Physiomics plc
The Magdalen Centre
The Oxford Science Park
Robert Robinson Avenue
Oxford
OX4 4GA
UK

Tel 01865 784980
Fax 08701 671931

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Physiomics Plc

("Physiomics" or the "Company")

Collaborative Agreement

"ValiRx to use Physiomics' Virtual Tumour technology

to accelerate development of promising prostate cancer drug"

Physiomics Plc (AIM: PYC), the Oxford, UK based systems biology company, is pleased to announce that it has signed a collaborative agreement ("Agreement") with a wholly owned subsidiary of ValiRx plc (AIM: VAL), ValiPharma Limited, a life science company with a focus on cancer diagnostics and therapeutics for personalized medicine, relating to the further development and accelerated progress of VAL201, ValiPharma's anti-cancer compound.

Physiomics will use its systems biology expertise and 'Virtual Tumour' proprietary technology to assist ValiRx to accelerate the development of its lead therapeutic, VAL201, and speed its progress through the next stage of VAL201's preclinical programme to support the regulatory requirements prior to its entering clinical trials.

The Agreement is on a revenue sharing basis, so that Physiomics will not receive a fee for their work but will receive a percentage of any licensing income received by ValiRx for the compound for use in treating prostate cancer, in due course. The programme will create new IP, which will add value for both parties, with ValiPharma retaining both ownership of all VAL201 associated new IP resulting from the programme and retaining all rights for the commercialisation of VAL201.

Physiomics' proprietary Virtual Tumour^{TM} model is used to simulate cell behaviour in response to new treatments and the results will be used to predict ideal dosing, scheduling and combination treatment regimes to enhance VAL201's potency, for the ideal clinical outcome. The two companies will also collaborate to determine the best regimen to take forward to Phase 1 clinical trials.

This collaboration follows on from the successful late preclinical studies (announced 28/07/11) into the development of VAL201, which were carried out in collaboration with Oxford University, and which firmly established a potentially important role for VAL201 in treating hormone induced refractory prostate cancer and other conditions of hormone induced uncontrolled cell growth.

Dr Mark Chadwick, CEO of Physiomics, said: *"We are delighted to enter this new collaboration with ValiRx to advance VAL201. This is another validation of the value added by Virtual Tumour™ to an early stage oncology project."*

Dr Satu Vainikka, CEO, commented: *"This collaboration represents an exciting opportunity for VAL201 in its progression towards clinical trials. I believe the shorter timelines and improved clinical outcomes achieved through access to Physiomics' technology will save us money and will increase interest in the Company with potential licensing partners. With such a large market for treatment against hormone induced tumour growth and with such high unmet medical need, the accelerated development of VAL201 is to everyone's advantage, both to ValiRx and patients alike."*

- ENDS -

For more information, please contact:

Physiomics plc	+44 (0)1865 784 980
Dr Mark Chadwick, CEO	www.physiomics-plc.com
ValiRx plc	+44 (0) 20 3008 4416
Dr Satu Vainikka	www.ValiRx.com
WH Ireland Limited	+44 (0) 161 832 2174
Katy Mitchell	www.wh-ireland.co.uk

Notes for Editors

Notes on Physiomics

Physiomics (AIM:PYC) is a computational systems biology services company applying simulations of cell behavior to drug development to reduce the high attrition rates of clinical trials. 80-90 per cent of all clinical drug candidates fail to reach the market and estimates show that an overall ten per cent improvement in success rates could reduce the cost of one drug's development by as much as $242 million, from the current estimate of around $800 million(1) .

Physiomics develops computational systems biology models to predict and understand cancer drug efficacy from pre-clinical research to clinical development. Physiomics has created detailed mathematical models incorporating the most important molecular events taking place during the human cell cycle and apoptosis processes. The company's SystemCell(R) technology enables the simulation of populations of "virtual cells". The company has also developed a "Virtual Tumour" model to simulate the

effect of anti-cancer drugs on tumour growth. The models are used to optimise compound design and to design drug schedules and combination therapies.

Physiomics, based in Oxford, UK, was founded in 2001, and floated on AIM in 2004. For further information, please visit www.physiomics-plc.com

[1]Tufts Centre Impact Report 2002