



FOR IMMEDIATE RELEASE

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**ANGEL BIOTECHNOLOGY HOLDINGS PLC
("Angel" or "the Company")**

Angel contracted by Phico Therapeutics

Angel Biotechnology Holdings plc, (AIM: ABH) the biopharmaceutical contract manufacturer and Phico Therapeutics Ltd, an early stage biotech company developing a novel anti-bacterial platform technology, are pleased to announce the details of process scale-up and good manufacturing practice (GMP) contracts. Terms of the contracts have not been disclosed.

Under the contracts, Angel will evaluate and scale up processes utilising Phico's novel methodology which will be employed to manufacture Phico's therapeutic antibiotic products.

Phico's technology utilises a broad spectrum antibiotic protein coupled with a delivery system that can be programmed to target any selected harmful bacteria. Products currently in development are aimed at *Staphylococcus aureus*, including MRSA, and *Clostridium difficile*.

This programme of works will lead to the GMP manufacturing of Phico's first product which is designed to eliminate nasal carriage of *Staphylococcus aureus*, including MRSA.

Gordon Sherriff, Chief Operating Officer of Angel Biotechnology Holdings plc, said: "We are delighted to have the opportunity to work with Phico. Angel's service offering fits well with the needs of emerging biotech companies such as Phico, as we can offer flexibility and are keen to support innovative products and technology. This project represents an important contribution to Angel's growth in 2006 and beyond. We look forward to the successful outcome of the project".

Heather Fairhead, Chief Executive Officer of Phico Therapeutics Ltd, said: "We are confident we have made the right decision in selecting Angel to carry out these important steps to GMP manufacture of our first product. The team at Angel has been very supportive and we have benefited from their valuable experience. They understand and are able to accommodate the needs of Phico as an early stage biotech company. We look forward to the successful completion of this project and the supply of material for our first human clinical trial."

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About Angel Biotechnology Holdings plc

Angel Biotechnology Holdings plc is a fast growing biomanufacturing company offering process development services and cGMP manufacturing to support biotechnology and pharmaceutical companies worldwide. Angel's principal activity is the manufacture and supply of materials for use in early stage drug development and pre-clinical studies, along with drug product and CMC documentation for Phases I, II and III clinical trials and the manufacture of licensed drugs or vaccines.

Angel is managed by a team that has more than 100 years' combined experience in pharmaceutical and biopharmaceutical manufacture, gained in companies such as Glaxo, SmithKline Beecham and Serologicals Inc.

Angel operates out of two sites, at Cramlington near Newcastle upon Tyne and at Pentlands Science Park, near Edinburgh.

Angel was established in 2000 and was admitted to trading on AIM in November 2005.

About Phico Therapeutics Ltd

Phico Therapeutics was formed in late 2000 to develop a novel antibiotic platform technology, known as SASPject. The technology is based on a unique protein that binds to and inactivates bacterial DNA rendering the targeted bacteria unable to replicate or survive. Most importantly, the protein is not selective in the way that it inactivates bacterial DNA, thus making the development of resistance less likely. The use of a programmable delivery system enables Phico to inactivate only targeted harmful bacteria whilst leaving the normal skin and gut flora unharmed.

The company has raised in excess of £2 million and has laboratories and offices at the Babraham Research Campus near Cambridge. Phico has ten employees, including nine post-doctoral scientists led by Dr Heather Fairhead.