

Press Release

Encap Drug Delivery announces collaboration agreements with Probac AB and D3 Pharma for the development and manufacture of Specials products

Livingston, United Kingdom, 5th October 2010

Encap Drug Delivery (Encap) today announced that they have entered into two collaboration agreements to develop certain Specials products for Probac AB and D3 Pharma.

Encap recently obtained a license to manufacture Specials products from the MHRA in the UK. Specials are unlicensed products which are manufactured for individual patients on the instruction of doctors and pharmacists. These medicines are used when a suitable licensed product is not available or appropriate and the prescription of the Specials is considered to be more clinically appropriate. Specials must be manufactured in licensed facilities with the same legal, regulatory and quality standards as standard licensed medicines.

Liquid and semi-solid filled capsules, the core expertise offered by Encap, provide an ideal oral dosage form for the rapid development of virtually any pharmaceutical active. Formulations can usually be developed accommodating a wide range of dosage strengths, using a minimum number of excipients and offer excellent patient compliance via easy to swallow capsules. Through working with hundreds of compounds over the last 20 years, Encap have gained the expertise to rapidly identify the most appropriate formulations for any particular drug, providing the opportunity to bring special products to the patient with minimal development time and cost.

Encap have recently commenced the development of certain Specials products with Probac AB and D3 Pharma and are planning to have these products available for prescribers by 2Q 2011. Under the terms of both agreements, Encap will perform all development, manufacturing and distribution of the products from their facility in Livingston.

Encap have previously announced an agreement to jointly develop with Probac AB an oral probiotic for the treatment of antibiotic associated diarrhoea (AAD). The existing collaboration project which has been part funded by both a Scottish Enterprise R&D grant and Sweden's Innovationsbron AB is progressing well. Both companies believe that the outcome of their collaboration will lead to a very significant product with great potential to address the problem of hospital infections which can cause AADs including *Clostridium difficile* (C difficile). A product dossier is expected to be available to potential marketing partners by the middle of 2011.

About Encap Drug Delivery

Encap is a leading provider of development and manufacturing services to the pharmaceutical industry. Encap's state-of-the-art facility in the UK is the world's largest development and manufacturing facility dedicated to liquid filled hard capsules. The company has 20 years experience of providing formulation, clinical and commercial manufacturing services to companies worldwide and is the approved manufacturing site for eight products that are commercially licensed in Europe.

About Probac AB

Probac was founded 2005 by Dr Eva Grahn Håkansson and Essum AB to market and license probiotic products which offer people the opportunity of an improved life. The business resulted from pioneering research work in the probiotic field at Umeå University and Essum AB. The product development takes place in three different areas: ear-nose-throat associated infections, gastrointestinal tract and the immune system. In October Probac is launching Probactiv™ on the Swedish market. Probactiv™ is a dietary supplement that strengthens the normal flora in the throat after an antibiotic treatment and may reduce the recurrence of tonsillitis and otitis media.

About D3 Pharma

D3 Pharma is a privately owned Specialty Pharmaceutical company based in Kent, UK. D3 Pharma is committed to the research, development and commercialisation of a bespoke range of high-dose vitamin D medicinal products for the treatment of vitamin D deficiency and associated diseases. D3 Pharma's pioneering work in the vitamin D deficiency area aims to address a current unmet need and improve product access worldwide.

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