

FOR IMMEDIATE RELEASE
9th July 2008



Aquapharm and Dr. Reddy's Sign Commercial License Agreements

Oban, Scotland, 9th July 2008 – Scottish marine biotechnology company Aquapharm Biodiscovery Limited today announced the signing of a new commercial license agreement and an extension of an existing research and development license agreement with Dr. Reddy's Laboratories Limited. The commercial license covers selected strains from the Aquapharm library of novel marine micro-organisms.

These strains will be used to generate commercial biocatalysts for specific applications in the manufacture of pharmaceutical intermediates at the Dr. Reddy's R&D site at Cambridge, UK. This site was recently acquired by Dr. Reddy's Custom Pharmaceutical Services business unit.

Under these agreements, Aquapharm will receive milestone payments as well as royalties on commercialization of the product by Dr. Reddy's. Further financial details of the agreement are not being disclosed.

Dr. Andrew Mearns Spragg, CEO of Aquapharm said, "It is highly satisfying that the collaboration we entered into with Dr. Reddy's R&D site at Cambridge in 2006 has had its first successes and will generate near-term revenues for Aquapharm. We look forward to continuing to work together with Dr. Reddy's Cambridge R&D site to identify further novel enzymes from our marine micro-organism library."

Marcel Velterop, Vice President, Dr Reddy's Custom Pharmaceutical Services - Europe, added, "The Aquapharm library is proving a valuable resource for the Cambridge R&D site in developing economically attractive and sustainable biocatalytic processes for the production of pharmaceutical intermediates. Working together with Aquapharm we are confident of further successes in exploiting this unique and diverse collection of micro-organisms."

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Notes to Editors:

About Aquapharm Biodiscovery Ltd.

Aquapharm, founded in 2000, is a leading marine biotechnology company. Aquapharm is developing new biologically active products from the untapped biological potential of marine microbes. The company has a substantial collection of marine bacteria & fungi obtained from samples collected from diverse marine habitats, including the arctic and the deep sea. It uses these to develop new biologically active products for pharmaceutical, nutraceutical, personal care and industrial applications.

Aquapharm's patented technology base has the ability to manipulate marine microbial communities to stimulate the development and production of new molecules of pharmaceutical potential.

About Dr. Reddy's

Dr. Reddy's Laboratories was established in 1984 in Hyderabad, India, and is a global pharmaceutical company with proven research capabilities. The India based company produces finished dosage forms, active pharmaceutical ingredients, and biotechnology products which are marketed globally, in addition to its innovator focused Custom Pharmaceutical Services (CPS) unit. CPS offers custom R&D and manufacturing of both API and dosage forms incorporating its integrated expertise and portfolio. (www.drreddys.com)

For further information please contact:

Aquapharm Biodiscovery Limited Media Enquiries
Holly Griffiths, Katja Stout, John McIntyre
Tel: +44 (0)20 7866 7856
Email: aquapharm@collegehill.com

Dr Reddy's Enquiries
Dr Karen Holt-Tiffin
Tel: +44 (0) 1223 728078
Email: keholt.tiffin@drreddys.com