

14 July 2010

Scancell Holdings Plc
(‘Scancell Holdings’ or the ‘Company’)

Withdrawal from PLUS and Admission to AIM

The Board of Scancell Holdings plc, (PLUS:SCLP), the developer of therapeutic cancer vaccines, is pleased to announce that it intends to apply for the Company’s Ordinary Shares to be admitted to trading on AIM and, immediately prior to the Admission to AIM, it intends to withdraw the Company’s Ordinary Shares from trading on PLUS.

During 2010, the Company has raised £2.54 million, before expenses, to fund its foreseeable working capital requirements. The Directors believe that the existing funds held by or available to the Group together with future anticipated revenues will be sufficient to allow completion of the Phase I/IIa clinical trial of SCIB1, its lead melanoma therapeutic vaccine.

The Ordinary Shares of the Company were originally admitted to trading on PLUS in September 2008. However, now that the Company has further strengthened its financial position and progressed the development of SCIB1, the Directors believe that it would be in the best interests of the Company and its shareholders for the Ordinary Shares to be admitted to trading on the AIM market of the London Stock Exchange.

The Directors believe that this represents a natural transition for the Company and that the potential benefits of an AIM listing will include an increased public profile for the Company.

Under the AIM Rules, prior to Admission, the Company is required to publish an admission document. The Company is therefore sending an admission document to Shareholders to inform them that the Ordinary Shares of the Company will be withdrawn from trading on PLUS from the close of business on 29 July 2010 and that the Ordinary Shares of the Company are expected to be admitted to trading on AIM at 8.00 a.m. on 30 July 2010.

An extract from the Admission Document is set out below along with the expected timetable of principal events.

A copy of this announcement and the Admission Document will be available for download on the Company’s website at <http://www.scancell.co.uk/>

The Directors of the issuer accept responsibility for this announcement.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	2010
Admission document publication date	14 July
Withdrawal of Ordinary Shares from trading on PLUS	4.30 p.m. on 29 July
Admission to AIM and commencement of dealings in the Ordinary Shares	8.00 a.m. on 30 July

Notes:

1. References to time in this document are to London time. If any of the above times or dates should change, the revised times and/or dates will be notified to Shareholders by an announcement on an RIS.
2. The timing of events in the above timetable is indicative only.

1. Introduction

Scancell Holdings plc is a biopharmaceutical company focused 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's lead ImmunoBody® product, SCIB1, is a melanoma vaccine that has repeatedly shown good antitumour effects in animal studies. A Phase I/IIa clinical trial of Scancell's SCIB1 vaccine in advanced melanoma patients commenced in June 2010 and is expected to be completed in 2012.

Earlier this year the Company raised £2.54 million, before expenses, to fund its foreseeable working capital requirements. The Directors believe that these proceeds, together with the existing funds available to the Group and future anticipated revenues, will be sufficient to allow completion of the Phase I/IIa clinical trial of SCIB1.

The Ordinary Shares of the Company were originally admitted to trading on PLUS in September 2008.

However, now that the Company has further strengthened its financial position and progressed the development of SCIB1, the Directors believe that it would be in the best interests of the Company and its shareholders for the Ordinary Shares to be admitted to trading on the AIM market of the London Stock Exchange.

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You should read the whole of this announcement and the Admission document and, in particular, you should consider carefully the "Risk Factors" set out in Part II of the Admission document.

2. Information on the Company

Overview

Scancell is a biopharmaceutical company focused 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.

Cancer remains one of the world's most significant diseases and although there have been considerable advances in the treatment of cancer over the last decade, a high proportion of patients still die as a result of the disease. A key challenge in the fight against cancer is overcoming the tumour's ability to 'mask' itself from the body's natural defence mechanism – the immune system – and developing effective cancer vaccines.

There are two types of vaccines, namely prophylactic vaccines (that stimulate an immune response prior to exposure to the disease and thereby prevent the pathology associated with the disease) and therapeutic vaccines (which stimulate an immune response to reject an established disease). The only registered prophylactic cancer vaccines are Gardasil and Cervarix, which are given to adolescent females to neutralise the HPV virus which causes cervical cancer. Unfortunately very few cancers are known to be caused by viruses so this approach cannot be used routinely and it is therefore necessary to develop therapeutic vaccines. Scancell's mission is to develop therapeutic vaccines that stimulate the patient's immune system to mount an active response to 'reject' or kill the growing tumour.

The Company has recently commenced a Phase I/IIa clinical trial for its lead therapeutic melanoma vaccine, SCIB1, which is expected to be completed 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 intend to license the Company's ImmunoBody® technology on a target by target basis to companies working in the protein and DNA vaccine field. The manipulation and enhancement of patients' immune systems is also relevant to the treatment of other diseases such as chronic infectious disease and inflammation. Although Scancell does not intend to venture outside the oncology arena itself, it intends to license its ImmunoBody® technology to companies working in other therapeutic areas.

Background

Scancell was spun out from the University of Nottingham in 1996. It was co-founded by Professor Lindy Durrant, PhD (the CEO of the Company). Since its inception, Scancell has consistently focused its attention on harnessing the power of the immune system to treat or prevent disease. Research activity in the early days included the use of antibodies to screen maternal blood for markers of Down's Syndrome although in recent years Scancell has directed its attention exclusively at the cancer therapeutics market.

In December 2006, Scancell decided to divest its preclinical pipeline of cell killing monoclonal antibodies to Arana Therapeutics (then known as Peptech UK Limited) in a deal worth up to £4.85 million (less bonus payments payable to certain of the Directors), in order to concentrate on the further development of its proprietary ImmunoBody® vaccine technology.

The Company was listed on PLUS in September 2008.

Products and Technologies

ImmunoBody® Platform

Scancell's core technology is the ImmunoBody® Platform. The ImmunoBody® technology uses an engineered human monoclonal antibody ("mAb") as a vector to both target and activate key cells that are essential for stimulating a full immune response against the target cancer. The Directors expect that the ImmunoBody® platform technology will be able to provide the basis for generating ImmunoBody® vaccines that target any tumour type and that the technology may also be utilised in the development of vaccines against chronic infectious diseases.

The key concept for the ImmunoBody® technology is that it generates a high avidity response. Most cancer vaccines induce T-cells of low avidity that fail to control tumour growth. In contrast, *in vivo* results consistently show that the ImmunoBody® platform delivers high avidity T-cell responses that:

- Lyse tumour cells;
- Inhibit the growth of solid tumours; and
- Prevent the spread of metastatic disease.

The Directors believe that this vaccine technology has the potential to materially change the way we treat certain cancers. In essence, an ImmunoBody® is a vector designed to deliver information about a foreign agent or pathogen (this might be a tumour or an infecting agent) to dendritic cells. Dendritic cells use this information to activate an immunological cascade resulting in the production of helper and cytotoxic T-cells (“CTLs”) directed against the target of interest (i.e. the tumour or the infecting agent). This is termed ‘cellular immunity’ which, alongside antibody production (known as ‘humoral immunity’), forms the basis of the body’s immune defence system.

Although it is relatively easy to produce a humoral immune response with a vaccine to prevent disease, the primary objective of research for many years has been to find a way of producing an effective immune response (high avidity T-cells) that result in regression of established tumours. The ImmunoBody® technology addresses this issue.

The Directors believe that ImmunoBody® technology is superior to traditional technologies for the following reasons:

- 100 fold enhancement of avidity and 3 fold increase in frequency compared to peptide vaccination;
- 1,000 fold enhancement in avidity and 10 fold enhancement in frequency compared to DNA whole antigen immunisation;
- At least as good as the best possible conventional dendritic cellular vaccine but much simpler and gives a more consistent response as it targets dendritic cells *in vivo*;
- Better than viral carrier vaccines as there are no competing foreign T-cell epitopes. Human IgG1 is an inert carrier with a long serum half life; and
- Better than other approaches that target dendritic receptors as CD64 is only expressed on activated dendritic cells and therefore cannot induce tolerance. Other dendritic receptors are expressed on immature dendritic cells and these can induce tolerance.

Scancell is currently developing a number of ImmunoBody® products in order to extend its product pipeline and further validate the technology. To facilitate this, an ImmunoBody® ‘plug and play’ epitope expression vector system has been developed which enables new vaccines to be generated in a matter of weeks.

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 nonexclusive 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.

Scancell has also announced a collaboration with ImmuneRegen BioSciences, Inc. (“ImmuneRegen”), a wholly owned subsidiary of IR BioSciences Holdings, Inc. Under the agreement, Scancell and ImmuneRegen will work together to investigate the synergy between ImmuneRegen’s Homspera® and Scancell’s ImmunoBody® vaccine technologies.

Furthermore, in June 2010, the Company announced a research collaboration with immatics biotechnologies GmbH to explore the development of novel ImmunoBody® vaccines for colorectal cancer.

Scancell's lead ImmunoBody® product, SCIB1, is a melanoma vaccine that has repeatedly shown good anti-tumour effects in animal studies. SCIB1 is designed to stimulate a powerful immune response against the melanoma antigen tyrosinase related protein 2 ("TRP-2"), a well-known melanoma target.

In the animal studies, SCIB1 prevented the development of lung metastases and significantly inhibited the growth of established tumours. SCIB1 did not cause systemic toxicity when administered at doses of 20µL per mouse per occasion on five occasions at 3 week intervals over 13 weeks. Injection site inflammation was observed at a greater incidence and severity in SCIB1 treated mice compared to controls, however these changes were almost completely reversible after a 4 week recovery period. The ELISpot assay performed by the Company on spleen cells from control and SCIB1 treated mice showed an increase in IFN-γ response in the SCIB1 treated group compared to the control group, indicating that the treated mice had mounted an appropriate cell-mediated immune response to the test material.

SCIB1 is specifically directed towards an important sub-set of melanoma patients (HLA-A2), although it may be possible to further refine the product in due course to permit the treatment of all melanoma patients. It is expected that, once marketed, treatment will initially be approved for patients with evidence of disease progression following surgery. The use of SCIB1 would be expected to be extended to earlier stage patients following additional clinical trials demonstrating an impact on survival and widespread use of the product, enhancing the sales potential still further.

In January 2009, Scancell secured a deal with Cobra Biomanufacturing Plc for the manufacture of its SCIB1 vaccine, 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.

In May 2010, Scancell's proposal to conduct a Phase I clinical trial on SCIB1 was approved by the Gene Therapy Advisory Committee ('GTAC') and by the Medicines and Healthcare products Regulatory Agency ('MHRA') Medicines Division. In addition, Ichor has obtained the required parallel approval from the MHRA Devices Division for the use of Ichor's TriGrid™ electroporation delivery device to administer SCIB1 to patients participating in the trial of SCIB1.

Following these approvals, recruitment commenced to find patients for the Phase I clinical trial of SCIB1 at three leading UK hospital centres in Nottingham, Manchester and Newcastle.

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.

Development Plan and Strategy

A Phase I/IIa clinical trial of Scancell's SCIB1 vaccine in advanced melanoma patients commenced in June 2010 and is expected to be completed in 2012. The first patient was treated with the vaccine on 10 June 2010.

It is expected that preliminary immune response and safety data from Phase I of the study will be available in 2011. Phase II of the study, which will be conducted in less severely ill patients is expected to generate further immune response data which, if positive, would provide clinical validation for both SCIB1 and the entire ImmunoBody® Platform.

22 stage III/IV melanoma patients will be immunised with SCIB1. The trial has the following objectives:

1. To assess toxicity and feasibility of SCIB1 DNA vaccination and to determine the maximum tolerated (or maximum feasible) dose;
2. To determine efficacy in terms of high avidity anti-tumour immune responses as determined by *in vitro* immune assays; and
3. To obtain preliminary data as to whether there is a dose relationship between vaccine dose level and efficacy.

The Directors believe that the existing funds held by or available to the Company, together with anticipated future revenues, will be sufficient to allow completion of the Phase I/IIa clinical trial and, if there is a positive outcome, this would demonstrate clinical proof of principle for SCIB1 in melanoma patients. In addition the Company is planning to design and test its second ImmunoBody® product, SCIB2, to the animal proof of principle stage. The Directors believe that data from these studies, if positive, would significantly enhance the value of the business and:

- provide the opportunity to conclude an advantageous deal with a larger biotech or major pharmaceutical company on SCIB1; and
- permit the execution of multiple licensing deals on the ImmunoBody® platform on a target by target basis;

thereby creating a company with both products in the clinic and the potential for generating a pipeline of new products, an excellent profile for a drug discovery business and an attractive acquisition opportunity.

Other Partnerships and Agreements

As with other small research based biotechnology companies, Scancell is reliant upon forging partnerships with other companies to access technology and/or help with the development of its products and/or commercialise its products. A number of partnerships have been forged over the last few years in relation to the ImmunoBody® platform including:

Biovation (MerckSerono)

Scancell licensed Biovation's DeImmunisation™ technology to DeImmunise its epidermal growth factor receptor mAb, SC100, as its antibody vector for the ImmunoBody® technology. In return, Scancell will pay to Biovation 5 per cent. of all gross revenue received by Scancell relating to SC100 or any protein ImmunoBody® products built around SC100 as a framework. The payments are not expected to apply to SCIB1, which is a DNA vaccine.

Cancer Research Technology ("CRT")

Scancell has in-licensed certain rights of CRT, including exclusive rights to sub-license, in respect of the ImmunoBody® technology for ImmunoBody® protein (but not DNA) products. In return, Scancell will pay royalties in relation to any licensing fees or milestone payments that it receives for any such products.

Immunobiology Limited ("Immunobiology")

Scancell has entered into an agreement with Immunobiology for the development of a vaccine for influenza using the ImmunoBody® protein fusion technology.

Intellectual Property

Scancell has a growing patent portfolio and has a policy of patenting wherever possible to enhance value. Scancell's ImmunoBody® technology patents cover any molecular construct containing an Fc binding domain that binds to the high affinity CD64 receptor. They also cover the use of the ImmunoBody® DNA vector.

As noted above, 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 signed an agreement with the National Institutes of Health, a division of the US Department of Health and Human Services, for non-exclusive licenses to patents related to the melanoma antigens TRP-2 and gp100. Under the terms of this agreement Scancell will have the right to develop and commercialise ImmunoBody® vaccines incorporating epitopes from these targets for the treatment of melanoma in humans.

Monoclonal antibodies

Monoclonal antibodies (“mAbs”) can be specifically used, *inter alia*, in cancer treatment to bind to cancer cell-specific antigens and induce an immunological response against the target cancer cell. The therapeutic potential of monoclonal antibodies was recognised early, with the first monoclonal antibodies being developed in the 1970s. However the first product for human use was not approved until 1986.

Current antibody technologies have already given rise to a number of important drugs and are likely to continue to do so. Scancell’s ImmunoBody® products are essentially mAbs that have been re-engineered as vaccines to induce a powerful CTL response rather than the humoral (and less effective) immunity that conventional vaccines elicit. The advantage of using an mAb structure for ImmunoBody® vaccine discovery and development is that mAbs are proven, well understood biological molecules that can be accelerated through the manufacturing, development and regulatory process on an established development route. This is expected to facilitate the development process and enhance the prospects for licensing both the ImmunoBody® products and the technology.

The oncology market

The cancer market

Despite significant advances in treating cancer over the past 20 years, it remains one of the world’s most significant diseases, both in terms of mortality and morbidity. Cancer is a generic term which includes over 200 different types of cancer affecting every organ in the body. 1 in 3 people will develop cancer in their lifetime, although it is rare in children and young people. Cancer is by and large an age related disease, with over 70 per cent. of cancers occurring in people aged 60 and over.

In Europe and the US there are close to 20 million people that live with cancer today, a figure that is increasing. Surgery is generally the first line of attack for solid tumours, but is rarely a stand-alone treatment and is often followed by radiotherapy or chemotherapy. Radiotherapy can be used in a targeted manner to shrink tumours before, or to prevent spread after, surgery. Chemotherapy can be used to treat both solid and blood borne (liquid) cancers and the drugs or chemicals used preferentially to target and kill cancer cells. Unfortunately, both radiotherapy and chemotherapy affect normal as well as cancer cells causing side effects such as nausea, vomiting, ulceration and fatigue.

While there are additional drugs that can be administered to reduce certain side effects, radiotherapy and chemotherapy have a major impact on patients’ quality of life and can limit the extent and duration of treatment. An unfortunate feature of cancer cells is that they are able to develop resistance to radiotherapy and chemotherapeutic drugs, reducing and in some instances eliminating the effectiveness of repeat treatment.

The effectiveness of these treatment regimes, as measured by disease-free intervals and recurrence, varies according to the cancer. Therefore, treatment combinations can be effective in eliminating cancer, but there is still an unacceptably high rate of recurrence and death due to poor specificity and side effects limiting or preventing extended therapy. Immunotherapy involving the direct or indirect use of the immune system to kill cancer cells is an emerging treatment; either alone or in conjunction with the therapies described above.

It offers potential for the specificity needed to prevent the growth or spread of cancer cells and there is a high level of activity in this field. However, while the specificity of many of the immunotherapies under development allows preferential targeting of cancer cells, there is substantial scope for

treatments that are more effective in killing cells and that have utility against a range of tumour types. Scancell's proprietary ImmunoBody® products are intended to address these needs.

The melanoma market

More than 50,000 new cases of melanoma are diagnosed in the EU every year and the EU has the third highest incidence rate after Australia/New Zealand and North America. Worldwide the incidence of melanoma is increasing.

Few effective therapies have been developed within the last 30 years, as melanoma is one of the most resistant cancers to conventional cancer treatments such as chemotherapy and immunotherapy. Malignant melanoma, although a less common type of skin cancer, is the most serious. Incidence rates are correlated with fairer skinned groups who are twenty times more likely than darker skinned groups to develop melanoma. This is reflected in the world incidence in which the highest rates occur where the majority of the population is descended from European Caucasians who migrated to an area of higher UV index.

It is not only an incidence increase that is observed but also an increased incidence of this disease which goes hand in hand with a worse prognosis. Advanced disease leads to poor prognosis with a median survival of 6 to 24 months. Although malignant melanoma only constitutes between 4 and 11 per cent. of all skin cancers it accounts for 75 per cent. of all skin cancer related deaths. There is increasing evidence to link the rise in melanoma incidence with changes in sun behaviour. It is believed that in the event of a 10 per cent. thinning of the stratospheric ozone layer an increase of 300,000 cases of nonmelanocytic skin cancer and 4,500 cases of melanoma per year will occur worldwide.

Currently only surgery is curative in melanoma, and although many patients with early disease can be cured with resection of the primary the majority with later stage disease will die of their cancer. There is an urgent need for treatments to use post resection to prevent development of metastatic disease (adjuvant therapies) and for treatments for patients who have already developed metastatic cancer. Successful therapeutic intervention therefore has the potential to confer long term benefits to many patients. Few effective therapies have been developed within the last 30 years as melanoma is one of the most resistant cancers to conventional cancer treatments such as chemotherapy and immunotherapy.

Competition

Because of the size of the cancer market, and the growth in the number of cancer cases with the aging population, the market continues to attract huge interest within the pharmaceutical sector with most of the major pharmaceutical companies having interests in this area. In addition, because there is significant scope for developing novel treatments based on biologicals, there is a large number of small, specialised biotechnology companies focused in this field.

The large number of participants in the cancer market provides competition but also potential partners, given that Scancell intends to enter into deals to license or co-develop its therapeutic products. In addition, not all cancer treatments should be regarded as being in competition with Scancell's products. Cancer therapy is moving towards a multi-treatment approach, where surgery, chemotherapy, radiotherapy and immunotherapy are likely to be used side by side. Thus, rather than being competitive, many of the treatments should more reasonably be regarded as additive.

Many therapies have been tried in the treatment of melanoma, generally with low response rates of 10 to 20 per cent. Dacarbazine is considered by most to be the standard of care for stage IV melanoma and has a response rate of 10 to 20 per cent. with median survival of approximately 6 months.

A large proportion of cutaneous melanoma tumours contain activating oncogenic mutations in the BRAF gene. This is an oncogene that mediates cellular response to growth signals; genetic alterations to the BRAF gene are known to contribute to the development of many cancers. A Phase I clinical study has recently been reported in which the drug PLX4032, a selective inhibitor of the oncogenic V600E mutant BRAF kinase, was administered to 16 melanoma patients with an activating BRAF mutation. Partial responses were seen in nine patients showing greater than 30 per cent. tumour regression and minor responses were seen in another four patients. Some serious adverse

events were however observed in some patients after chronic treatment, including possibly drug-related cutaneous squamous cell carcinoma. Further trials are underway.

New approaches to cancer vaccines continue to be sought by the major pharmaceutical companies to overcome the limitations of existing technologies.

Competing immune system therapies for melanoma

Tumour cells are commonly considered as poor immunogens as there is a certain degree of tolerance within the host. This makes generation of an anti-tumour immune response more difficult. However, melanomas are good cancers for considering vaccine therapy as they are some of the most immunogenic tumours known.

Melanoma has been an active clinical research area for many years and although there are other immune therapeutic products in clinical development, none has yet shown a dramatic impact on survival. The following are examples of immune system therapies on the market:

Interferon and Interleukin 2

It is known that the immune system does recognise melanoma cells but because of the mechanisms designed to prevent autoimmune disease, the immune system mostly tolerates the cancer. Interferon (“IFN”) and interleukin 2 (“IL2”) (both potent immune system signalling molecules known as cytokines) have been used to activate the immune system against melanoma as they sometimes overcome this tolerance. Interferon is approved by both the FDA and EMA and is widely used as an adjuvant therapy to surgical removal of tumours. Meta-analysis shows that adjuvant interferon-alpha produces clear reductions in recurrence of high risk melanoma, with some evidence of an effect of dose, but it is unclear whether this translates into a worthwhile survival benefit or not.

High dose interleukin 2 (Proleukin) was approved in 1998 by the FDA for treatment of metastatic melanoma as durable responses have been seen in a few patients. These immune therapies provide a benchmark of 10 to 20 per cent. response but with no effect or an unclear effect on survival. However, in the few patients who respond, prolonged survival is seen, indicating that an effective immune response is very beneficial. Obtaining a more effective response is one of the key aims of SCIB1.

CTLA4 targeted therapies

Therapies targeting the immune regulatory molecule, cytotoxic T lymphocyte-associated antigen 4 (“CTLA4”), have been shown to give significant immune responses in patients with melanoma, and in a series of clinical studies, treatment with the anti-CTLA4 antibody, ipilimumab, have shown improved response and disease control rates. However despite reports of emerging new therapies, the treatment of malignant melanoma continues to be an unmet clinical need.

Information on the Group’s premises

The Company uses laboratories within the Oncology Department at City Hospital from the University of Nottingham. The premises include two dedicated laboratories, an office and shared use of all the Oncology laboratory facilities. The Directors consider these premises to be sufficient to allow Scancell to achieve its current and medium term business objectives.

Information on the Group’s equipment

The Group owns an extensive range of its own laboratory equipment including two tissue culture suites including laminar flow cabinets, incubators, centrifuges and microscopes, numerous fridges and freezers and liquid nitrogen facilities and has the right to use a fully-equipped molecular biology lab which includes a shaking incubator, a sorval centrifuge, 4 PCR machines, a UV doc system and western blotting equipment; and a fully equipped analytical lab including ELISPOT reader, an AKTA, a plate reader, a spectrophotometer and a flow cytometer.

3. Current Trading and Prospects

Earlier today the Company announced its audited results for the year ended 30 April 2010. Revenue for the period was £nil (2009: £nil), the loss before tax was £1,802,639 (2009: £833,890) and, as at 30 April 2010, the Company had cash and cash equivalents of £2,830,145. The Company has continued to trade in line with the Directors' expectations since 30 April 2010. A copy of the annual report and accounts for the year ended 30 April 2010 can be found on the Company's website at www.Scancell.co.uk.

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 raised earlier this year, the Board is confident that the Company will be able to bring SCIB1 through its initial clinical phases and thereby create value for shareholders based on the clinical data that is expected to be generated.

4. The Board

The Board comprises the following directors:

David Evans, Non-Executive Chairman (aged 50)

As its former CFO, David Evans guided Shield Diagnostics Limited through its IPO and then, as its CEO, through its merger with Axis Biochemical ASA to form Axis-Shield plc, a fully listed diagnostics company. In addition to being Chairman of the Company he is currently non-executive Chairman of Epistem Holdings plc, EKF Diagnostics Holdings plc, Immunodiagnostic Systems Holdings plc and Omega Diagnostics Group plc, all of which are AIM listed biotechnology companies.

Professor Lindy Durrant, Chief Executive Officer/Chief Scientific Officer (aged 52)

An internationally recognised immunologist in the field of tumour therapy, Professor Durrant has worked for over 20 years in translational research, developing products for clinical trials including monoclonal antibodies for diagnostic imaging and therapy and cancer vaccines. She has a personal Chair in Cancer Immunotherapy at the Department of Clinical Oncology at the University of Nottingham and has over 120 publications on immunotherapy in world renowned scientific journals. Professor Durrant was the co-founder of Scancell.

Dr. Richard Goodfellow, Commercial Director (aged 60)

Dr. Goodfellow has over 25 years international experience in the pharmaceutical industry, both in major pharmaceutical and in smaller biotechnology companies. During his time at Astra AB, he oversaw the launch of Losec and other key products internationally. Thereafter, he held the post of Director of Licensing and New Business Development at Scotia Pharmaceuticals Limited, where he was involved with the company's flotation on the London Stock Exchange and successfully negotiated numerous deals. Dr. Goodfellow was also a founder of Paradigm Therapeutics Limited, a Cambridge based functional genomics company, and is a former director of Enact Pharma plc. Richard has been a key member of the Scancell management team since 1999 and was pivotal in negotiating the sale of Scancell's antibody pipeline to Arana Therapeutics (then known as Peptech UK Limited) in December 2006.

Michael Rippon, Non-Executive Director (aged 70)

Mike Rippon has over 40 years experience in the motor industry. He is an active investor in small cap companies and is one of Scancell's major private investors. He was originally appointed to the Board of Scancell Limited on 1 January 2004.

Dr. Matthew Frohn, Non-Executive Director (aged 43)

Dr. Matthew Frohn graduated from Oxford Brookes University with a degree in Cell and Molecular Biology followed by a D.Phil in Biochemistry from Oxford University. He worked on research collaborations with Zeneca, and a short research post with a British Biotech plc subsidiary before joining Oxford Technology Management, the manager of the Oxford Technology VCTs, in 1999.

Nigel Evans, Non-Executive Director and Company Secretary (aged 71)

Nigel Evans had 40 years in commercial and strategic roles at senior levels in Rolls Royce plc in the UK and overseas. Now an active investor in public and private companies, he oversees Scancell's corporate and financial activities. He was Executive Chairman of Scancell for seven years, until 2007.

5. Dividend Policy

It is not presently intended that the Company pay dividends but, once it is commercially prudent to do so, it is the intention of the Board to implement a progressive dividend policy.

6. Lock-in Arrangements

At Admission, the Locked-in Persons will be interested in 2,943,165 Ordinary Shares which together represent 18.48 per cent. of the Issued Share Capital. The Locked-In Persons have each undertaken that, save in limited circumstances set out in AIM Rule 7 of the AIM Rules for Companies, they will not (and will procure, in so far as they are able, that any person with whom they are connected for the purposes of Sections 252 to 254 of the 2006 Act will not) during a period of twelve months from the date of Admission, dispose of any interest in Ordinary Shares held by them. In addition, the Locked-In Persons have each undertaken that, save with the prior written consent of the Nominated Adviser, they will not (and will procure, in so far as they are able, that any person with whom they are connected for the purposes of Section 252 to 254 of the 2006 Act will not) during the period after the expiry of the Lock-in Period and 30 days after publication of the audited results for the year ending 30 April 2011, dispose of any interest in Ordinary Shares held by them, other than through the Company's broker.

7. Risk Factors

Your attention is drawn to the risk factors set out in Part II of the Admission document and to the section entitled "Forward Looking Statements". In addition to all other information set out in this announcement and the Admission document, potential investors should carefully consider the risks described in those sections before making a decision to invest in the Company.

Yours faithfully

David Evans
Non-Executive Chairman

DEFINITIONS

The following definitions apply throughout this announcement unless the context requires otherwise.

“Act”	the Companies Act 2006
“Admission”	admission of the Ordinary Shares of the Company to trading on AIM becoming effective in accordance with rule 6 of the AIM Rules
“AIM”	a market operated by London Stock Exchange plc
“AIM Rules”	the AIM Rules for Companies published by London Stock Exchange plc from time to time (including, without limitation, any guidance notes or statements of practice) which govern the rules and responsibilities of companies whose shares are admitted to trading on AIM
“Board”	the board of directors of the Company at the date of this announcement
“Company”	Scancell Holdings plc
“CREST”	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear UK & Ireland Limited is the Operator (as defined in the CREST Regulations)
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI2001 No. 3755), as amended, and any applicable rules made under those regulations
“Directors”	the directors of the Company
“Existing Ordinary Shares”	the existing issued Ordinary Shares as at the date of this document
“Existing Share Capital”	the issued ordinary share capital of the Company as at the date of this announcement
“Group”	the Company and its subsidiary, Scancell Limited
“Locked-in Persons”	each of the Directors of the Company
“London Stock Exchange”	London Stock Exchange plc
“Ordinary Shares”	ordinary shares of 1p each in the capital of the Company
“PLUS”	the PLUS-quoted market operated by PLUS Markets plc
“RIS”	Regulatory Information Service
“Scancell”	Scancell Limited, company number 03234881, the Company’s wholly owned subsidiary
“Shareholders”	holders of Ordinary Shares

“UK”

the United Kingdom of Great Britain and Northern Ireland

“Zeus Capital”

Zeus Capital Limited, a company registered in England and Wales with registered no. 4417845

GLOSSARY

Antigen	a molecule recognised by an antibody or T-cell
Avidity	how strongly two cells interact
Cytokine	a small protein that is secreted by specific cells of the immune system and that carries signals locally between cells
Cytotoxic T-cells or CTLs	a type of white blood cell that recognises and kills tumour or virally infected cells
Dendritic cells	a type of white blood cell that initiates an immune response
DNA	deoxyribonucleic acid, the molecule that encodes our genes
ELISpot assay	a method for monitoring immune responses in humans and animals
EMA	the European Medicines Agency, a European agency for the evaluation of medicinal products
Epitope	a peptide that is recognised by a T-cell
FDA	the Food and Drug Administration, an agency of the United States Department of Health and Human Services
Helper T-cell	a type of white blood cell that recognises and secretes molecules to alert the immune system to the presence of a tumour or virally infected cell
HPV	Human Papillomavirus
IFN- γ	a cytokine that is critical for innate and adaptive immunity against viral and intracellular bacterial infections and for tumor control
ImmunoBody	an antibody genetically engineered to express T -cell epitopes from a tumour antigen
Monoclonal antibody or mAb	an antibody produced from an immortalised cell that recognises a single specificity
Peptide	a string of amino acids
Phase I/IIa Clinical trials	in patients designed to test the safety and efficacy of new drugs in man
T-cell	a type of white blood cell that is composed of CTLs and helper T-cells
Vector	a molecule that encodes an epitope and targets the immune

response