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MonoSol Rx and Midatech Launch MidaSol Therapeutics LP

Strategic Initiative Focused on Partnering/Licensing of Innovative Diabetes Therapies

Combines MonoSol Rx' Proprietary PharmFilm® and Midatech's Proprietary MidaForm™ Nanoparticle Technologies

Warren, New Jersey and Oxford, UK, 5 January 2012 – MonoSol Rx LLC, the developer of PharmFilm® drug delivery technology, and Midatech Ltd., the developer of MidaForm™ nanoparticle excipients and a global leader and center of excellence for the design, development, synthesis and manufacture of nanomedicines, today announced the launch of their strategic joint venture, MidaSol Therapeutics LP. The launch will focus on the commercialization, via partnering or licensing, of products that have combined the IP of the companies' respective technologies in the primary treatment of diabetes. The companies announced recently that they are conducting a Phase I clinical study of their most advanced candidate which utilizes insulin-passivated gold glyconanoparticles (MidaForm™ insulin) formulated into PharmFilm® for buccal delivery. Results of the Phase I study are expected in the first half of 2012.

MidaSol Therapeutics non-injectable Insulin addresses the longstanding unmet need for millions of diabetics who are dependent on insulin injections by providing a more convenient, non-invasive, treatment option. Insulin, stabilized on a nanoparticle and delivered transbuccally has the potential to offer diabetic patients a viable alternative to injectable insulin. Pipeline products for commercialization include MidaForm™ GLP-1 formulated in PharmFilm® and a unique mixed MidaForm™ nanoparticle containing therapeutic levels of both insulin and GLP-1 on the same nanoparticle. Midatech Ltd. and MonoSol Rx LLC will present these new MidaSol projects between Jan. 9-11, 2012 at the forthcoming JP Morgan Healthcare Conference in San Francisco.

A. Mark Schobel, President and CEO of MonoSol Rx, stated: "The MidaSol Therapeutics LP launch is designed to accelerate the commercialization of the innovative insulin, GLP-1 and insulin/GLP-1 products for the treatment of diabetes. The outstanding pre-clinical results the two companies have generated to date indicate a significant advance for the treatment of this disease.

Commenting on the joint venture, Professor Tom Rademacher, Chairman of Midatech Ltd., remarked: "The launch of MidaSol Therapeutics LP represents a significant step forward for the commercialization of MidaForm™ insulin, MidaForm™ GLP-1 and MidaForm™ insulin/GLP-1 containing formulations. We, in collaboration with partners in the pharmaceutical industry, aim to provide diabetic patients and their physicians with efficient diabetes treatments that promote compliance while improving clinical outcomes and quality of life."

*PharmFilm is a registered trademark of MonoSol Rx. MidaForm is a trademark of Midatech Ltd.

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About Diabetes

Diabetes is a disease associated with high levels of blood glucose resulting from defects in insulin production, insulin action, or both. It is the seventh leading cause of death in the United States and can cause serious health complications including heart disease, blindness, kidney failure, and lower-extremity amputations. According to the Centers for Disease Control, nearly 24 million people in the United States are currently living with diabetes. Globally, more than 230 million people are living with the disease and this number is expected to rise to 350 million within 20 years.

About Midatech Ltd

Midatech 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 clinical development of Midatech's products. 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 potentially enables drug delivery via different routes of administration, such as parental, transdermal, mucosal, intradermal transbuccal, sublingual or intranasal/inhalation. 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, scalable 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.

For further company information see www.midatechgroup.com

About MonoSol Rx

MonoSol Rx is a specialty pharmaceutical company leveraging its proprietary PharmFilm[®] technology to deliver drugs in films. PharmFilm[®] is designed to benefit patients by improving the convenience, efficacy, and compliance of new and currently marketed drugs. The Company's leadership in film drug delivery is supported by strong intellectual property, a portfolio of commercialized prescription and over-the-counter (OTC) drug products, a pipeline of prescription formulations based on PharmFilm[®] technology, and two recent FDA approvals - Zuplenz[®], the first approved prescription oral soluble film for the prevention of chemotherapy-induced, radiotherapy-induced, and postoperative nausea and vomiting, and Suboxone[®] sublingual film, the first sublingual film product for the treatment of opioid dependence.

MonoSol Rx's commercialization strategy for all PharmFilm[®] products is to partner with the innovator or other specialty pharma companies that can sell-in and manage product sales and marketing. PharmFilm[®] is also a tool to help sales and marketing partners differentiate in competitive markets while offering unique advantages over drugs dosed by traditional tablets, capsules and orally disintegrating tablets (ODTs). For existing and future partners, PharmFilm[®] formulations can also represent revenue-life cycle extensions for products with patent lives that have expired or are approaching expiration. For press releases and other company information visit www.monosolrx.com

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