YOUR ATTENTION IS DRAWN TO THE LETTER FROM THE CHAIRMAN OF VALIRX PLC SET OUT IN THIS DOCUMENT WHICH RECOMMENDS THAT YOU VOTE IN FAVOUR OF THE RESOLUTIONS TO BE PROPOSED AT THE GENERAL MEETING.

A notice convening a general meeting of ValiRx Plc to be held at the offices of Nabarro LLP at Lacon House, 84 Theobald's Road, London WC1X 8RW at 10.00 a.m. on 26 January 2011 is set out at the end of this document. A Form of Proxy for use at the General Meeting is enclosed with this document. To be valid, the accompanying Form of Proxy for use in connection with the General Meeting must be completed in accordance with the instructions printed on it and returned by post or by hand as soon as possible but, in any event, so as to be received by the Company’s registrars, Capita Registrars at PXS, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, by no later than 48 hours before the time set for the commencement of the General Meeting.

CREST members can also appoint proxies by using the CREST electronic proxy appointment service and transmitting a CREST Proxy Instruction in accordance with the procedures set out in the CREST Manual so that it is received by the Company’s registrars, Capita Registrars (under CREST participant RA10) by no later than 10.00 a.m. on 24 January 2011. The time of receipt will be taken to be the time from which Capita Registrars is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

The completion and deposit of the Form of Proxy or transmitting a CREST Proxy Instruction will not preclude Shareholders from attending and voting in person at the General Meeting should they wish to do so.
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EXPECTED TIMETABLE OF EVENTS

Latest time for receipt of Forms of Proxy 10.00 a.m. on 24 January 2011
General Meeting 10.00 a.m. on 26 January 2011
DEFINITIONS

In this document and in the Form of Proxy the following definitions shall apply unless the context requires otherwise:

"AGM" annual general meeting;

"AIM" AIM, a market operated by the London Stock Exchange;

"Board" or "Directors" the directors of the Company, whose names are set out on page 2 of this document;

"Companies Act" the Companies Act 2006, as amended;

"CREST" the relevant system (as defined in the Uncertificated Securities Regulations 2001) in respect of which Euroclear is the Operator (as defined in such regulations);

"CREST Proxy Instruction" a properly authenticated CREST message appointing and instructing a proxy to attend and vote in place of a Shareholder at the General Meeting and containing the information required to be contained in the manual published by Euroclear;

"Euroclear" Euroclear UK & Ireland Limited, the operator of CREST (formerly known as CRESTCo Limited);

"Existing Ordinary Shares" the 491,299,344 Ordinary Shares in issue at the date of this document;

"Form of Proxy" the form of proxy for use by the Shareholders in connection with the General Meeting enclosed with this document;

"General Meeting" the general meeting of the Company convened for 10.00 a.m. on 26 January 2011, notice of which is set out at the end of this document, or any reconvened meeting following any adjournment thereof;

"London Stock Exchange" London Stock Exchange plc;

"Ordinary Shares" the ordinary shares of 0.1 pence each in the capital of ValiRx;

"ValiRx" or "Company" ValiRx Plc (incorporated in England and Wales with company number 03916791);

"Resolutions" the resolutions to be approved at the General Meeting, details of which are set out in the notice of the General Meeting at the end of this document; and

"Shareholders" holders of Ordinary Shares.
LETTER FROM THE CHAIRMAN OF VALIRX PLC

VALIRX PLC
(Incorporated in England and Wales with registered number 03916791)

Directors: Registered Office:
Mr Nicholas Thorniley (Chairman) 24 Greville Street
Dr Satu Vainikka (Chief Executive Officer) London
Mr Gerry Desler (Chief Financial Officer) EC1N 8SS
Mr Kevin Alexander (Non-Executive Director)
Dr George Morris (Non-Executive Director)

10 January 2011

To Shareholders and, for information purposes only, to the holders of options over Ordinary Shares

Dear Shareholder,

NOTICE OF GENERAL MEETING

INTRODUCTION

The Company has today announced that a general meeting of the Company will be held at 10.00 a.m. on 26 January 2011 at which the Directors are seeking to increase the share authorities of the Company.

The purpose of this document is to provide you with information on, and to outline the reasons for, the Resolutions and to explain why the Board considers them to be in the best interests of the Company and Shareholders as a whole, and why it recommends that you vote in favour of the Resolutions. At the end of this document, Shareholders will find the notice of the General Meeting. A Form of Proxy for use at the General Meeting is also enclosed with this document.

BACKGROUND TO AND REASONS FOR THE RESOLUTIONS

As you will be aware, the Directors obtained authority at the Company's AGM on 30 June 2010 to allot shares up to a maximum aggregate nominal amount of £168,260 and to allot shares without regard to statutory pre-emption rights up to an aggregate nominal amount of £67,310.

Since that date, the Company has issued a total of 154,782,887 new Ordinary Shares in August, October and November 2010, with an aggregate nominal value of £154,782.89. When the Company issued 136 million Ordinary Shares in November 2010, the Directors inadvertently exceeded their authority to allot Ordinary Shares for cash without regard to statutory pre-emption rights. Whilst this did not affect the legality of the Ordinary Shares issued, the Directors can no longer issue new Ordinary Shares for cash without offering them to existing Shareholders first. The Directors are also close to exhausting their authority to allot new Ordinary Shares generally.

As previously announced, the Company's strategy is to focus operations on building value in its anti-cancer lead drug candidates, VAL 101 and VAL 102, and companion diagnostics, as well as building its home self-diagnosis business. VAL 101 and VAL 102 continue to progress towards first-in-human clinical trials.

Whilst the Board believes that the Company's current cash position can adequately cover its working capital requirements to advance its development programme to the next stage, the Directors intend to raise further finance for the Company from time to time through the issue of new Ordinary Shares to, amongst other
things, allow the Company to progress the development of its anti-cancer lead drug candidates, VAL 101 and VAL 102, more quickly. The Directors expect to raise this further finance when they consider that opportunities exist in the market to do so at rates which are in the Company's best interests. In the more immediate future, the Board also intends to issue new Ordinary Shares to satisfy (a) loans of £125,000 made by the Directors to the Company and (b) liabilities of approximately £25,000 due to certain of the Company's creditors.

The Resolutions have been proposed in order to provide the Directors with new authorities to raise further finance through the issue of new Ordinary Shares.

GENERAL MEETING

At the end of this document Shareholders will find a notice convening the General Meeting to be held at 10.00 a.m. on 26 January 2011 at the offices of Nabarro LLP at Lacon House, 84 Theobald's Road, London WC1X 8RW.

The Resolutions are considered in detail below:

Resolution 1 - Authority to allot shares

In accordance with the provisions of section 549 of the Companies Act, the Directors are prevented from exercising the Company's powers to allot shares without an authority contained in either the articles of association or in a resolution of the Shareholders in a general meeting. Such authority was given by Shareholders at the Company's AGM held on 30 June 2010, for a period expiring at the conclusion of the next AGM. As described above, the Directors are close to exhausting this authority.

Resolution 1 therefore proposes to renew this general authority for the period expiring at the conclusion of this year's AGM. The authority being sought is to allot Ordinary Shares up to a maximum nominal amount of £280,000 (280 million Ordinary Shares), representing approximately 57.0 per cent of the Existing Ordinary Shares in issue. The Directors intend to use this authority, if granted, for the purposes outlined above.

Passing this Resolution will continue the Directors' flexibility to act in the best interests of the Company and Shareholders, so that when opportunities that benefit the Company arise, the Directors can issue new Ordinary Shares without the need to incur the cost and delay of convening a general meeting of the Company to seek specific authority for each allotment.

Resolution 2 - Authority to disapply statutory pre-emption rights

The Companies Act requires that an allotment of shares for cash may only be made if the shares are first offered to existing shareholders on a pre-emptive basis. In accordance with general practice, the Directors propose that advantage be taken of the provisions of section 570 of the Companies Act to disapply the Companies Act’s pre-emption requirements in relation to certain share issues. Such authority was obtained at last year's AGM but, as described above, the Directors have exhausted this authority.

Resolution 2 therefore proposes to renew the Directors' authority to allot Ordinary Shares for cash on a non-pre-emptive basis:

1. in connection with a rights issue or other pro-rata offer to existing Shareholders; and
2. (otherwise than in connection with a rights issue) up to a maximum nominal value of £280,000 (280 million Ordinary Shares), representing approximately 57.0 per cent per cent of the Existing Ordinary Shares in issue.
In proposing this Resolution, the Directors consider that it is in the best interests of the Company and Shareholders that the Directors retain their flexibility to allot some shares without having to offer them to existing Shareholders first.

**ACTION TO BE TAKEN**

Shareholders will find the Form of Proxy enclosed with this document. Whether or not Shareholders intend to be present at the General Meeting, Shareholders are requested to complete and return the Form of Proxy as soon as possible and, in any event, so as to be received by the Company's registrars, Capita Registrars at PXS, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, by no later than 10.00 a.m. on 24 January 2011.

CREST members can also appoint proxies by using the CREST electronic proxy appointment service and transmitting a CREST Proxy Instruction in accordance with the procedures set out in the CREST Manual so that it is received by the Company's registrars, Capita Registrars (under CREST participant RA10) by no later than 10.00 a.m. on 24 January 2011. The time of receipt will be taken to be the time from which Capita Registrars is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

The completion and deposit of the Form of Proxy or transmitting a CREST Proxy Instruction will not preclude Shareholders from attending and voting in person at the General Meeting should they wish to do so.

**RECOMMENDATION**

The Board considers that the Resolutions to be proposed at the General Meeting are in the best interests of the Company and its Shareholders as a whole. Accordingly, the Board unanimously recommends you to vote in favour of the Resolutions to be proposed at the General Meeting as they themselves intend to do so in respect of their own beneficial holdings of 54,507,908 Ordinary Shares (representing approximately 11.1 per cent of the Existing Ordinary Shares in issue).

Yours sincerely

Nicholas Thorniley
Chairman
NOTICE OF GENERAL MEETING

VALIRX PLC
(Incorporated in England and Wales with registered number 03916791)

(the "Company")

NOTICE IS HEREBY GIVEN that a general meeting of the Company will be held at the offices of Nabarro LLP at Lacon House, 84 Theobald's Road, London WC1X 8RW at 10.00 a.m. on 26 January 2011 for the purpose of considering and, if thought fit, passing the following resolutions, which will be proposed as an ordinary resolution and a special resolution in relation to resolutions 1 and 2 respectively:

ORDINARY RESOLUTION

1. THAT the directors be and they are hereby generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the "Companies Act") in substitution for all existing authorities to exercise all the powers of the Company to allot shares and to make offers or agreements to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company (together "Relevant Securities") up to an aggregate nominal amount of two hundred and eighty thousand pounds (£280,000) provided that this authority shall expire at the conclusion of the annual general meeting of the Company to be held in 2011, except that the Company may before such expiry make an offer or agreement which would or might require Relevant Securities or equity securities as the case may be to be allotted after such expiry and the directors may allot Relevant Securities or equity securities in pursuance of any such offer or agreement as if the authority in question had not expired.

SPECIAL RESOLUTION

2. THAT the directors be and are empowered, in accordance with section 570 of the Companies Act, to allot equity securities (as defined in section 560(1) of the Companies Act) for cash pursuant to the authority conferred by resolution 1 above or by way of a sale of treasury shares as if section 561(1) of the Companies Act did not apply to any such allotment, provided that this power shall be limited to:

2.1 the allotment of equity securities in connection with a rights issue or other pro rata offer in favour of holders of ordinary shares and other persons entitled to participate therein where the equity securities respectively attributable to the interests of all those persons at such record dates as the directors may determine are proportionate (as nearly as may be) to the respective numbers of equity securities held (or deemed to be held) by them or are otherwise allotted in accordance with the rights attaching to such equity securities subject in each case to such exclusions or other arrangements as the directors may consider necessary or expedient to deal with fractional entitlements or legal difficulties under the laws of any territory or the requirements of a regulatory body or stock exchange or by virtue of shares being represented by depositary receipts or any other matter whatsoever; and

2.2 the allotment (otherwise than pursuant to paragraph 2.1 above) of equity securities up to an aggregate nominal amount of two hundred and eighty thousand pounds (£280,000), and shall expire upon the expiry of the general authority conferred by resolution 1 above, except that the Company may make an offer or agreement before this power expires which would or might require equity securities to be allotted and/or shares held by the Company in treasury to be sold or transferred after such expiry and the directors may allot equity securities and/or sell or
transfer shares held by the Company in treasury in pursuance of such offer or agreement as if the power conferred by this resolution had not expired.

By order of the Board
Kevin Alexander
Secretary

Registered Office:
24 Greville Street
London
EC1N 8SS
Notes

1. A member entitled to attend and vote at the meeting is entitled to appoint another person(s) (who need not be a member of the Company) to exercise all or any of his rights to attend, speak and vote at the meeting. A member can appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attaching to different shares held by him.

2. Your proxy could be the Chairman, another director of the Company or another person who has agreed to attend to represent you. Your proxy will vote as you instruct and must attend the meeting for your vote to be counted. Details of how to appoint the Chairman or another person as your proxy using the proxy form are set out in the notes to the proxy form. Appointing a proxy does not preclude you from attending the meeting and voting in person. If you attend the meeting in person, your proxy appointment will automatically be terminated.

3. An appointment of proxy is provided with this notice and instructions for use are shown on the form. In order to be valid, a completed appointment of proxy must be returned to the Company’s registrars, Capita Registrars by one of the following methods:

   3.1 in hard copy form by post, by courier or by hand to the address shown on the form of proxy; or

   3.2 in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below,

and in each case must be received by the Company not less than 48 hours before the time fixed for the meeting.

Please note that any electronic communication sent to us in respect of the appointment of a proxy that is found to contain a computer virus will not be accepted.

4. To change your proxy instructions you may return a new proxy appointment using the methods set out above. Where you have appointed a proxy using the hard copy proxy form and would like to change the instructions using another hard copy proxy form, please contact the Capita Registrars at PXS, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU. The deadline for receipt of proxy appointments (see above) also applies in relation to amended instructions. Any attempt to terminate or amend a proxy appointment received after the relevant deadline will be disregarded. Where two or more valid separate appointments of proxy are received in respect of the same share in respect of the same meeting, the one which is last sent shall be treated as replacing and revoking the other or others.

5.1 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.

5.2 In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a “CREST Proxy Instruction”) must be properly authenticated in accordance with Euroclear UK & Ireland’s specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer’s agent, Capita Registrars (ID RA10) by the latest time(s) for receipt of proxy appointments specified in the notice of meeting. 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 issuer’s agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.
5.3 The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

5.4 CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland 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 a 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 sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

6. Only those shareholders registered in the Register of Members of the Company as at 6.00 p.m. on 24 January 2011 (or, if the meeting is adjourned, on the date which is two days before the time of the adjourned meeting) shall be entitled to attend and vote at the meeting or adjourned meeting in respect of the number of shares registered in their respective names at that time. Changes to the Register of Members after that time will be disregarded in determining the rights of any person to attend or vote at the meeting or adjourned meeting.

7. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.

8. You may not use any electronic address provided either in this notice of general meeting or any related documents (including the form of proxy) to communicate with the Company for any purposes other than those expressly stated.

9. As at 7 January 2011 (being the last business day before the publication of this notice), the Company's issued share capital consisted of 491,299,344 ordinary shares carrying one vote each. The Company does not hold any ordinary shares in treasury.

10. Any member attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if:

10.1 to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;

10.2 the answer has already been given on a website in the form of an answer to a question; or

10.3 it is undesirable in the interests of the company or the good order of the meeting that the question be answered.