

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in doubt as to the action to be taken, please consult an appropriately authorised independent financial adviser immediately. If you have sold all of your holdings of Ordinary Shares in Alizyme plc you should hand this document, together with the accompanying Form of Proxy, to the stockbroker, bank or other agent through or to whom the sale was effected for transmission to the purchaser.

ALIZYME PLC
(the "Company")
(Registered in England and Wales No. 3163027)

Registered Office:

Granta Park
Great Abington
Cambridge
CB21 6GX
United Kingdom
6 July 2009

Dear Shareholder

Enclosed with this letter is notice of an Annual General Meeting to be convened on 29 July 2009.

Annual General Meeting

The business to be conducted at this Annual General Meeting comprises: the receipt of the financial statements; the re-appointment of Directors; the re-appointment of Deloitte LLP (formerly called Deloitte & Touche LLP) as auditors; a resolution to approve the Directors' Remuneration Report; an authority to allot shares; a disapplication of pre-emption rights; and a resolution to amend the Articles of Association of the Company so as to reduce the notice required to convene a general meeting other than an annual general meeting. A brief explanation of these resolutions is set out below.

The Board also seeks to use the Annual General Meeting as an opportunity to meet shareholders and in particular private shareholders, who are encouraged to attend. During the Annual General Meeting, there will be opportunity to ask questions in relation to the resolutions. After the Annual General Meeting, there will be a brief presentation on the future of the Alizyme Group. Following the presentation there will also be an opportunity to ask questions of the Directors and to discuss development of the business.

Re-appointment of Directors (Resolutions 2-3 – ordinary resolutions)

Under Article 23.2 of the Articles of Association of the Company, additional Directors who have been appointed by the Directors since the last Annual General Meeting shall retire from office and be eligible for re-appointment at the first Annual General Meeting following their appointment.

Each of Dr Roger Lloyd and Mr Alan Goodman were appointed as additional Directors of the Company by the Directors since the last Annual General Meeting and are therefore required to retire at the Annual General Meeting and to seek re-appointment. Dr Roger Lloyd and Mr Alan Goodman are willing to be re-appointed as Directors. These appointments were made in order to add substantial relevant experience to the Board. Full biographical information on Dr Roger Lloyd and Mr Alan Goodman is set out in the appendix to this document.

The Board believes that Dr Roger Lloyd, who joined the Board with effect from 1 April 2009, brings extensive experience of the pharmaceutical and biotechnology industries to the Board, and as a result, the Board recommends that Dr Roger Lloyd be re-appointed.

The Board believes that Mr Alan Goodman, who joined the Board with effect from 23 April 2009, brings extensive experience of the biopharmaceutical industry to the Board, and as a result, the Board recommends that Mr Alan Goodman be re-appointed.

Mr Richard de Souza was appointed as an additional Director of the Company since the last Annual General Meeting. In the 2008 Annual Report and Accounts published on 30 April 2009, it was stated that Mr de Souza would stand for re-appointment as a Director at the forthcoming Annual General Meeting. On 22 June 2009, Mr de Souza resigned as a Director, therefore no resolution for his re-appointment will now be put before the Annual General Meeting.

Under Article 23.4 of the Articles of Association of the Company, one third of the Directors (not taking into account Directors appointed pursuant to Article 23.2 of the Articles of Association of the Company) shall retire from office and be eligible for re-appointment.

Sir Brian Richards is retiring at the Annual General Meeting and is not offering himself for re-election.

In the 2008 Annual Report and Accounts published on 30 April 2009, it was stated that Mr Tim McCarthy, being due to retire by rotation, would stand for re-appointment. Mr McCarthy resigned as a director on 3 July 2009, therefore no resolution for his re-appointment will now be put before the Annual General Meeting.

Re-appointment of Auditors (Resolution 4 – ordinary resolution)

It is necessary to propose a resolution to re-appoint the Company's Auditors, Deloitte LLP (formerly called Deloitte & Touche LLP). The appointment of Deloitte LLP would otherwise expire at the conclusion of this year's Annual General Meeting.

Resolution to approve the Report (Resolution 5 – ordinary resolution)

You will find on pages 35 to 42 of the 2008 Annual Report and Accounts published on 30 April 2009, the Report which your Directors are required to prepare and submit to a shareholder vote pursuant to the Directors' Remuneration Report Regulations 2002. The Report contains detailed information on the Company's policy regarding Directors' remuneration and details of the Directors' service agreements and letters of appointment and of the remuneration they each received in the year ended 31 December 2008.

Authority to allot shares (Resolution 6 – ordinary resolution)

Under the Companies Act 1985 (the "Act"), the Directors of the Company may only allot unissued shares if authorised to do so by the Articles of Association or by the shareholders, in general meeting. The authority to allot Ordinary Shares that was granted at the Annual General Meeting of the Company held on 24 June 2008 will expire on the date of this Annual General Meeting. Resolution 6 will renew authority to allot Ordinary Shares representing up to thirty three per cent (33%) of the issued ordinary share capital of the Company as at 6 July 2009. This represents up to 72,962,566 Ordinary Shares (having a nominal value of £1,459,251.32).

If given, the authority will expire at the conclusion of the next Annual General Meeting.

Disapplication of pre-emption rights (Resolution 7 – special resolution)

By virtue of Section 89 of the Act, any issue by the Company of equity capital for cash made otherwise than to existing shareholders on a proportional basis requires the consent of the shareholders of the Company unless the Company has obtained the authority of the shareholders under Section 95 of the Act.

These arrangements are intended to ensure that the interests of existing shareholders are protected whilst at the same time giving the Company the ability to issue equity on a non pre-emptive basis, for the reasons outlined below.

As in 2008, the Company is seeking disapplication of pre-emption rights at a level of ten per cent (10%) of the current issued share capital. Resolution 7 gives your Directors authority to allot new Ordinary Shares for cash otherwise than in proportion to existing holdings of shares. This authority will be limited to 22,109,868 Ordinary Shares (having a nominal value of £442,197.36) representing approximately ten per cent (10%) of the issued share capital as at 6 July 2009.

Your Board highlights the following factors, which it considers to be relevant to its recommendation to vote in favour of Resolution 7.

- (A) Stock markets for bioscience companies can be extremely volatile and opportunities for equity fundraising can open and close very quickly. The prescribed period of time for which pre-emptive issues must remain open can prejudice the ultimate success of an issue and invariably expose the share price to downward pressure.
- (B) This proposed level of ten per cent (10%) disapplication would allow a non pre-emptive issue to be made up to the maximum size of issue that is possible without the requirement to issue a Prospectus. Avoiding the requirement to produce a Prospectus would minimise significantly the delay, cost and management time generally required for this process.

If given, the authority will expire at the conclusion of the next Annual General Meeting.

The Board intends that, if given, this authority will be exercised in a manner consistent with the Statement of Principles of the Pre-Emption Group and in the interests of shareholders as a whole. In keeping with the Company's policy of open and clear communication with shareholders, the

Company would consult with major shareholders ahead of any issue of equity on a non pre-emptive basis.

Reduced notice of a general meeting other than an annual general meeting (Resolution 8 - special resolution)

In order to enable the Company to have maximum flexibility to seek shareholders' approval for any future change or transaction that may require such approval, the Board consider it in the best interest of the Company that the Articles of Association of the Company be amended by the deletion of the first paragraph of Article 17.1 and the insertion of the following wording as a new first paragraph of Article 17.1: "An Annual General Meeting shall be convened by not less than 21 clear days' notice in writing. All other General Meetings shall be convened by not less than 14 clear days' notice in writing or such longer period as may be required from time to time."

Resolution 8 is a special resolution to amend the Company's Articles of Association and is also required in view of the proposed implementation in the UK in August 2009 of the Shareholder Rights Directive ("SRD"). The regulations implementing the SRD will increase the notice period for general meetings of the Company to 21 days unless shareholders have approved the calling of meetings on 14 days' notice. Under the terms of the SRD, the resolution will be effective until the Company's next Annual General Meeting, when it is intended that a similar resolution will be proposed. The Company will need to meet requirements for electronic voting which will be set out in the regulations implementing the SRD before it can call a general meeting on 14 days' notice.

If the resolution is passed, a General Meeting to consider a special resolution may be convened on 14 days' notice whereas previously 21 days' notice at the least was required. A copy of the proposed revised Articles and a copy of the existing Articles marked to show the change being proposed in Resolution 8 will be available for inspection at the Company's registered office until the close of the Annual General Meeting.

Recommendation

The Board considers all of the resolutions set out in the attached Notice and explained above to be in the best interests of the Company and its shareholders, and unanimously recommends shareholders to vote in favour of the resolutions.

Action to be taken

A Form of Proxy for use at the Annual General Meeting is enclosed. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so by utilising the procedures described in the CREST manual. If you are a holder of Ordinary Shares you are advised to complete and return the Form of Proxy in accordance with the instructions printed on it so as to arrive at the Company's registrars, either by posting or by delivering by hand to Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU during usual business hours, as soon as possible, but in any event no later than 48 hours before the time fixed for the meeting i.e. by 12.00 p.m. on 27 July 2009.

Shareholders may also vote online by logging on to 'www.capitashareportal.com' and following the on-screen instructions as soon as possible, but in any event no later than 48 hours before the time fixed for the meeting i.e. by 12.00 p.m. on 27 July 2009. To register for online voting, you will need your investor code, which can be found on your share certificate.

The return of the Form of Proxy does not preclude you from attending and voting at the Annual General Meeting if you so wish.

Location of Annual General Meeting

The Annual General Meeting will be held at the offices of Buchanan Communications Limited, 45 Moorfields, London, EC2Y 9AE. A map showing directions is appended to this document.

Yours faithfully

Sir Brian Richards
Chairman

ALIZYME PLC

(Registered in England and Wales No. 3163027)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at the offices of Buchanan Communications Limited, 45 Moorfields, London, EC2Y 9AE on 29 July 2009 at 12.00 p.m., at which the following business will be transacted:

ORDINARY BUSINESS

1. To receive the financial statements of the Company for the year ended 31 December 2008 and the reports of the Directors and Auditors thereon.
2. To re-appoint as a Director Dr Roger Lloyd.
3. To re-appoint as a Director Mr Alan Goodman.
4. To re-appoint Deloitte LLP as Auditors of the Company until the conclusion of the next Annual General Meeting of the Company and to authorise the Audit Committee to fix their remuneration.
5. To approve the Directors' Remuneration Report as set out on pages 35 to 42 of the Annual Report and Accounts.

SPECIAL BUSINESS

To consider as special business and, if thought fit, pass the following resolutions, of which the resolution numbered 6 will be proposed as an ordinary resolution and the resolutions numbered 7 and 8 will be proposed as special resolutions.

ORDINARY RESOLUTIONS

6. THAT:-
 - (A) for the purposes of Section 80 of the Companies Act 1985 (the "Act"), the Directors be and they are hereby generally and unconditionally authorised to exercise all powers of the Company to allot relevant securities (as defined in the said section) up to an aggregate nominal amount of £1,459,251.32 provided that this authority shall expire at the conclusion of the Company's next Annual General Meeting;
 - (B) the Company may make any offer or agreement before the expiry of this authority which would or might require relevant securities to be allotted after this authority has expired and the Directors may allot relevant securities in pursuance of any such offer or agreement as if this authority had not expired; and
 - (C) this authority is in substitution for and to the exclusion of any and all authorities previously conferred on the Board for the purposes of Section 80 of the Act save to the extent utilised at the date of this resolution.

SPECIAL RESOLUTIONS

7. THAT:
 - (A) subject to and conditional upon the passing of the resolution numbered 6 set out in the Notice of Annual General Meeting, the Directors be and they are hereby empowered pursuant to Section 95 of the Act to allot equity securities (as defined in Section 94(2) of the Act) pursuant to the authority conferred by the said resolution as if Section 89(1) of the Act did not apply to any such allotment provided that this power shall be limited:
 - (1) to the allotment of equity securities in connection with an issue or offer by way of rights or other pre-emptive issue in favour of ordinary shareholders and holders of any other shares or securities of the Company that by their terms are entitled to participate in such rights issue where the equity securities respectively attributable to the interest of all ordinary shareholders and such holders are proportionate (as nearly as may be) to the respective numbers of Ordinary Shares held by them or into which their shares or securities are to be deemed converted in calculating the extent of their participation but subject to such exclusions as the Directors may deem fit to deal with fractional entitlements or problems arising in respect of any overseas territory; and

- (2) to the allotment (otherwise than pursuant to sub-paragraph (1) of this resolution) of equity securities up to an aggregate nominal amount of £442,197.36;
 - (B) the power hereby conferred shall expire at the conclusion of the Company's next Annual General Meeting; and
 - (C) the power hereby conferred shall enable the Company to make any offer or agreement before the expiry of that power that would or might require equity securities to be allotted after such power expires and the Directors may allot equity securities in pursuance of any such offer or agreement up to the maximum amount permitted by paragraph (A) of this resolution as if the power hereby conferred had not expired.
8. THAT:
- (A) the Articles of Association of the Company be and are hereby amended by the deletion of the first paragraph of Article 17.1 and the insertion of the following wording as a new first paragraph of Article 17.1:
"An Annual General Meeting shall be convened by not less than 21 clear days' notice in writing. All other General Meetings shall be convened by not less than 14 clear days' notice in writing or such longer period as may be required from time to time."
 - (B) subject to Resolution 8 having being duly passed, a meeting other than an Annual General Meeting may be called on not less than 14 clear days' notice.

By order of the Board,
Nicholas Blech
Company Secretary

Registered Office:
Granta Park
Great Abington
Cambridge
CB21 6GX
United Kingdom

6 July 2009

1. As provided by the Uncertified Securities Regulations 2001, only those members registered in the register of members as at 6.00 p.m. on 27 July 2009 shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries on the relevant register of securities after 6.00 p.m. on 27 July 2009 shall be disregarded in determining the rights of any person to attend or vote at the meeting.
2. Any shareholder who is entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and, on a poll, vote on his or her behalf. A proxy need not be a shareholder of the Company. Completion and return of the Form of Proxy will not preclude a shareholder from attending and voting at the meeting.
3. A Form of Proxy is enclosed which to be effective must be completed and received by the Company's registrars, either by posting or by delivering by hand to Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU during usual business hours, not later than 12.00 p.m. on 27 July 2009.
4. If you prefer to vote online, please do so by logging on to 'www.capitashareportal.com' and following the on-screen instructions as soon as possible, but in any event no later than 48 hours before the time fixed for the meeting i.e. by 12.00 p.m. on 27 July 2009. To register for online voting, you will need your investor code, which can be found on your share certificate.
5. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so by utilising the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed (a) voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment by means of CREST to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with CRESTCo's specification and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the Registrar (ID: RA10) by 12.00 p.m. on 27 July 2009. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Registrar is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

CREST members and, where applicable, their CREST sponsor or voting service provider(s), should note that CRESTCo does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed voting service provider(s)), to procure that his CREST sponsor or voting service provider(s) take(s) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members, and where applicable, their CREST sponsor or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
6. The Register of Directors' interests and copies of all contracts of service under which the Directors' are employed by the Company or its subsidiary, and the rules of all share option schemes and share award plans operated by the Company or its subsidiary are available for inspection by the members at the registered office of the Company during normal working hours on any weekday from the date of this notice and will be available for inspection at the place of the meeting from 15 minutes prior to the meeting until its conclusion.
7. The Articles of Association of the Company and the amended Articles of Association of the Company as proposed by Resolution 8 are available for inspection by the members at the registered office of the Company during normal working hours on any weekday from the date of this notice and will be available for inspection at the place of the meeting from 15 minutes prior to the meeting until its conclusion.

APPENDIX - BIOGRAPHIES OF DIRECTORS STANDING FOR RE-ELECTION

Roger Lloyd BSc, MSc, PhD

Non-Executive Director, aged 61

Dr Lloyd joined the Board on 1 April 2009. He is a senior biotechnology and healthcare industry professional with over 33 years' experience working for ICI, Zeneca and AstraZeneca. Originally trained as a biochemist, his business development experience has been extensive. Numerous international transactions have included corporate acquisitions, product and technology licensing, joint ventures, divestments, corporate merger and demerger. His international experience has included living and working in the United States and Germany, and having territorial responsibilities for Europe, Japan, Korea, Mexico and the Middle East. He recently retired as Executive Director, Global Licensing in AstraZeneca plc and is currently a non-executive director of Epistem Holdings plc.

Alan Goodman

Non-Executive Director, aged 58

Mr Goodman joined the Board on 23 April 2009. He has founded or co-founded many biotechnology and healthcare companies over the last 25 years, including Agricultural Genetics Company, Medeva plc, Chiroscience Group plc, Acambis plc, Oxford BioMedica plc, CeNeS Pharmaceuticals plc, Core Group plc and Amura Limited. He was Chief Executive of Acambis plc, non-executive Chairman of Oxford BioMedica plc and is currently a member of the Supervisory Board of Paion AG and Chief Executive of Avlar BioVentures Limited and a director of a number of private companies.

