

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document and/or the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) ("FSMA") if you are in the United Kingdom or, if not, another appropriately authorised independent financial adviser.

If you have sold or otherwise transferred all of your Existing Ordinary Shares in Scancell Holdings plc before the Record Date, being 3 March 2010, please forward this document immediately, together with the accompanying Application Form, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you have sold only part of your holding of Existing Ordinary Shares, please contact your stockbroker, bank or other agent through whom the sale or transfer was effected immediately, and refer to the instructions regarding split applications set out in the Application Form. However, this document and the accompanying Application Form should not be sent or transmitted in or into, any jurisdiction where to do so might constitute a violation of local securities law or regulations including, but not limited to, the United States, Canada, Japan, Australia, the Republic of Ireland or the Republic of South Africa.

This document is not a prospectus for the purposes of the Prospectus Rules and has not been prepared in accordance with the Prospectus Rules. Accordingly, this document has not been, and will not be, reviewed or approved by the Financial Services Authority of the United Kingdom ("FSA"), pursuant to sections 85 and 87 of FSMA, the London Stock Exchange or any other authority or regulatory body.

You should read the whole of this document. Your attention is drawn in particular to the letter from the Chairman of Scancell Holdings plc which is set out in Part I of this document and to Part III and Part IV of this document. In addition, your attention is drawn to Part II of this document entitled "Risk Factors" which contains a discussion of certain factors that should be considered by Shareholders when considering whether or not to make an application pursuant to the Open Offer.

Shareholders seeking EIS Relief or VCT Relief should, in particular, read paragraph 10 on page 13.

The Existing Ordinary Shares are admitted to trading on PLUS. PLUS is a market operated by Plus Markets plc incorporating a primary market for the shares of small and medium sized companies (known as PLUS-quoted securities). PLUS-quoted securities are not listed and the market is not classified as a Regulated Market under EU financial services law. An investment in the shares of smaller companies tends to involve a higher investment risk than an investment in more mature companies. If you are in any doubt about the contents of this document you should consult a person authorised by the FSA to provide independent advice.

An application will be made to Plus Markets plc for the New Ordinary Shares to be issued pursuant to the Open Offer to be admitted to trading on PLUS. It is expected that Admission will become effective and that dealings in the New Ordinary Shares will commence at 8.00 a.m. on 30 March 2010.

The latest time and date for acceptance and payment in full under the Open Offer is 1.00 p.m. on 26 March 2010. The procedure for acceptance and payment is set out in Part III of this document and in the Application Form.

Scancell Holdings plc

(Incorporated and registered in England and Wales under the Companies Act 1985 with registered number 06564638)

**Open Offer of 5,137,775 New Ordinary Shares
at 45 pence per share to raise £2.31 million**

Zeus Capital Limited

Corporate Adviser

Shareholders are advised to return their Application Forms (where relevant) as soon as possible so as to ensure that they are received by the Company's Registrar, SLC Registrars, Thames House, Portsmouth Road, Esher, Surrey KT10 9AD by no later than 1.00 p.m. on 26 March 2010.

The distribution of this document and/or the accompanying Application Form in jurisdictions other than the UK, including the United States, Canada, Japan, Australia, the Republic of Ireland, the Republic of South Africa, may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any of those restrictions. Any failure to comply with any of those restrictions may constitute a violation of the securities laws of any such jurisdiction.

Neither the New Ordinary Shares nor the Open Offer Entitlements have been or will be registered under the US Securities Act or under the applicable state securities laws of the United States or under the applicable securities laws of Japan, Canada, Australia, the Republic of South Africa or the Republic of Ireland. Subject to certain exceptions, the New Ordinary Shares made available under the Open Offer and the Open Offer Entitlements may not be offered, sold, taken up, delivered or transferred in or into the United States, Australia, Canada, the Republic of South Africa, the Republic of Ireland or Japan or to, or for the account or benefit of, a US person and, subject to certain exceptions, Application Forms are not being posted to any person in the United States, Australia, Canada, the Republic of South Africa, the Republic of Ireland or Japan.

The New Ordinary Shares and the Open Offer Entitlements have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the New Ordinary Shares or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

The attention of Overseas Shareholders and other recipients of this document who are residents or citizens of any country other than the United Kingdom is drawn to the section entitled "Overseas Shareholders" at paragraph 6 of Part III of this document.

Zeus Capital Limited, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for the Company and no-one else in connection with the Open Offer and will not regard any other person (whether or not a recipient of this document) as a client in relation to the Open Offer and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing advice in relation to the Open Offer or any other matter referred to herein. Its responsibilities as the Company's corporate adviser under the PLUS Rules for Issuers and the PLUS Corporate Advisers Handbook are owed to Plus Markets plc and the Company and not to any other person in respect of his decision to acquire New Ordinary Shares in reliance on any part of this document. No representation or warranty, express or implied, is made by Zeus Capital Limited as to any of the contents of this document.

Both Qualifying non-CREST Shareholders and Qualifying CREST Shareholders will find an Application Form accompanying this document. Applications under the Open Offer may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* Market Claim arising out of a sale or transfer of Existing Ordinary Shares prior to the Record Date, 3 March 2010. Qualifying Shareholders may elect to deposit the Open Offer Shares that they subscribe for under the Open Offer into CREST by completing the applicable section of the Application Form.

Holdings of Existing Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating entitlements under the Open Offer.

CONTENTS

	<i>Page</i>
Key Statistics	3
Expected Timetable of Principal Events	4
Definitions	5
Part I – Letter from the Chairman	8
Part II – Risk Factors	15
Part III – Terms and Conditions of the Open Offer	17
Part IV – Additional Information	27

KEY STATISTICS

Number of Existing Ordinary Shares in issue as at the date of this Circular	10,275,551
Basis of Open Offer	1 New Ordinary Share for every 2 Existing Ordinary Shares
Number of New Ordinary Shares to be issued pursuant to the Open Offer	5,137,775
Issue Price for each New Ordinary Share	45 pence per share
Number of Ordinary Shares in issue immediately following Admission of the New Ordinary Shares	15,413,326
New Ordinary Shares as a percentage of the Enlarged Share Capital	33.33 per cent.
Gross proceeds of the Open Offer	£2.31 million
Net proceeds of the Open Offer	£2.19 million

Notes

1. Options over a maximum of 368,296 shares in the issued ordinary share capital of the Company are outstanding as at the date of this document, further details of which are set out in paragraphs 2.2 and 3.3 of Part IV of this document.
2. Pursuant to an agreement dated 13 July 2009, additional options over Ordinary Shares, which upon issue would represent 5 per cent. of the fully diluted ordinary share capital of the Company immediately post Admission, have been granted to Ichor Medical Systems Inc, further details of which are set out in paragraph 6 of Part IV of this document.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

2010

Record Date for the Open Offer	close of business on 3 March
Announcement of the Open Offer	5 March
Posting of this document and the Application Forms	5 March
Latest time and date for splitting Application Forms (to satisfy <i>bona fide</i> Market Claims only)	3.00 p.m. on 24 March
Latest time and date for receipt of completed Application Forms and payment in full under the Open Offer	1.00 p.m. on 26 March
Expected time and date of announcement of results of the Open Offer	7.00 a.m. on 29 March
Admission and dealings in the New Ordinary Shares commence	8.00 a.m. on 30 March
Expected time and date for crediting of New Ordinary Shares in uncertificated form to CREST stock accounts	7.00 a.m. on 30 March
Expected date of despatch of share certificates in respect of New Ordinary Shares in certificated form	13 April

Notes:

- (1) If you have any questions on the procedure for acceptance and payment, you should contact SLC Registrars, Thames House, Portsmouth Road, Esher, Surrey KT10 9AD, telephone: 01372 467 308 from the UK or +44 1372 467 308 from overseas. Calls to the +44 1372 467 308 number will be charged at applicable international rates. Different charges may apply to calls from mobile telephones. Please note that SLC Registrars cannot provide financial advice on the merits of the Open Offer or as to whether or not you should take up your entitlement.
- (2) The dates set out in the Expected Timetable of Principal Events above and mentioned throughout this document may be adjusted by Scancell Holdings plc in which event details of the new dates will be notified to PLUS and, where appropriate, to Shareholders.
- (3) All references to time in this document are to time in London.
- (4) Shareholders are advised to complete and return their Application Form, where relevant, to the Company's Registrars, SLC Registrars (whose 'details' are set out in Note (1) above) as soon as possible and, in any event, so as to arrive with them by no later than as detailed in the expected timetable of principal events, as above.

DEFINITIONS

“2006 Act”	the Companies Act 2006
“Admission”	the admission of the New Ordinary Shares to trading on PLUS
“Applicant”	a Qualifying Shareholder or a person entitled by virtue of a <i>bona fide</i> Market Claim who lodges an Application Form under the Open Offer
“Application Form”	the application form which accompanies this document for Qualifying Shareholders to use in connection with the Open Offer
“Articles”	the articles of association of the Company as at the date of this document
“Board”	the board of directors of the Company from time to time
“Business Day”	any day (excluding Saturdays and Sundays) on which banks are open in London for normal banking business and Plus Markets plc is open for trading
“CCSS”	the crest courier and sorting service, established by Euroclear UK & Ireland to facilitate, <i>inter alia</i> , the deposit and withdrawal of certified securities
“certificated”	or “certificated form”; not in uncertificated form
“Company”	Scancell Holdings plc
“CREST”	the relevant system for the paperless settlement of trades and the holding of uncertificated securities operated by Euroclear UK & Ireland in accordance with the CREST Regulations
“CREST member”	a person who has been admitted by Euroclear UK & Ireland as a system-member (as defined in the CREST Regulations)
“CREST participant”	a person who is, in relation to CREST, a system participant (as defined in the CREST Regulations)
“CREST Regulations”	the Uncertificated Securities Regulations 2001, as amended from time to time
“CREST sponsor”	a CREST participant admitted to CREST as a CREST sponsor
“CREST sponsored member”	a CREST member admitted to CREST as a sponsored member (which includes all CREST Personal Members)
“Directors” or “Board”	the directors of the Company at the date of this document whose names are set out on page 8 of this document
“Disclosure Rules and Transparency Rules”	the rules made by the FSA under Part VI of FSMA relating to the disclosure of information (as amended from time to time)
“EIS”	Enterprise Investment Scheme
“Enlarged Share Capital”	the issued ordinary share capital of the Company immediately following Admission
“Euroclear UK & Ireland” or “Euroclear”	Euroclear UK & Ireland Limited, the operator of CREST
“Excess Application Facility”	the arrangement pursuant to which Qualifying Shareholders may apply for Open Offer Shares in excess of their Open Offer Entitlements
“Excess Open Offer Entitlement”	an entitlement for each Qualifying Shareholder to apply to subscribe for Open Offer Shares in addition to his basic Open Offer Entitlement

	pursuant to the Excess Application Facility which is conditional on him taking up his Open Offer Entitlement in full and which may be subject to scaling back in accordance with the provisions of this document
“Excess Shares”	New Ordinary Shares in addition to the Open Offer Entitlement for which Qualifying Shareholders may apply under the Excess Application Facility
“Excluded Territories”	the United States, Australia, Canada, Japan, the Republic of South Africa, the Republic of Ireland and any other jurisdiction where the extension or availability of the Open Offer would breach any applicable law or regulations
“Existing Ordinary Shares”	the existing issued ordinary shares of 1 pence each in the capital of the Company as at the date of this document
“FSA”	the Financial Services Authority in its capacity as the competent authority for the purposes of Part VI of FSMA and in the exercise of its functions in respect of admission to the Official List otherwise than in accordance with Part VI of FSMA
“FSMA”	the Financial Services and Markets Act 2000 (as amended)
“Group”	the Company and its subsidiary undertakings
“HMRC”	Her Majesty’s Revenue & Customs
“ISIN”	International Securities Identification Number
“Issue Price”	45 pence per New Ordinary Share
“Market Claim”	a <i>bona fide</i> market claim arising out of a sale or transfer of Existing Ordinary Shares prior to the Record Date
“Member Account ID”	the identification code or number attached to any member account in CREST
“Money Laundering Regulations”	the Money Laundering Regulations 2007, (as amended)
“New Ordinary Shares”	the ordinary shares of 1 pence each to be issued pursuant to the Open Offer
“Open Offer”	the invitation to Qualifying Shareholders to subscribe for Open Offer Shares at the Issue Price on the terms of and subject to the conditions set out or referred to in Part III of this document and in the Application Form
“Open Offer Entitlement”	the <i>pro rata</i> basic entitlement for Qualifying Shareholders to apply to subscribe for 1 Open Offer Share for every 2 Existing Ordinary Shares held by them on the Record Date pursuant to the Open Offer
“Open Offer Shares”	the 5,137,775 New Ordinary Shares for which Qualifying Shareholders are being invited to apply under the terms of the Open Offer
“Options”	the options to subscribe for Existing Ordinary Shares which have been granted by the Company to the Optionholders
“Optionholders”	the employees of the Company (including Directors) and other third parties who hold Options
“Overseas Shareholders”	Shareholders who are resident in, or who are citizens of, or who have registered addresses in, territories other than the United Kingdom
“Participant ID”	the identification code or membership number used in CREST to identify a particular CREST member or other CREST participant

“Placees”	the private investors who have formally undertaken to subscribe for 333,333 New Ordinary Shares, which certain Qualifying Shareholders have irrevocably undertaken not to take up under the Open Offer
“PLUS”	the PLUS-quoted market operated by PLUS Markets plc
“PLUS Corporate Adviser Handbook”	the PLUS Corporate Adviser Handbook as amended from time to time
“PLUS Rules for Issuers”	the PLUS Rules for Issuers as amended from time to time
“PLUS Markets plc”	the operator of PLUS
“Prospectus Rules”	the rules made by the FSA under Part VI of FSMA in relation to offers of transferable securities to the public and admission of transferable securities to trading on a regulated market
“Qualifying CREST Shareholders”	Qualifying Shareholders whose Existing Ordinary Shares on the register of members of the Company at the close of business on the Record Date are held in uncertificated form
“Qualifying non-CREST Shareholders”	Qualifying Shareholders whose Existing Ordinary Shares on the register of members of the Company at the close of business on the Record Date are held in certificated form
“Qualifying Shareholders”	holders of Existing Ordinary Shares on the Company’s register of members at the Record Date (other than certain Overseas Shareholders)
“Record Date”	close of business on 3 March 2010
“Registrar” or “Receiving Agent”	SLC Registrars
“Regulatory Information Service”	a regulatory information service that is approved by the FSA and that is on the list of regulatory information service providers maintained by the FSA
“Scancell”	Scancell Limited, company number 03234881, the Company’s wholly owned subsidiary
“Shareholders”	holders of Existing Ordinary Shares
“stock account”	an account within a member account in CREST to which a holding of a particular share or other security in CREST is credited
“subsidiary”	a “subsidiary undertaking” as that term is defined in the 2006 Act
“uncertificated” or “uncertificated form”	recorded on the relevant register or other record of the share or other security concerned as being held in uncertificated form in CREST, and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
“Underwriters”	together, David Evans (Chairman of the Company), Hygea VCT plc, Helium Special Situations Fund Limited and Calculus Capital Limited
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland
“United States” or “US”	the United States of America, its territories and possessions and any state of the United States of America and the District of Columbia
“US person”	has the meaning provided in section 902(k) of Regulation S under the US Securities Act
“US Securities Act”	the United States Securities Act of 1933, (as amended)
“VCT”	Venture Capital Trust
“Zeus Capital”	Zeus Capital Limited

PART I

LETTER FROM THE CHAIRMAN

Scancell Holdings plc

(Incorporated and registered in England under the Companies Act 1985 with registered number 06564638)

Directors:

David Evans *(Non-Executive Chairman)*
Professor Lindy Durrant *(CEO and CSO)*
Dr Richard Goodfellow *(Commercial Director)*
Nigel Evans *(Non-Executive Director)*
Michael Rippon *(Non-Executive Director)*
Matthew Frohn *(Non-Executive Director)*

Registered Office:

Fifth Floor
Carmelite
50 Victoria Embankment
Blackfriars
London
EC4Y 0LS

5 March 2010

Dear Shareholder,

Open Offer of 5,137,775 New Ordinary Shares at 45 pence per share to raise £2.31 million

1. Introduction

The Company earlier today announced an Open Offer of 5,137,775 New Ordinary Shares at a price of 45 pence per New Ordinary Share to raise approximately £2.31 million, before expenses, to fund the working capital requirements of the Company. The Directors believe that the net proceeds of the Open Offer, together with the existing funds and facilities available to the Group, will be sufficient to allow completion of the Phase I/IIa Clinical Trial of the Company's lead melanoma vaccine, SC1B1, with completion expected in 2012.

The Company has received irrevocable undertakings from certain Shareholders not to take up Open Offer Entitlements under the Open Offer in respect of 333,333 Open Offer Shares which have been placed with private investors at the Issue Price. In addition, the Company has entered into an underwriting agreement with David Evans, the Company's Chairman, and three institutional investors, Hygea VCT plc, Helium Special Situations Fund Limited and Calculus Capital Limited EIS Fund 8 pursuant to which they have underwritten the remaining 4,804,442 New Ordinary shares to be issued under the Open Offer at the Issue Price.

The Board has elected to raise funds via an Open Offer in order to allow all of the Company's existing Shareholders the opportunity to participate in the fundraising. The Issue Price of 45 pence per New Ordinary Share represents a 10.89 per cent. discount to the closing middle market price of 50.5 pence per Existing Ordinary Share on 4 March 2010, the last Business Day before the announcement of the Open Offer. Shareholders may subscribe for Open Offer Shares on the basis of 1 Open Offer Share for every 2 Existing Ordinary Shares held on the Record Date. Shareholders subscribing for their full entitlement under the Open Offer may also request additional New Ordinary Shares through the Excess Application Facility.

On 29 January 2010, the Company announced its interim results for the six month period ended 31 October 2009, a summary of which is contained in paragraph 4 of this Part I.

2. Information on the Company

Background on the Company

Scancell is a biopharmaceutical company focussed on the cancer therapeutics market and is developing a pipeline of DNA vaccines for the treatment of cancer based on its patented ImmunoBody® platform, which has the potential to overcome many of the limitations of conventional approaches to the development of cancer vaccines. Scancell was a spin-out from the University of Nottingham and was listed on PLUS in September 2008, raising approximately £1.5 million.

The Directors intend to take the Company's lead melanoma vaccine, SC1B1, through a Phase I/IIa clinical trial, which is expected to start in the second quarter of 2010 with completion in 2012. The Directors believe that a positive outcome would enable the Company to position itself for a trade sale to one of the leading pharmaceutical or biotechnology companies operating in the oncology market. The Directors also expect the ImmunoBody® approach to be applicable to the development of therapeutic vaccines targeting infectious diseases.

The market

New approaches to cancer vaccines are being sought by the major pharmaceutical companies to overcome the limitations of existing technologies. For example, in 2006, Pfizer Inc. (“Pfizer”) acquired PowderMed Limited, a developer of early stage DNA vaccines and ‘gene gun’ delivery technology as part of a major strategic move into the development and commercialisation of DNA vaccines. In 2008, Pfizer also agreed to pay Avant Immunotherapeutics Inc. (“Avant”) US\$40 million in cash and make a US\$10 million equity investment in exchange for worldwide rights to CDX-110, a therapeutic vaccine for brain cancer, then undergoing Phase II clinical trials. In addition to the combined US\$50 million upfront investment, Avant will be eligible to receive milestone payments of up to US\$390 million tied to the successful development and approval of CDX-110.

More recently, the US stock market valuation of US based Dendreon Corporation (“Dendreon”) has soared to over US\$3.25 billion following positive Phase III results with Provenge, a therapeutic vaccine for prostate cancer. Dendreon announced in November 2009 that it had completed the submission of a Biologics License Application (BLA) for Provenge® to the U.S. Food and Drug Administration (“FDA”). If approved, Provenge would represent the first targeted therapeutic cancer vaccine to be approved by the FDA.

ImmunoBody® Platform

Scancell’s core technology is the ImmunoBody® Platform. Its patent-protected ImmunoBody® vaccines overcome the current limitations of most cancer vaccines by generating the high-avidity T-cells that kill cancer cells. The ImmunoBody® platform technology can be adapted to provide the basis for treating any tumour type. It may also be utilised in the development of vaccines against chronic infectious diseases.

Scancell has secured a licensing agreement with Merck KGaA (“Merck”), for two key patents required for the further development and commercialisation of ImmunoBody® vaccines. Under the agreement, Scancell has non-exclusive worldwide rights to use the two patents to further develop and commercialise ImmunoBody® vaccines in all therapeutic areas in both humans and animals. Scancell has also granted Merck an option to negotiate an exclusive license under Scancell’s ImmunoBody® platform technology for up to five Merck target products.

In addition, a research agreement has been signed with Canadian vaccine development company ImmunoVaccine Technologies Inc. (“IVT”), to explore using IVT’s DepoVax™ delivery system for Scancell’s novel ImmunoBody® DNA vaccines. DepoVax™ has the potential to be a more practical delivery method for Scancell’s future ImmunoBody® DNA infectious disease and animal health vaccines for which alternative delivery methods such as electroporation may be less suitable.

SCIB1

Scancell’s lead ImmunoBody® product, SCIB1, is a melanoma vaccine that has repeatedly shown good anti-tumour effects in animal studies. Scancell secured a deal with Cobra Biomanufacturing Plc for the manufacture of its SCIB1 vaccine in January 2009, enabling it to meet its target of completing Good Manufacturing Practice (“GMP”) manufacture of SCIB1 in the fourth quarter of 2009.

Scancell has also signed a License and Supply Agreement with Ichor Medical Systems Inc. (“Ichor”) under which it is licensed to use Ichor’s TriGrid™ electroporation device for the development, manufacture and commercialisation of Scancell’s vaccines delivered by Ichor’s device. In vivo electroporation is regarded as an effective method of enhancing the potency of DNA vaccines by up to 100 fold compared to conventional methods of delivery. The Directors are confident that TriGrid™ will provide an effective delivery system for its SCIB1 melanoma vaccine as it enters clinical trials. Scancell also has the option to license TriGrid™ for commercial use on payment of certain undisclosed milestones and royalties.

As part consideration for its grant of this licence, Ichor was granted an option to subscribe for ordinary shares in the capital of the Company if Scancell achieves certain milestones in its development of SCIB1. If all milestones are achieved Ichor’s options would relate in total to shares representing, upon issue, five per cent. of the Company’s Enlarged Share Capital on a fully diluted basis. Further information on the agreement with Ichor is set out in paragraph 6 of Part IV of this document.

Scancell is also close to signing an agreement with the US Public Health Service for non-exclusive licenses to patents related to the melanoma antigens TRP-2 and gp100. Under the terms of these agreements Scancell will have the right to develop and commercialise ImmunoBody® vaccines incorporating epitopes from these targets for the treatment of melanoma in both humans and animals.

A proposal to conduct the Phase I trial was submitted to the GTAC (Gene Therapy Advisory Committee) on 29 December 2009 and a CTA (Clinical Trial Application) for SCIB1 and the electroporation delivery device was submitted to the appropriate MHRA divisions in January 2010, thereby enabling the Phase I clinical trial to remain on track to start in Q2 2010.

SCIB2

Scancell's second ImmunoBody® product, SCIB2, will be another DNA cancer vaccine. Scancell has produced and tested a range of potential candidates from which SCIB2 will be selected and tested to the animal proof of principle stage.

3. Background to and reasons for the Open Offer

The £1.5m funding secured in conjunction with the PLUS listing in 2008 was raised to complete the necessary development work for the submission of an application to conduct a Phase I/II clinical trial in the UK in early 2010. The Company successfully completed this demanding programme – which included GMP manufacture, formulation and filling, toxicology studies, assay development, clinical trial design, access to electroporation delivery devices and the appointment of a world ranking CRO.

The Company is now seeking to raise further monies, by way of an Open Offer, to fund the working capital requirements of the Group. The Directors believe that the net proceeds of the Open Offer, together with the existing funds held by or available to the Group, will be sufficient to allow completion of the Phase I/II Clinical Trial upon Scancell's lead melanoma vaccine, SCIB1, with completion expected in 2012.

There has been strong interest in the fund raising and the Company is continuing to hold discussions with a government backed fund which may result in approximately £200,000 of additional funds being raised. The Company will make a further announcement when these discussions have been finalised. It is intended that any shares issued in respect of such a fund raising would be placed under the disapplication of the statutory pre-emption rights granted at the last annual general meeting of the Company and would not be offered preemptively to Shareholders.

4. Interim Results

The interim results for the Company for the period ended 31 October 2009 were announced by the Company on 29 January 2010. A summary of the results is set out in the table below:

	<i>Unaudited six months to 31 October 2009</i>	<i>Unaudited six months to 31 October 2008</i>	<i>Year ended 30 April 2009</i>
	£	£	£
Turnover	—	—	—
Cost of sales	(425,178)	(129,158)	(713,278)
Gross Loss	(425,178)	(129,158)	(713,278)
Administrative expenses	(242,373)	(134,771)	(401,579)
Other operating income	37,763	—	212,631
Operating Loss	(629,788)	(263,929)	(902,226)
Interest receivable and similar income	1,782	23,978	57,282
Loss on ordinary activities before tax	(628,006)	(239,951)	(844,944)
Tax on loss on ordinary activities	33,876	21,825	184,913
Loss for the financial period after tax	(594,130)	(218,126)	(660,031)
Basic loss per share (pence) attributable to equity shareholders	(5.78)	(2.67)	(7.17)

A copy of the full interim report for the period ended 31 October 2009 is available on the Company's website at www.scancell.co.uk.

5. Current Trading and Prospects

Scancell is on course in its development of SCIB1, and will seek to continue its progress in line with the original plans as set out in the admission document when listing on PLUS in 2008. With the funds to be raised pursuant to the Open Offer, the Board is confident that this will be achieved.

With the funding in place, the Company will be able to bring SCIB1 through its initial clinical phases and the Board remains confident that it can create significant value for shareholders based on the clinical data generated.

6. Details of the Open Offer

6.1 Structure

The Directors have given consideration as to the best way to structure the proposed equity fundraising, having regard to current market conditions, the composition of the Company's Shareholder register, the level of the Company's share price and the importance of pre-emption rights to Shareholders. After considering these factors, the Directors have concluded that the structure of the fundraising by way of an Open Offer is the most suitable option available to the Company and its Shareholders as a whole.

The Open Offer provides an opportunity for all Qualifying Shareholders to participate in the fundraising by acquiring Open Offer Shares *pro rata* to their current holdings of Existing Ordinary Shares. The Excess Application Facility will enable Shareholders to apply for more than their *pro rata* entitlement under the Open Offer. The Issue Price of 45 pence per New Ordinary Share represents a 10.89 per cent. discount to the closing middle market price of 50.5 pence per Existing Ordinary Share on 4 March 2010, the last business day before the announcement of the Open Offer.

6.2 Principal terms of the Open Offer

Subject to the fulfilment of the conditions set out below and in Part III of this document, Qualifying Shareholders are being given the opportunity to subscribe for the Open Offer Shares at a price of 45 pence per Open Offer Share, *pro rata* to their holdings of Existing Ordinary Shares on the Record Date on the basis of:

1 Open Offer Share for every 2 Existing Ordinary Shares

Application by Qualifying Shareholders will be satisfied in full up to their Open Offer Entitlements. Under the Excess Application Facility, Qualifying Shareholders may apply for additional Open Offer Shares in excess of their Open Offer Entitlements. Applications made under the Excess Application Facility will be scaled back, *pro rata* to the number of Excess Shares applied for by Qualifying Shareholders under the Excess Application Facility, if applications are received from Qualifying Shareholders under the Open Offer for more than the available number of Open Offer Shares as provided in paragraph 6.3 below.

The Company has received irrevocable undertakings from certain Shareholders not to take up Open Offer Entitlements under the Open Offer in respect of 333,333 Open Offer Shares, which have been placed with private investors at the Issue Price. These Shares are not available to satisfy applications under the Excess Application Facility.

In addition, the remaining 4,804,442 Open Offer Shares being offered to Qualifying Shareholders have been underwritten by the Underwriters.

The Open Offer Shares will, upon issue, rank *pari passu* with the Existing Ordinary Shares. Fractions of Open Offer Shares will not be allotted, each Qualifying Shareholder's entitlement under the Open Offer being rounded down to the nearest whole number. The fractional entitlements will be aggregated and will be subscribed for by the Underwriters with the proceeds being retained for the benefit of the Company.

Qualifying Shareholders may apply for any number of Open Offer Shares up to their maximum entitlement which is equal to the number of Open Offer Entitlements as shown in Box 5 on their Application Form. Qualifying Shareholders with holdings of Existing Ordinary Shares in both certificated and uncertificated form will be treated as having separate holdings for the purpose of calculating the Open Offer Entitlements.

6.3 Excess Application Facility

The Excess Application Facility will enable Qualifying Shareholders, provided they take up their Open Offer Entitlement in full, to apply for Excess Open Offer Entitlements, subject to availability. Qualifying Shareholders who wish to apply to acquire more than their basic Open Offer Entitlement should complete the relevant sections on the Application Form.

Applications for Excess Open Offer Entitlements will be satisfied only if and to the extent that corresponding applications by other Qualifying Shareholders are not made or are made for less than their basic Open Offer Entitlements. If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take up of Open Offer Entitlements, such applications will be scaled back *pro rata* to the number of Excess Shares applied for by Qualifying Shareholders under the Excess Application Facility. The 333,333 Open Offer Shares which are the subject of the undertakings by Shareholders not to take up the Open Offer and have been placed with private

investors will not be available for this purpose; only such of the remaining 4,804,442 Open Offer Shares not applied for by Shareholders as part of their Open Offer Entitlements will be available to satisfy applications under the Excess Application Facility.

6.4 *Action to be taken*

Qualifying Shareholders will have received an Application Form with this document which sets out their entitlement to Open Offer Shares as shown by the number of Open Offer Entitlements allocated to them. Qualifying Shareholders should note that the Application Form is not a negotiable document and cannot be traded.

Qualifying Shareholders should be aware that under the Open Offer, any Open Offer Shares which are not subscribed for will not be sold in the market or placed for the benefit of Qualifying Shareholders who do not apply under the Open Offer, but will be subscribed for by the Underwriters for the benefit of the Company.

Further information on the Open Offer and the terms and conditions on which it is made, including the procedure for application and payment, are set out in Part III of this document.

Qualifying Shareholders should return completed Application Forms, accompanied by full payment, by post to SLC Registrars, Thames House, Portsmouth Road, Esher, Surrey KT10 9AD or by hand (during normal business hours only) to SLC Registrars so as to arrive as soon as possible and in any event so as to be received no later than 1.00 p.m. on 26 March 2010.

Shareholders are advised to complete and return, where relevant, their Application Forms as soon as possible and, in any event, so as to be received by SLC Registrars at the above address by no later than 1.00 p.m. on 26 March 2010.

7. **Underwriting Agreement**

Under the terms of the Underwriting Agreement the Underwriters have agreed that they will subscribe for all of the Open Offer Shares that are not subscribed and paid for by Qualifying Shareholders pursuant to the Open Offer, excluding those Open Offer Shares which have been placed with the Placees. Each Underwriter's commitment is only for his part of the underwriting and they are not responsible for each other's commitments. Open Offer Shares subscribed for by an Underwriter under the Open Offer will to that extent satisfy his underwriting commitment. In consideration of the undertakings by the Underwriters the Company will pay them an underwriting fee of £52,360 in aggregate.

The Open Offer is conditional upon Admission becoming effective by not later than 8.00 a.m. on 26 April 2010 (or such later time and/or date as the Underwriters and the Company may agree, being not later than 8.00 a.m. on 7 May 2010). Accordingly, if this condition is not satisfied, or, if applicable, waived, the Open Offer will not proceed.

The Underwriting Agreement constitutes a related party transaction under the PLUS Rules for Issuers because David Evans, the Chairman of the Company, is acting as one of the Underwriters. Under the terms of the Underwriting Agreement and on the basis set out in paragraph 5 of Part IV of this document Mr Evans has agreed to underwrite 1,013,332 Open Offer Shares that are not subscribed and paid for by Qualifying Shareholders pursuant to the Open Offer, excluding those Open Offer Shares which have been placed with the Placees. Mr Evans will receive an underwriting fee of £13,680.

8. **Action to be taken**

As a Qualifying Shareholder you will have received with this document an Application Form which gives details of your maximum entitlement under the Open Offer (as shown by the number of Open Offer Entitlements allocated to you). If you wish to apply for Open Offer Shares under the Open Offer (whether in respect of your basic Open Offer Entitlement or both your basic Open Offer Entitlement and any Excess Open Offer Entitlement), you should complete the accompanying Application Form in accordance with the procedure for application set out in paragraph 4 of Part III of this document and on the Application Form itself.

The latest time for applications under the Open Offer to be received is 1.00 p.m. on 26 March 2010. The procedures for application and payment are set out in Part III of this document.

9. Overseas Shareholders

Information for Overseas Shareholders who have registered addresses outside the United Kingdom, who are citizens or residents of countries other than the United Kingdom or who are US persons, appears in paragraph 6 of Part III of this document, which sets out the restrictions applicable to such persons. If you are an Overseas Shareholder, it is important that you read that part of this document.

10. EIS and VCT Relief

The Company has received notification from HM Revenue & Customs that the New Ordinary Shares will be eligible shares within the meaning of section 204(1) Income Tax Act 2007 (“ITA”) and that the Company will be a qualifying company for VCT purposes. The Company has not issued any Shares in the twelve months preceding the date of this document upon which EIS or VCT relief could be claimed and does not intend to issue, in the twelve months following the issue of the New Ordinary Shares (including the 333,333 New Ordinary Shares to be issued to the Placees), any further Shares in circumstances in which EIS or VCT relief could be applied for in respect of them. Accordingly, the New Ordinary Shares should be eligible for EIS and VCT relief but the availability of tax relief will depend, *inter alia*, upon the investor and the Company satisfying various qualifying conditions, normally for a period of not less than three years from issue of the relevant shares. The Directors are mindful of these conditions and do not intend that the Company’s activities should cause them to cease to be complied with; however, it is the Directors’ intention to seek a trade sale at a suitable stage, probably following conclusion of Phase I/IIa clinical trials in respect of SCIB1, if it is advantageous to shareholders generally and this may be within the three year period. The Company cannot guarantee to conduct its activities in such a way as to maintain its status as a qualifying EIS or VCT investment and does not guarantee that an investor will be allowed EIS or VCT relief in respect of their investment. Investors considering taking advantage of EIS relief or making a qualifying VCT investment are recommended to seek their own professional advice in order that they may fully understand how the relief legislation may apply in their individual circumstances. In particular, in respect of VCT relief, whilst the New Ordinary Shares may form part of a qualifying holding within Chapter 4 Part 6 of ITA, this depends, *inter alia*, upon the VCT’s specific investment in the Company.

Qualifying Shareholders who wish to seek EIS or VCT relief in respect of Open Offer Shares and/or Excess Shares for which they are applying should insert in Box 3A of the Application Form the number of New Ordinary Shares in respect of which they intend to seek such relief. Return of the Application Form will constitute an undertaking by the applicant not to seek EIS or VCT relief except upon the number of New Ordinary Shares stated in Box 3A or such lesser number as results from scaling back as provided below.

Under the relevant legislation, the maximum amount of subscription monies which may be raised in any twelve month period in respect of shares issued by the Company upon which EIS/VCT relief may be obtained is £2,000,000. EIS relief is expected to be sought by the Placees in respect of the 333,333 New Ordinary Shares to be issued to them at an aggregate subscription price of £150,000 and therefore there remains £1.85 million available for New Ordinary Shares to be issued to Qualifying Shareholders or Underwriters, which is equivalent to 4,111,111 Shares. Accordingly, if the total number of Open Offer Shares upon which Qualifying Shareholders state in Box 3A of their Application Form that they will seek EIS or VCT relief exceeds 4,111,111 shares, the Company will apportion the available £1.85 million amongst Qualifying Shareholders and Underwriters as follows:

- First, to the New Ordinary Shares forming part of Qualifying Shareholders’ Open Offer Entitlements in respect of which applicant Qualifying Shareholders stated on their Application Form that they would seek EIS or VCT relief;
- Second, as to the remaining balance, rateably amongst Excess Shares in respect of which applicant Qualifying Shareholders stated in their Application Form that they would seek EIS or VCT relief and any shares which fall to be issued to Underwriters who wish to receive EIS or VCT relief.

In accordance with such apportionment the Company will scale back the numbers of Excess Shares in respect of which Qualifying Shareholders stated on their Application Form that they would seek EIS or VCT relief and applicant Qualifying Shareholders must not seek EIS or VCT relief in respect of any New Ordinary Shares to which such scaling back applies. Following 31 March 2010, the Company will notify applicant Qualifying Shareholders who stated that they would seek EIS or VCT relief of the number of New Ordinary Shares upon which they may seek such relief.

If EIS or VCT relief is scaled back, Qualifying Shareholders may elect to cancel their application for any Excess Shares which as a result of such scaling back will not be eligible for EIS or VCT relief by ticking Box 3B of the Application Form. Monies received in relation to these Excess Shares will be returned (at the applicant’s sole risk), without payment of interest, to applicants as soon as practicable following 31 March 2010.

Further information in relation to the application process is set out in paragraph 4.1(b) of Part III of this document and in the Application Form.

Any Shareholder who is in any doubt as to his taxation position under the EIS and VCT legislation, or who is subject to tax in a jurisdiction other than the UK, should consult an appropriate professional adviser.

11. Additional Information

Your attention is drawn to the additional information set out in Parts II to IV (inclusive) of this document.

12. Directors' Intentions

The Directors intend to subscribe for a minimum of 180,000 New Ordinary Shares in aggregate under the Open Offer representing approximately 3.50 per cent. of the New Ordinary Shares that will be issued under the Open Offer.

Yours faithfully

David Evans
Chairman

PART II

RISK FACTORS

Before making any investment decision, prospective investors should carefully consider all the information contained in this document including, in particular, the risk factors described below.

The Directors believe the following risks to be the most significant for investors. There are a number of risks in investing in biotechnology companies, including, but not limited to, clinical, regulatory, manufacturing, commercial and intellectual property risks and the requirement to raise additional finance. The list below is not exhaustive, nor is it an explanation of all the risk factors involved in investing in the Company and nor are the risks set out in any order of priority. Additional risks and uncertainties not currently known to the Directors, or that the Directors currently deem immaterial, may also have an adverse effect on the Group's business, financial condition and results of operations. Investors are advised to consult an independent financial adviser authorised under the FSMA who specialises in advising on the acquisition of shares and other securities before making a decision to invest.

Management team

The Company's success depends on the retention of its Directors and management team, and on its ability to continue to attract and retain highly skilled and qualified personnel. There can be no assurance that the Company will retain the services of any of its Directors and management team. However, the Company has purchased key man insurance to protect against the loss of Professor Lindy Durrant.

Technology and products

Scancell is an immunotherapy drug discovery company. Its success is dependent upon the development, successful licensing and patenting of its proprietary technology and its products. Products within Scancell's pipeline, both in house and in development with partners, are in relatively early stages of development. There is a risk that safety issues may arise when the products are tested in man. This risk is common to all new classes of drugs and, as with all other drug companies, Scancell will need to gain approval to conduct clinical trials. There is a risk that this approval may not be granted or that trials may not be successful if approval is granted.

Product development timelines

Product development timelines are at risk of delay, particularly since it is not always possible to predict the rate of patient recruitment into clinical trials. There is a risk therefore that product development could take longer than presently expected by the Directors; if such delays occur the Company may require further working capital. The Directors seek to minimise the risk of delays by careful management of projects.

Competition

It is possible that another bio technology company might develop rival products that prove to be superior or more cost effective than those being developed by Scancell.

Patents

The field of antibody development is highly litigious. Scancell's priorities are to protect its intellectual property ("IP") and seek to avoid infringing on other companies' IP. To protect its technology, Scancell has secured and is securing further worldwide rights to patents protecting both the ImmunoBody[®] Platform and SCIB1. However, there remains the risk that Scancell may face opposition from other companies to patents that it seeks to have granted. The Company engages reputable legal advisers to mitigate the risk of patent infringement and to assist with the protection of Scancell's IP.

Membership of PLUS and PLUS Rules

The Company's continued membership of PLUS is entirely at the discretion of PLUS Markets plc. Any changes to the market trading environment, in particular the PLUS Rules, could affect the ability of the Company to maintain a trading facility on PLUS.

Liquidity

Notwithstanding the fact that the Ordinary Shares are listed on PLUS, this should not be taken as implying that there is, or will be, a "liquid" market in the Ordinary Shares. It may be difficult for an investor to sell his or her Ordinary Shares and he or she may receive less than the amount that they originally paid for those Ordinary Shares. The market

price of the Ordinary Shares may not reflect the underlying value of the Company's net assets or operations. Investors may therefore realise less than their original investment, or sustain a total loss of their investment.

Fluctuation in share price

The share prices of public companies are often subject to significant fluctuations. In particular, the market for shares in smaller public companies is less liquid than for larger public companies. Consequently, the Company's share price may be subject to greater fluctuation and the Ordinary Shares may be difficult to sell.

Further fundraisings

The Company may need to raise funds in the future. There is no guarantee that the then prevailing market conditions will allow for such a fundraising or that new investors will be prepared to subscribe for Ordinary Shares at the same price, or a higher price, than the price originally paid by an existing investor. Shareholders may be materially diluted by any further issue of Ordinary Shares by the Company.

Arana Therapeutics

On 1 December 2006 Scancell sold its portfolio of antibodies to Arana Therapeutics (UK) Limited (then known as Peptech UK Limited). The consideration for the sale was a cash payment of £2 million, which was paid on completion of the sale, plus a possible further sum of £2.85 million which is payable contingently upon clinical trials commencing on or before 1 December 2011 of a drug directly or indirectly derived from any of the antibodies which were the subject of the sale.

Such trials have not yet commenced and there is no guarantee that they will commence in time to satisfy the contingency; it therefore cannot be assumed that the contingent consideration will be paid.

Of the consideration of £2 million paid on completion, £1.745 million was treated as trading profit against which Scancell set off trading losses, including trading losses brought forward from previous periods. The balance of the initial payment, namely £255,000, was treated as a receipt for the assignment of antibodies which were protected by patents created before 1 April 2002, and was thus taxable in six equal annual instalments (of £42,500 each) the first being payable in respect of the twelve month period ended 30 April 2007, being the period in which the sale took place. Accordingly, Scancell has paid corporation tax on the first three of those instalments and further corporation tax will be payable in respect of the remaining three instalments.

Additional corporation tax will be payable on the contingent consideration of £2.85 million if and when the contingency giving rise to that payment is satisfied.

EIS and VCT relief

The Company has received notification from HM Revenue & Customs that the New Ordinary Shares will be eligible shares within the meaning of section 204(1) Income Tax Act 2007 ("ITA") and that the Company will be a qualifying company for VCT purposes. Accordingly, the New Ordinary Shares should qualify for EIS and VCT relief but the availability of tax relief will depend, *inter alia*, upon the investor and the Company satisfying various qualifying conditions, normally for a period of not less than three years from issue of the relevant shares. The Directors are mindful of these conditions and do not intend that the Company's activities should cause them to cease to be complied with; however, it is the Directors' intention to seek a trade sale at a suitable stage, probably following conclusion of Phase I/IIa clinical trials in respect of SCIB1, if it is advantageous to shareholders generally and this may be within the three year period. The Company cannot guarantee to conduct its activities in such a way as to maintain its status as a qualifying EIS or VCT investment.

Eventual Exit

Although the Directors believe that a positive outcome from taking Scancell's lead melanoma vaccine, SCIB1, through a Phase I/IIa clinical trial would enable the Company to position itself for a trade sale to one of the leading pharmaceutical or biotechnology companies operating in the oncology market, there is no guarantee that a trade sale would be possible at that time.

PART III

TERMS AND CONDITIONS OF THE OPEN OFFER

OPEN OFFER OF 5,137,775 NEW ORDINARY SHARES AT A PRICE OF 45 PENCE PER SHARE

1. Introduction

As explained in Part I of this document, the Company is proposing to issue 5,137,775 New Ordinary Shares pursuant to the Open Offer to raise approximately £2.31 million, before expenses. Qualifying Shareholders are being offered the opportunity under the Open Offer to acquire New Ordinary Shares at the Issue Price.

The Issue Price of the New Ordinary Shares represents a discount of 10.89 per cent. to the closing middle market price of 50.5 pence per Existing Ordinary Share on 4 March 2010 (being the latest practicable date prior to publication of this document). This document and, where relevant, the accompanying Application Form contain the formal terms and conditions of the Open Offer.

The Company has received irrevocable undertakings from certain Shareholders not to take up Open Offer Entitlements under the Open Offer in respect of 333,333 Open Offer Shares, which have been placed with private investors at the Issue Price.

The remaining 4,804,442 Open Offer Shares being offered to Qualifying Shareholders have been underwritten by the Underwriters.

2. The Open Offer

Subject to the terms and conditions set out below and, where relevant, in the Application Form, the Company hereby invites Qualifying Shareholders to apply for Open Offer Shares at the Issue Price, payable in full in cash on application, free of all expenses, on the basis of:

1 Open Offer Share for every 2 Existing Ordinary Shares

held by them and registered in their names at the close of business on the Record Date and so in proportion for any other number of Existing Ordinary Shares then held. Qualifying Shareholders may apply for further Open Offer Shares in excess of their Open Offer Entitlement through the Excess Application Facility (although such Open Offer Shares will only be allotted to the extent that not all Qualifying Shareholders apply for their Open Offer Entitlement in full disregarding those who have undertaken not to take up a total of 333,333 Open Offer Shares).

Holdings of Existing Ordinary Shares in both certificated and uncertificated form will be treated as separate holdings for the purpose of calculating entitlements under the Open Offer. Fractions of New Ordinary Shares will not be allocated to Qualifying Shareholders and entitlements to apply for Open Offer Shares will be rounded down to the nearest whole number of New Ordinary Shares. The fractional entitlements will be aggregated and will be subscribed for by the Underwriters with the proceeds being retained for the benefit of the Company.

Qualifying Shareholders may apply for any whole number of New Ordinary Shares up to their Open Offer Entitlement, which is equal to the number of Open Offer Entitlements as shown on their Application Form and, if they so wish, may apply for Open Offer Shares in excess of their Open Offer Entitlements. Applications in excess of the Open Offer Entitlements may be scaled down as provided in paragraph 6.3 on page 11 of this document.

Not all Shareholders will be Qualifying Shareholders. Overseas Shareholders who are located in, or who are citizens of, or have a registered address in certain overseas jurisdictions (including, without limitation, any Excluded Territory) will not qualify to participate in the Open Offer. The attention of Overseas Shareholders or any person (including, without limitation, a custodian, nominee or trustee) who has a contractual or other legal obligation to forward this document into a jurisdiction other than the United Kingdom is drawn to paragraph 6 of this Part III.

The Open Offer Shares will be issued fully paid and will be identical to, and rank *pari passu* in all respects with, the Existing Ordinary Shares and will rank for all dividends or other distributions declared, made or paid after the date of issue of the Open Offer Shares.

Shareholders should be aware that if any Open Offer Shares are not subscribed for then those Open Offer Shares will not be sold in the market or placed for the benefit of Qualifying Shareholders who do not apply under the Open Offer but will be subscribed for by the Placees or the Underwriters for the benefit of the Company.

Qualifying Shareholders should note that the Application Form is not a negotiable document and cannot be traded.

Before making any decision to acquire Open Offer Shares, you are asked to read and carefully consider all of the information in this document, including in particular the important information set out in the letter from the Chairman of the Company in Part I of this document, as well as this paragraph 2 of this Part III and the Risk Factors set out in Part II of this document. Shareholders who do not participate in the Open Offer will be subject to dilution.

3. Conditions of the Open Offer

The Open Offer is conditional, *inter alia*, upon the following conditions being satisfied in all respects by 8.00 a.m. on 26 April 2010 (or such later time and/or date as the Underwriters may agree, being not later than 8.00 a.m. on 7 May 2010):

- (a) Admission becoming effective by not later than 8.00 a.m. on 26 April 2010 (or such later time and/or date as the Underwriters and the Company may agree, being not later than 8.00 a.m. on 7 May 2010); and
- (b) the Open Offer becoming unconditional in all respects (save for any condition relating to Admission).

Further terms of the Open Offer are set out in this Part III and in the Application Form.

4. Procedure for application and payment

4.1 *Action to be taken*

4.1(a) *General*

Each Qualifying Shareholder will have received an Application Form accompanying this document. The Application Form shows the number of Existing Ordinary Shares registered in the relevant Qualifying Shareholder's name at the close of business on the Record Date. It also shows the number of Open Offer Shares for which such relevant Qualifying Shareholder is entitled to apply under the Open Offer, calculated on the basis set out in paragraph 2 above. Qualifying Shareholders may apply for less than their maximum Open Offer Entitlements.

The Excess Application Facility enables Qualifying Shareholders who have taken up their full Open Offer Entitlement to apply for Open Offer Shares in excess of their Open Offer Entitlement. Applications made under the Excess Application Facility may be scaled back as provided in paragraph 6.3 on page 11 of this document.

Fractions (if any) of Open Offer Shares will be aggregated and the fractional entitlements will be subscribed for by the Underwriters for the benefit of the Company. The instructions and other terms which are set out in the Application Form constitute part of the terms of the Open Offer.

4.1(b) *Procedure for application*

Applications for Open Offer Shares (including under the Excess Application Facility) by Qualifying Shareholders may only be made on the Application Form, which is personal to the Qualifying Shareholder(s) named on it and is not capable of being split, assigned or transferred except in the circumstances described below. Qualifying Shareholders should complete Box 2A (and Box 2B if applying for Open Offer Shares under the Excess Application Facility) of the Application Form for the total number of Open Offer Shares for which they wish to make application and submit the amount payable on such application.

Qualifying Shareholders who wish to seek EIS or VCT relief in respect of Open Offer Shares and/or Excess Shares for which they are applying should insert in Box 3A of the Application Form the number of New Ordinary Shares in respect of which they intend to seek such relief. Return of the Application Form will constitute an undertaking by the applicant not to seek EIS or VCT relief except upon the number of New Ordinary Shares stated in Box 3A or such lesser number as results from scaling back as provided below.

Under the relevant legislation, the maximum amount of subscription monies which may be raised in any twelve month period in respect of shares issued by the Company upon which EIS/VCT relief may be obtained is £2,000,000. EIS relief is expected to be sought by the Placées in respect of the 333,333 New Ordinary Shares to be issued to them at an aggregate subscription price of £150,000 and therefore there remains £1.85 million available for New Ordinary Shares to be issued to Qualifying Shareholders or Underwriters, which is equivalent to 4,111,111 Shares. Accordingly, if the total number of Open Offer Shares upon which Qualifying Shareholders state in Box 3A of their Application Form that they will seek EIS or VCT relief exceeds 4,111,111 shares, the Company will apportion the available £1.85 million amongst Qualifying Shareholders and Underwriters as follows:

- First, to the New Ordinary Shares forming part of Qualifying Shareholders' Open Offer Entitlements in respect of which applicant Qualifying Shareholders stated on their Application Form that they would seek EIS or VCT relief;
- Second, as to the remaining balance, rateably amongst Excess Shares in respect of which applicant Qualifying Shareholders stated in their Application Form that they would seek EIS or VCT relief and any shares which fall to be issued to Underwriters who wish to receive EIS or VCT relief.

In accordance with such apportionment the Company will scale back the numbers of Excess Shares in respect of which Qualifying Shareholders stated on their Application Form that they would seek EIS or VCT relief and applicant Qualifying Shareholders must not seek EIS or VCT relief in respect of any New Ordinary Shares to which such scaling back applies. Following 31 March 2010, the Company will notify applicant Qualifying Shareholders who stated that they would seek EIS or VCT relief of the number of New Ordinary Shares upon which they may seek such relief.

If EIS or VCT relief is scaled back, Qualifying Shareholders may elect to cancel their application for any Excess Shares which as a result of such scaling back will not be eligible for EIS or VCT relief by ticking Box 3B of the Application Form. Monies received in relation to these Excess Shares will be returned (at the applicant's sole risk), without payment of interest, to applicants as soon as practicable following 31 March 2010.

A Qualifying Shareholder who does not wish to apply for any of the Open Offer Shares to which he or she is entitled should not return a completed Application Form to the Receiving Agents.

The Application Form represents a right personal to the Qualifying Shareholder to apply to subscribe for Open Offer Shares (including under the Excess Application Facility); it is not a document of title and it cannot be traded. It is assignable or transferable only to satisfy *bona fide* Market Claims in relation to purchases in the market pursuant to the rules and regulations of PLUS Markets plc. Application Forms may be split up to 3.00 p.m. on 24 March 2010 but only to satisfy such *bona fide* Market Claims. Qualifying Shareholders who have before the Record Date sold or transferred all or part of their shareholdings are advised to consult their stockbroker, bank or agent through whom the sale or transfer was effected or another professional adviser authorised under the FSMA as soon as possible, since the invitation to apply for Open Offer Shares (including under the Excess Application Facility) may represent a benefit which can be claimed from them by the purchaser(s) or transferee(s) under the rules of PLUS Markets plc.

Qualifying Shareholders who submit a valid application using the Application Form and accompanying payment will (subject to the terms and conditions set out in this Part III and in the Application Form) be allocated the Open Offer Shares applied for in full at the Issue Price.

Applications will be irrevocable and, once submitted, may not be withdrawn and their receipt will not be acknowledged. The Company reserves the right to treat any application not strictly complying with the terms and conditions of application as nevertheless valid. The Company may in its sole discretion, but shall not be obliged to, treat an Application Form as valid and binding on the person by whom or on whose behalf it is lodged, even if not completed in accordance with the relevant instructions or not accompanied by a valid power of attorney where required, or if it otherwise does not strictly comply with the terms and conditions of the Open Offer. The Company further reserves the right (but shall not be obliged) to accept either:

- (i) Application Forms received after 1.00 p.m. on 26 March 2010; or

- (ii) applications in respect of which remittances are received before 1.00 p.m. on 26 March 2010 from authorised persons (as defined in FSMA) specifying the Open Offer Shares applied for and undertaking to lodge the Application Form in due course but, in any event, within two Business Days.

Multiple applications will not be accepted. All documents and remittances sent by post by or to an applicant (or as the applicant may direct) will be sent at the applicant's own risk. If Open Offer Shares have already been allotted to a Qualifying Shareholder and such Qualifying Shareholder's cheque or banker's draft is not honoured upon first presentation or such Qualifying Shareholder's application is subsequently otherwise deemed to be invalid, the Company shall arrange (in its absolute discretion as to manner, timing and terms) to make arrangements for the sale of such Qualifying Shareholder's Open Offer Shares and for the proceeds of sale (which for these purposes shall be deemed to be payments in respect of successful applications) to be paid to and retained by the Company. None of the Registrar, or the Company nor any other person shall be responsible for, or have any liability for, any loss, expense or damage suffered by such Qualifying Shareholders.

If you are a Qualifying Shareholder and wish to apply for all or part of the Open Offer Shares to which you are entitled (including any application for any Excess Shares under the Excess Application Facility) you should complete and sign the Application Form in accordance with the instructions printed on it and return it, either by post together with a pounds sterling cheque or banker's draft to the value of the Open Offer Shares applied for on the Application Form, to SLC Registrars, Thames House, Portsmouth Road, Esher, Surrey KT10 9AD or by hand (during normal business hours only) to SLC Registrars as soon as practicable and, in any event, so as to be received not later than 1.00 p.m. on 26 March 2010, after which time Application Forms will not be accepted. The cheque or banker's draft must be drawn on a United Kingdom branch of a qualifying bank or building society, as further described below. Your Application Form will not be valid unless you sign it. If you post your Application Form by first class post in the UK, or in the accompanying reply-paid envelope, you are advised to allow at least four Business Days for delivery.

4.1(c) *Payments*

Cheques must be drawn on the personal account to which you have sole or joint title to the funds. Your cheque or banker's draft should be made payable to "SLC Registrars re: Scancell Holdings plc Open Offer A/C" and crossed "A/C Payee only". Payments must be made by cheque or banker's draft in pounds sterling drawn on an account at a branch (which must be in the United Kingdom, the Channel Islands or the Isle of Man) of a bank or building society which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through facilities provided by either of these companies and must bear the appropriate sort code in the top right-hand corner. Third party cheques will not be accepted with the exception of building society cheques or bankers drafts where the building society or bank has confirmed on the back of the building society cheque or bankers draft the name of the account holder (which must be the same name as printed on the Application Form) and their title to funds by stamping and endorsing the building society cheque/bankers draft to such effect. Any application or purported application may be rejected unless these requirements are fulfilled. Post dated cheques will not be accepted.

Cheques or banker's drafts will be presented for payment upon receipt. The Company reserves the right to instruct the Receiving Agent to seek special clearance of cheques and banker's drafts to allow the Company to obtain value for remittances at the earliest opportunity (and withhold definitive share certificates (or crediting to the relevant member account, as applicable) pending clearance thereof). No interest will be paid on payments made before they are due. It is a term of the Open Offer that cheques shall be honoured on first presentation and the Company may elect to treat as invalid applications in respect of which cheques are not so honoured. All documents, cheques and banker's drafts sent through the post will be sent at the risk of the sender. Payments via CHAPS, BACS or electronic transfer will not be accepted.

If cheques or banker's drafts are presented for payment before the conditions of the Open Offer are fulfilled, the application monies will be credited to a non-interest bearing account by the Receiving Agent. If the Open Offer does not become unconditional, no Open Offer Shares will be issued and

all monies will be returned (at the applicant's sole risk), without payment of interest, to applicants as soon as practicable following the lapse of the Open Offer. The Company shall as soon as practicable following 7 May 2010 refund any payment received with respect to an application for a number of Open Offer Shares in respect of an Open Offer Entitlement which has been rejected in whole or in part by the Company.

4.1(d) *The Excess Application Facility*

The Excess Application Facility enables Qualifying Shareholders who have taken up their Open Offer Entitlement to apply for Open Offer Shares in excess of their Open Offer Entitlement. Applications made under the Excess Application Facility will be scaled back, *pro rata* to the number of Open Offer Shares applied for by Qualifying Shareholders under the Excess Application Facility, if applications are received from Qualifying Shareholders under the Open Offer for more than the available number of Open Offer Shares. The 333,333 Open Offer Shares which are the subject of the undertakings by Shareholders not to take up the Open Offer and have been placed with private investors will not be available for this purpose; only such of the remaining 4,804,442 Open Offer Shares not applied for by Shareholders as part of their Open Offer Entitlements will be available to satisfy applications under the Excess Application Facility.

Qualifying Shareholders who wish to apply for Open Offer Shares in excess of their Open Offer Entitlement must complete the Application Form in accordance with the instructions set out on the Application Form. Should the Open Offer become unconditional and applications for Open Offer Shares exceed the 4,804,442 Open Offer Shares being made available to Qualifying Shareholders, resulting in a scale back of applications, each Qualifying Shareholder who has made a valid application for Open Offer Shares under the Excess Application Facility and from whom payment in full for such Open Offer Shares has been received in cleared funds will receive a pounds sterling amount equal to the number of Open Offer Shares applied and paid for under the Excess Application Facility but not allotted to the relevant Qualifying Shareholder multiplied by the Issue Price. Monies will be returned as soon as reasonably practicable, without payment of interest and at the applicant's sole risk. Fractions of Open Offer Shares will not be issued under the Excess Application Facility and fractions of Open Offer Shares will be rounded down to the nearest whole number.

Qualifying Shareholders who intend to seek EIS or VCT Relief in respect of Excess Shares should note paragraph 10 on page 13 of this document.

4.1(e) *Effect of application*

By completing and delivering an Application Form you (as the applicant(s)):

- (i) agree that your application, the acceptance of your application and the contract resulting therefrom under the Open Offer shall be governed by, and construed in accordance with the laws of England and Wales;
- (ii) confirm that in making the application you are not relying on any information or representation other than those contained in this document and the Application Form and you, accordingly, agree that no person responsible solely or jointly for this document or any part of it shall have any liability for any information or representation not contained in this document and that having had the opportunity to read this document you will be deemed to have notice of all the information concerning the Group contained within this document;
- (iii) represent and warrant that you are not citizen(s) or resident(s) of an Excluded Territory, or any other jurisdiction, in which the application for Open Offer Shares is prevented by law and are not applying on behalf of, or with a view to the re-offer, re-sale or delivery of Open Offer Shares directly or indirectly in, into or within an Excluded Territory or to a resident of an Excluded Territory or to any person you believe is purchasing or subscribing for the purpose of such re-offer, re-sale or delivery;
- (iv) represent and warrant that you are not otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of such person(s) on a non-discretionary basis;
- (v) undertake that you will not seek EIS or VCT relief in respect of Open Offer Shares or Excess Shares except in respect of the number (if any) inserted in Box 3A on the Application Form;

- (vi) undertake that, if you have applied for Excess Shares and the number of your Excess Shares eligible for EIS or VCT relief is scaled back as provided by paragraph 10 on page 13 of this document, you will not seek EIS or VCT relief in respect of those Excess Shares which the Company notifies you have been scaled back and therefore must not be the subject of an application for EIS or VCT relief; and
- (vii) will also be asked whether or not you can represent and warrant as follows: (i) you have not received the Application Form or any other document relating to the Open Offer in an Excluded Territory, nor have you mailed, transmitted or otherwise distributed or forwarded any such document in or into an Excluded Territory; (ii) you are not and were not located in an Excluded Territory at the time you accepted the Application Form or at the time you returned the Application Form; and (iii) if you are acting in a fiduciary, agency or other capacity as an intermediary, then either (A) you have full investment discretion with respect to the Open Offer Shares covered by the Application Form or (B) the person on whose behalf you are acting was located outside an Excluded Territory at the time he or she instructed you to submit the Application Form. If you are unable to provide such representations and warranties you will be deemed not to have validly submitted an application for Open Offer Shares, save in the discretion of the Company and subject to certain conditions.

You should note that applications will be irrevocable. The Company reserves the right (but shall not be obliged) to treat any application not strictly complying in all respects with the terms and conditions of application as nevertheless valid. If you do not wish to apply for Open Offer Shares under the Open Offer you should not complete or return the Application Form.

If you have any questions relating to the procedure for acceptance, please telephone SLC Registrars between 8.30 a.m. and 5.30 p.m. Monday to Friday (except UK public holidays) on 01372 467 308 from within the UK or +44 1372 467 308 if calling from outside the UK. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice.

All enquiries in connection with the Application Form should be addressed to SLC Registrars, Thames House, Portsmouth Road, Esher, Surrey KT10 9AD. If you have any questions relating to this document, and the completion and return of the Application Form, please telephone SLC Registrars between 8.30 a.m. and 5.30 p.m. Monday to Friday (except UK public holidays) on 01372 467 308 from within the UK or +44 1372 467 308 if calling from outside the UK. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice.

4.1(f) *Issue of Open Offer Shares in CREST*

If Qualifying Shareholders wish to receive Open Offer Shares in CREST then they should complete the relevant sections of the Application Form. Subsequently, if conditions to the Open Offer described above are satisfied, Open Offer Shares will be issued in uncertificated form to those persons who elected to receive their Open Offer Shares in CREST, submitted a valid application for Open Offer Shares and whose applications have been accepted by the Company on the day on which such conditions are satisfied. On this day, the Receiving Agent will instruct Euroclear to credit the appropriate stock accounts of such persons with such person's Open Offer Shares with effect from the next business day. The stock account to be credited will be the account registered under the Participant ID and Member Account ID as set out on the Application Form submitted by such person.

5. Money Laundering Regulations

It is a term of the Open Offer that, in order to ensure compliance with the Money Laundering Regulations (the "Regulations"), the Registrar may require verification of the identity of the person by whom or on whose behalf an Application Form is lodged with payment (which requirements are referred to below as the "verification of identity"). The verification of identity requirements pursuant to the Regulations will apply to applications with a value of €15,000 (or its Pound Sterling equivalent) or greater, or to one of a series of linked applications whose

aggregate value exceeds that amount and, verification of the identity of applicant(s) for Open Offer Shares may be required.

If within a reasonable period of time following a request, for verification of identity, but in any event by 1.00 p.m. on 26 March 2010, the Registrar has not received evidence satisfactory to it, the Company may, in its absolute discretion, elect not to treat as valid the relevant application, in which event the money payable or paid in respect of the application will be returned (without interest and at the applicant's risk) to the account of the drawee bank or building society from which sums were originally debited (but in each case without prejudice to any rights the Company may have to take proceedings in respect of loss or damage suffered or incurred by it as a result of the failure to produce satisfactory evidence as aforesaid). In order to avoid this, payment should be made by means of a cheque drawn by and in the name of the applicant named on the accompanying Application Form or (where an Application Form has been transferred and/or split to satisfy *bona fide* Market Claims in relation to transfers of Existing Ordinary Shares through the market prior to 3.00 p.m. on 24 March 2010), by the person named in Box 9 on the Application Form. If this is not practicable and the applicant uses a cheque drawn on a building society or a bankers' draft, the applicant should:

- (i) ask the building society or bank to endorse on the cheque or draft the name and account number of the person whose building society or bank account is being debited which must be the same name as that printed on the Application Form, such endorsement being validated by a stamp and authorised signature by the building society or bank on the reverse of the cheque or bankers draft;
- (ii) if the applicant is making the application as agent for one or more persons, indicate on the Application Form whether it is a United Kingdom or European Union regulated person or institution (e.g. a bank or broker), and specify its status. If you have any questions relating to the procedure for acceptance, please telephone SLC Registrars Limited between 8.30 a.m. and 5.30 p.m. Monday to Friday (except UK public holidays) on 01372 467 308 from within the UK or +44 1372 467 308 if calling from outside the UK. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice;
- (iii) if the applicant delivers the Application Form by hand, bring with them the appropriate photographic evidence of identity, such as a passport or driving licence; and
- (iv) third party cheques will not be accepted unless covered by (i) above.

In any event, if it appears to the Registrar that an applicant is acting on behalf of some other person, further verification of the identity of any person on whose behalf the applicant appears to be acting will be required.

Neither the Registrar, nor the Company will be liable to any person for any loss suffered or incurred as a result of the exercise of any discretion to require verification. By lodging an Application Form, each Qualifying Shareholder undertakes to provide evidence of his identity at the time of lodging the Application Form, or, at the absolute discretion of the Company and the Underwriters at such specified time thereafter as may be required to ensure compliance with the Regulations.

6. Overseas Shareholders

6.1 General

The distribution of this document and the Application Form and the making or acceptance of the Open Offer to persons who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, or which are corporations, partnerships or other entities created or organised under the laws of countries other than the United Kingdom or to persons who are nominees of or custodians, trustees or guardians for citizens, residents in or nationals of, countries other than the United Kingdom may be affected by the laws or regulatory requirements of the relevant jurisdictions. Those persons should consult their professional advisers as to whether they require any governmental or other consents or need to observe any applicable legal requirement or other formalities to enable them to apply for Open Offer Shares under the Open Offer. The comments set out in this paragraph 6 are intended as a general guide only and any Overseas Shareholders who are in any doubt as to their position should consult their professional advisers without delay.

No action has been or will be taken by the Company or any other person, to permit a public offering or distribution of this document (or any other offering or publicity materials or application form(s) relating to

the Open Offer Shares) in any jurisdiction where action for that purpose may be required, other than in the United Kingdom.

Application Forms will not be sent to persons with registered addresses in an Excluded Territory or their agent or intermediary, except where the Company is satisfied that such action would not result in the contravention of any registration or other legal requirement in any jurisdiction. No person receiving a copy of this document and/or an Application Form in any territory other than the United Kingdom may treat the same as constituting an invitation or offer to him or her nor should he or she in any event use any such Application Form unless, in the relevant territory, such an invitation or offer could lawfully be made to him or her and such Application Form could lawfully be used, and any transaction resulting from such use could be effected, without contravention of any registration or other legal or regulatory requirements. In circumstances where an invitation or offer would contravene any registration or other legal or regulatory requirements, this document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

It is the responsibility of any person (including, without limitation, custodians, agents, nominees and trustees) outside the United Kingdom wishing to apply for Open Offer Shares under the Open Offer to satisfy himself or herself as to the full observance of the laws of any relevant territory in connection therewith, including obtaining any governmental or other consents that may be required, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes due in such territory. Neither the Company nor any of its respective representatives, is making any representation to any offeree or purchaser of the Open Offer Shares regarding the legality of an investment in the Open Offer Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser. Persons (including, without limitation, custodians, agents, nominees and trustees) receiving a copy of this document and/or an Application Form in connection with the Open Offer or otherwise, should not distribute or send either of those documents into any jurisdiction where to do so would or might contravene local securities laws or regulations. If a copy of this document and/or an Application Form is received by any person in any such territory, or by his or her custodian, agent, nominee or trustee, he or she must not seek to apply for Open Offer Shares in respect of the Open Offer unless the Company determines that such action would not violate applicable legal or regulatory requirements. Any person (including, without limitation, custodians, agents, nominees and trustees) who does forward a copy of this document and/or an Application Form into any such territory, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this Part III and specifically the contents of this paragraph 6.

The Company reserves the right, but shall not be obliged, to treat as invalid any application or purported application for Open Offer Shares that appears to the Company or its agents to have been executed, effected or dispatched from an Excluded Territory or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements or if it provides an address for delivery of the share certificates of Open Offer Shares to a member whose registered address would be in an Excluded Territory or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates or make such a credit.

The attention of Overseas Shareholders is drawn to paragraphs 6.2 to 6.5 below. Notwithstanding any other provision of this document or the Application Form, the Company reserves the right to permit any person to apply for Open Offer Shares in respect of the Open Offer if the Company, in its sole and absolute discretion, is satisfied that the transaction in question is exempt from, or not subject to, the legislation or regulations giving rise to the restrictions in question.

Overseas Shareholders who wish, and are permitted, to apply for Open Offer Shares should note that payment must be made in sterling denominated cheques or banker's drafts. The Open Offer Shares have not been and will not be registered under the relevant laws of any Excluded Territory or any state, province or territory thereof and may not be offered, sold, resold, transferred, delivered or distributed, directly or indirectly, in or into any Excluded Territory or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any Excluded Territory except pursuant to an applicable exemption.

No public offer of Open Offer Shares is being made by virtue of this document or the Application Forms into or any Excluded Territory. Receipt of this document and/or an Application Form will not constitute an invitation or offer of securities for subscription, sale or purchase in those jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

6.2 *United States*

The Open Offer Shares have not been nor will be registered under the US Securities Act or the laws of any state or other jurisdiction of the United States and, therefore, the Open Offer Shares may not be directly, or indirectly, offered for subscription or purchase, taken up, sold, delivered, renounced or transferred in or into the United States except pursuant to an applicable exemption from the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States.

Accordingly, the Company is not extending the Open Offer into the United States unless an exemption from the registration requirements of the US Securities Act is available and, subject to certain exceptions, none of this document or the Application Forms constitutes or will constitute an offer or an invitation to apply for an offer or an invitation to subscribe for any Open Offer Shares in the United States. Neither this document nor an Application Form will (unless an address within the United Kingdom for services of notices has been notified to the Company) be sent to any Qualifying Shareholder with a registered address in the United States. Subject to certain exceptions, Application Forms sent from, or postmarked in, the United States will be deemed to be invalid and all persons subscribing for Open Offer Shares and wishing to hold such Open Offer Shares in registered form must provide an address for registration of the Open Offer Shares outside the United States.

6.3 *Other Excluded Territories*

Due to restrictions under the securities laws of the Excluded Territories and subject to certain exemptions, Qualifying Shareholders who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, any Excluded Territories will not qualify to participate in the Open Offer and will not be sent an Application Form.

The Open Offer Shares have not been and will not be registered under the relevant laws of any Excluded Territory or any state, province or territory thereof and may not be offered, sold, resold, delivered or distributed, directly or indirectly, in or into any Excluded Territory or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any Excluded Territory except pursuant to an applicable exemption.

No offer of Open Offer Shares is being made by virtue of this document or the Application Forms into any Excluded Territory.

6.4 *Other overseas territories*

Application Forms will be sent to Qualifying Shareholders in other overseas territories. Qualifying Shareholders in jurisdictions other than any Excluded Territory may, subject to the laws of their relevant jurisdiction, take up Open Offer Shares under the Open Offer in accordance with the instructions set out in this document and, if relevant, the Application Form.

Qualifying Shareholders who have registered addresses in or who are located or resident in, or who are citizens of, countries other than the United Kingdom should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to apply for Open Offer Shares in respect of the Open Offer.

6.5 *Representations and warranties relating to Overseas Shareholders*

Any person completing and returning an Application Form or requesting registration of the Open Offer Shares comprised therein represents and warrants to the Company and/or the Registrar that, except where proof has been provided to the Company's satisfaction that such person's use of the Application Form will not result in the contravention of any applicable legal requirements in any jurisdiction: (i) such person is not requesting registration of the relevant Open Offer Shares from within an Excluded Territory; (ii) such person is not in any territory in which it is unlawful to make or accept an offer to subscribe for Open Offer Shares in respect of the Open Offer or to use the Application Form in any manner in which such person has used or will use it; (iii) such person is not acting on a non-discretionary basis on behalf of, a person located within an Excluded Territory or any territory referred to in (ii) above at the time the instruction to accept was given; and (iv) such person is not subscribing for Open Offer Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Open Offer Shares into an Excluded Territory or any territory referred to in (ii) above. The Company and/or the Registrar may treat as invalid any acceptance or purported acceptance of the allotment of Open Offer Shares comprised in an Application Form if it: (i) appears to the Company or its agents to have been executed, effected or despatched from an Excluded

Territory or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements; (ii) provides an address in any Excluded Territory for delivery of the share certificates of Open Offer Shares (or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates); or (iii) purports to exclude the warranty required by this paragraph (a).

7. Further information

The attention of Shareholders is drawn to the further information set out in this document including the additional information set out in Part IV, the letter from the Chairman in Part I, the Risk Factors set out in Part II of this document and to the terms and conditions set out in the Application Form.

PART IV

ADDITIONAL INFORMATION

1. Responsibility

The Directors (whose names are set out in paragraph 3.1 below) accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Share Capital and Options

2.1 Issued Share Capital

The issued share capital of the Company (i) as at the date of this document and (ii) as it is expected to be after Admission is set out below:

	<i>As at the date of this document</i>	<i>Immediately following Admission</i>
Fully paid Ordinary Shares of 1p each	10,275,551	15,413,326

2.2 Options

In addition to the options granted to David Evans disclosed in paragraph 3.3 below the Company has granted options over the issued ordinary share capital of the Company to various persons. The share options that have been granted are as follows:

<i>Date Granted</i>	<i>Exercise Price</i>	<i>Number of Ordinary Shares under option</i>
April 2009	25p	5,864
December 2008	50p	29,000
January 2009	60p	14,500
April 2009	94p	2,932
December 2008	£3.125	12,000
Total		<u>64,296</u>

3. Directors' interests

3.1 The Directors and their respective functions are set out below:

David Evans (*Non-Executive Chairman*)
Professor Lindy Durrant (*CEO and CSO*)
Dr Richard Goodfellow (*Commercial Director*)
Nigel Evans (*Non-Executive Director*)
Michael Rippon (*Non-Executive Director*)
Matthew Frohn (*Non-Executive Director*)

- 3.2 The interests (all of which are beneficial unless stated otherwise) of the Directors and of persons connected with them (within the meaning of Section 252 of the 2006 Act) in the issued ordinary share capital of the Company and the existence of which is known to, or could with reasonable due diligence be ascertained by, any Director as (i) at the date of this document and (ii) as they are expected to be on Admission* are as follows:

	<i>As at the date of this document</i>		<i>Immediately following Admission*</i>	
	<i>No. of Ordinary Shares</i>	<i>% of Issued Share Capital</i>	<i>No. of Ordinary Shares</i>	<i>% of Issued Share Capital</i>
<i>Ordinary Shares</i>				
David Evans	250,000	2.43	1,235,832	8.02
Professor Lindy Durrant#	1,048,365	10.20	1,048,365	6.80
Dr Richard Goodfellow#	664,384	6.47	664,384	4.31
Nigel Evans#	470,000	4.57	470,000	3.05
Michael Rippon	195,416	1.90	250,416	1.62
Matthew Frohn	—	—	—	—

* In the table above it has been assumed that no Qualifying Shareholders take up their Open Offer Entitlements except for David Evans, Hygea VCT plc and Calculus Capital Limited EIS Fund 8 who will take up all of their Open Offer Entitlements and Michael Rippon who will take up 55,000 of his Open Offer Entitlements. The number of Ordinary Shares held by David Evans immediately following Admission therefore assumes Mr Evans subscribes for the 125,000 Open Offer Shares that he is entitled to under the Open Offer and that he also subscribes for a further 860,832 Open Offer Shares pursuant to his Underwriting Agreement obligations.

In the table above, the number of Ordinary Shares held by three of the Directors includes their interests in joint ownership shares. Professor Lindy Durrant has an interest in 887,396 joint ownership shares, Dr Richard Goodfellow in 644,384 joint ownership shares and Nigel Evans in 160,000 joint ownership shares. Whilst the shares are held in joint names the dividends on them are waived and the voting rights are not able to be exercised.

- 3.3 The interests (all of which are beneficial unless stated otherwise) of the Directors and of persons connected with them (within the meaning of Section 252 of the 2006 Act) in options over the issued ordinary share capital of the Company and the existence of which is known to, or could with reasonable due diligence be ascertained by, any Director as (i) at the date of this document and (ii) as they are expected to be on Admission are as follows:

<i>Share Options</i>	<i>No. of Ordinary Shares under Option</i>	
	<i>Exercise Price</i>	
David Evans	60p	304,000

* The share options granted to David Evans vest and become exercisable based on the net exit value achieved on the sale of the Company. The number shown in the table above is the maximum number of share options that could vest and be exercisable by Mr Evans and would require the Company to be sold for a net exit value of over £25 million.

Save as disclosed above, no Director nor their immediate families nor any person connected with a Director within the meaning of Section 252 of the 2006 Act has any interests (beneficial or non-beneficial) in the share capital of the Company or any of its subsidiaries.

4. Major Shareholders

Insofar as has been notified to the Company, and in addition to the holdings of the Directors disclosed in paragraph 3.2 above, the following persons hold, as at the date of this document, and are expected to hold following Admission*, directly or indirectly 3 per cent. or more of the Enlarged Share Capital.

	<i>As at the date of this document</i>		<i>Immediately following Admission*</i>	
	<i>No. of Ordinary Shares</i>	<i>% of Issued Share Capital</i>	<i>No. of Ordinary Shares</i>	<i>% of Issued Share Capital</i>
	Share Nominee Limited	973,468	9.47	973,468
Oxford Technology Management Limited#	942,588	9.17	942,588	6.12
Hygea VCT plc*	758,640	7.38	1,744,472	11.32
Jack Helfenstein	655,400	6.38	655,400	4.25
Calculus Capital Limited EIS Fund 8*	416,667	4.05	1,527,778	9.91
Theo Walthie	339,992	3.31	339,992	2.21
Helium Special Situations Fund Limited*	—	—	1,666,667	10.81

* In the table above it has been assumed that no Qualifying Shareholders take up their Open Offer Entitlements except for David Evans, Hygea VCT plc and Calculus Capital Limited EIS Fund 8 who will take up all of their Open Offer Entitlements and Michael Rippon who will take up 55,000 of his Open Offer Entitlements. The number of Ordinary Shares held by Hygea VCT plc immediately following Admission therefore assumes that Hygea VCT plc subscribes for the 379,320 Open Offer Shares that it is entitled to under the Open Offer and that it also subscribes for a further 606,512 Open Offer Shares pursuant to its Underwriting Agreement obligations. The number of Ordinary Shares held by Calculus Capital Limited EIS Fund 8 immediately following Admission therefore assumes that Calculus Capital Limited EIS Fund 8 subscribes for the 208,333 Open Offer Shares that it is entitled to under the Open Offer and that it also subscribes for a further 902,778 Open Offer Shares pursuant to its Underwriting Agreement obligations. It is assumed that Helium Special Situations Fund Limited subscribes for 1,666,667 Open Offer Shares pursuant to its Underwriting Agreement obligations.

Oxford Technology Management Limited does not hold these Ordinary Shares directly but is the manager for the Oxford Technology VCT plc which holds 666,663 Ordinary Shares and Oxford Technology 3 VCT plc which holds 275,925 Ordinary Shares.

5. Underwriting Agreement

Under the terms of the Underwriting Agreement dated 5 March 2010 made between (1) the Company and (2) David Evans, Hygea VCT plc, Helium Special Situations Fund Limited and Calculus Capital Limited, the Underwriters have agreed that they will subscribe for all of the Open Offer Shares that are not subscribed and paid for by Qualifying Shareholders pursuant to the Open Offer, excluding the 333,333 Open Offer Shares which have been placed with the Placees. Each Underwriter's commitment is only for the number of Open Offer Shares set against his name below (which includes his Open Offer Entitlement) and they are not responsible for each other's commitments:

Helium Special Situations Fund Limited	1,666,667 Open Offer Shares
Calculus Capital Limited	1,111,111 Open Offer Shares
David Evans	1,013,332 Open Offer Shares
Hygea VCT plc	1,013,332 Open Offer Shares

If there are Open Offer Shares that are not subscribed and paid for by Qualifying Shareholders pursuant to the Open Offer (a "Shortfall"), then these Open Offer Shares will be subscribed for by the Underwriters in the following order:

1. The first 2,222,222 Open Offer Shares of any Shortfall will be subscribed for by Helium Special Situations Fund Limited and Calculus Capital Limited in equal proportions;
2. The next 555,555 Open Offer Shares of any Shortfall will be subscribed for by Helium Special Situations Fund Limited; and
3. Any remaining Open Offer Shares of any Shortfall will be subscribed for by David Evans and Hygea VCT plc in equal proportions.

In consideration of the undertakings by the Underwriters the Company will pay them an underwriting fee of £52,360 in aggregate.

6. Ichor Agreement

Under a License and Supply Agreement dated 13 July 2009, made between Scancell (1), the Company (2) and Ichor Medical Systems Inc (3), Scancell was granted a licence, under Ichor's intellectual property relating to its TriGrid™ electroporation device, for the development, manufacture and commercialisation of Scancell's Immunobody vaccines delivered by Ichor's device.

In part consideration for the grant of this licence Ichor was granted an option to subscribe for Ordinary Shares in the capital of the Company in three tranches, each exercisable in whole or in part at any time within five years from achievement by the Company of a milestone relating to clinical trials in the field of the treatment of melanoma in humans. The number of Ordinary Shares and the subscription price to be paid was to be fixed upon the Company raising funds believed by the Directors to be sufficient, with existing funds held by or available to the Group, to allow completion of the Phase I/II clinical trial of SCIBI 1.

The Directors consider that the £2.31 million to be raised under the Open Offer satisfies this requirement and accordingly, upon completion of the Open Offer, the tranches of Ichor's options to subscribe for Ordinary Shares in the capital of the Company will relate to that number of Ordinary Shares which, if issued immediately following completion of the Open Offer, would represent the agreed percentage of the then issued share capital of the Company as diluted by all the option shares. The option price would be 45p per share. The agreed percentages are one percent for the first tranche and two percent for each of the second and third tranches.

7. Consent

Zeus Capital has given and not withdrawn its written consent to the issue of this document with the inclusion herein of the references to its name in the form and context in which it is included.

8. Availability of documents

This document will be available for a period of twelve months from the date of this document on the Company's website www.scancell.co.uk free of charge. A copy of the Underwriting Agreement will be available for review until the end of the Open Offer period at the Company's registered office; Fifth Floor, Carmelite, 50 Victoria Embankment, Blackfriars, London EC4Y 0LS.

Dated: 5 March 2010

