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If you have sold or otherwise transferred all of your existing holding of Ordinary Shares in Synairgen plc, please forward this document and the enclosed Form of Proxy to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee.

SYNAIRGEN PLC

(Incorporated and registered in England and Wales under the Companies Act 1985 with registered no. 05233429)

Proposed Placing and Subscription Approval of the Qualifying Non-Employee Option Scheme and Notice of General Meeting

Your attention is drawn to the Letter from the Chairman of Synairgen plc which recommends that you vote in favour of the resolutions to be proposed at the General Meeting referred to below.

Notice of a General Meeting of Synairgen plc to be held at the offices of Fasken Martineau LLP, Fourth Floor, 17 Hanover Square, London W1S 1HU, at 9.30 a.m. on 12 June 2009 is set out at the end of this document. Shareholders will find accompanying this document a Form of Proxy for use at the General Meeting.

The Form of Proxy should be completed and returned to the Company's registrars, Capita Registrars (Proxies), The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, in accordance with the instructions printed on it as soon as possible and, in any event, so as to be received no later than 9.30 a.m. on 10 June 2009. Completion and return of a Form of Proxy will not preclude Shareholders from attending and voting in person at the General Meeting should they so wish.

Matrix Corporate Capital LLP, which is authorised and regulated by the Financial Services Authority, is acting as nominated adviser to the Company for the purposes of the AIM Rules in connection with the matters referred to in this document and for no-one else, and will not be responsible to anyone other than the Company for providing the protections afforded to its customers or for affording advice in relation to the matters referred to herein. Matrix Corporate Capital LLP accepts no liability whatsoever for the accuracy or opinions contained in this document (or for the omission of any material information) and shall not be responsible for the contents of this document.

CONTENTS

	<i>Page</i>
Definitions	3
Part I – Letter from the Chairman	5
Part II – Summary of the principal terms of the Qualifying Non-Employee Option Scheme	8
Notice of General Meeting	12

INDICATIVE TIMETABLE

	<i>2009</i>
Latest time and date for receipt of Forms of Proxy	9.30 a.m., 10 June
General Meeting	9.30 a.m., 12 June
Expected Admission of Subscription Shares	18 June
Expected Admission of Placing Shares	19 June

PLACING STATISTICS

Placing Price	17 pence
Number of Ordinary Shares in issue at the date of this document	22,392,308
Number of new Ordinary Shares the subject of the Fundraising	37,352,941
Number of Ordinary Shares in issue following completion of the Fundraising	59,745,249
Gross proceeds of the Fundraising	£6.35 million

DEFINITIONS

The following definitions apply throughout this document and in the accompanying Form of Proxy unless the context requires otherwise:

“1985 Act”	the Companies Act 1985, as amended;
“Adoption of the Qualifying Non-Employee Option Scheme”	the adoption of the Qualifying Non-Employee Option Scheme by the passing of Resolution 2;
“AIM”	AIM, a market regulated by the London Stock Exchange;
“AIM Rules”	the AIM Rules for Companies and the AIM Rules for Nominated Advisers published by the London Stock Exchange governing admission to and the operation of AIM (as amended from time to time);
“Board” or “Directors”	the directors of Synairgen whose names are set out on page 5 of this document;
“Committee” or “Remuneration Committee”	the remuneration committee of the Board of Directors;
“Company” or “Synairgen”	Synairgen plc;
“EIS”	the UK Enterprise Investment Scheme;
“Euro”	the single currency unit of the European Union;
“Form of Proxy”	the form of proxy enclosed with this document for use by Shareholders in connection with the GM;
“Founders”	Professors Stephen Holgate, Donna Davies and Ratko Djukanovic;
“FSA”	the Financial Services Authority;
“FSMA”	the Financial Services and Markets Act 2000, as amended;
“Fundraising”	the Placing and the Subscription;
“General Meeting”	the General Meeting of Synairgen to be held at the offices of Fasken Martineau LLP, Fourth Floor, 17 Hanover Square, London W1S 1HU at 9.30 a.m. on 12 June 2009 (or any adjournment thereof), notice of which is set out at the end of this document;
“London Stock Exchange”	London Stock Exchange plc;
“Matrix”	Matrix Corporate Capital LLP;
“Ordinary Shares”	the ordinary shares of 1p each in the capital of the Company;
“Placing”	the placing of 29,499,993 new Ordinary Shares on behalf of the Company as described in this document;
“Placing Agreement”	the placing agreement between the Company, the Directors and Matrix dated 27 May 2009 concerning <i>inter alia</i> the proposed Placing;
“Placing Price”	17 pence per Ordinary Share;
“Placing Shares”	the 29,499,993 new Ordinary Shares proposed to be placed pursuant to the Placing;

“Proposals”	the Fundraising and the Adoption of the Qualifying Non-Employee Option Scheme;
“Qualifying Non-Employee Option Scheme” or “Plan”	the Synairgen Qualifying Non-Employee Share Option Scheme 2009 proposed to be adopted by the Company;
“Resolutions”	the resolutions to be proposed at the General Meeting, as set out in the notice of General Meeting at the end of this document;
“Shareholders”	holders of Ordinary Shares;
“Sterling” or “£”	the lawful currency of the United Kingdom;
“Subscription”	the subscription of shares by the Directors and others to subscribe for, in aggregate, 7,852,948 Ordinary Shares at the Placing Price, to be allotted on the business day prior to the closing of the Placing;
“Subscription Shares”	the 7,852,948 new Ordinary Shares proposed to be subscribed for pursuant to the Subscription; and
“UK” or “the United Kingdom”	the United Kingdom of Great Britain and Northern Ireland.

PART I

Letter from the Chairman of

SYNAIRGEN PLC

(Incorporated and registered in England and Wales with registered no. 05233429)

Registered Office:

Simon Shaw (*Non-Executive Chairman*)
Richard Marsden (*Managing Director*)
John Ward (*Finance Director*)
Professor Stephen Holgate (*Non-Executive Director and Co-Founder*)
Dr Bruce Campbell (*Non-Executive Director*)
Susan Sundstrom (*Non-Executive Director*)

Mailpoint 810
Level F, South Block
Southampton General Hospital
Tremona Road
Southampton
SO16 6YD

27 May 2009

Dear Shareholder,

Proposed Placing and Subscription, Approval of the Qualifying Non-Employee Option Scheme and Notice of General Meeting

1. Introduction

The Company today announces that it proposes to raise £6.35 million (gross) by means of a placing with institutional investors of 29,499,993 new Ordinary Shares and a subscription by certain Directors and others for 7,852,948 new Ordinary Shares, all at a price of 17p per Ordinary Share.

The Fundraising is conditional on the passing of Resolution 1 at the General Meeting.

The Company also today announces the proposed adoption of the Qualifying Non-Employee Option Scheme, which is conditional on the passing of Resolution 2 at the General Meeting.

This letter explains why the Board believes that the Proposals are in the best interests of the Company and its Shareholders as a whole and unanimously recommends that you vote in favour of the Resolutions.

2. Synairgen

Synairgen is a drug discovery and development company specialising in respiratory diseases with a focus on asthma and chronic obstructive pulmonary disease (“COPD”). These diseases are substantial causes of morbidity and mortality worldwide and represent a significant clinical and economic cost in developed countries.

Synairgen focuses on the discovery of new drugs which address the underlying causes rather than the symptoms of asthma and COPD. The Company does this both in-house and via collaborations, using its advanced *in vitro* cell models of human disease. The founding technology was developed by scientists at the University of Southampton led by Professors Stephen Holgate, Donna Davies and Ratko Djukanovic.

Synairgen’s lead programme, inhaled interferon beta for the prevention of virus-induced exacerbations of asthma and COPD, stems from a discovery by the Founders of deficiencies in the lung’s anti-viral response amongst these patients. Viral infection (primarily the common cold virus) is responsible for up to 80 per cent. of asthma hospitalisations and is materially implicated in COPD. The Company’s inhaled interferon beta programme is currently undergoing its second Phase I clinical trial, which is due to complete in Autumn 2009. The Company then intends to conduct two Phase II trials to secure proof of concept data for these significant indications, which if successful, will support the Company’s strategy of outlicensing the product to a pharmaceutical partner.

Synairgen's shares are traded on AIM under the symbol SNG. Further information on Synairgen can be found at www.synairgen.com.

3. Reasons for the proposed Fundraising

The net proceeds of the Fundraising will be used to finance the two planned Phase IIa inhaled interferon beta proof of concept studies, in asthma and COPD respectively (SG005 and SG006), which are anticipated to commence early in 2010. In addition, the net proceeds will also provide the Company with its working capital requirements for the foreseeable future, being a period of not less than 12 months from the date of Admission of the Placing Shares.

4. Details of the proposed Fundraising

The Company proposes to raise £6.35 million (gross) by means of a proposed placing of 29,499,993 new Ordinary Shares and a subscription of 7,852,948 new Ordinary Shares, all at a price of 17p per Ordinary Share, representing a discount of 4.23 per cent. to the closing mid market price of 17.75p on 26 May 2009, being the latest practicable date prior to the publication of this circular.

The Placing Shares and Subscription Shares will, when issued, rank *pari passu* with the existing Ordinary Shares.

The Fundraising is conditional, *inter alia*, on Resolution 1 being passed at the General Meeting.

To enable subscribers to take advantage of EIS tax treatment, it is proposed that the Fundraising comprise two closings. Accordingly, the Subscription Shares and the Placing Shares will be admitted to trading on AIM on different days. It is anticipated that, subject to the passing of Resolution 1, the first closing (admission of the Subscription Shares to trading on AIM) will occur on 18 June 2009 and that the second closing (admission of the Placing Shares to trading on AIM) will occur on 19 June 2009.

The Placing is to be effected on behalf of the Company by Matrix on the terms of the Placing Agreement. Pursuant to the Placing Agreement, Matrix has agreed, subject to certain conditions, to use its reasonable endeavours to procure subscribers for Placing Shares.

The amount which each placee has agreed to subscribe for Placing Shares pursuant to the Placing is not less than the Sterling equivalent of Euro 50,000.

The Placing Agreement contains warranties in favour of Matrix given by the Company and the Directors with respect to its business and certain matters connected with the Placing. In addition, the Company and the Directors have given customary indemnities to Matrix in connection with the Placing and their performance of services in relation to the Placing. Matrix has certain rights to terminate the Placing Agreement in specified circumstances.

Commitments from placees have already been received by Matrix in respect of all of the Placing Shares.

Commitments from subscribers have already been received by the Company in respect of all of the Subscription Shares.

Four Directors of the Company, Richard Marsden, John Ward, Stephen Holgate and I have committed to subscribe for 58,823, 147,059, 5,882 and 470,588 Ordinary Shares, respectively, at the Placing Price, and the other two Founders have committed to subscribe for a total of 23,529 Ordinary Shares at the Placing Price, to be allotted at the first closing of the Fundraising. Following the Placing and Subscription and subject to the passing of Resolution 1 at the General Meeting, Richard Marsden, John Ward, Stephen Holgate and I will have interests in 58,823, 191,751, 841,205 and 1,275,988 Ordinary Shares, respectively, representing 0.1, 0.32, 1.41 and 2.14 per cent., respectively, of the then issued share capital of the Company.

5. Qualifying Non-Employee Option Scheme

Although not formally required, Shareholder approval is being sought through an ordinary resolution to approve the adoption of the Synairgen Qualifying Non-Employee Option Scheme 2009. The Company has, since its formation, maintained cost control through its policy of minimising fixed employment

costs by using expert consultants (including the expertise of non-executive Directors) where possible. The Board feels that it will benefit the Company if it has the ability to grant options as an element of the remuneration for such consultants and potentially non-executive directors. The Plan is a discretionary share scheme and will enable the Remuneration Committee of the Board to grant market value share options to consultants and potentially to non-executive directors who, in the opinion of the Committee, make, or, in the case of new appointments, will make, a significant contribution to the Company and where the Committee considers it to be in the interests of Shareholders to make such grants. It is not anticipated that the current non-executive Directors will receive grants under the Plan by virtue of their performance of that role. Employees within the Company's group will not be eligible to participate in the new Plan.

All options granted under the Plan will be satisfied using newly issued shares and any grants will contribute towards the existing overall issuance limits of 10 per cent. of the issued share capital in any 10 year period under the Company's existing employee share schemes.

Your attention is drawn to the summary of the principal terms of the Synairgen Qualifying Non-Employee Share Option Scheme 2009 set out in Part II of this document.

6. Resolutions

The Resolutions to be proposed at the General Meeting are:

Resolution 1, which will be proposed as a special resolution, to authorise the Directors, pursuant to section 80 of the 1985 Act, to allot and issue up to 37,352,941 Ordinary Shares in relation to the Placing and the Subscription and by disapplying the statutory pre-emption rights contained in section 89(1) of the 1985 Act in relation to the Placing and the Subscription; and

Resolution 2, which will be proposed as an ordinary resolution, to approve the Qualifying Non-Employee Option Scheme.

7. General Meeting and action to be taken

A notice convening the General Meeting to be held at the offices of Fasken Martineau LLP, Fourth Floor, 17 Hanover Square, London W1S 1HU at 9.30 a.m. on 12 June 2009 is set out at the end of this document.

A Form of Proxy for use by Shareholders in connection with the General Meeting is enclosed with this document. Whether or not you propose to attend the General Meeting in person, you are requested to complete the Form of Proxy in accordance with the instructions and to return it to the Company's registrars, Capita Registrars (Proxies), The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, as soon as possible and in any event so as to arrive no later than 9.30 a.m. on 10 June 2009. Completion and return of the Form of Proxy will not preclude you from attending the General Meeting and voting in person should you so wish.

8. Recommendation

The Directors consider the proposed Fundraising and the adoption of the Qualifying Non-Employee Option Scheme to be in the best interests of the Company and its Shareholders as a whole and accordingly unanimously recommend that you vote in favour of the Resolutions at the General Meeting, as they intend to in respect of their holdings of Ordinary Shares and those of connected persons to the Directors which are, in aggregate, 1,902,338 Ordinary Shares (representing 8.50 per cent. of the currently issued share capital of the Company).

Yours faithfully,

Simon Shaw
Chairman

PART II

Summary of the principal terms of the Synairgen Qualifying Non-Employee Share Option Scheme 2009

Introduction

It is proposed that the Plan be established to enable the Company to grant market value options to qualifying non-employees who, in the opinion of the Remuneration Committee, make, or in the case of a new appointment are likely to make, a significant contribution to the Company and where the Committee considers it to be in the interests of Shareholders to make such grants. No member of the Committee will participate in any deliberations relating to his or her own remuneration, nor is it anticipated that any current non-executive Director will benefit under the Plan by virtue solely of performing his or her non-executive role.

Operation

The Committee will supervise the operation of the Plan.

Eligibility

Any individual who is contracted under the terms of a consultancy agreement to provide advice or consultancy services to the Company or any of its subsidiaries and any non-executive Director of the Company, as determined by the Committee, shall be eligible to participate in the Plan.

Employees of the Company and any of its subsidiaries will not be eligible to receive grants of options under the Plan.

Grant of options

The Committee may grant options to acquire Ordinary Shares in the Company within six weeks following the Company's announcement of its results for any period. The Committee may also grant options within six weeks of Shareholder approval of the Plan or at any other time if the Committee considers there are exceptional circumstances which justify the granting of options, for example on the appointment of a new consultant or non-executive Director.

An option may not be granted more than 5 years after Shareholder approval of the Plan.

No payment is required for the grant of an option. Options are not transferable, except on death and options are not pensionable.

Overall Plan limits and dilution

All options granted under the Plan will be satisfied by the issue of new Ordinary Shares.

In any period of ten calendar years the Company may not issue (or have the possibility to issue) more than 10 per cent. of the issued share capital of the Company under the Plan and any employee share scheme or option agreement already adopted or entered into by the Company or that may be in the future.

The transfer of treasury shares will count as the issue of new Ordinary Shares for the purposes of this limit but they will also cease to count towards this limit if institutional investor bodies decide that they need not count.

Ordinary Shares issued or to be issued under awards or options granted on or before the date that the Company was admitted to trading on AIM (26 October 2004) will not count towards this 10 per cent. in ten calendar year limit.

This is the same limit as that which applies to the Synairgen Long Term Incentive Plan (the "LTIP"). Accordingly, any options granted, or Ordinary Shares issued, under the Plan will count towards the aggregate 10 per cent. in ten calendar year limit under the LTIP.

Individual participation

Subject to the limit on the total number of Ordinary Shares available under the Plan (see *Overall Plan limits and dilution* above) the total number of Ordinary Shares over which options may be granted to any individual eligible to participate in the Plan shall be determined by the Board, in its discretion, from time to time.

Option price

The price per Ordinary Share payable upon the exercise of an option will not be less than the higher of: (i) the market value of an Ordinary Share as determined by the Committee on the date of grant (or such other date as the Committee may decide); and (ii) the nominal value of an Ordinary Share.

Conditions

The exercise of options may (but need not) be subject to objective conditions (e.g. a performance condition) set by the Committee on or before the date of grant of an option.

It is currently intended that options will be subject to a performance condition measuring the absolute growth in the total shareholder return (“TSR”) of the Company during a period of three years commencing on the date of grant of the option (or such shorter period determined by the Committee on or before the date of grant e.g. where the vesting period of an option is less than three years (see *Exercise of Options* below)).

TSR is the percentage return earned on an Ordinary Share, assuming any dividends are reinvested in further Ordinary Shares at the prevailing market price on the ex-dividend date.

For initial grants, options will become capable of exercise as follows:

<i>Percentage annual (simple) rate of TSR growth over the performance period</i>	<i>Percentage of the total number of Ordinary Shares subject to an option capable of exercise</i>
Equal to or greater than 10% p.a. (i.e. equal to or greater than 30% over three years)	100%
Between 5% p.a. and 10% p.a. (i.e. between 15% and 30% over three years)	Between 25% and 100% on a straight-line basis
Equal to 5% p.a. (i.e. 15% over three years)	25%
Less than 5% p.a. (i.e. less than 15% over three years)	Nil

TSR will be calculated using the average TSR of the Company during the month ending on the date of grant of an option and the same period three years later except in the event of a takeover, in which circumstances the TSR of the Company will be equal to the closing TSR at the end of the relevant performance period.

There will be no opportunity to retest performance if the performance conditions are not satisfied over the three year performance period. The Committee may however vary the performance conditions applying to existing options to take account of technical changes or events, provided that, in the opinion of the Committee, the varied performance conditions are not materially less challenging than those originally set.

The Committee will review the performance conditions each time options are granted in order to ensure that they are not materially less challenging and may impose different performance conditions for options granted in subsequent years.

Exercise of options

The Committee will determine the date when options will normally become capable of exercise and, if more than one date is chosen, the percentage of Ordinary Shares that will become capable of exercise from each date. It is currently intended that options will normally become capable of exercise in full

three years after grant to the extent that the exercise conditions (e.g. performance conditions) (if any) have been satisfied and provided the participant remains a director in the Company's group or, in the opinion of the Committee, a consultant providing services to the Company's group.

Options will lapse on the day before the tenth anniversary of the date of grant or after such shorter period as determined by the Committee at the time of grant.

Ordinary Shares will be allotted to participants within 30 days of exercise. The Committee can decide to satisfy options by the payment of a cash amount or Ordinary Shares equal in value to the gain made on the exercise of the option.

Leaving office or ceasing to provide services to the Company's group

As a general rule, an option will lapse upon a participant ceasing to: (i) be a director within the Company's group; or (ii) in the opinion of the Committee, provide consultancy services to the Company's group. However, if a participant ceases to be a director in, or a consultant to, the Company's group by reason of his death, injury or disability (evidenced to the satisfaction of the Committee), or in other circumstances at the discretion of the Committee, then his option will become exercisable on the date of his cessation and remain exercisable for a limited period thereafter. The extent to which an option will become exercisable in these situations will depend upon the extent to which any condition (e.g. a performance condition) imposed on grant has, in the opinion of the Committee, been satisfied by reference to the date of cessation, although the Committee may, in its discretion, decide not to apply the conditions (in whole or part). In addition, the Committee may, in its discretion, determine to reduce the total number of Ordinary Shares capable of exercise by pro-rating the option to reflect, on such basis as the Committee determines, the period between its grant and the time of cessation.

In the event of a participant becoming an employee, the rules permit options granted not to lapse.

Corporate events

In the event of a takeover, scheme of arrangement or winding up of the Company (not being an internal corporate reorganisation), all options will become exercisable early and remain exercisable for a limited period. The extent to which options will become exercisable in these situations will depend upon the extent to which any conditions imposed on grant (e.g. any performance conditions) have, in the opinion of the Committee, been satisfied by reference to the date of the corporate event, although the Committee may, in its discretion, decide not to apply the conditions (in whole or part). In addition, the Committee may, in its discretion, determine to reduce the total number of Ordinary Shares capable of exercise by pro-rating the option to reflect, on such basis as the Committee determines, the period between its grant and the time of the relevant corporate event.

If a demerger, special dividend or other similar event is proposed which, in the opinion of the Committee, would affect the market price of Ordinary Shares to a material extent, then the Committee may decide that options will become exercisable early on the same basis which would apply in the case of a takeover as described above.

In the event of an internal corporate reorganisation options will be replaced by equivalent new options over shares in a new holding company unless the Committee decides that options should become exercisable on the basis which would apply in the case of a takeover as described above.

Variation of capital

In the event of any variation of the Company's share capital, or in the event of a demerger, payment of a special dividend or other similar event which materially affects the market price of Ordinary Shares, the Committee may make such adjustment as it considers appropriate to the number of Ordinary Shares under option and the price payable on the exercise of an option.

Rights attaching to Ordinary Shares

Any Ordinary Shares allotted when an option is exercised will rank equally with Ordinary Shares then in issue (except for rights arising by reference to a record date prior to their allotment).

Alterations to the Plan

The Committee may, at any time, amend the provisions of the Plan in any respect, provided that the prior approval of Shareholders is obtained for any amendments that are to the advantage of participants in respect of the rules governing eligibility, limits on participation, the overall limits on the issue of Ordinary Shares or the transfer of Ordinary Shares held in treasury, the basis for determining a participant's entitlement to, and the terms of, the Ordinary Shares or cash to be acquired and the adjustment of options.

The requirement to obtain the prior approval of Shareholders will not, however, apply to any minor alteration made to benefit the administration of the Plan, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or for any company in the Company's group. Prior Shareholder approval will also not be required for any amendment to a condition applying to an option under the Plan.

SYNAIRGEN PLC

(Incorporated and registered in England and Wales under the Companies Act 1985 with registered no. 05233429)

(the “Company”)

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a General Meeting of the Company will be held at the offices of Fasken Martineau LLP, Fourth Floor, 17 Hanover Square, London W1S 1HU, on 12 June 2009 at 9.30 a.m. for the purpose of considering and, if thought fit, passing the following Resolutions, of which Resolution 1 will be proposed as a Special Resolution and Resolution 2 will be proposed as an Ordinary Resolution.

SPECIAL RESOLUTION

1. **THAT:**

- (i) the Directors be generally and unconditionally authorised (in addition to, and not in substitution for, all existing authorities), for the purposes of section 80 of the Companies Act 1985 (the “**1985 Act**”) to allot relevant securities (within the meaning of that section) up to an aggregate nominal amount of £373,529.41 made in connection with the proposed Placing and Subscription (as defined in the circular to shareholders dated 27 May 2009) (the “**Proposed Allotments**”) provided that the authority shall expire at the conclusion of the next annual general meeting of the Company or (if earlier) on 31 December 2009, save that the Directors may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such offer or agreement as if the authority had not expired; and
- (ii) the Directors be (in addition to, and not in substitution for, all existing authorities) generally empowered pursuant to section 95 of the 1985 Act, to allot equity securities (within the meaning of section 94(2) of the 1985 Act) pursuant to the general authority conferred on them for the purposes of section 80 of the Act by paragraph (i) above as if section 89(1) of the 1985 Act did not apply to any such allotment provided that such power shall be limited to the issue of equity securities up to an aggregate nominal amount of £373,529.41 made in connection with the Proposed Allotments and that such authority shall expire at the conclusion of the next annual general meeting of the Company or (if earlier) on 31 December 2009, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if such authority had not expired.

ORDINARY RESOLUTION

2. **THAT** the rules of the Synairgen Qualifying Non-Employee Share Option Scheme 2009 (the “Plan”) as summarised in Part II of the circular to shareholders dated 27 May 2009 and produced in draft to this meeting and, for the purposes of identification, initialled by the Chairman, be approved and the Directors be authorised to make such modifications to the Plan as they may consider appropriate to take account of best practice and for the implementation of the Plan and to adopt the Plan as so modified and to do all such other acts and things as they may consider appropriate to implement the Plan.

Dated 27 May 2009

Registered office:

Mailpoint 810
Level F, South Block
Southampton General Hospital
Tremona Road
Southampton
SO16 6YD

By Order of the Board

John Ward
*Finance Director and
Company Secretary*

EXPLANATORY NOTES

Entitlement to attend and vote

1. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those members registered on the Company's register of members at:
 - 9.30 a.m. on 10 June 2009; or,
 - if this Meeting is adjourned, at 9.30 a.m. on the day two days prior to the adjourned meeting,shall be entitled to attend and vote at the Meeting.

Appointment of proxies

2. If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint one or more proxies to exercise all or any of your rights to attend, speak and vote at the Meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
3. A proxy does not need to be a member of the Company but must attend the Meeting to represent you. Details of how to appoint the Chairman of the Meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
4. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If you either select the "Discretionary" option or if no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.

Appointment of proxy using hard copy proxy form

5. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote.
To appoint a proxy using the proxy form, the form must be:
 - completed and signed;
 - sent or delivered to Capita Registrars (Proxies), The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU; and received by Capita Registrars no later than 9.30 a.m. on 10 June 2009.In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.
Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

Appointment of proxy by joint members

6. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

Corporate representatives

7. In order to facilitate voting by corporate representatives at the meeting, arrangements will be put in place at the meeting so that (i) if a corporate shareholder has appointed the Chairman of the meeting as its corporate representative with instructions to vote on a poll in accordance with the directions of all the other corporate representatives for that shareholder at the meeting who have been appointed in respect of different parts of the holding of that corporate shareholder then on a poll those corporate representatives will give voting directions to the Chairman and the Chairman will vote (or withhold a vote) in respect of each different part of the shareholding as corporate representative in accordance with the directions he has received from such corporate representatives in relation to the respective parts of the shareholding in respect of which they are each appointed or (ii) if more than one corporate representative for the same corporate shareholder attends the meeting but the corporate shareholder has not appointed the Chairman of the meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll in accordance with the directions he receives from the other corporate representatives in respect of the parts of the corporate shareholders shareholding in respect of which such corporate representatives have each been appointed. Corporate shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives – www.icsa.org.uk – for further details of this procedure. The guidance includes a sample form of representation letter if the Chairman is being appointed as described in (i) above.

Changing proxy instructions

8. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.
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 Capita Registrars (Proxies), The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU.
If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

Termination of proxy appointments

9. In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment as above. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

The revocation notice must be received by Capita Registrars no later than 9.30 a.m. on 10 June 2009. If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.

Appointment of a proxy does not preclude you from attending the Meeting and voting in person. If you have appointed a proxy and attend the Meeting in person, your proxy appointment will automatically be terminated.

Issued shares and total voting rights

10. As at 6.00 p.m. on 26 May 2009, the Company's issued share capital comprised 22,392,308 ordinary shares of 1p each. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 6.00 p.m. on 26 May 2009 was 22,392,308.

Documents on display

11. A copy of the proposed rules of the Qualifying Non-Employee Option Scheme will be available for inspection at the registered office of the Company during normal business hours on any weekday (weekends excepted) from the date of this notice until 12 June 2009 and at the place of the Meeting for 15 minutes prior to and during the Meeting.

SYNAIRGEN PLC

(the “Company”)

FORM OF PROXY

For use at the General Meeting of the Company to be held at the offices of Fasken Martineau LLP, Fourth Floor, 17 Hanover Square, London W1S 1HU, on 12 June 2009 at 9.30 a.m.

I/We (block capitals)
of being (a) holder(s) of shares of £0.01 each in the capital
of the Company, hereby appoint the Chairman of the meeting or
(note 1) as my/our proxy to vote for me/us and on my/our behalf at the General Meeting of the Company to be held on
12 June 2009 and at any adjournment thereof.

I/We direct my/our proxy to vote in the manner indicated by an X in the appropriate column. Unless otherwise indicated, or upon any matter properly put before the meeting but not referred to below, my/our proxy may exercise his discretion as to how he votes and whether or not he abstains from voting. The proxy will be used only in the event of a poll being directed as demanded. On a show of hands, only those shareholders present in person will be entitled to vote.

Summary of Resolutions	For	Against	Vote Withheld	Discretionary
1. To authorise the Directors to allot relevant securities pursuant to section 80 of the Companies Act 1985 and equity securities as if section 89(i) of the Companies Act 1985 did not apply in relation to such allotments.				
2. To approve the Qualifying Non-Employee Option Scheme.				

Dated 2009 Signature(s)

Notes

- (1) If you wish to appoint a proxy other than the Chairman of the meeting, insert his name in the space provided and delete “the Chairman of the meeting or”. A proxy need not be a member of the Company. Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.
- (2) If you sign and return this proxy form with no name inserted in the box, the Chairman of the meeting will be deemed to be your proxy. Where you appoint as your proxy someone other than the Chairman, you are responsible for ensuring that they attend the meeting and are aware of your voting intentions. If you wish your proxy to make any comments on your behalf, you will need to appoint someone other than the Chairman and give them the relevant instructions directly.
- (3) In the case of a corporation this proxy must be given under its common seal or signed on its behalf by a duly authorised officer or attorney. Any power of attorney or any other authority under which this proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.
- (4) To be effective this Form of Proxy and any authority under which it is executed (or a notarially certified copy of such authority) must be deposited at the offices of Capita Registrars (Proxies), The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU not less than 48 hours before the time for holding the meeting. Completion and return of the Form of Proxy will not preclude shareholders from attending and voting in person at the meeting.
- (5) Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those shareholders registered in the register of members at the time 48 hours before the time for holding the meeting (or, in the event of an adjournment, the time which is 48 hours before the adjourned meeting) shall be entitled to attend or 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 the time 48 hours before the time for holding the meeting (or, in the event of an adjournment, the time which is 48 hours before the adjourned meeting) shall be disregarded in determining the rights of any person to attend or vote at the meeting.
- (6) In the case of joint holders, the vote of the senior holder who tenders a vote whether in person or by proxy will be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the relevant holding.
- (7) To direct your proxy how to vote on the resolutions mark the appropriate box with an ‘X’. To abstain from voting on a resolution, select the relevant “Vote withheld” box. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If you either select the “Discretionary” option or if no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.
- (8) To appoint more than one proxy you may photocopy this form. Please indicate the proxy holder’s name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope.
- (9) If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
- (10) For details of how to change your proxy instructions or revoke your proxy appointment see the notes to the notice of meeting.



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BUSINESS REPLY SERVICE
Licence No. MB 122

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**Capita Registrars
Proxy Dept.
PO Box 25
Beckenham
Kent
BR3 4BR**

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