, “goal”, “believe”, “will”, “may”, “should”, “would”, “could” or other words of similar meaning. These statements are based on assumptions and assessments made by the boards of directors of Minster and Proximagen in light of their experience and their perception of historical trends, current conditions, expected future developments and other factors they believe appropriate. By their nature, forward-looking statements involve risk and uncertainty, and the factors described in the context of such forward-looking statements in this document could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements.

Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this document. Minster and Proximagen assume no obligation to update or correct the information contained in this announcement.

Rule 2.10 Disclosure

In accordance with Rule 2.10 of the City Code on Takeovers and Mergers (the “Code”), Minster confirms that, as at 8.00 a.m. on 4 January 2010 it has 58,901,312 Minster Shares in issue all with equal voting rights. The total number of voting rights in Minster is therefore 58,901,312. The International Securities Identification Number for the Minster Shares is GB00B142W462.

Dealing Disclosure Requirements

Under the provisions of the Rule 8.3 of the City Code if any person is, or becomes, “interested” (directly or indirectly) in one per cent. or more of any class of “relevant securities” of Minster, all “dealings” in any “relevant securities” of that company (including by means of an option in respect of, or a derivative referenced to, any such “relevant securities”) must be publicly disclosed by no later than 3:30 p.m. (London Time) on the London business day following the date of the relevant transaction. This requirement will continue until the date on which the offer becomes, or is declared, unconditional as to acceptances, lapses or is otherwise withdrawn or on which the “offer period” otherwise ends. If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire an “interest” in “relevant securities” of Minster, they will be deemed to be a single person for the purpose of Rule 8.3.

Under the provisions of Rule 8.1 of the City Code, all “dealings” in “relevant securities” of Minster by Proximagen or Minster, or by any of their respective “associates”, must be disclosed by no later than 12:00 noon (London Time) on the London business day following the date of the relevant transaction.

A disclosure table, giving details of the companies in whose “relevant securities” “dealings” should be disclosed, and the number of such securities in issue, can be found on the Takeover Panel’s website at www.thetakeoverpanel.org.uk.

“Interest in securities” arises, in summary, when a person has long economic exposure, whether conditional or absolute, to changes in the price of securities. In particular, a person will be treated as having an “interest” by virtue of the ownership or control of securities, or by virtue of any option in respect of, or derivative referenced to, securities.

Terms in quotation marks are defined in the City Code, which can also be found on the Panel’s website. If you are in any doubt as to whether or not you are required to disclose a “dealing” under Rule 8, you should consult the Takeover Panel.

Rule 19.11 Disclosure

In accordance with Rule 19.11 of the Code, a copy of this announcement will be published on the Proximagen website: www.proximagen.com and on the Minster website: www.minsterpharma.com.

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4 January 2010

**RECOMMENDED CASH OFFER FOR THE
ENTIRE ISSUED AND TO BE ISSUED SHARE CAPITAL
OF MINSTER PHARMACEUTICALS PLC
BY PROXIMAGEN NEUROSCIENCE PLC**

1.Introduction

The Boards of Proximagen and Minster are pleased to announce that they have today reached agreement on the terms of a recommended cash offer by Proximagen for the entire issued and to be issued share capital of Minster.

2.The Offer

Under the terms of the Offer, which will be subject to the Conditions set out in Appendix I of this announcement and to the full terms and Conditions to be set out in the Offer Document, Minster Shareholders will be entitled to receive:-

for each Minster Share six pence in cash

The terms of the Offer value the entire issued and to be issued ordinary share capital of Minster at approximately £4.3 million.

The value of the Offer is 6.0 pence per Minster Share. This represents a premium of approximately 45.45 per cent. to the Closing Price of 4.13 pence per Minster Share on 31 December 2009, being the last dealing day prior to this announcement.

The bases for these calculations are set out in Appendix II.

3.Background to and Reasons for the Offer

Proximagen approached the Minster Board with a view to making a cash offer for its entire issued and to be issued share capital. After careful consideration of the terms in conjunction with its advisers, the Minster Board intends to recommend unanimously the Offer.

In deciding to recommend the Offer, the Minster Board has taken into account the following considerations:

- Following the disappointing TEMPUS trial result in February last year, the Minster Board has made every effort to find ways of extracting value from Minster's two compounds, tonabersat and sabcomeline. While both of these compounds remain very interesting in a number of indications, to develop them to the point where they have significant commercial value is beyond Minster's current financial capacity.
- Recently, Minster has explored options for a stand-alone sale of sabcomeline to a third party, but following the outcome of exploratory talks the Minster Board no longer believes that the programme can be sold on a stand-alone basis on terms which would be beneficial to Minster Shareholders.
- Raising further equity finance in the current environment to develop one or both of Minster's two compounds would be both difficult and highly dilutive to existing Minster Shareholders.
- Without incurring further development expenditure, Minster has enough cash to continue trading through to the end of 2011. However, the lack of liquidity in the Minster Shares, the absence of news flow caused by minimal development expenditure and the reduction of Minster's cash balances would mean the share price would, in the Minster Board's opinion, be likely to continue to drift down below the current share price level.
- The value, timing and certainty offered by the terms of the Offer are, in the opinion of the Minster Board, more attractive to Minster Shareholders than any other potential strategic option open to the Minster Board currently.

The Minster Board also recognises that shareholders in quoted companies with relatively small market capitalisations and low levels of liquidity find it difficult to exit their investment in the market and it considers that the Offer will enable Minster Shareholders to realise value from their investment in Minster on the best terms currently available.

Taking all of these points into consideration, the Minster Board has concluded that the Offer represents an attractive opportunity for Minster Shareholders, that the terms are fair and reasonable and that it should be recommended to Minster Shareholders.

4.Recommendation

The Minster Directors, who have been so advised by Nomura Code Securities, consider the terms of the Offer to be fair and reasonable. In providing advice to the Minster Directors, Nomura Code Securities has taken into account the commercial assessments of the Minster Directors. In addition, the Minster Directors consider the terms of the Offer to be in the best interests of the Minster Shareholders as a whole.

Accordingly, the Minster Directors unanimously intend to recommend that all Minster Shareholders accept the Offer, as those Minster Directors who hold Minster Shares have irrevocably undertaken to do (or procure to be done) in respect of each of their own respective beneficial holdings of Minster Shares.

5.Irrevocable Undertakings

Directors

The following Minster Directors have given irrevocable undertakings to accept, or procure the acceptance of, the Offer in respect of their holdings in Minster on the terms set out in this announcement:

Director	Holding on the date of this announcement	Percentage	Holding following the issue of the Deferred Consideration Shares¹	Percentage
Paul Sharpe	13,833,182	23.49%	23,050,540	32.10%
Peter Blower	156,007	0.26%	259,958	0.36%
John Russell*	153,702	0.26%	256,117	0.36%
Karl Keegan	151,900	0.26%	151,900	0.21%
Robert Stubbs**	137,166	0.23%	137,166	0.19%

* The 153,702 Minster Shares irrevocably committed by John Russell are registered in the name of his wife, Virginia Russell.

** The 137,166 Minster Shares irrevocably committed by Robert Stubbs include 200 Minster Shares beneficially owned by his wife, Flora Stubbs.

In aggregate, these irrevocable undertakings represent approximately 24.50 per cent. of the existing issued share capital of Minster as at the date of this announcement and, following the issue of the Deferred Consideration Shares, will represent approximately 33.22 per cent. of the increased issued share capital of Minster.

Minster would be required to issue the Deferred Consideration Shares immediately following the Offer being declared or becoming unconditional in all respects. The Deferred Consideration Shares will therefore not count towards the satisfaction of the “acceptance condition” set out in Condition 1(1) of Appendix 1.

Minster Shareholders

In addition, Proximagen has received irrevocable undertakings to accept, or procure the acceptance of, the Offer on the terms set out in this announcement from the following Minster Shareholders in respect of their direct holdings:-

¹ Under the Bio Partners Share Purchase Agreement, Minster has agreed, upon the occurrence of certain events, to issue the Deferred Consideration Shares. When the Offer is declared or becomes unconditional in all respects, Minster will be required to issue the Deferred Consideration Shares.

Minster Shareholder	Holding	Percentage	Holding following the issue of the Deferred Consideration Shares¹	Percentage
Care Capital Investments III LP	10,592,335	17.98%	10,592,335	14.75%
Care Capital Offshore Investments III LP	176,895	0.30%	176,895	0.25%
Rho Ventures V, LP	5,657,151	9.60%	5,657,151	7.88%
Rho Ventures V Affiliates, LLC	496,695	0.84%	496,695	0.69%
Robert Aubrey	1,537,020	2.61%	2,561,170	3.57%

Accordingly, and subject to such irrevocable undertakings not having lapsed in accordance with their terms and therefore ceasing to be binding, Proximagen has received in aggregate, irrevocable undertakings to accept, or procure the acceptance of, the Offer in respect of 32,892,053 Minster Shares, representing approximately 55.84 per cent. of the existing issued share capital of Minster. Following the issue of the Deferred Consideration Shares the irrevocable undertakings received by Proximagen will represent approximately 60.36 per cent. of the increased issued share capital of Minster.

Minster would be required to issue the Deferred Consideration Shares immediately following the Offer being declared or becoming unconditional in all respects. The Deferred Consideration Shares will therefore not count towards the satisfaction of the “acceptance condition” set out in Condition 1(1) of Appendix 1.

The Minster Directors and Minster Shareholders who have given irrevocable undertakings to Proximagen have additionally agreed therein, *inter alia*, not to:

- sell, transfer, dispose of or grant security over any of their shareholdings;
- accept any other offer from any third-party in respect of their shareholdings; or
- withdraw their acceptance of the Offer.

The irrevocable undertakings given by Minster Directors and Minster Shareholders will lapse: -

- if the Offer Document is not published to Minster’s Shareholders on or before 5 February 2010 (or such later date as may be agreed by the Panel);
- the Offer lapses or is withdrawn; or
- on the later of the date on which the Offer closes for acceptance and becomes or is declared unconditional in all respects.

6.Information on Proximagen

Proximagen is a biopharmaceutical company focused on the development and commercialisation of novel therapeutics for diseases of the central nervous system. In June 2009, Proximagen raised £50 million to pursue its strategy of acquiring attractive drug programmes in its preferred therapeutic area of the central nervous system. Proximagen recently acquired the entire issued share capital of Cambridge Biotechnology Limited and certain other assets from Biovitrum AB, which together considerably broadened its portfolio of programmes and which now includes clinical stage assets.

7.Information on Minster

Minster Pharmaceuticals is a drug development company focused on neurological and psychiatric disorders. Its principal pipeline assets are tonabersat and sabcomeline. Worldwide rights to both compounds were acquired from GSK and these compounds benefit from comprehensive safety tolerance data as a result of investment by GSK. Tonabersat is the leading compound in an exciting new class of selective drugs designated as neuronal gap junction blockers. Sabcomeline, a muscarinic partial agonist, has potential in the treatment of cognitive decline in schizophrenia.

8.Management and Employees

The employment rights, including pension rights, of the management and employees of Minster will be fully safeguarded, following the Offer becoming or being declared unconditional in all respects.

9.Resignation of Directors

Mr Robert Aubrey's term as a non-executive director of Minster expired on 31 December 2009. Mr Aubrey therefore ceased to be a director of Minster with effect from such date.

Dr Peter Blower intends to resign his directorship on 31 January 2010 and has entered into a compromise agreement with Minster setting out the terms relating to the termination of his employment with Minster with effect from such date.

The other Minster Directors intend to resign their directorships immediately prior to the Offer becoming or being declared unconditional in all respects.

10.Minster Share Option Schemes and Deferred Consideration Shares

The Offer will extend to any Minster Shares issued or unconditionally allotted or issued whilst the Offer remains open for acceptance (or by such earlier date as Proximagen, subject to the City Code, may decide), including any Minster Shares unconditionally allotted or issued upon exercise of options under the Minster Share Option Schemes, Minster Shares issued pursuant to the exercise of any warrants, or any Deferred Consideration Shares issued pursuant to the Bio Partners Share Purchase Agreement. To the extent that such options are

not so exercised, and if the Offer becomes or is declared unconditional in all respects, Proximagen will make appropriate proposals to such option holders in due course.

11. Interests in Minster Shares

Save for the arrangements with Minster Shareholders in relation to irrevocable undertakings summarised above, as at 31 December 2009, being the last dealing day prior to this announcement, neither Proximagen (nor any of its directors) nor any other member of the Proximagen Group, nor so far as Proximagen is aware, any person deemed by the Panel to be acting in concert with Proximagen, owns or controls any Minster Shares or any securities convertible or exchangeable into Minster Shares (including pursuant to any long exposure, whether conditional or absolute, to changes in the prices of securities) or any rights to subscribe for or purchase the same, or holds any options (including traded options) in respect of, or has any option to acquire, any Minster Shares or has entered into any derivatives referenced to, Minster Shares (the "Relevant Minster Securities") which remain outstanding, nor does any such person hold any short positions in relation to Relevant Minster Securities (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery, nor does any such person have any arrangement in relation to Relevant Minster Securities. An "arrangement" also includes any indemnity or option arrangement and any agreement or understanding, formal or informal, of whatever nature, relating to Relevant Minster Securities which may be an inducement to deal or refrain from dealing in such securities.

It has not been possible, prior to the date of this announcement, to ascertain the interests in Minster Shares (if any) of all Proximagen's concert parties. Further enquiries will be completed prior to publication of the Offer Document. If such enquiries reveal any such interests, they will be included in the Offer Document or announced earlier if required by the Panel.

12. Structure of the Offer

The Offer will be made on the terms and subject to the Conditions set out in Appendix 1 to this announcement and to be set out in the Offer Document.

Proximagen draws attention to the Conditions set out in Appendix I to this announcement and, in particular, Condition 2 in section 1 of Appendix I which relates to there being a minimum Net Cash Balance in Minster of £3,500,000 immediately prior to the First Closing Date (or such earlier date as the Offer becomes or is declared unconditional as to acceptances). The Net Cash Balance will be calculated in accordance with the procedures set out in the Implementation Agreement (referred to in further detail in paragraph 14 below).

The Offer Document will include full details of the Offer and the expected timetable. The Offer Document will be dispatched to Minster Shareholders in due course and, in any event, within 28 days following the date of this announcement.

13. Financing of the Offer

The Offer will be financed from the existing cash resources of Proximagen. Evolution Securities, financial adviser to Proximagen, is satisfied that resources are available to Proximagen sufficient to satisfy in full the cash consideration payable to Minster Shareholders under the terms of the Offer.

14. Implementation Agreement

Proximagen and Minster have entered into an Implementation Agreement in relation to the Offer which contains provisions regarding implementation of the Offer and certain confirmations and assurances between the parties.

Undertakings to implement the Offer

Minster has agreed that the Minster Directors will unanimously and unqualifiedly recommend Minster Shareholders to accept the Offer and not withdraw, modify or qualify such recommendation (subject always to their fiduciary duties and applicable law and regulations).

Non-solicitation arrangements and information rights

Minster has undertaken not to directly or indirectly solicit, initiate or otherwise seek to procure any approach from any third party in connection with a proposal for the acquisition of a controlling interest in Minster (within the meaning of the Code) or any material part of Minster's assets or which would or might reasonably be expected to prevent or delay the Offer. In the case of a third party approach, Minster has undertaken to inform Proximagen of such approach.

Minster has also undertaken to provide details surrounding any request for information made to Minster under Rule 20.2 of the Code or otherwise and to limit disclosure of information to that which Proximagen have received (subject to the Code).

Matching rights

Other than where a Panel imposed auction procedure applies, Minster has undertaken, following receipt of any competing offer which represents a premium to the price set out in the Offer, not to permit the Minster Directors to withdraw or qualify their recommendation within three Business Days of notification of such competing offer and to recommend any revised offer to be made by Proximagen which is proposed within such three Business Day period which matches or is higher than the competing offer.

Termination

The Implementation Agreement may be terminated in the following circumstances (without prejudice to the parties' accrued rights):

- as agreed in writing between the parties;

- upon a written notice to the other party in the event of material breach by the other party;
- if any Condition of the Offer is not satisfied or waived;
- if a third party offer for Minster becomes or is declared wholly unconditional or is completed;
- in the event that the proposed acquisition is to be effected by way of a scheme of arrangement, if the scheme is not approved by shareholders of Minster or the court; or
- if the Offer is withdrawn (with the consent of the Panel, if required) or lapses.

Net Cash Balance

Minster and Proximagen have agreed that the Offer will be subject to Condition 2 in Section 1 of Appendix I to the effect that the Net Cash Balance immediately prior to the First Closing Date (or if earlier, the date on which the Offer becomes or is declared unconditional as to acceptances) shall be not less than £3,500,000. Minster shall provide all reasonable assistance to Proximagen for it to determine the Net Cash Balance and shall provide such information reasonably requested by Proximagen for this purpose.

15. Compulsory Acquisition

Upon the Offer becoming or being declared unconditional in all respects, it is the intention of Proximagen, if sufficient acceptances of the Offer are received and / or sufficient Minster Shares are otherwise acquired, to apply the provisions of Part 27 of the Companies Act 2006 to acquire compulsorily any outstanding Minster Shares to which the Offer relates, on the same terms as the Offer.

16. Cancellation of Trading in Minster Shares on AIM

Following the Offer becoming or being declared unconditional in all respects and subject to any applicable requirements of the London Stock Exchange, Proximagen intends to procure that Minster applies to the London Stock Exchange for the cancellation of trading in Minster Shares on AIM.

If this cancellation occurs, it will significantly reduce the liquidity and marketability of any Minster Shares not acquired pursuant to the Offer. It is anticipated that the cancellation of admission to trading will take effect no earlier than the expiry of 20 Business Days after the date on which Proximagen has, by virtue of its shareholdings and acceptances of the Offer, acquired or agreed to acquire issued share capital carrying 75 per cent. of the voting rights of Minster.

17. Reserving the Right to Proceed by Scheme of Arrangement

Proximagen reserves the right, with the consent of the Panel, to elect to implement the Offer by way of a scheme of arrangement.

If Proximagen elects to implement the Offer by way of a scheme of arrangement, that scheme will be implemented on the same terms (subject to appropriate amendments), so far as applicable, as those which would apply to the Offer provided that Condition 2 in Section 1 of Appendix I, relating to there being a minimum Net Cash Balance of not less than £3,500,000 shall not apply.

18.Overseas Shareholders

The availability of the Offer to persons not resident in the UK or the US may be prohibited or affected by the laws of other relevant jurisdictions. Such persons should inform themselves about and observe any applicable requirements.

Further details in relation to Overseas Shareholders will be contained in the Offer Document.

19.Responsibility

The directors of Proximagen accept responsibility for the information contained in this announcement other than information relating to Minster. To the best of the knowledge and belief of such directors of Proximagen (each of whom has taken all reasonable steps to ensure that such is the case), the information contained in this announcement for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

The directors of Minster accept responsibility for the information contained in this announcement relating to Minster. To the best of the knowledge and belief of the Minster Directors (each of whom has taken all reasonable steps to ensure that such is the case), the information contained in this announcement for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

20.General

The Offer will be subject to the Conditions and further terms set out herein and in Appendix I to this announcement and to the full terms and conditions which will be set out in the Offer Document (which will include a letter of recommendation from the Chairman of Minster on behalf of the Minster Board) and, in respect of Minster Shares held in certificated form, the Form of Acceptance. In deciding whether or not to accept the Offer in respect of their Minster Shares, Minster Shareholders should rely on the information contained in, and the procedures described in, the Offer Document and, in respect of Minster Shares held in certificated form, the Form of Acceptance.

The Offer Document will include full details of the Offer and the expected timetable. The Offer Document will be dispatched to Minster Shareholders in due course and, in any event, within 28 days following the date of this announcement.

Evolution Securities is acting as financial adviser and broker to Proximagen and for the purposes of the Offer.

No person has been authorised to make any representations on behalf of Minster or Proximagen concerning the Offer or the Offer which are inconsistent with the statements contained herein and any such representations, if made, may not be relied upon as having been so authorised.

No person should construe the contents of this document as legal, financial or tax advice and should consult their own advisers in connection with the matters contained herein.

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Evolution Securities, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting for Proximagen in connection with the Offer and no one else and will not be responsible to anyone other than Proximagen for providing the protections afforded to clients of Evolution Securities nor for providing advice in relation to the Offer or to the matters referred to herein.

Nomura Code Securities, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting for Minster in connection with the Offer and no one else and will not be responsible to anyone other than Minster for providing the protections afforded to clients of Nomura Code Securities nor for providing advice in relation to the Offer or to the matters referred to herein.

Distribution

This announcement does not constitute the Offer. The Offer will be made solely through the Offer Document which will contain the full terms of and conditions to the Offer (including details on how to accept the Offer). Any response in relation to the Offer should be made only on the basis of the information contained in the Offer Document or any other document by which the Offer is made.

The distribution of this announcement and the availability of the Offer in jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe, any applicable requirements. This announcement has been made for the purpose of complying with English law and the City Code and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside England and Wales.

Copies of this announcement are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any jurisdiction where to do so would violate the laws of that jurisdiction and persons receiving this announcement (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send it in, into or from any such jurisdiction.

The statements contained herein are made as at the date of this announcement, unless some other time is specified in relation to them, and the issue of this announcement shall not give rise to any implication that there has been no change in the facts set forth herein since that date. Nothing contained herein shall be deemed to be a forecast, projection or estimate of the future financial performances of Minster or Proximagen, except where otherwise stated.

This announcement does not constitute an offer or an invitation to purchase or subscribe for any securities or a solicitation of an offer to buy any securities in any jurisdiction in which such offer or solicitation is unlawful.

If the Offer is implemented by way of a scheme of arrangement, it will be made in accordance with the procedural and filing requirements of the US securities laws, to the extent applicable.

Notice to US investors

The Offer is being made for securities of an English company and US investors should be aware that this announcement, the Offer Document and any other documents relating to the Offer have been or will be prepared in accordance with the City Code and UK disclosure requirements, format and style, all of which may differ from those in the United States. Minster's financial statements, and all financial information relating to Minster that is included in this announcement or that may be included in the Offer Document or any other documents relating to the Offer, have been or will be prepared in accordance with UK generally accepted accounting principles and/or International Financial Reporting Standards and thus may not be comparable to financial statements of US companies.

This announcement does not constitute a Tender Offer Statement or Solicitation/Recommendation Statement under the rules and regulations of the US Securities and Exchange Commission (the "SEC"). The Offer will be made in the United States pursuant to applicable US tender offer rules and also in accordance with the requirements of the City Code.

The receipt of cash pursuant to the Offer by a US holder of Minster Shares may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other tax laws. Each holder of Minster Shares is urged to consult his independent professional adviser regarding the tax consequences of acceptance of the Offer.

Minster is incorporated under English law. All or some of the directors of Minster are residents of countries other than the US. As a result, it may not be possible for United States holders of Minster Shares to effect service of process within the US upon Minster or such directors of Minster or to enforce against any of them judgements of the United States predicated upon the civil liability provisions of the federal securities laws of the United States. It may not be possible to sue Minster or its officers or directors in a non-US court for violations of US securities laws.

Forward Looking Statements

This announcement contains statements with respect to the financial condition, results of operations and business of Minster and Proximagen and certain plans and objectives of the boards of directors of Minster and Proximagen that are or may be forward-looking statements. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", "will", "may", "should", "would", "could" or other words of similar meaning. These statements are based on assumptions and assessments made by the boards of directors of Minster and Proximagen in light of their experience and their perception of historical trends, current conditions, expected future developments and other factors they believe appropriate. By their nature, forward-looking statements involve risk and uncertainty, and the factors described in the context of such forward-looking statements in this document could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements.

Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this document. Minster and Proximagen assume no obligation to update or correct the information contained in this announcement.

Rule 2.10 Disclosure

In accordance with Rule 2.10 of the City Code, Minster confirms that, as at 8.00 a.m. on 4 January 2010 it has 58,901,312 Minster Shares in issue all with equal voting rights. The total number of voting rights in Minster is therefore 58,901,312. The International Securities Identification Number for the Minster Shares is GB00B06FMX57.

Dealing Disclosure Requirements

Under the provisions of the Rule 8.3 of the City Code, if any person is, or becomes, “interested” (directly or indirectly) in one per cent. or more of any class of “relevant securities” of Minster, all “dealings” in any “relevant securities” of that company (including by means of an option in respect of, or a derivative referenced to, any such “relevant securities”) must be publicly disclosed by no later than 3:30 p.m. (London Time) on the London business day following the date of the relevant transaction. This requirement will continue until the date on which the offer becomes, or is declared, unconditional as to acceptances, lapses or is otherwise withdrawn or on which the “offer period” otherwise ends. If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire an “interest” in “relevant securities” of Minster, they will be deemed to be a single person for the purpose of Rule 8.3.

Under the provisions of Rule 8.1 of the City Code, all “dealings” in “relevant securities” of Minster by Proximagen or Minster, or by any of their respective “associates”, must be disclosed by no later than 12:00 noon (London Time) on the London business day following the date of the relevant transaction.

A disclosure table, giving details of the companies in whose “relevant securities” “dealings” should be disclosed, and the number of such securities in issue, can be found on the Takeover Panel’s website at www.thetakeoverpanel.org.uk.

“Interest in securities” arises, in summary, when a person has long economic exposure, whether conditional or absolute, to changes in the price of securities. In particular, a person will be treated as having an “interest” by virtue of the ownership or control of securities, or by virtue of any option in respect of, or derivative referenced to, securities.

Terms in quotation marks are defined in the Code, which can also be found on the Panel’s website. If you are in any doubt as to whether or not you are required to disclose a “dealing” under Rule 8, you should consult the Takeover Panel.

APPENDIX I

CONDITIONS AND CERTAIN FURTHER TERMS OF THE OFFER

1. Conditions to the Offer

Proximagen and Minster have agreed that, subject as stated below, the Offer will be subject to the following Conditions and, accordingly, that the necessary actions to make the Offer effective will not be taken unless such Conditions (as amended if appropriate) have been satisfied or (where capable of waiver) waived:

1. valid acceptances of the Offer being received (and not, where permitted, withdrawn) by no later than 3.00 p.m. on the First Closing Date (or such later time(s) and/or date(s) as Proximagen may, subject to the rules of the City Code, decide) in respect of not less than 90 per cent. (or such lesser percentage as Proximagen may decide) of the nominal value of the Minster Shares to which the Offer relates and of the voting rights attached to those Minster Shares, provided that this Condition shall not be satisfied unless Proximagen shall have acquired or agreed to acquire, pursuant to the Offer or otherwise, Minster Shares carrying in aggregate more than 50 per cent. of the voting rights then normally exercisable at a general meeting of Minster including for this purpose (to the extent, if any, required by the Panel) any such voting rights attached to any Minster Shares unconditionally allotted or issued before the Offer becomes or is declared unconditional as to acceptances, whether pursuant to the exercise of conversion or subscription rights or otherwise. For the purposes of this Condition: -
 - (a) the expression “Minster Shares to which the Offer relates” shall be construed in accordance with Part 28, Chapter 3 of the Companies Act 2006;
 - (b) Minster Shares which have been unconditionally allotted but not issued shall be deemed to carry the voting rights which they will carry upon issue; and
 - (c) valid acceptances shall be deemed to have been received in respect of Minster Shares which have been acquired or contracted to be acquired by or on behalf of Proximagen;
2. the Net Cash Balance of Minster being not less than £3,500,000 immediately prior to the First Closing Date or, if earlier, the date on which the Condition at paragraph 1 above has been satisfied or waived;
3. except as disclosed to Proximagen or its advisors by or on behalf of Minster prior to 4 January 2010 (“**Disclosed**”) or as otherwise publicly announced by Minster (by the delivery of an announcement to a Regulatory Information Service) prior to 4 January 2010 (“**Publicly Announced**”), there being no provision of any arrangement, agreement, lease, licence, permit or other instrument to which any member of the Wider Minster Group is a party or by or to which any such member or any of its

respective assets is or may be bound, entitled or subject or any circumstance which, in consequence of the making or implementation of the Offer or the proposed acquisition of any shares or other securities in, or control of, Minster or any member of the Wider Minster Group by Proximagen or any member of the Wider Proximagen Group or because of a change in the control or management of Minster or otherwise, would or might reasonably be expected to result in, in each case to an extent which is material in the context of the Wider Minster Group taken as a whole:

- (a) any monies borrowed by, or other indebtedness or liabilities, actual or contingent, of, or any grant available to, any member of the Wider Minster Group being or becoming repayable or capable of being declared repayable immediately or prior to its stated maturity or repayment date, or the ability of any such member to borrow monies or incur any indebtedness being withdrawn or inhibited or capable of being withdrawn or inhibited;
- (b) any such arrangement, agreement, licence, permit or instrument or the rights, liabilities, obligations, or interests of any member of the Wider Minster Group under any such arrangement, agreement, licence, permit or instrument (or any arrangement, agreement, licence, permit or instrument relating to any such right, liability, obligation, interest or business) or the interests or business of any such member in or with any other person, firm, company or body being or becoming capable of being terminated or adversely modified or adversely affected or any adverse action being taken or any obligation or liability arising thereunder;
- (c) any asset or interest of any member of the Wider Minster Group being or falling to be disposed of or charged (otherwise than in the ordinary course of business) or ceasing to be available to any member of the Wider Minster Group or any right arising under which any such asset or interest could be required to be disposed of or charged or could cease to be available to any member of the Wider Minster Group;
- (d) the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property, assets or interests of any member of the Wider Minster Group or any such security (whenever created, arising or having arisen) being enforced or becoming enforceable;
- (e) any member of the Wider Proximagen Group and/or of the Wider Minster Group being required to acquire or repay any shares in and/or indebtedness of any member of the Wider Minster Group owned by any third party;
- (f) any change in or effect on the ownership or use of any intellectual property rights owned or used by any member of the Wider Minster Group;
- (g) the financial or trading position or prospects of any member of the Wider Minster Group being materially prejudiced or adversely affected except to the extent provided in the latest audited consolidated reports and accounts of the Wider Minster Group made up to 31 March 2009;

(h) any member of the Wider Minster Group ceasing to be able to carry on business under any name under which it presently does so; or

(i) the creation of any liability, actual or contingent, by any member of the Wider Minster Group, in each case to an extent which is material and adverse in the context of the Wider Minster Group taken as a whole;

and no event having occurred which, under any provision of any agreement, arrangement, licence, permit or other instrument to which any member of the Wider Minster Group is a party or by or to which any such member or any of its assets may be bound, entitled or subject, is reasonably likely to result in any of the events or circumstances as are referred to in this paragraph 3;

4. no central bank, government or governmental, quasi-governmental, supranational, statutory, regulatory or investigative body, court, central bank, trade agency, association, authority (including any national or international anti-trust or merger control authority), institution or professional or environmental body or any other similar person or body whatsoever in any relevant jurisdiction (each a “**Third Party**”) having decided to take, institute, implement or threaten any action, suit, proceedings, investigation, enquiry or reference, or having enacted, made or proposed any statute, regulation, order or decision, or having required any action to be taken or information to be provided or having taken any other step or otherwise done anything which would or might reasonably be expected to, in each case to an extent which is likely to be material and adverse in the context of the Wider Minster Group:

(a) make the Offer or its implementation, or the acquisition or the proposed acquisition by Proximagen of any shares or other securities in, or control of, Minster or any member of the Wider Minster Group void, illegal or unenforceable in any jurisdiction, or otherwise directly or indirectly restrain, prohibit, restrict, prevent or materially delay the same or impose additional material conditions or financial or other obligations with respect thereto, or otherwise in a material way challenge or interfere therewith;

(b) require, prevent or materially delay the divestiture or alter the terms envisaged for any proposed divestiture by any member of the Wider Proximagen Group of any Minster Shares or of any shares in a member of the Wider Proximagen Group;

(c) require, prevent or materially delay the divestiture or alter the terms envisaged for any proposed divestiture by any member of the Wider Proximagen Group or by any member of the Wider Minster Group of all or any material portion of their respective businesses, assets or property, or impose any limit on the ability of any of them to conduct their respective businesses (or any of them) or to own or control any of their respective assets or properties or any part thereof;

(d) impose any significant limitation on, or result in any material delay in, the ability of any member of the Wider Proximagen Group or any member of the Wider Minster Group to acquire, hold or exercise effectively, directly or indirectly, all or any

rights of ownership of Minster Shares or any shares or securities convertible into Minster Shares or to exercise voting or management control over any member of the Wider Minster Group or any member of the Wider Proximagen Group;

- (e) except pursuant to the Offer, require any member of the Wider Proximagen Group and/or of the Wider Minster Group to acquire or offer to acquire or repay any shares or other securities in and/or indebtedness of any member of the Wider Minster Group owned by or owed to any third party;
- (f) impose any material limitation on the ability of any member of the Wider Proximagen Group and/or of the Wider Minster Group to integrate or co-ordinate its business, or any material part of it, with the business of any member of the Wider Minster Group or of the Wider Proximagen Group respectively;
- (g) result in any member of the Wider Proximagen Group or any member of the Wider Minster Group ceasing to be able to carry on business under any name which it presently does so, in each such case in a manner which is material and adverse in the context of the Wider Minster Group, respectively, taken as a whole; or
- (h) except in relation to matters which generally affect entities conducting similar businesses, otherwise adversely affect any or all of the businesses, assets, profits or financial or trading position of any member of the Wider Minster Group or any member of the Wider Proximagen Group, in each such case to an extent which is material in the context of the Wider Minster Group or the Wider Proximagen Group, respectively, taken as a whole,

and all applicable waiting and other time periods during which any Third Party could institute, implement or threaten any such action, proceedings, suit, investigation, enquiry or reference under the laws of any relevant jurisdiction, having expired, lapsed or been terminated;

5. all necessary filings and applications in connection with the Offer or its implementation having been made and all necessary waiting and other time periods (including any extensions thereof) under any applicable legislation or regulations of any relevant jurisdiction having expired, lapsed or been terminated and all statutory or regulatory obligations in any relevant jurisdiction having been complied with in each case as may be necessary in connection with the Offer and its implementation or the acquisition or proposed acquisition by Proximagen or any member of the Wider Proximagen Group of any shares or other securities in, or control of, Minster, and all authorisations, orders, recognitions, grants, consents, clearances, confirmations, licences, certificates, permissions and approvals (“**Authorisations**”) for or in respect of the Offer or the acquisition or proposed acquisition by Proximagen of any shares or other securities in, or control of, Minster or the carrying on by any member of the Wider Minster Group of its business or in relation to the affairs of any member of the Wider Minster Group having been obtained in terms and in a form reasonably satisfactory to Proximagen from all appropriate third parties or persons

with whom any member of the Wider Minster Group has entered into contractual arrangements and all such Authorisations remaining in full force and effect and all filings necessary for such purpose having been made and there being no notice or intimation of any intention to revoke, suspend, restrict or amend or not renew the same at the time at which the Offer becomes or is declared wholly unconditional and there being no indication that the renewal costs of any Authorisation are reasonably likely to be materially higher than the renewal costs for the current Authorisation;

6. since 31 March 2009 (being the date to which the latest audited consolidated reports and accounts of the Wider Minster Group were made up) and except as Disclosed or Publicly Announced:

(a) no member of the Wider Minster Group having made any alteration to its memorandum or articles of association;

(b) no member of the Wider Minster Group having (save as between Minster and wholly-owned subsidiaries of Minster or between wholly-owned subsidiaries of Minster (“intra-Minster Group transactions”)) issued or effected or authorised or proposed or announced its intention to issue, effect, authorise or propose, the issue or grant of, additional shares of any class or securities convertible into or exchangeable for or rights, warrants or options to subscribe for or acquire any such shares or securities or redeemed, repaid, purchased or reduced or proposed the redemption, purchase, repayment or reduction, or otherwise changed, any part of its share capital or any other securities;

(c) no member of the Wider Minster Group having recommended, declared, paid or made or proposed to recommend, declare, make or pay any dividend, bonus or other distribution (whether payable in cash or otherwise) other than any distribution by any wholly-owned subsidiary within the Wider Minster Group;

(d) no member of the Wider Minster Group having issued, authorised, proposed or announced its intention to propose the issue of, or make any change in or to, any debentures or other loan capital or, save in the ordinary course of business, incurred or increased any indebtedness or liability (actual or contingent);

(e) other than in the ordinary course of business, no member of the Wider Minster Group having acquired or disposed of or transferred or mortgaged, charged or encumbered or created any other security interest over the whole or any part of the business, property or material assets of any such member or shares or any right, title or interest in any material assets or shares or authorised the same or entered into, varied or terminated or authorised, proposed or announced its intention to enter into, vary, terminate or authorise any agreement, arrangement, contract, transaction or commitment (whether in respect of capital expenditure or otherwise) which is of a loss-making, long-term or onerous nature or magnitude, or which involves or might reasonably be expected to involve an obligation of such a nature or magnitude;

- (f) save for intra-Minster Group transactions, no member of the Wider Minster Group having effected, implemented, authorised, proposed or announced its intention to propose any merger, demerger, reconstruction, arrangement, amalgamation, commitment or scheme or any acquisition or disposal or transfer of assets or shares (other than in the ordinary course of business) or any right, title or interest in any assets or shares or other transaction or arrangement in respect of itself or another member of the Wider Minster Group;
- (g) no member of the Wider Minster Group having entered into or varied any agreement, contract, transaction, arrangement or commitment (other than in the ordinary course of business), which is of a long term, onerous or unusual nature or magnitude or which involves or could reasonably be expected to involve an obligation of an unusual nature or magnitude;
- (h) save for intra-Minster Group transactions, no member of the Wider Minster Group having granted any lease or third party rights in respect of any of the leasehold or freehold property owned or occupied by any member of the Wider Minster Group or transferred or otherwise disposed of any such property;
- (i) no steps having been taken which are reasonably likely to result in the withdrawal, cancellation, termination or material modification of any licence or permit held by any member of the Wider Minster Group which is necessary for the proper carrying on of its business and which in any such case, is material and adverse in the context of the Wider Minster Group taken as a whole;
- (j) the rights, liabilities, obligations or interests of any member of the Wider Minster Group in, or the business of any such member with, any person, firm or body (or any arrangement or arrangements relating to any such interest or business) being terminated, adversely modified or affected;
- (k) no litigation or arbitration proceedings, prosecution or other legal proceedings having been instituted or threatened or announced or remaining outstanding by, against or in respect of any member of the Wider Minster Group (whether as plaintiff or defendant or otherwise) and no enquiry or investigations by or complaint or reference to any Third Party against or in respect of any member of the Wider Minster Group having been threatened in writing, announced or instituted or remaining outstanding against or in respect of any member of the Wider Minster Group, in each such case which would or would be reasonably likely to materially and adversely affect the Wider Minster Group taken as a whole;
- (l) no member of the Wider Minster Group having taken or proposed any corporate action for its bankruptcy, rehabilitation, custodianship, winding-up, dissolution or authorisation or for the appointment of a receiver, administrator, administrative receiver or similar officer (save in the context of a solvent reconstruction of any member of the Wider Minster Group) or had any such person appointed or been unable or admitted in writing that it is unable to pay its debts or having stopped or

suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of any of its business or proposed or entered into any composition or voluntary arrangement with its creditors (or any class of them) or the filing at court of documentation in order to obtain a moratorium prior to a voluntary arrangement or analogous procedure or, by reason of actual or anticipated financial difficulties, commenced negotiations with one or more of its creditors with a view to rescheduling or readjusting any of its indebtedness or the making of any composition, assignment or arrangement for the benefit of any class of creditors;

- (m) no member of the Wider Minster Group having had any proceedings commenced against it for its bankruptcy, rehabilitation, custodianship, winding-up (voluntary or otherwise), dissolution, striking-off or reorganisation or for the appointment of a receiver, administrator (including the filing of any administration application, notice of intention to appoint an administrator or notice of appointment of an administrator), administrative receiver, trustee or similar officer (whether provisional, interim or permanent) of all or any part of its assets or revenues or for any analogous proceedings or steps in any jurisdiction or for the appointment of any analogous person in any jurisdiction, other than where any proceedings have been presented: -
 - (i) by a creditor, which are being contested in good faith and with diligence and are discharged within 14 days; or
 - (ii) in the context of a solvent reconstruction of any member of the Wider Minster Group;
- (n) no member of the Wider Minster Group having taken or entered into in a jurisdiction outside the United Kingdom any form of insolvency proceeding or event similar or analogous to any of the events referred to in Conditions (l) or (m) above;
- (o) no member of the Wider Minster Group having waived or compromised any claim or authorised any such waiver or compromise, save in the ordinary course of business;
- (p) there having been no adverse change or deterioration in the business, assets, financial or trading position or profits or prospects or value of any member of the Wider Minster Group, which in each such case is material in the context of the Wider Minster Group taken as a whole;
- (q) no contingent or other liability having arisen or become apparent or increased which liability or increase might reasonably be expected in either case to have a material adverse effect on the Wider Minster Group taken as a whole;
- (r) no member of the Wider Minster Group having entered into or varied or made any offer (which remains open for acceptance) to enter into or vary or announced its intention to enter into or vary to any material extent the terms of any contract,

agreement or arrangement with any of the Minster Directors or senior executives of any member of the Wider Minster Group or proposed, agreed to provide or modified the terms of any share incentive or option scheme or other benefit relating to the employment or termination of employment of any of the Minster Directors or senior executives of any member of the Wider Minster Group;

- (s) no member of the Wider Minster Group having made or agreed or consented to any significant change to the terms of the trust deeds constituting the pension schemes established for its directors and/or employees and/or their dependants or to the benefits which accrue, or to the pensions which are payable, thereunder, or to the basis on which qualification for or accrual or entitlement to such benefits or pensions are calculated or determined or to the basis upon which the liabilities (including pensions) of such pension schemes are funded or made, or agreed or consented to any change to the trustees involving the appointment of a trust corporation;
- (t) no member of the Wider Minster Group having made, or announced any proposal to make, any material change or addition to any retirement, death or disability benefit or any other employment-related benefit of or in respect of any of its directors, employees, former directors or former employees; and
- (u) no member of the Wider Minster Group having agreed to enter into or entered into an agreement or arrangement or commitment or passed any resolution or announced any intention with respect to any of the transactions, matters or events referred to in this Condition 6;

7. save as Disclosed, Proximagen not having discovered:

- (a) that any financial, business or other information concerning Minster or the Wider Minster Group which is contained in information disclosed at any time by or on behalf of any member of the Wider Minster Group either publicly or in the context of the Offer contains a misrepresentation of fact which has not, prior to the date of the Announcement, been corrected by public announcement through an RIS or omits to state a fact necessary to make the information contained therein not misleading where such misrepresentation or omission is material and adverse in the context of the Wider Minster Group taken as a whole;
- (b) any information which materially and adversely affects the import of any information disclosed to Proximagen or to any member of the Wider Proximagen Group at any time by or on behalf of Minster or any member of the Wider Minster Group which is material in the context of the Wider Minster Group taken as a whole;
- (c) that any member of the Wider Minster Group is subject to any liability, contingent or otherwise, which is not Publicly Announced and which is material in the context of that member of the Wider Minster Group; or

- (d) that any member of the Wider Minster Group has not complied with any applicable law or regulation governing the conduct of its business in any respect which would or might be reasonably likely to affect adversely the Wider Minster Group taken as a whole; and
8. save as Publicly Announced or Disclosed, Proximagen not having discovered that:
- (a) any past or present member of the Wider Minster Group has not complied with any applicable legislation or regulations of any jurisdiction with regard to the use, treatment, handling, storage, transport, release, disposal, discharge, spillage, leak or emission of any waste or hazardous substance or any substance reasonably likely to impair the environment or harm human health, or otherwise relating to environmental matters or the health and safety of any person, or that there has otherwise been any such use, treatment, handling, storage, transport, release, disposal, discharge, spillage, leak or emission (whether or not this constituted non-compliance by any person with any legislation or regulations and wherever the same may have taken place) which, in any case, would be reasonably likely to give rise to any liability (whether actual or contingent) or cost on the part of any member of the Wider Minster Group which in any case is material in the context of the Wider Minster Group taken as a whole; or
 - (b) there is, or is reasonably likely to be, any liability, whether actual or contingent, to make good, alter, improve, repair, reinstate, clean up or otherwise assume responsibility for any property now or previously owned, occupied, made use of or in respect of which a guarantee or other similar obligation has been assumed by any past or present member of the Wider Minster Group or any other property or any controlled waters under any environmental legislation, regulation, notice, circular, order or other lawful requirement of any relevant authority or third party or otherwise which in any case is material in the context of the Wider Minster Group taken as a whole.

2. Further terms of the Offer

Subject to the requirements of the Panel, Proximagen reserves the right to waive, in whole or in part, all or any of the above Conditions, except the Condition set out in paragraph 1 above. Conditions 1 to 8 (inclusive) must be fulfilled or (where capable of waiver) waived on or before midnight (London time) on the 21st day after the later of the First Closing Date and the date on which Condition 1 is fulfilled (or in each such case such later date as Proximagen may, with the consent of the Panel, decide).

Proximagen shall be under no obligation to waive (if capable of waiver) or treat as fulfilled any of Conditions 1 to 8 inclusive by a date earlier than the latest date specified above for the fulfilment thereof, notwithstanding that the other Conditions of the Offer may at such earlier date have been fulfilled and that there are, at such earlier date, no circumstances indicating that any of such Conditions may be incapable of fulfilment.

If Proximagen is required by the Panel to make an offer for Minster Shares under the provisions of Rule 9 of the City Code, Proximagen may make such alterations to any of the above Conditions as are necessary to comply with the provisions of that Rule.

If the Conditions are not met by First Closing Date or any subsequent closing date of the Offer, then Proximagen is under no obligation to extend the closing date of the Offer.

The Offer will lapse if either (i) it is referred to the Competition Commission; or (ii) the European Commission either initiates proceedings under Article 6(1)(c) of Council Regulation (EC) 139/2004 or makes a referral to a competent authority of the United Kingdom under Article 9(1) thereof and it is subsequently referred to the Competition Commission, in either case before 3.00 p.m. on the First Closing Date or the date on which the Offer becomes or is declared unconditional as to acceptances, whichever is the later. If the Offer so lapses the Offer will cease to be capable of further acceptance and accepting Minster Shareholders and Proximagen will cease to be bound by acceptances received before the time when the Offer lapses.

The Offer will extend to all Minster Shares unconditionally allotted or issued on the date on which the Offer is made, and any further Minster Shares unconditionally allotted or issued, and any treasury Shares unconditionally sold or transferred by Minster, in each case, while the Offer remains open for acceptance (or such earlier date or dates as Proximagen may decide), except that the Offer will not be made, directly or indirectly, in or into, or by the use of the mails or any means of instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facilities of a national securities exchange of Canada, Australia or Japan, or any other jurisdiction where it would be unlawful to do so and the Minster Shares will not be accepted for purchase from or on behalf of any shareholder, in Canada, Australia, Japan, or any jurisdiction in which the making or acceptance thereof would not be in compliance with the securities or other laws or regulations of such jurisdiction or would require any registration, approval or filing with any regulatory authority not expressly contemplated by the terms of this announcement.

The Minster Shares are to be acquired by Proximagen fully paid and free from all liens, charges and encumbrances, rights of pre-emption and any other third party rights of any nature whatsoever and together with all rights attaching thereto, including the right to all dividends or other distributions declared, paid or made after the date hereof.

This Offer will be governed by English law and will be subject to the jurisdiction of the English courts, to the Conditions set out in this Appendix I and in the formal Offer Document and, in respect of Minster Shares held in certificated form, the Form of Acceptance. The Offer will comply with the applicable rules and regulations of the London Stock Exchange and the City Code.

APPENDIX II

BASES OF CALCULATIONS AND SOURCES OF INFORMATION

The value attributed to the Offer is based upon the 58,901,312 Minster Shares in issue and the 12,899,993 Minster Shares to be issued pursuant to existing contractual obligations, in each case on 31 December 2009, being the last dealing day prior to the publication of this announcement.

Unless otherwise stated in this announcement, all prices for Minster Shares have been derived from the Daily Official List and represent the Closing Price on the relevant date.

The premium calculations to the price per Minster Share have been calculated by reference to a price of 4.13 pence per Minster Share, being the Closing Price on 31 December 2009, the last dealing day prior to this announcement.

APPENDIX III

DEFINITIONS

The following definitions apply throughout this document unless the context requires otherwise:-

“AIM”	the AIM market operated by the London Stock Exchange;
“Bio Partners Share Purchase Agreement”	the share purchase agreement entered into on 27 January 2005 between Minster, and the shareholders of Bio Partners Limited (as amended by a deed of variation dated 2 March 2007) with respect to the acquisition of the entire issued share capital of Bio Partners Limited;
“Business Day”	any day (other than Saturday and Sunday) on which clearing banks are generally open for business in the City of London and in New York City;
Cash Balance;	the total of all cash or cash equivalent investments held by Minster;
“City Code” or “Code”	The City Code on Takeovers and Mergers;
“Closing Price”	the middle market price for the relevant share on the close of trading as derived from the AIM Appendix to the Daily Official List on the relevant date;
“Conditions”	the conditions for the implementation of the Offer, which are set out in Appendix I to this announcement;
“Current Liabilities”	the aggregate of all liabilities of Minster, including: <ul style="list-style-type: none">(a) employee salary and pension costs;(b) taxation liabilities;(c) consultant costs;(d) advisor fees and other costs associated with the Offer;

	(e) day to day operational costs;
	(f) intellectual property maintenance and licensing costs;
	(g) liabilities in relation to dividends declared but not paid by Minster; and
	(h) contingency costs as agreed by Proximagen and Minster;
“Current Receivables”	the aggregate of all amounts due and owing to Minster, including VAT credits;
“Daily Official List”	the Daily Official List of the London Stock Exchange;
“Deferred Consideration Shares”	12,899,993 Minster Shares to be issued upon the occurrence of certain events as part consideration under the Bio Partners Share Purchase Agreement;
“Evolution Securities”	Evolution Securities Limited;
“First Closing Date”	the date 20 Business Days following the date on which the Offer Document is posted;
“Form of Acceptance”	the form of acceptance relating to the Offer which will accompany the Offer Document;
“Implementation Agreement”	means the implementation agreement dated 4 January 2010, entered into between Proximagen and Minister;
“in certificated form”	recorded on the relevant register of the relevant company as being held in certificated form and title to which may be transferred by means of a stock transfer form;
“Listing Rules”	the listing rules made by the Financial Services Authority in exercise of its functions as a competent authority pursuant to Part VI of the Financial Services and markets Act 2000 (or amended);
“London Stock Exchange”	London Stock Exchange plc;

“London Time”	Greenwich Mean Time (GMT time) or when applicable British Summer Time (BST time);
“Minster”	Minster Pharmaceuticals plc, a company incorporated in England and Wales with registered number 00481650;
“Minster Directors” or the “Minster Board”	the directors of Minster for the time being;
“Minster Group”	Minster and other entities which control, are controlled by, or are under common control with Minster;
“Minster Share Option Scheme”	the Minster Share Plan pursuant to which certain employees and senior consultants of Minster have been granted options over Minster Shares;
“Minster Shareholders”	the holders of the Minster Shares, from time to time;
“Minster Shares”	the ordinary shares of 5p each in the capital of Minster;
“Net Cash Balance”	<p>the aggregate of:</p> <ul style="list-style-type: none"> (a) the Cash Balance of Minster; plus (b) the Current Receivables of Minster due as at the date of calculation; <p>less:</p> <ul style="list-style-type: none"> (c) the Current Liabilities of Minster payable as at the date of calculation; and (d) the Termination Costs, to the extent not already captured under subparagraph (c), <p>calculated and determined in accordance with the terms of the Implementation Agreement;</p>
“Overseas Shareholders”	Minster Shareholders resident in or nationals or citizens of jurisdictions outside the United Kingdom or who are nominees of, or custodians, trustees or guardians for citizens or nationals of such other jurisdictions;

“Offer”	the recommended cash offer by Proximagen for the entire issued and to be issued share capital of Minster not already owned or contracted to be acquired by Proximagen or its associates and to be implemented by way of a cash offer as set out in the Offer Document;
“Offer Document”	the circular in respect of the Offer to be despatched to Minster Shareholders setting out, amongst other things, the full terms and Conditions of the Offer as well as the Offer itself;
“Panel” or “Takeover Panel”	The Panel on Takeovers and Mergers;
“Proximagen”	Proximagen Neuroscience plc, a company incorporated in England and Wales with registered number 05333020;
“Proximagen Directors” or “The Board of Proximagen”	the directors of Proximagen for the time being;
“Proximagen Group”	Proximagen and other entities which control, are controlled by, or are under common control with Proximagen;
“RIS”	any of the Regulatory Information Services approved by the Financial Services Authority and set out in Appendix 3 of the Listing Rules;
“subsidiary”	has the meaning given in section 1159 of the Companies Act 2006;
“subsidiary undertaking”	has the meaning given in section 1162 of the Companies Act 2006;
“Termination Costs”	the aggregate of: <ul style="list-style-type: none"> (a) the termination costs directly incurred as a result of the termination of all employees and directors of the Minster; and (b) such other liabilities which will become payable by Minster directly as a result of the Offer becoming or being declared wholly unconditional;
“UK” or “United Kingdom”	the United Kingdom of Great Britain and

Northern Ireland;

“United States” or “US”

The United States of America, its territories and possessions, any state of the United States of America and the District of Columbia and all other areas subject to its jurisdiction;

“Wider Minster Group”

Minster and its subsidiary undertakings, associated undertakings and any other undertakings in which Minster and such undertakings (aggregating their interests) have a substantial interest; and

“Wider Proximagen Group”

Proximagen and its subsidiary undertakings, associated undertakings and any other undertakings in which Proximagen and such undertakings (aggregating their interests) have a substantial interest.

In this document, the singular includes the plural and vice versa, unless the context otherwise requires.

All times referred to in this document are London times.