

**For immediate release
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Midatech secures £6.3 Million Financing to Strengthen Product Development Portfolio

Oxford, UK, 5 January 2012 – Midatech Ltd., a global leader for the design, development, synthesis and manufacture of nanomedicines, announced today it has raised £6.3 million through a private investment round.

This financing will be used to strengthen and diversify Midatech's product development portfolio, especially in oncology. It will be used to support clinical development of chemotherapeutic gold nanoparticles designed to target ovarian, lung and breast carcinoma and to support development of therapeutic cancer vaccines in SynTara, a joint venture with Immunotope Inc. The funding will also be used to expand the capacity of Midatech's resources to accommodate its expanding development portfolio. In November 2011, Midatech received regulatory approval for a first-in-human study of MidaForm™ insulin delivered transbuccally. Phase I results are expected in Q1 2012.

"This funding reflects on the excellent work that Midatech has achieved in advancing its programs through preclinical development and targeting specific compounds for drug delivery by gold nanoparticles", commented Prof. Thomas Rademacher, CEO and Chairman of Midatech, adding, "In addition to its advanced diabetes program currently being commercialized in MidaSol Therapeutics LP, a joint venture with MonoSol Rx, Midatech is now well funded to expand its activities to encompass other disease indications, by initiating several programmes in oncology."

Midatech 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.

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Notes to editors:

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, 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.

For further company information see www.midatechgroup.com