

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

**VASTOX SIGNS CARBOHYDRATE DRUG DEVELOPMENT DEAL WITH
US PHARMACEUTICAL COMPANY**

\$450,000 Development Payment and 5% Royalty on Annual Sales

Oxford, UK, 16 May 2007 – VASTox plc (AIM: VOX), a leading UK biotechnology company, announces that it has signed a long-term commercial collaboration with an undisclosed US pharmaceutical company that has total annual sales in excess of \$100 million.

The deal involves VASTox's wholly owned subsidiary, Dextra Laboratories ("Dextra"), the carbohydrate drug discovery, process and development specialist, and is focused on the late-stage development of a healthcare product owned by the undisclosed company, that is due to launch in 2010.

Using its carbohydrate chemistry expertise and experience, Dextra will improve the cost-efficiency of the manufacturing route for this product, which has already been shown to be safe and efficacious during current clinical trials.

Under the terms of the agreement, VASTox will receive development payments of \$450,000, the majority of which will appear in the current financial year and a 5% annual royalty fee starting in 2009 as stocks of the product are built up ahead of market launch. Annual sales of the product are predicted to peak in 2013 with royalty income for VASTox of around US\$1 million at that time.

Steven Lee, PhD, CEO of VASTox commented "This is a sizeable long-term collaboration deal in one of our key areas of focus, carbohydrate chemistry, and arises following the acquisition of Dextra earlier this year. With the additional expertise that Dextra provides in this specialist area of chemistry, VASTox can now successfully compete for these higher-value and longer-term deals. Overall in 2007, this is VASTox's third long-term deal signed covering the entire service business and as a Company, we are confident our world-leading technologies and expertise will generate additional high-value deals in the coming months."

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About VASTox plc

VASTox is a leading UK biotechnology company that discovers and develops proprietary new drugs. The Company's internal drug development programmes are underpinned by its advanced chemistry and drug screening (chemical genomics) technology platforms, which it also provides on a collaborative or fee-for-service basis to the pharmaceutical industry.

VASTox has a broad range of drug discovery programmes in the clinical, pre-clinical and discovery stages of development, which target serious diseases with a high unmet medical need. These therapeutic areas include neuro-disorders (neurodegenerative and neuromuscular), anti-infectives, ophthalmic diseases, oncology and regenerative medicines.

VASTox's in-house drug development capabilities combine world-class expertise in both medicinal and carbohydrate chemistry with high-volume, high-content screening using its proprietary zebrafish and fruitfly technologies (chemical genomics). These whole organism screens have the potential to dramatically decrease the time and cost of drug discovery and development by delivering data that are highly predictive of the efficacy and toxicity of potential drug compounds in humans.

The company listed on the AIM market of the London Stock Exchange in October 2004 – symbol: VOX

About Dextra Laboratories Ltd

Dextra Laboratories has an established world-class reputation in the area carbohydrate chemistry and the Company operates a profitable custom synthesis business with a turnover in excess of £700,000 in 2006. Dextra has an unrivalled and innovative scientific expertise in the synthesis and manufacture of compound targets across a range of therapeutic areas. These novel synthetic techniques and strategies have generated a valuable library of complex and rare carbohydrate compounds, which are available to clients through an on-line catalogue business.

Dextra was acquired by VASTox plc in March 2007 and operates as a wholly owned subsidiary.

Further information about the company is available at www.vastox.com

This document contains "forward-looking statements" within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by words such as "anticipates", "intends", "plans", "seeks", "believes", "estimates", "expects" and similar references to future periods, or by the inclusion of forecasts or projections.

Forward-looking statements are based on the Company's current expectations and assumptions regarding our business, the economy and other future conditions. Because forward-looking statements relate to the future, by their nature, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. The Company's actual results may differ materially from those contemplated by the forward-looking statements. The Company cautions you therefore that you should not rely on any of these forward-looking statements as statements of historical fact or as guarantees or assurances of future performance. Important factors that could cause actual results to differ materially from those in the forward-looking statements and regional, national, global political, economic, business, competitive, market and regulatory conditions.