30 June 2011

Scancell Holdings Plc

Subdivision of share capital and Placing to raise £1.73 million

Scancell Holdings plc, ('Scancell' or the 'Company') the developer of therapeutic cancer vaccines, is pleased to announce the following:

- The proposed subdivision of each Existing Ordinary Share of 1p into 10 new Ordinary Shares of 0.1p each (the "Subdivision"); and

- A placing to raise £1.73 million, before costs, by means of the issue of 34,575,410 new Ordinary Shares at 5 pence per share (the "Placing") to fund the working capital of the Company.

The Directors consider the Placing and Subdivision to be in the best interests of the Company and its Shareholders as a whole. Since the Placing and Subdivision are conditional on the Company obtaining Shareholders' approval the Directors have therefore convened a General Meeting for 10.45 a.m. on 25 July 2011 in order to allow Shareholders to consider, and, if thought fit, approve the Resolutions.

Professor Lindy Durrant, commented:

"We believe that, following completion of the Placing, we will have sufficient funding to complete the Phase I trials of our melanoma treatment and to advance the development of our series of new ImmunoBody® cancer vaccines to the pre-clinical proof of principle stage. After the Phase I clinical trial has been completed, and if the data is positive, the Company will seek to generate revenues from a commercial deal on the ImmunoBody® technology and will continue with the Phase II clinical trial. A successful outcome should present Scancell as an excellent acquisition opportunity with an exit remaining firmly on the agenda following the completion of the Phase II trial, expected early 2013."

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Below are extracts from the Circular which will be sent to Shareholders today. The full Circular will be available on the Company's website: www.scancell.co.uk

KEY STATISTICS

Existing Share Capital	
Total number of Existing Ordinary Shares at the date of this announcement	15,951,790
Subdivision	
Number of Ordinary Shares in issue immediately following the Subdivision	159,517,900
Placing	
Placing Price	5 pence
Number of Placing Shares to be issued pursuant to the Placing	34,575,410
Placing Shares as a percentage of the Enlarged Share Capital	17.8%
Gross proceeds of the Placing	£1.73 million
Net proceeds of the Placing (after costs and expenses)	£1.52 million
Upon Admission	
Total number of Ordinary Shares in issue immediately following Admission	194,093,310
Market Capitalisation of the Company following Admission at the Placing Price	£9.70 million
ISIN Number following Admission	GB00B63D3314
SEDOL following Admission	B63D331

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication date of the Circular to Shareholders	30 June 2011
Latest time and date for receipt of completed Forms of Proxy for the GM	10.45 a.m. on 21 July 2011
General Meeting	10.45 a.m. on 25 July 2011
Record Date and time for implementation of the Subdivision	5.30 p.m. on 25 July 2011
Subdivision becomes effective	8.00 a.m. on 26 July 2011
CREST accounts credited with new Ordinary Shares	8.00 a.m. on 26 July 2011
Admission and commencement of dealings in the Placing Shares	8.00 a.m. on 26 July 2011
Share certificates for new Ordinary Shares posted to certificated Shareholders	by 9 August 2011

Notes

1. References to time in this announcement are to London time.
2. 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.

1. Introduction

The Company is pleased to announce a placing to raise £1.73 million by means of the issue of 34,575,410 new Ordinary Shares at 5 pence per share to provide additional working capital for the Group.

The Placing is conditional upon the Company's Shareholders passing resolutions to subdivide each Existing Ordinary Share into 10 new ordinary shares of 0.1p each, to grant the Board authority to allot the Placing Shares and to disapply statutory pre-emption rights which would otherwise apply to the allotment of the Placing Shares. The Placing is also conditional upon Admission. The Placing has not been underwritten.

As such, the Directors have convened a General Meeting for 10.45 a.m. on 25 July 2011 in order to allow Shareholders to consider, and, if thought fit, pass the Resolutions.

The purpose of the Circular, to be sent to Shareholders later today, is to provide you with information regarding the Placing and Subdivision, to explain why the Directors consider the Proposals to be in the best interests of the Company and its Shareholders as a whole and to seek Shareholders' approval for the Resolutions in order that the Placing and Subdivision can be effected.

The Circular also contains the Directors' recommendation that you vote in favour of the Resolutions to be proposed at the GM.

2. Scancell

Overview
Scancell is a biopharmaceutical company focused on the cancer therapeutics market and is developing a series 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 and the development of effective cancer vaccines is overcoming the tumour's ability to 'mask' itself from the body's natural defence mechanism – the immune system.

Scancell's mission is to develop therapeutic cancer vaccines that stimulate the patient's immune system to mount an active response to 'reject' or kill the growing tumour.

In June 2010, the Company commenced a Phase I/IIa clinical trial in humans for its lead therapeutic melanoma vaccine, SCIB1, that has repeatedly shown good anti-tumour effects in animal studies. The trial is expected to be completed in 2013. 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.

Scancell has also made progress in the development of its ImmunoBody® technology platform, and several prototype vaccines have been identified with the potential for further development. The most advanced of these prototype vaccines has, in combination with Homspera®, an adjuvant developed by ImmuneRegen BioSciences, Inc.®, produced encouraging anti-tumour results in animal models, as announced earlier today.

The vaccine, known as SCIB2, stimulates immune responses to the lung cancer antigen NY-ESO-1 and may also have potential utility in oesophageal, liver, gastric, prostate, ovarian and bladder cancers. These results provide further evidence that ImmunoBody® technology may have the ability to augment the immune responses necessary to treat cancer effectively.

The Directors intend to license the Company's ImmunoBody® technology and products to companies working in the therapeutic cancer vaccine field. The manipulation and enhancement of patients' immune systems is also relevant to the treatment of chronic infectious disease. Although Scancell does not intend to venture outside the oncology arena itself, it also intends to license its ImmunoBody® technology to companies working in the chronic infectious disease area.

Update on clinical trials
During 2010 and 2011, data emerged from studies of two new treatments for advanced melanoma patients: firstly, a study of vemurafenib, a BRAF inhibitor being developed by Roche, demonstrated a survival benefit versus decarbazine (although the magnitude and duration of the response is not yet fully established) in patients with the BRAF gene mutation (up to 50 per cent. of patients); secondly, a Phase III trial of the anti-CTLA4 monoclonal antibody ipilimumab demonstrated a prolongation of survival from 6 to 10 months. Ipilimumab has now been

approved by the US FDA for use in patients with advanced metastatic melanoma. Both new products, although representing an advance in the treatment of metastatic melanoma, cause serious and, in the case of ipilimumab, potentially lifethreatening side effects in a significant number of patients. Despite these advances there is therefore still a profound need for more effective and safer treatments of this devastating disease.

The recruitment rate of patients for Scancell's Phase I clinical trial has been slower than anticipated, it is thought that this is because, with these two treatments available, some otherwise suitable patients have been recruited into BRAF studies or offered ipilimumab on a compassionate use basis.

As announced on 28 January 2011, the Company was pleased to have obtained approval from the Gene Therapy Advisory Committee ('GTAC') and the Medicines and Healthcare products Regulatory Agency ('MHRA') Medicines Division to open a fourth trial centre in Leeds. This approval along with that of Scancell's protocol amendment allowing inclusion of all Stage III and Stage IV malignant melanoma patients, is expected to improve the rate of recruitment in the second half of 2011 and thereafter.

These earlier stage patients are also anticipated to make better immune responses (as late stage cancer patients often have weakened immune systems) which should have a positive effect on the trial outcome. Scancell's first group of patients receiving the lowest dose of SCIB1 has now been evaluated by the Cohort Review Committee. The review of the safety data of the first three patients after three treatments has resulted in the approval of an escalation of the dose and recruitment of the next group of patients which marks a positive progression in the trial.

Rationale for the Placing
In the Company's AIM admission document which was issued on 14 July 2010, the Directors stated that, following the raising of £2.54 million (before costs) earlier in 2010, they believed that the proceeds, together with the existing funds available to the Group and future anticipated revenues, would be sufficient to allow completion of the Phase I/IIa clinical trial of SCIB1; however, as mentioned in the AGM Statement on 14 December 2010 and in the interim results announced on 31 January 2011, the delay experienced in patient recruitment has had resource implications for Scancell because the clinical trial is now forecast to take longer than originally expected and it is unlikely that the Company will be able to generate revenues from a commercial deal on the ImmunoBody® technology until after the Phase I clinical trial has been completed and reported. This is now expected in the first quarter of 2012.

Due to the delay in patient recruitment and without revenues from a commercial deal the Company is unlikely to have sufficient working capital to be able to complete the Phase I clinical trial of SCIB1. The Company is therefore proposing to raise £1.73 million by way of the conditional placing of the Placing Shares at the Placing Price. The net proceeds of the Placing will be used to fund the working capital of the Group and the Directors believe that the funds raised, together with the existing cash resources, will be sufficient to enable the completion of the Phase I clinical trial for SCIB1.

After the Phase I clinical trial has been completed, the Company will seek to generate revenues from a commercial deal on the ImmunoBody® technology. However if the Company is unable to generate revenues from a commercial agreement or if it takes longer than expected to reach a commercial agreement on the technology then a further fundraising may be required in mid 2012 in order to provide sufficient working capital to enable completion of the Phase II clinical trial for SCIB1.

The Board is of the opinion that, without completion of the Placing, the working capital currently available to Scancell may not be sufficient for its requirements for the next 12 months following the date of this announcement.

3. Current Trading and Prospects

The audited results of the Group for the year ended 30 April 2011, which were announced earlier today, reported revenue of £nil (2010: £nil) and a loss after tax for the period of £1,649,000 (2010: £1,737,000). The reduction in the loss was due to the slower than anticipated recruitment of patients for the clinical trials, which have resulted in milestone payments to the CRO, which runs the trials, being delayed. The loss per share for the period amounted to 10.4p (2010: 16.2p). As at 30 April 2011 the Group had net assets of £4,636,000 (30 April 2010: £6,048,000). The Group had no external borrowings and cash reserves at 30 April 2011 of £1,111,000 (30 April 2010: £2,380,000). Immediately following the Placing the Company will have cash resources of approximately £2.21 million.

4. Details of the Subdivision

The Directors propose to subdivide each Existing Ordinary Share of 1p each into 10 Ordinary Shares of 0.1p each. The Directors believe that the Subdivision will facilitate the enhancement of liquidity in the Ordinary Shares. The

Subdivision requires the passing of a resolution by Shareholders and accordingly Resolution 1 will be proposed, as an ordinary resolution.

A CREST Shareholder will have their CREST account credited with the Ordinary Shares following their admission to AIM, which is expected to be 8.00 a.m. on 26 July 2011. Certificated Shareholders will be issued with new share certificates and existing certificates will become invalid from 8.00 a.m. on 26 July 2011.

If Resolution 1 for the Subdivision is passed, the share capital of the Company (prior to the allotment of the Placing Shares) will comprise 159,517,900 Ordinary Shares. The Subdivision will not affect the rights attaching to the Existing Ordinary Shares, other than to alter their nominal value and, in particular, will not affect the voting rights of the holders of Existing Ordinary Shares. The Subdivision will be made by reference to holdings of existing ordinary shares on the register as at the close of business on 25 July 2011 ("Record Date").

As all Existing Ordinary Shares are being subdivided, each shareholder's percentage holding in the issued share capital of the Company immediately before and after the implementation of the Subdivision (but prior to the allotment of the Placing Shares) will remain unchanged. Shares to be issued under existing options will reflect the Subdivision. The rights attaching to the Ordinary Shares shall be identical to the rights attaching to the Existing Ordinary Shares.

5. The Placing

The Company is proposing to raise £1.73 million, before expenses, by way of the conditional placing of the Placing Shares at the Placing Price. The Placing is conditional upon, inter alia, (i) the passing of the Resolutions; and (ii) Admission. The Placing has not been underwritten. The Placing Shares will, when issued, rank pari passu in all respects with the Existing Ordinary Shares following the Subdivision, including the right to receive all dividends and other distributions declared, made or paid after Admission.

Application will be made for the Placing Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings will commence on 26 July 2011. It is expected that the Placing Shares will be delivered into CREST on 26 July 2011 or, as applicable, that share certificates for the Placing Shares will be dispatched by no later than 9 August 2011.

In consultation with Zeus Capital and XCAP, the Board has held meetings with a number of prospective new investors and with certain of the Company's largest shareholders, and has concluded that, in light of those discussions and current market conditions, the proposed Placing represents the best financing option currently available to the Company. The Board decided not to make the Placing open to all the Shareholders on a pre-emptive basis as it felt that to do so would have resulted in the Company incurring additional expense.

The Company has received assurances from HM Revenue & Customs that subject to the fulfilment of the relevant conditions the Placing Shares should qualify for EIS and VCT relief. The availability of tax relief will depend, inter alia, upon the investor and the Company continuing to satisfy various qualifying conditions. 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 II clinical trials in respect of SCIB1, if it is advantageous to shareholders generally. The Phase II clinical trial is expected to be completed in 2013. Therefore a trade sale could potentially occur within a three year period from the date of the issue of the Placing Shares.

The Company cannot guarantee to conduct its activities in such a way as to maintain its status as a qualifying EIS or VCT 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. 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.

6. Share Issuance Authorities

The Directors currently have existing authorities under section 551 and sections 570 and 573 of the 2006 Act which were obtained at the Company's Annual General Meeting held on 14 December 2010. However, these would be insufficient to enable the Company to allot and issue the Placing Shares. Accordingly, in order for the Company to allot and issue the Placing Shares the Company needs Shareholders to grant the Board additional authority to issue Ordinary Shares and to disapply statutory pre-emption rights which would otherwise apply to the issue of the Placing Shares. The Company is therefore asking Shareholders to increase the Directors' general authority to allot

securities and disapply pre-emption rights pursuant to section 551 of the 2006 Act and sections 570 and 573 of the 2006 Act, respectively. A summary of the Resolutions is set out in paragraph 7 below.

7. General Meeting

Set out at the end of the Circular is a notice convening the General Meeting to be held at the offices of Laytons Solicitors, Carmelite, 50 Victoria Embankment, London EC4Y 0LS at 10.45 a.m. (or at such later time as immediately following the conclusion of the Annual General Meeting of the Company convened to he held at 10.30 a.m. that day) on 25 July 2011 at which the following resolutions will be proposed for the following purposes:

1. an ordinary resolution to subdivide each Existing Ordinary Share, and any to be issued ordinary shares in the Company, into 10 new Ordinary Shares;
2. an ordinary resolution to authorise the Directors to allot shares in the Company up to an aggregate nominal amount of £34,575.41 pursuant to section 551 of the 2006 Act; and
3. a special resolution pursuant to sections 570 and 573 of the 2006 Act to disapply the statutory pre-emption provisions under section 561(1) of the 2006 Act in relation to the shares authorised for allotment under Resolution 2.

The authorities granted by resolutions 2 and 3 would be in addition to the authorities proposed at the Company's 2011 Annual General Meeting and will expire on 31 December 2011. The attention of Shareholders is also drawn to the voting intentions of the Directors as set out in the paragraph entitled "Recommendation" below.

8. Risk Factors

There are a number of potential risks involved in investing in specialist biotechnology companies such as Scancell, including, but not limited to, clinical, regulatory, manufacturing, commercial and intellectual property risks and the requirement to raise additional finance. These risks and additional risks and uncertainties not currently known to the Directors, or that the Directors currently deem immaterial, could potentially 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 Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities before making a decision to invest in the Company.

9. Recommendation

The Directors recommend that Shareholders vote in favour of the Resolutions as they intend to do in respect of their own shareholdings, amounting in aggregate to 2,942,892 Existing Ordinary Shares (representing approximately 18.45 per cent. of the Existing Share Capital).

DEFINITIONS

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

"2006 Act"	the Companies Act 2006;
"Admission"	the admission of the Placing Shares to trading on AIM;
"AIM"	the AIM market operated by the London Stock Exchange;
"AIM Rules"	means the Rules and Guidance notes for AIM companies and their nominated advisers issued by the London Stock Exchange from time to time relating to AIM traded securities and the operation of AIM;
"Circular"	the document dated 30 June 2011, including the notice of GM, addressed to the Shareholders;
"Completion"	completion of the Proposals;
"CREST"	the relevant system (as defined in the Uncertificated Securities Regulations 2001 (the "Regulations")) in respect of which Euroclear is the Operator (as defined in the Regulations) and in accordance with which securities may be held and transferred in uncertificated form;
"Directors" or "Board"	the directors of the Company;
"EIS"	Enterprise Investment Scheme;
"Enlarged Share Capital"	the entire issued share capital of the Company following the implementation of the Subdivision, Admission and completion of the Placing;
"Existing Ordinary Shares"	the 15,951,790 ordinary shares of 1p each in issue at the date of this announcement prior to implementation of the Subdivision;
"Existing Share Capital"	the entire issued share capital of the Company as at the date of this announcement prior to implementation of the Subdivision;
"GM" or "General Meeting"	the general meeting of the Company convened for 25 July 2011 at 10.45 a.m. (or at such time as immediately following the conclusion of the Annual General Meeting of the Company convened to be held at 10.30 a.m. that day) at Laytons Solicitors, Carmelite, 50 Victoria Embankment, London EC4Y 0LS, or any adjournment thereof;
"Group"	the Company and its subsidiaries;
"Ordinary Shares"	ordinary shares of 0.1p each in the capital of the Company following the implementation of the Subdivision;
"Placing"	the conditional placing of the Placing Shares at the Placing Price pursuant to the Placing Agreement;
"Placing Agreement"	the conditional agreement dated 30 June 2011 between (1) Zeus Capital, (2) XCAP Securities plc and (3) the Company relating to the Placing;
"Placing Price"	5 pence per Placing Share;
"Placing Shares"	34,575,410 Ordinary Shares proposed to be issued

	pursuant to the Placing;
"Proposals"	the Subdivision, the Placing and Admission;
"Resolutions"	the resolutions to be proposed at the General Meeting;
"RIS"	Regulatory Information Service;
"Shareholders"	the persons who are registered as holders of Existing Ordinary Shares as at the date of this announcement;
"Subdivision"	the subdivision of the Company's share capital, being the subdivision of each Existing Ordinary Share into 10 Ordinary Shares;
"VCT"	Venture Capital Trust;
"XCAP"	XCAP Securities plc (registered in England and Wales under number 06920660);
"Zeus Capital"	Zeus Capital Limited (registered in England and Wales under number 4417845).