



CeNeS Announces Completion of Sale of Pharmaceutical Products raising a total of over £9m in cash

Cambridge, UK, 22 May 2003 - CeNeS Pharmaceuticals plc (LSE: CEN) today announced that it has completed the sale of three of its pharmaceutical products for over £9 million in cash.

Alan Goodman, Chairman of CeNeS commented, "CeNeS is now a well funded biotechnology company with a clear therapeutic focus on the treatment of pain. CeNeS also has carried interests in certain divested non-core assets. Going forward the Board will continue to review all strategic options available to CeNeS to ensure that shareholders are best placed to obtain value for their continued support of CeNeS. The continuing difficult trading environment for the majority of private and public biotechnology companies supports the Board's decision to restructure the company in late 2001."

Planned use of funds – clinical development of potential pain treatments - M6G and CNS 5161

The funds raised from the sale of the products will be used to secure the planned clinical development of CeNeS' leading clinical candidate for the treatment of post-operative pain, M6G (morphine-6-glucuronide). CeNeS plans to continue with the current trial programme and the preparation for the commencement of the major Phase III trial, which is planned to start in 2003. The Board will also review the opportunity to continue the development of M6G for the treatment of chronic pain such as that associated with cancer.

CeNeS also plans to commence an extended Phase II study in neuropathic pain of its clinical candidate CNS 5161. This second Phase II clinical trial for CNS 5161 is expected to start recruitment in 2003. Following on from a successful Phase II pilot study in one group of 10 patients with neuropathic pain that was completed in 2002, this planned second proof of principle Phase II study will extend the dose range of CNS 5161 administered to patients to determine an optimal dose for the relief of neuropathic pain over a 24 hour period. A considerable market opportunity exists worldwide for the effective management of long term neuropathic pain in patients, for example, with diabetic neuropathy. The total neuropathic pain market has been estimated at £1.7 billion worldwide.

Future strategy

The strategy of the Company is to seek commercial partners for both M6G and CNS 5161 with the objective of securing a partner for M6G with the benefit of Phase III data (assuming successful completion of the planned clinical trials). A partner for CNS 5161 will be sought following the completion of the planned Phase II study assuming the results of that study are positive.

This news release contains forward-looking statements that reflect the Company's current expectation regarding future events. Forward-looking statements involve risks and uncertainties. Actual events could differ materially from those projected herein and depend on a number of factors including the success of the Company's research strategy, the applicability of the discoveries made therein, the successful and timely completion of clinical studies and the uncertainties related to the regulatory process.

For more information please contact:

CeNeS Pharmaceuticals plc

Alan Goodman

Neil Clark

Tel: +44 (0)1223 266466

Fax: +44 (0)1223 266467

Euro RSCG Life NRP

Dr Douglas Pretsell

Tel: +44 (0)20 7726 4452

Fax: +44 (0)20 7726 4453

Notes to Editors:

CeNeS is a biopharmaceutical company specialising in the development and commercialisation of drugs for pain control. The company has development assets targeting pain and has a portfolio of carried interests in assets that it has divested. The company is based in Cambridge, England. For further information visit www.cenes.co.uk.

M6G

M6G, a natural metabolite of morphine, is in development by CeNeS for the treatment of moderate to severe pain. Morphine is a highly effective analgesic that has been used for many years despite the unpleasant side effects of nausea and vomiting and the potential dangers of respiratory depression.

M6G has undergone several Phase II clinical trials with more than 450 patients receiving M6G. The most recent Phase II trials were designed to establish the analgesic effects of different doses of M6G administered at different times compared to a standard morphine treatment regime. Phase III efficacy studies are currently being planned: a pivotal, dose-ranging placebo controlled study is scheduled to commence as a multi-centre study in Europe in 2003 in patients undergoing knee replacement surgery with spinal anaesthesia. It is planned that this will be followed by a second Phase III trial in Europe comparing M6G and morphine treatment in patients with postoperative pain following gastrointestinal and gynaecological surgery. Side-effect profiles of M6G will be investigated in both studies. If these trials are successful then M6G will be on target to be launched in Europe in 2005/6.

Opiate Analgesia

Analgesia is the process of pain-relief and any pain-relieving drug is called an analgesic. The most potent known class of analgesics are the opiates, derived from the opium poppy, which confer a high degree of pain-relief for severe pain. Opiates, like morphine and codeine, act centrally in the brain in an area called the periaqueductal grey area where they mimic the actions of neuromodulators called endogenous opiates and 'switch off' the sensation of pain centrally.

The markets for M6G

M6G has potential as an analgesic for two types of pain, post-operative pain and chronic pain, both of which are currently treated with morphine.

For post-operative pain morphine is often used as the first line analgesic in many of the 95 million operations performed in the USA and Europe each year. Estimated annual sales of morphine in this market are £400m (source: IMS and Front Line Pain Management Report, 2001). However, the undesirable side effects of morphine include nausea, vomiting, respiratory depression and sedation. M6G is likely to offer significant clinical benefits to morphine in the treatment of post-operative pain due to the reduced

incidence and severity of some of these side effects, whilst offering equal analgesic efficacy.

Morphine is also used frequently to treat many of the 2.7 million patients who develop cancer each year in the USA and Europe. M6G could compete in this £600m morphine market because M6G could potentially lead to a reduced incidence and severity of nausea and vomiting compared with morphine and so could improve patient well being and quality of life.

CeNeS is initially developing M6G is for the treatment of post-operative pain, with phase III studies planned for 2003. CeNeS plans to also develop M6G for the treatment of chronic pain such as cancer pain.

CNS5161

CNS 5161 is a blocker of the N-methyl-D-aspartate (NMDA) ion channel associated with the glutamate receptor. Excessive activation of the glutamate system has been implicated in the pathophysiology of neuropathic pain. These glutamate receptors are found throughout the nervous system and animal models have helped researchers uncover evidence that in the spinal chord these receptors share a special relationship with neuropathic pain. It appears that continuous activation of the NMDA ion channel in glutamate receptors reorganises pain-sensing circuits and leads to the super-sensitive quality of neuropathic pain. Agents that block these receptors, also block the pain in animals and humans.

The markets for CNS 5161

Neuropathic pain is a chronic painful condition associated with injury to the nervous system and often associated with diseases such as diabetes, herpes zoster, AIDS and cancer. CNS 5161 is being developed targeting a poorly treated population of around 8 million patients suffering from neuropathic pain in the major pharmaceutical markets. The neuropathic pain market is estimated at being worth \$1.7 billion worldwide

Portfolio of carried interests in divested non-core assets

Following the restructuring programme commenced in late 2001, CeNeS now has carried interests in certain divested non-core assets as shown below:

ASSET DISPOSED	NEW OWNER/PARTNER	CeNeS's CARRIED INTEREST**
Dopamine D1 receptor agonists - Parkinson's research project	Shire Pharmaceuticals Group Plc	Milestones and royalties

Ion channel library	Scion Pharmaceuticals Inc	Stage payments and milestones
GGF2 – potential treatment for multiple sclerosis	Acorda Therapeutics, Inc	Milestones and royalties
CEE 03 310 – potential treatment for sleep disorders and substance abuse	Addex Pharmaceuticals SA	Milestones and royalties
AutoPatch technology and certain ion channel assets	Xention Discovery Limited	Minority shareholding, loan note and certain rights over potential pain drug candidates arising from Xention’s work
Cognitive testing division	Cambridge Cognition Limited	Stage payments and a milestone payment

***The receipt of future milestones and/or royalties is dependent on the successful progression of the divested asset/technology and as such is not certain.*