

12th May 2006

BIOFUSION plc

**Asterion Raises £355k Funding to Progress Novel Therapies
for Hormone Related Diseases**

Biofusion plc ("Biofusion" or the "Company") announces that its portfolio company Asterion Ltd ("Asterion"), the Sheffield-based drug development company has today raised £355k to progress its novel therapies for hormone-related diseases. Biofusion led the round, investing £250k. The White Rose Technology Seedcorn Fund ("WRTSF"), the venture capital fund owned by the Universities of Leeds, Sheffield and York, invested £105k. Following the investment, Biofusion's shareholding in Asterion will be 38.01%.

Asterion is developing specialised hormones (cytokines) which are implicated in a range of diseases including diabetes and cancer as well as obesity, growth and inflammatory disorders. Asterion has developed and patented a range of technologies to produce cytokine agonists, which mimic or complement the action of a target hormone, and cytokine antagonists which reduce or inhibit the hormone action. Drugs based on these technologies have the potential to lower dose requirements, increase stability and slow clearance from the bloodstream, all leading to potentially improved performance.

Asterion has established a research programme with a major multi-national pharmaceutical company to develop growth hormone antagonists and agonists.

The new investment will enable Asterion's to expand its research and technologies to further target hormones. These include established pharmaceuticals such as erythropoietin as well as drug targets of the future including the obesity hormone, leptin.

David Baynes, CEO of Biofusion, said: "We are delighted by the progress made by the Asterion team and excited by the potential of their technology. Asterion demonstrates the strength in depth of the Biofusion portfolio, providing us with the significant potential upside of a genuine drug development company."

Peter Grant, CEO of Asterion, and a Director of Biofusion, said: "Asterion has already shown the potential of its technology through its growth hormone licensing deal. This new investment will allow us to advance a number of other product candidates which we believe will be of considerable interest to the pharmaceutical industry."

Dr Joe Wiley, WRTSF's Investment Manager said: "WRTSF provided initial funding to found Asterion in 2001 and since then the Company has met all its technological milestones and continues to represent a strong investment opportunity. Asterion is a great example of world-leading research from within the White Rose universities

that can deliver real benefits to thousands of people suffering from debilitating diseases.”

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About Biofusion

Biofusion was established in 2002 to commercialise university-generated IP. The Company has agreed a ten-year exclusive arrangement with the University of Sheffield for the commercialisation of IP owned by the University in the area of medical life sciences. As a result of this agreement Biofusion has shareholdings in a portfolio of ten spin-out companies including Axordia, Celltran, Simcyp and Lifestyle Choices. The University of Sheffield is a world class life sciences research centre, spending £30m in 2002/3 on research in medical life sciences. This spending level is expected to grow year on year giving an estimated £0.5bn of research funding over the next ten years. The University, which celebrates its centenary this year, can count five Nobel Prize winners among its alumni and researchers, and data from the latest UK Government's Research Assessment Exercise 2001 ("RAE 2001") showed it ranked fifth in the UK for the quality of its life sciences research. www.biofusion.co.uk

About Asterion

Founded in 2001, Asterion is developing novel proteins with the potential to treat a range of cytokine disorders utilising structural and cellular molecular biology. Asterion has developed its technology base using growth hormone as a model system, but its approach has applicability to many other cytokines. Asterion has successfully licensed its technology for growth hormone agonists and antagonists to a major multi-national pharmaceutical company which has established a research program with Asterion to develop these targets. This research was extended in June 2005 after the successful completion by Asterion of a number of key milestones. Asterion owns four families of patent applications and is in the process of developing its platform technology to produce products that exhibit delayed clearance, do not significantly alter ligand-receptor affinity and have a reduced likelihood of unknown side effects and unwanted immune responses.

About White Rose Technology Seedcorn Fund

The White Rose Technology Seedcorn Fund (WRTSF) is an early stage seedcorn fund, which invests in exciting new technology emerging from the Universities of York, Leeds and Sheffield. The £9m Fund provides venture capital funding of up to £500,000 to help growing companies with management input, advice and experience and bring an investor's viewpoint to bear at an early stage. WRTSF provides investment to enable the transition from promising research work to commercial reality. The Fund invests in companies with exciting growth potential, protectable IP and committed management teams. WRTSF is owned by the Universities of York, Leeds and Sheffield, and managed by Aberdeen Asset Managers Private Equity. For more information: www.whiteroseseedcorn.com