

VASTox plc
("VASTox" or "the Company")

Preliminary results for the year ended 31 January 2005

Oxford, UK, 3 May 2005 – VASTox plc (AIM: VOX), the drug discovery and chemical genomics company, today announces its audited preliminary results for the year ended 31 January 2005.

Highlights:

- Significant progress with proprietary programmes in Duchenne Muscular Dystrophy and tuberculosis.
- A number of new technology service deals signed during the year.
- Successful placing on AIM in October 2004, raising £14.1m after expenses.
- Net cash as at 31 January 2005 of £14.2m.

Post year end highlights:

- Strengthening of the Scientific Advisory Board in key areas of technology and drug development
- Relocation to state-of-the-art facilities in Milton Park, Oxfordshire underway.

Commenting on the Group's preliminary results, Dr Steven Lee, Chief Executive Officer of VASTox plc, said:

"Since our flotation on AIM in October 2004, we have continued to sign service deals and progress our development programmes. This summer we are consolidating our research laboratories in London and Oxford into a single facility in Milton Park, Oxfordshire. The synergies created by having our chemists and biologists in the same laboratories will be reflected in accelerated technology development, higher value service deals and proprietary programme successes.

"With a strong balance sheet, excellent technology, high calibre staff and state-of-the art facilities, we look forward to building further value in 2005."

For more information please contact:

VASTox (www.vastox.com)

Steven Lee, Chief Executive Officer

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Note for Picture Editors:

High resolution images are available for the media to view and download free of charge from <http://www.vismedia.co.uk>.

VASTox plc

CHAIRMAN'S STATEMENT

This year has been one in which VASTox has taken tremendous strides towards its objective of becoming the world's leading chemical genomics technology company.

As Chairman, I set out at the beginning of the year with the core objective of accelerating the growth of the business, having spent the past four years building the science and technology. I wanted to recruit the appropriate Chief Executive who would build the business, validate the technology with profitable commercial deals, and strengthen the balance sheet with both revenues and a fundraising. I am pleased that we have achieved and indeed surpassed all the objectives that I had set.

OUR APPROACH

VASTox uses innovative technology to address the problems associated with the current drug discovery process. For practical reasons, drugs are only trialled on significant numbers of animals at the late stages of development and with this paradigm, over the past few years, the pharmaceutical industry has suffered productivity issues. Over the past twelve months even for marketed drugs, there has been a number of high profile recalls due to dangerous side effects.

VASTox's chemical genomics technology tests potential drugs on statistically significant numbers of fruitfly and zebrafish embryos at an early stage of research, thereby deriving far more information on the effect of the drug in whole animals. Fruitflies and zebrafish are extensively studied by scientists because they show a striking genetic similarity to humans. By using these organisms at an early stage of drug discovery we can improve the chances of drugs making it through the human stages of trials and being successful in the market. This process also has the potential to reduce the number of higher animals used in testing.

The company's business model is to use this technology to both provide services to other pharmaceutical companies and for proprietary drug programmes. The services business gained profitable new contracts with both a top-tier pharmaceutical company and a number of biotech companies, giving industry third party validation of the company's approach.

Our current focus on proprietary programmes is on areas where we have leveraged-off the leading positions of our academic scientific founders. Professor Kay Davies FRS, CBE, is an expert on Duchenne Muscular Dystrophy (DMD) with more than 20 years' experience in the field. DMD is VASTox's lead programme and we have secured patents from both the University of Oxford and the Medical Research Council this year. Professor Edith Sim has discovered a potentially new therapeutic target for tuberculosis called N-acetyl transferase (NAT). During the year, there have been considerable scientific and technical achievements on these programmes. Additionally, the company has engaged with some of the biggest charitable research organisations globally and progressed discussions around collaborations and alliances to tackle these diseases.

FINANCING

In October, VASTox completed the placing of shares and admission to the London Stock Exchange's AiM Market raising £14.1m of new money net of costs. The flotation finances a step-change in the company's operations, and strategically facilitates VASTox to secure better deals by providing balance sheet strength, and improved status.

PERSONNEL

During the year we welcomed the appointment of Dr Steven Lee as the full-time Chief Executive, who left the main board of IP2IPO Group plc where he was executive director of Life Sciences. Steven brings a wealth of industry experience having worked in Business Development for Celltech and Vernalis, and as an industry management consultant with PA Consulting Group's Pharmaceutical and Bioindustries Team.

The board recognises that a key strength of VASTox is its people. Throughout the year all the employees have worked through the change that has occurred through the corporate progression of the business and shown skill, expertise, enthusiasm and a desire to succeed. The scientific founders are firmly engaged in the business as both shareholders and consultants. On behalf of the board we thank them all.

LOOKING FORWARD

In our first full year as a public company, we will strengthen our business and build value for our shareholders. In March we announced a deal to provide carbohydrate chemistry expertise to a UK biotech company. In April we added three prestigious scientists to our Scientific Advisory Board, giving your company access to an enviable range of skills. Later in April we signed a lease on state-of-art new facilities at Milton Science Park, Oxford. We look forward to continuing this progress throughout the year.

Professor Stephen Davies
Non-Executive Chairman
Monday 25 April 2005

VASTox plc
Consolidated profit and loss account
For the year ended 31 January 2005

	Note	Year ended 31 January 2005 £	Period ended 31 January 2004* £
Turnover		112,718	1,440
Cost of sales		(279,221)	(740)
Gross loss		(166,503)	700
Administrative expenses		(572,221)	(24,099)
Operating loss		(738,724)	(23,399)
Interest receivable		215,368	1,008
Loss on ordinary activities before taxation		(523,356)	(22,391)
Tax on loss on ordinary activities		24,321	-
Retained loss for the year		(499,035)	(22,391)
Loss per share			
Basic		2.62p	0.12p
Fully diluted		2.49p	0.12p

* Comparative figures are for the 11 and a half month period ending 31 January 2004.

VASTox plc
Consolidated balance sheet
As at 31 January 2005

31 January 2005

31 January 2004

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REDEFINING DRUG DISCOVERY

	£	£	£	£
	Note			
Fixed assets				
Intangible fixed assets		20,000		-
Tangible fixed assets		1,353		-
		21,353		-
Current assets				
Debtors		93,140	202	
Cash at bank		361,252	79,591	
Cash on short term deposits		13,800,000		
		14,254,392	79,793	
Creditors: amounts falling due within one year		(185,849)	(2,184)	
Net current assets		14,068,543		77,609
Total assets less current liabilities		14,089,896		77,609
Capital and reserves				
Called up share capital		3,131,311		1,000
Share premium account		12,946,848		99,000
Other reserves		(1,489,228)		-
Profit and loss account		(499,035)		(22,391)
Equity shareholders' funds		14,089,896		77,609

VASTox plc
Consolidated cash flow statement
For the year ended 31 January 2005

	Note	Year ended 31 January 2005 £	Period ended 31 January 2004* £
Net cash flow from operating activities		(184,863)	(21,215)
Returns on investments and servicing of finance		215,368	1,008
Interest			
Net cash inflow from returns on investments and servicing of finance		215,368	1,008
Taxation received		-	(202)
UK Corporation Tax			

Capital expenditure and financial investment		
Purchase of fixed assets	(1,803)	
Purchase of intangible assets	(5,000)	-
		-
Net cash outflow for capital expenditure	(6,803)	-
Cash inflow before use of liquid resources and financing	23,702	(20,409)
Management of liquid resources		-
Increase in cash held on short term deposit	(13,800,000)	
Financing		
Proceeds from the issue of shares	15,000,000	100,000
Expenses of issue of share capital	(942,041)	-
Net inflow from financing	14,057,959	100,000
Increase in cash in the year	281,661	79,591

VASTox plc Notes

1. The financial information set out in this preliminary announcement does not constitute the company's statutory accounts, but has been extracted from the company's statutory accounts for the years ended 31 January 2004 and 2005. The auditors' reports on the statutory accounts for the years ended 31 January 2004 and 2005 were unqualified and did not contain a statement under section 237(2) or (3) of the Companies Act 1985. The statutory accounts for the year ended 31 January 2004 have been delivered to the registrar, while the statutory accounts for the year ended 31 January 2005 will be delivered to the registrar following the company's annual general meeting. This financial information has been prepared on the basis of the accounting policies set out in the annual financial statements for the year ended 31 January 2004.

2. Availability of statutory accounts

Copies of this announcement and the full statutory accounts will be available from the registered office at 91 Milton Park, Abingdon, Oxfordshire, OX14 4RY and from the offices of the Group's nominated advisor, KBC Peel Hunt, 111 Old Broad Street, London, EC2N 1PH.

3. Basic and diluted loss per ordinary share

The basic and diluted loss per ordinary share is based on losses attributable to ordinary shareholders for the year of £499,035 (2004: loss of £22,391). The basic loss per share is based on the weighted average number of ordinary shares of 19,023,556 in issue during the year (2004: 19,023,556). The diluted loss per ordinary share in 2005 is based on the weighted average number of ordinary shares plus the potentially dilutive options over ordinary shares of 1,010,189.

4. Reconciliation of shareholders' funds

	2005	2004
	£	£
Group		
Loss for the year	(499,035)	(22,391)

VASTOX

REDEFINING DRUG DISCOVERY

Shares issued during the year	3,131,311	1,000
Share premium on shares issued (net of expenses)	12,946,848	99,000
Shares to be issued	453,361	-
Merger reserve	(1,942,589)	-
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Closing shareholders' funds	14,089,896	77,609

2005

£

Company

Loss for the year	(275,604)
Shares issued during the year	3,131,311
Share premium on shares issued (net of expenses)	12,946,848
Shares to be issued	453,361
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Closing shareholders' funds	16,255,916

5. Notice of AGM

The Annual General Meeting will be held at 10am on 3 June 2005 at VASTox plc, 91 Milton Park, Abingdon, Oxfordshire, OX14 4RY.