



Solagran Limited

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**Company Announcement
Update on *Ropren*® Production and Marketing**

The Directors of Solagran Limited are pleased to provide an update in relation to the production and marketing of *Ropren*® in Russia.

Solagran's Executive Director Operations, Mr Charles Pellegrino, has recently returned from Russia where he oversaw the completion of the construction of the SibEX production facility in Tomsk, participated in the opening of the facility as announced on 27 March 2008, and signed a special co-operation agreement with the Tomsk Regional Government.

In his report to the Board this week, Mr Pellegrino commented that the metamorphosis that had occurred at the SibEX plant over the past six months had made an indelible impression on him. He was also able to demonstrate that the facility had been completed well ahead of schedule, resulting in significant savings. The Board considers this an excellent achievement in view of the unique nature of the plant and the level of sophistication of its engineering.

He also reported that testing of the facility, which was under way when he left Russia, has now been successfully completed more than three weeks ahead of schedule. This process, which was very thorough and well planned, has proven extremely valuable. It revealed an ability to tune the plant in a way that increases its production capacity from a planned 20kg of Bioeffective® R per month, to around 40kg per month, without any material additional capital expenditure.

This increased production capacity translates into a total of 10,000 courses of *Ropren*® per month, or 120,000 courses per year.

The Board is also pleased to report that Dr Victoria Gorbacheva has now joined Solagran as General Manager, Solagran Russia. Dr Gorbacheva has brought with her a five person team with which to manage the marketing of *Ropren*® in St Petersburg and Moscow.

At this stage, there are nine hospitals across these two cities that are waiting to receive their initial supply of *Ropren*®. Firm orders will be confirmed when pricing has been finalised in mid May and will be announced to the market at that time. Marketing to senior clinicians outside these nine institutions will also commence at that time.

May will also see Solagran's Executive Chairman, Dr Vagif Soultanov, participate in two important conferences to be held in St Petersburg.

The first is Gastro 2008, an annual conference attended by more than 1,000 leading gastroenterologists from across Europe.

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The second is a major international symposium being held to celebrate the 120th anniversary of the founding of the Pasteur Institute in Paris by Louis Pasteur and Ilya Mechnikov, and the 85th anniversary of the founding of the Pasteur Institute in St Petersburg. This conference will be attended by a large audience of microbiologists and infectious diseases experts from throughout the world, and particularly from the international network of 30 Pasteur Institutes.

Dr Soultanov and Solagran's research partners will present a total of ten papers related to Bioeffective® A and Ropren® – eight at the Pasteur Institute conference and two at Gastro 2008.

A handwritten signature in black ink, appearing to read 'Peter Stedwell'. The signature is fluid and cursive, with a prominent flourish at the end.

Peter Stedwell
Company Secretary
On behalf of the Board of Directors
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