

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or the action you should take, you are recommended to seek your own personal financial advice from your stockbroker, solicitor, accountant, bank manager or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000.

If you have sold or otherwise transferred all your shares in the capital of ValiRx Plc, please send this document, together with the accompanying Form of Proxy, immediately to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee.

VALIRX PLC

(Incorporated in England and Wales with registered number 03916791)

**Placing of 549,500,000 new
Ordinary Shares at 0.6 pence each**

Notice of General Meeting

Your attention is drawn to the letter from the Chairman of ValiRx Plc set out in this document which recommends that you vote in favour of the resolutions to be proposed at the General Meeting.

A notice convening a General Meeting of ValiRx Plc to be held at the offices of Nabarro LLP at Lacon House, 84 Theobald's Road, London WC1X 8RW at 10.00 a.m. on 7 March 2011 is set out at the end of this document. A Form of Proxy for use at the General Meeting is enclosed with this document. **To be valid, the accompanying Form of Proxy for use in connection with the General Meeting must be completed in accordance with the instructions printed on it and returned by post or by hand as soon as possible but, in any event, so as to be received by the Company's registrars, Capita Registrars at PXS, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, by no later than 10.00 a.m. on 5 March 2011.**

CREST members can also appoint proxies by using the CREST electronic proxy appointment service and transmitting a CREST Proxy Instruction in accordance with the procedures set out in the CREST Manual so that it is received by the Company's registrars, Capita Registrars (under CREST participant RA10) by no later than 10.00 a.m. on 5 March 2011. The time of receipt will be taken to be the time from which Capita Registrars is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

The completion and deposit of the Form of Proxy or transmitting a CREST Proxy Instruction will not preclude Shareholders from attending and voting in person at the General Meeting should they wish to do so.

The Directors recommendation is set out on page 5 of this document.

Hybridan, which is authorised and regulated by the Financial Services Authority, is acting exclusively for ValiRx Plc in relation to the Placing and is not acting for any other person and will not be responsible to any other person for providing the protections afforded to the customers of Hybridan or for advising them on the contents of this document or any other matter in relation to the Placing. Neither Hybridan nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Hybridan in connection with this document, any statement contained herein or otherwise.

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EXPECTED TIMETABLE OF EVENTS

Latest time for receipt of Forms of Proxy	10.00 a.m. on 5 March 2011
General Meeting	10.00 a.m. on 7 March 2011

DEFINITIONS

In this document and in the Form of Proxy the following definitions shall apply unless the context requires otherwise:

"AGM"	annual general meeting;
"AIM"	AIM, a market operated by the London Stock Exchange;
"Board" or "Directors"	the directors of the Company, whose names are set out on page 2 of this document;
"Companies Act"	the Companies Act 2006, as amended;
"CREST"	the relevant system (as defined in the Uncertificated Securities Regulations 2001) in respect of which Euroclear is the Operator (as defined in such regulations);
"CREST Proxy Instruction"	a properly authenticated CREST message appointing and instructing a proxy to attend and vote in place of a Shareholder at the General Meeting and containing the information required to be contained in the manual published by Euroclear;
"Euroclear"	Euroclear UK & Ireland Limited, the operator of CREST (formerly known as CRESTCo Limited);
"Existing Ordinary Shares"	the 495,062,609 Ordinary Shares in issue at the date of this document;
"Form of Proxy"	the form of proxy for use by the Shareholders in connection with the General Meeting enclosed with this document;
"General Meeting"	the general meeting of the Company convened for 10.00 a.m. on 7 March 2011, notice of which is set out at the end of this document, or any reconvened meeting following any adjournment thereof;
"Hybridan"	Hybridan LLP;
"London Stock Exchange"	London Stock Exchange plc;
"Ordinary Shares"	the ordinary shares of 0.1 pence each in the capital of ValiRx;
"Placing"	the conditional placing by Hybridan on behalf of the Company of 549,500,000 new Ordinary Shares at a price of 0.6 pence per new Ordinary Share, as announced on 16 February 2011;
"Resolutions"	the resolutions to be approved at the General Meeting, details of which are set out in the notice of the General Meeting at the end of this document;
"Shareholders"	holders of Ordinary Shares and "Shareholder" shall be construed accordingly; and
"ValiRx" or "Company"	ValiRx Plc (incorporated in England and Wales with company number 03916791).

LETTER FROM THE CHAIRMAN OF VALIRX PLC

VALIRX PLC

(Incorporated in England and Wales with registered number 03916791)

Directors:

Mr Nicholas Thorniley (Chairman)
Dr Satu Vainikka (Chief Executive Officer)
Mr Gerry Desler (Chief Financial Officer)
Mr Kevin Alexander (Non-Executive Director)
Dr George Morris (Non-Executive Director)

Registered Office:

24 Greville Street
London
EC1N 8SS

18 February 2011

To Shareholders and, for information purposes only, to the holders of options over Ordinary Shares

Dear Shareholder,

PLACING OF 549,500,000 NEW ORDINARY SHARES AT 0.6 PENCE EACH

NOTICE OF GENERAL MEETING

INTRODUCTION

The Company has today announced that a General Meeting of the Company will be held at 10.00 a.m. on 7 March 2011 at which the Directors are seeking to increase the share authorities of the Company to enable it to effect the conditional placing of new Ordinary Shares announced on 16 February 2011. The Resolutions also give the Company additional flexibility with regard to further issues of equity in the future.

The purpose of this document is to provide you with information on, and to outline the reasons for, the Resolutions and to explain why the Board considers that the Resolutions will promote the success of the Company for the benefit of all its Shareholders, and why the Board recommends that you vote in favour of the Resolutions. At the end of this document, Shareholders will find the notice of the General Meeting. A Form of Proxy for use at the General Meeting is also enclosed with this document.

BACKGROUND TO AND REASONS FOR THE RESOLUTIONS

Following a general meeting of the Company held on 26 January 2011, the Directors obtained authorities to issue up to 280,000,000 new Ordinary Shares (equivalent to £280,000 at nominal value) pursuant to section 551 of the Companies Act. Furthermore, at that general meeting, Shareholders provided the Directors with the authority under section 570 of the Companies Act to disapply the Companies Act's pre-emption requirements in relation to certain share issues, including the issue of new Ordinary Shares for cash, up to a maximum of 280,000,000 new Ordinary Shares (equivalent to £280,000 at nominal value).

Since that date, the Company has issued a total of 3,763,265 new Ordinary Shares with an aggregate nominal value of £3,763.27. The Company currently has authority to issue a further 276,236,735 new Ordinary Shares for cash on a non pre-emptive basis without Shareholder approval.

The Company announced on 16 February 2011 that it had conditionally raised £3,297,000 in a placing of new Ordinary Shares for cash at a price of 0.6 pence per new Ordinary Share. To undertake the Placing in full, the Company requires authorities to allot 549,500,000 new Ordinary Shares, which is in excess of its

existing authorities as set out above. In order to effect the Placing and provide flexibility for additional issues of equity in the future, the Company is requesting authorities to allot:

1. up to 549,500,000 new Ordinary Shares pursuant to the Placing for cash on a non pre-emptive basis, representing approximately 111 per cent. of the Existing Ordinary Shares;
2. new equity securities in connection with a rights issue or other pro rata offer to existing Shareholders; and
3. (otherwise than in connection with a rights issue or other pro rata offer to existing Shareholders) up to an aggregate nominal amount of £52,228.13 of new equity securities, representing approximately 5 per cent. of the enlarged issued share capital of the Company assuming the Placing is completed in full.

The net proceeds of the Placing will be used by the Company to:

- accelerate the pre-clinical progress of its lead therapeutics VAL101 and 102;
- support the sales and marketing activities of ValiRx's subsidiary, Valimedix;
- develop the Company's companion diagnostics for use in its therapeutic programmes; and
- support the development and testing of its HPV diagnostic.

The Resolutions have therefore been proposed in order to provide the Directors with sufficient authorities to carry out the Placing and raise further finance through the issue of new Ordinary Shares.

GENERAL MEETING

At the end of this document, Shareholders will find a notice convening the General Meeting to be held at 10.00 a.m. on 7 March 2011 at the offices Nabarro LLP at Lacon House, 84 Theobald's Road, London WC1X 8RW.

The Resolutions are considered in detail below:

Resolution 1 - Authority to allot shares

In accordance with the provisions of section 549 of the Companies Act, the Directors are prevented from exercising the Company's powers to allot new Ordinary Shares without an authority contained in either the articles of association or in a resolution of the Shareholders in a general meeting. Such authority was given by Shareholders at a general meeting of the Company held on 26 January 2011, for a period expiring at the conclusion of the next AGM in 2011. As described above, the Directors are seeking further authority to effect the Placing.

Resolution 1 therefore proposes to replace this authority with a new general authority to allot Ordinary Shares up to a maximum nominal amount of £800,000 (800,000,000 Ordinary Shares), representing approximately 162 per cent. of the Existing Ordinary Shares in issue for the period expiring at the conclusion of the next AGM in 2011. The Directors intend to use this authority, if granted, for the purposes outlined above.

In proposing this Resolution, the Directors consider that this Resolution will promote the success of the Company for the benefit of all its Shareholders as it will enable the Directors to allot new Ordinary Shares pursuant to the Placing and otherwise from time to time, so that when opportunities that benefit the Company arise, the Directors can use the balance of this authority to issue new Ordinary Shares (subject to the limitations set out in the Resolutions) without the need to incur the cost and delay of convening a general meeting of the Company to seek specific authority for each allotment.

Resolution 2 - Authority to disapply statutory pre-emption rights

The Companies Act requires that an allotment of new Ordinary Shares for cash may only be made if the new Ordinary Shares are first offered to existing Shareholders on a pre-emptive basis. In accordance with general practice, the Directors propose that advantage be taken of the provisions of section 570 of the Companies Act to disapply the Companies Act's pre-emption requirements in relation to certain share issues. Such authority was given by Shareholders at a general meeting of the Company held on 26 January 2011 for a period expiring at the conclusion of the next AGM in 2011.

As described above, the Directors are seeking to replace this authority with a new authority permitting the Directors to allot:

1. up to 549,500,000 new Ordinary Shares pursuant to the Placing for cash on a non pre-emptive basis, representing approximately 111 per cent. of the Existing Ordinary Shares;
2. new equity securities in connection with a rights issue or other pro rata offer to existing Shareholders; or
3. (otherwise than in connection with a rights issue or other pro rata offer to existing Shareholders) up to an aggregate nominal amount of £52,228.13 of new equity securities, representing approximately 5 per cent. of the enlarged issued share capital of the Company assuming the Placing is completed in full.

In proposing this Resolution, the Directors consider that this Resolution will promote the success of the Company for the benefit of all its Shareholders as it will enable the Directors to allot 549,500,000 new Ordinary Shares as set out above in relation to the Placing and the balance of such authority to be retained to allow the Directors the flexibility to allot further shares from time to time, subject to the limitations set out in the Resolutions.

ACTION TO BE TAKEN

Shareholders will find the Form of Proxy enclosed with this document. Whether or not Shareholders intend to be present at the General Meeting, Shareholders are requested to complete and return the Form of Proxy as soon as possible and, in any event, so as to be received by the Company's registrars, Capita Registrars at PXS, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, by no later than 10.00 a.m. on 5 March 2011.

CREST members can also appoint proxies by using the CREST electronic proxy appointment service and transmitting a CREST Proxy Instruction in accordance with the procedures set out in the CREST Manual so that it is received by the Company's registrars, Capita Registrars (under CREST participant RA10) by no later than 10.00 a.m. on 5 March 2011. The time of receipt will be taken to be the time from which Capita Registrars is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

The completion and deposit of the Form of Proxy or transmitting a CREST Proxy Instruction will not preclude Shareholders from attending and voting in person at the General Meeting should they wish to do so.

RECOMMENDATION

The Board considers that the Resolutions to be proposed at the General Meeting will promote the success of the Company for the benefit of all its Shareholders. Accordingly, the Board unanimously recommends you to vote in favour of the Resolutions to be proposed at the General Meeting as they themselves intend to do so in respect of their own beneficial holdings of 45,110,711 Ordinary Shares (representing approximately 9.1 per cent. of the Existing Ordinary Shares in issue).

Yours sincerely

Nicholas Thorniley
Chairman

NOTICE OF GENERAL MEETING

VALIRX PLC

(Incorporated in England and Wales with registered number 03916791)

(the "**Company**")

NOTICE IS HEREBY GIVEN that a general meeting of the Company will be held at the offices of Nabarro LLP at Lacon House, 84 Theobald's Road, London WC1X 8RW at 10.00 a.m. on 7 March 2011 for the purpose of considering and, if thought fit, passing the following resolutions, which will be proposed as an ordinary resolution and a special resolution in relation to resolutions 1 and 2 respectively:

ORDINARY RESOLUTION

1. **THAT** the directors be and they are hereby generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the "**Companies Act**") in substitution for all existing authorities to exercise all the powers of the Company to allot shares and to make offers or agreements to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company (together "**Relevant Securities**") up to an aggregate nominal amount of £800,000 provided that this authority shall expire at the conclusion of the annual general meeting of the Company to be held in 2011, except that the Company may before such expiry make an offer or agreement which would or might require Relevant Securities or equity securities (as defined in section 560(1) of the Companies Act) as the case may be to be allotted after such expiry and the directors may allot Relevant Securities or equity securities in pursuance of any such offer or agreement as if the authority in question had not expired.

SPECIAL RESOLUTION

2. **THAT** the directors be and are empowered, in accordance with section 570 of the Companies Act, to allot equity securities (as defined in section 560(1) of the Companies Act) for cash pursuant to the authority conferred by resolution 1 above or by way of a sale of treasury shares as if section 561(1) of the Companies Act did not apply to any such allotment, provided that this power shall be limited to:
 - 2.1. 549,500,000 new ordinary shares of 0.1 pence each in the capital of the Company pursuant to a proposed placing by Hybridan LLP on behalf of the Company;
 - 2.2. the allotment of equity securities in connection with a rights issue or other pro rata offer in favour of holders of ordinary shares and other persons entitled to participate therein where the equity securities respectively attributable to the interests of all those persons at such record dates as the directors may determine are proportionate (as nearly as may be) to the respective numbers of equity securities held (or deemed to be held) by them or are otherwise allotted in accordance with the rights attaching to such equity securities subject in each case to such exclusions or other arrangements as the directors may consider necessary or expedient to deal with fractional entitlements or legal difficulties under the laws of any territory or the requirements of a regulatory body or stock exchange or by virtue of shares being represented by depositary receipts or any other matter whatsoever; and

2.3. the allotment (otherwise than pursuant to paragraph 2.2 above) of equity securities up to an aggregate nominal amount of £52,228.13,

and this authority shall expire upon the expiry of the general authority conferred by resolution 1 above, except that the Company may make an offer or agreement before this power expires which would or might require equity securities to be allotted and/or shares held by the Company in treasury to be sold or transferred after such expiry and the directors may allot equity securities and/or sell or transfer shares held by the Company in treasury in pursuance of such offer or agreement as if the power conferred by this resolution had not expired.

By order of the Board
Kevin Alexander
Secretary

18 February 2011

Registered Office:

24 Greville Street
London
EC1N 8SS

Notes

1. A member entitled to attend and vote at the meeting is entitled to appoint another person(s) (who need not be a member of the Company) to exercise all or any of his rights to attend, speak and vote at the meeting. A member can appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attaching to different shares held by him.
2. Your proxy could be the Chairman, another director of the Company or another person who has agreed to attend to represent you. Your proxy will vote as you instruct and must attend the meeting for your vote to be counted. Details of how to appoint the Chairman or another person as your proxy using the proxy form are set out in the notes to the proxy form. Appointing a proxy does not preclude you from attending the meeting and voting in person. If you attend the meeting in person, your proxy appointment will automatically be terminated.
3. An appointment of proxy is provided with this notice and instructions for use are shown on the form. In order to be valid, a completed appointment of proxy must be returned to the Company's registrars, Capita Registrars by one of the following methods:
 - 3.1 in hard copy form by post, by courier or by hand to the address shown on the form of proxy; or
 - 3.2 in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below,

and in each case must be received by the Company by no later than 10:00 am on 5 March 2011.

Please note that any electronic communication sent to us in respect of the appointment of a proxy that is found to contain a computer virus will not be accepted.

4. To change your proxy instructions you may return a new proxy appointment using the methods set out above. Where you have appointed a proxy using the hard copy proxy form and would like to change the instructions using another hard copy proxy form, please contact the Capita Registrars at PXS, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU. The deadline for receipt of proxy appointments (see above) also applies in relation to amended instructions. Any attempt to terminate or amend a proxy appointment received after the relevant deadline will be disregarded. Where two or more valid separate appointments of proxy are received in respect of the same share in respect of the same meeting, the one which is last sent shall be treated as replacing and revoking the other or others.
- 5.1 CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so by utilising the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
- 5.2 In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a **"CREST Proxy Instruction"**) must be properly authenticated in accordance with Euroclear UK & Ireland's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer's agent, Capita Registrars (ID RA10) by the latest time(s) for receipt of proxy appointments specified in the notice of meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

- 5.3 The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
- 5.4 CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
6. Only those shareholders registered in the Register of Members of the Company as at 6.00 p.m. on 5 March 2011 (or, if the meeting is adjourned, on the date which is two days before the time of the adjourned meeting) shall be entitled to attend and vote at the meeting or adjourned meeting in respect of the number of shares registered in their respective names at that time. Changes to the Register of Members after that time will be disregarded in determining the rights of any person to attend or vote at the meeting or adjourned meeting.
7. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
8. You may not use any electronic address provided either in this notice of general meeting or any related documents (including the form of proxy) to communicate with the Company for any purposes other than those expressly stated.
9. As at 17 February 2011 (being the last business day before the publication of this notice), the Company's issued share capital consisted of 495,062,609 ordinary shares carrying one vote each. The Company does not hold any ordinary shares in treasury.
10. Any member attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if:
- 10.1 to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;
- 10.2 the answer has already been given on a website in the form of an answer to a question; or
- 10.3 it is undesirable in the interests of the company or the good order of the meeting that the question be answered.

