

Version release date – 20 February 2007

**PROFORMA SCHEDULE 1 PRE-ADMISSION ANNOUNCEMENT
TO BE ISSUED PURSUANT TO
RULE 2 OF THE AIM RULES FOR COMPANIES**

Instructions and Information

- The white boxes below each heading should be completed as fully as possible.
- For full information on what information should be disclosed and what particular terms mean, please see Schedule One to the AIM Rules for Companies. In particular, underlined terms are more fully explained in those rules.
- Announcements can be submitted for release with certain information missing (e.g. number of securities to be admitted) but please note right of the Exchange under rule 2 to restart the period in the case of material changes. Where appropriate information is to follow, please state 'TBC' in the relevant reply box.
- The form should not contain any revision marking or bullets as this cannot be recognised on RNS.
- Bold should only be used where it is an Update announcement and in relation to information that has changed since the last version that was released.
- Pursuant to rule 2 of the AIM Rules for Companies, announcements need to be released with 10 clear business days between the date of our receipt of the announcement and the date of admission. For quoted applicants, that period increases to 20 business days. If AIM Regulation receive an announcement prior to 8am on a working day and we are able to release the announcement prior to 10am, we may at our discretion count that as the first clear business day.
- In order to release the form, please email a Word version to aimregulation@londonstockexchange.com. AIM Regulation will confirm to you by email when the announcement has been released.
- In the case of queries please contact AIM Regulation on +44 (0) 20 7797 4154.

ANNOUNCEMENT TO BE MADE BY THE AIM APPLICANT PRIOR TO ADMISSION IN ACCORDANCE WITH RULE 2 OF THE AIM RULES FOR COMPANIES (“AIM RULES”)

COMPANY NAME:

EpiStem Holdings Plc

COMPANY REGISTERED OFFICE ADDRESS AND IF DIFFERENT, COMPANY TRADING ADDRESS (INCLUDING POSTCODES) :

The Incubator Building
48 Grafton Street
Manchester M13 9XX

COUNTRY OF INCORPORATION:

United Kingdom

COMPANY WEBSITE ADDRESS CONTAINING ALL INFORMATION REQUIRED BY AIM RULE 26:

www.epistem.co.uk

COMPANY BUSINESS (INCLUDING MAIN COUNTRY OF OPERATION) OR, IN THE CASE OF AN INVESTING COMPANY, DETAILS OF ITS INVESTING STRATEGY). IF THE ADMISSION IS SOUGHT AS A RESULT OF A REVERSE TAKE-OVER UNDER RULE 14, THIS SHOULD BE STATED:

EpiStem is a biotechnology company commercialising adult stem cells in the areas of oncology and gastrointestinal diseases as well as cosmeceutical applications. EpiStem develops innovative therapeutics and diagnostic biomarkers and provides contract research services to drug development companies. The Group's expertise is focused on the regulation of adult stem cells located in epithelial tissue, which includes the gastrointestinal tract, skin, hair follicles, breast and prostate. EpiStem does not conduct research in the areas of embryonic stem cells or stem cell transplantation.

EpiStem operates two distinct business divisions, Contract Research Services and Novel Therapies.

Contract Research Services

Contract Research Services provides specialised preclinical efficacy testing primarily for drug development companies on a fee for service basis. This division on a standalone basis is cash generative and profitable, with an established five-year track record of providing testing services to over 65 company clients primarily in Europe and the United States.

Novel Therapies

Novel Therapies is focused on developing its own innovative therapeutics and diagnostic biomarkers. Through its discovery platform, Novel Therapies has identified 250 potential drug candidates, of which a subset will undergo further evaluation as stem cell regulators for the Group's emerging drug development pipeline. Novel Therapies is also conducting feasibility studies with two drug development companies using its clinical diagnostic biomarker technology.

The Group employs 29 staff in total all of which are based at the Company's registered office.

DETAILS OF SECURITIES TO BE ADMITTED INCLUDING ANY RESTRICTIONS AS TO TRANSFER OF THE SECURITIES (i.e. where known, number and type of shares, nominal value and issue price to which it seeks admission and the number and type to be held as treasury shares):

6,538,077 Ordinary Shares of 1.5p each at 124p a share

CAPITAL TO BE RAISED ON ADMISSION (IF APPLICABLE) AND ANTICIPATED MARKET CAPITALISATION ON ADMISSION:				
£2.99 million (gross) to be raised on Admission. Expected market cap £8.1 million .				
PERCENTAGE OF AIM SECURITIES NOT IN PUBLIC HANDS AT ADMISSION:				
33.39%				
DETAILS OF ANY OTHER EXCHANGE OR TRADING PLATFORM TO WHICH THE AIM SECURITIES (OR OTHER SECURITIES OF THE COMPANY) ARE OR WILL BE ADMITTED OR TRADED:				
N/A				
FULL NAMES AND FUNCTIONS OF <u>DIRECTORS</u> AND PROPOSED DIRECTORS (underlining the first name by which each is known or including any other name by which each is known):				
<u>David</u> Eric Evans	<i>(Chairman)</i>			
<u>Matthew</u> Heaton Walls	<i>(Chief Executive Officer)</i>			
<u>Jeffrey</u> Gould Moore	<i>(Managing Director, Novel Therapies)</i>			
Hugh <u>John</u> Joseph Rylands	<i>(Financial Director)</i>			
<u>Catherine</u> Booth	<i>(Managing Director, Contract Research Services)</i>			
<u>Robert</u> Dwyer Nolan	<i>(Non-Executive Director)</i>			
<u>Christopher</u> Stanislaus Potten	<i>(Chief Scientific Adviser)</i>			
<u>Gerard</u> Brady	<i>(Research Director, Novel Therapies)</i>			
FULL NAMES AND HOLDINGS OF <u>SIGNIFICANT SHAREHOLDERS</u> EXPRESSED AS A PERCENTAGE OF THE ISSUED SHARE CAPITAL, BEFORE AND AFTER ADMISSION (underlining the first name by which each is known or including any other name by which each is known):				
	<i>Pre Admission</i>		<i>Post Admission</i>	
	<i>No of Ordinary Shares</i>	<i>Percentage of issued share capital</i>	<i>No of Ordinary Shares</i>	<i>Percentage of issued share capital</i>
<u>Christopher</u> Stanislaus Potten	1,020,000	25.21%	919,320	14.06%
<u>Catherine</u> Booth	980,000	24.22%	980,000	14.99%
Calculus Nominees Ltd	444,600	10.99%	444,600	6.80%
Hugh <u>John</u> Joseph Rylands	177,800	4.39%	189,898	2.9%
Giltspur Nominees Ltd	177,018	4.38%	177,018	2.71%
<u>Jonathan</u> Moulton	155,280	3.84%	235,925	3.61%
Rensburg Client Nominees Ltd	155,280	3.84%	235,925	3.61%
<u>Caroline</u> Cochrane	128,800	3.18%	128,800	1.97%
<u>John</u> Cochrane	128,800	3.18%	128,800	1.97%
<u>North West Business Investment Scheme</u>	93,167	2.30%	294,780	4.51%
<u>Calculus Capital Limited</u>	-	-	282,258	4.32%
<u>Neptune Calculus Income and Growth VCT plc</u>	-	-	201,613	3.08%
<u>David Newton</u>	-	-	455,600	6.97%
NAMES OF ALL PERSONS TO BE DISCLOSED IN ACCORDANCE WITH SCHEDULE 2, PARAGRAPH (H) OF THE AIM RULES:				
None				
(i)	ANTICIPATED ACCOUNTING REFERENCE DATE			
(ii)	DATE TO WHICH THE <u>MAIN FINANCIAL INFORMATION</u> IN THE ADMISSION DOCUMENT HAS BEEN PREPARED			
(iii)	DATES BY WHICH IT MUST PUBLISH ITS FIRST THREE REPORTS			

PURSUANT TO AIM RULES 18 AND 19:
(i) 30 th June (ii) 30 th June 2006 (iii) 31 st December 2007, 31 st March 2008 and 31 st December 2008
EXPECTED ADMISSION DATE:
First Admission 4 April 2007 Second Admission 10 April 2007 Third Admission 11 April 2007
NAME AND ADDRESS OF NOMINATED ADVISER:
Teather & Greenwood Ltd. Beaufort House 15 St Botolph Street London EC3A 7QR
NAME AND ADDRESS OF BROKER:
Teather & Greenwood Ltd. Beaufort House 15 St Botolph Street London EC3A 7QR
OTHER THAN IN THE CASE OF A QUOTED APPLICANT, DETAILS OF WHERE (POSTAL OR INTERNET ADDRESS) THE ADMISSION DOCUMENT WILL BE AVAILABLE FROM, WITH A STATEMENT THAT THIS WILL CONTAIN FULL DETAILS ABOUT THE APPLICANT AND THE ADMISSION OF ITS SECURITIES:
The Incubator Building, 48 Grafton Street, Manchester M3 9XX
DATE OF NOTIFICATION:
30 March 2007
NEW/ UPDATE:
Update
QUOTED APPLICANTS MUST ALSO COMPLETE THE FOLLOWING:
THE NAME OF THE <u>AIM DESIGNATED MARKET</u> UPON WHICH THE APPLICANT'S SECURITIES HAVE BEEN TRADED:
THE DATE FROM WHICH THE APPLICANT'S SECURITIES HAVE BEEN SO TRADED:
CONFIRMATION THAT, FOLLOWING DUE AND CAREFUL ENQUIRY, THE APPLICANT HAS ADHERED TO ANY LEGAL AND REGULATORY REQUIREMENTS INVOLVED IN HAVING ITS SECURITIES TRADED UPON SUCH A MARKET OR <u>DETAILS OF WHERE THERE HAS BEEN ANY BREACH:</u>
AN ADDRESS OR WEB-SITE ADDRESS WHERE ANY DOCUMENTS OR ANNOUNCEMENTS WHICH THE APPLICANT HAS MADE PUBLIC OVER THE LAST TWO YEARS (IN CONSEQUENCE OF HAVING ITS SECURITIES SO TRADED) ARE AVAILABLE:
DETAILS OF THE APPLICANT'S STRATEGY FOLLOWING ADMISSION INCLUDING, IN THE CASE OF AN INVESTING COMPANY, DETAILS OF ITS INVESTING STRATEGY:
A DESCRIPTION OF ANY SIGNIFICANT CHANGE IN FINANCIAL OR TRADING POSITION OF THE APPLICANT, WHICH HAS OCCURRED SINCE THE END OF THE LAST FINANCIAL PERIOD FOR WHICH AUDITED STATEMENTS HAVE BEEN PUBLISHED:
A STATEMENT THAT THE DIRECTORS OF THE APPLICANT HAVE NO REASON TO BELIEVE THAT THE WORKING CAPITAL AVAILABLE TO IT OR ITS GROUP WILL BE

INSUFFICIENT FOR AT LEAST TWELVE MONTHS FROM THE DATE OF ITS
ADMISSION:

DETAILS OF ANY LOCK-IN ARRANGEMENTS PURSUANT TO RULE 7 OF THE AIM
RULES:

A BRIEF DESCRIPTION OF THE ARRANGEMENTS FOR SETTLING THE APPLICANT'S SECURITIES:

A WEBSITE ADDRESS DETAILING THE RIGHTS ATTACHING TO THE APPLICANT'S SECURITIES:

INFORMATION EQUIVALENT TO THAT REQUIRED FOR AN ADMISSION DOCUMENT WHICH IS NOT CURRENTLY PUBLIC:

A WEBSITE ADDRESS OF A PAGE CONTAINING THE APPLICANT'S LATEST ANNUAL REPORT AND ACCOUNTS WHICH MUST HAVE A FINANCIAL YEAR END NOT MORE THEN NINE MONTHS PRIOR TO ADMISSION AND INTERIM RESULTS WHERE APPLICABLE. THE ACCOUNTS MUST BE PREPARED IN ACCORDANCE WITH ACCOUNTING STANDARDS PERMISSIBLE UNDER AIM RULE 19:

THE NUMBER OF EACH CLASS OF SECURITIES HELD IN TREASURY: