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For immediate release

Midatech Announces Research and Development Collaboration with the Mayo Clinic

Agreement to develop nanoparticle-based DNA therapeutics in undisclosed medical fields

Oxford, UK (June 15, 2010) **-** Midatech Group, a world leader in nanotechnology, today announces that it has entered into a Research and Development collaboration with Mayo Clinic, to develop a nanoparticle-mediated DNA delivery technology for therapeutic use. The research programme will establish the feasibility of targeted delivery of plasmid DNA via nanoparticles, a technology that will have multiple medical applications.

Under the terms of the agreement, the nanoparticles will be designed at Midatech's Oxford, UK, based R&D facility, and synthesis will take place at Midatech Biogune, the group's manufacturing subsidiary based in Bilbao, Spain. Mayo Clinic will then perform proof of concept studies at its Rochester, Minnesota research facilities. Mayo Clinic physicians, Jose Pulido. M.D. and Richard Vile. Ph.D. are co-principal investigators performing the research.

Further clinical development of any programmes resulting from the collaboration will be carried out at Midatech's recently incorporated drug development subsidiary, PharMida, based in Basel, Switzerland.

Commenting on the Research and Development programme Professor Thomas Rademacher, Chairman of Midatech, said: "Non-viral transfer of DNA into cells is the safest way to introduce foreign DNA into living cells, but so far the processes by which this can take place have been very inefficient. Midatech's nanoparticles offer an innovative solution that could overcome this problem and provide a safe, fast and efficient method by which DNA therapies could be delivered."

This collaboration is the latest addition to a number of collaborative projects that are focused on the development of Midatech's nanoparticles for use in a wide range of applications in the fields of healthcare and engineering.

For further information, please visit www.midatechgroup.com

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Notes to editors:

About Midatech Group

Midatech Group Ltd, UK, is a world leader in the design, synthesis and manufacture of biocompatible nanoparticles. These nanoparticles can be used to create a wide variety of products with novel characteristics, functions and applications for a number of industry segments including life sciences, electronics and fine chemicals.

Founded in 2000, Midatech Ltd is a private company headquartered in Abingdon, Oxford, UK. In 2005 it registered its manufacturing facility – Midatech Biogune S.L. – in Bilbao, Spain, which became fully operational for cGMP standard design and manufacturing of API nanoparticles In March 2007. In 2008 Midatech Ltd further expanded with the opening of PharMida AG in Basel, Switzerland, which is responsible for developing Midatech's technology in the life sciences arena.

For further company information see www.midatechgroup.com

The Technology in life sciences – a paradigm shift in drug development and drug delivery

Midatech's biocompatible nanoparticles possess a number of unique properties that make them ideal for diagnostic and therapeutic applications.

The nanoparticles are water soluble and can be designed to either diffuse freely *in vivo*, or to target specific cells. With a diameter of less than 5nm, unbound nanoparticles are freely excreted from the kidneys, reducing the likelihood of non-specific *in vivo* accumulation. Their size enables drug delivery via different routes of administration, such as parental or intranasal. Their stability to enzymatic digestion may also permit oral therapy. Nanoparticles can be designed to be invisible to the host immune system with multiple ligands attached to a single nanoparticle allowing multivalent drug or multi-drug delivery on a single particle. In addition, as the nanoparticles self-assemble in a single step chemical process manufacturing is simple, safe, scaleable and low cost.

Midatech Ltd. has exclusive world-wide IP for the technology covering design, manufacture and application/use of nanoparticles in both diagnostic and therapeutic pharmaceutical areas as well as in other industries. It also has exclusive world-wide rights for technology relating to the synthesis and applications of self-assembling nanoparticles.

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