

Press Release

ProStrakan Group plc

ProStrakan announces £50 million debt facility

Galashiels, Scotland, 28 March 2007 - ProStrakan Group plc (LSE: PSK), the European specialty pharmaceutical company, announces today that it has entered into a £50 million debt facility with the initial advance being provided by funds managed by Fortress Investment Group, Morgan Stanley and funds managed by Och-Ziff Capital Management Group. The Administrative Agent is Morgan Stanley Bank International Limited.

ProStrakan has been actively managing its asset portfolio to increase its focus on marketed products with growth potential or near-to-market product launches which are expected to drive revenue growth, leading to break-even and thereafter profitability. Since the Company's IPO in June 2005, it has in-licensed the European rights to Rapinyl™, a muco-adhesive flash-melt fentanyl for break-through cancer pain, and has also acquired substantially all of the other worldwide rights (having already in-licensed the EU rights) to Rectogesic™, a 0.4% GTN ointment for the pain associated with chronic anal fissures, and Tostran™, a 2.0% testosterone gel. These latter 2 products will require further clinical work to obtain approval in the USA.

Subject to obtaining the necessary final regulatory approvals, this gives the Company 4 lead products to launch in the EU over approximately the next 18 months and 3 products to launch in the USA in approximately 18 – 30 months time, each of which we believe has worldwide peak annual sales potential in excess of \$100m. The Company's preferred strategy is to retain substantially all of the US commercialisation rights for the benefit of its shareholders, recognising that this will require it to develop its own commercial infrastructure in the USA. The debt facility will be used, in part, to fund this expanded set of asset opportunities as well as providing working capital and for general corporate purposes.

The secured debt facility has a five year term and has no scheduled capital repayment obligations during the first three years. Amounts may be drawn down by reference to the level of sales from key products recorded by ProStrakan in the prior twelve month period. There is an initial committed drawdown capability of £30 million on completion of all conditions precedent, of which ProStrakan has now drawn down £20 million. Interest is generally charged at a rate of (i) the greater of either 3 month LIBOR or 5% plus (ii) a margin of between 5.0% and 5.5%. In addition, the lenders will be issued with warrants over approximately 5.0 million shares (representing 2.5% of current shares in issue). The warrants have a ten year life and an exercise price of 98.052p per warrant.

Commenting on the facility, **Dr Wilson Totten, CEO of ProStrakan**, said: "ProStrakan is committed to delivering on its targets of reaching breakeven and creating value for shareholders. This facility gives us additional flexibility to do this. It will allow us to reach break-even and also to develop and retain the full ownership of our assets so as to generate the greatest value over time."

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Notes to Editors

ProStrakan

ProStrakan Group plc is a rapidly growing international specialty pharmaceutical company engaged in the research, development and commercialisation of prescription medicines for the treatment of unmet therapeutic needs in major markets. The Company's Development facilities are situated at the Company's Headquarters in Galashiels in Scotland. EU-wide sales and marketing of ProStrakan's portfolio of products are handled by commercial subsidiaries based in the UK, France, Germany, Spain and other EU countries.

www.prostrakan.com

Fortress

Fortress Investment Group is a leading global alternative asset manager with over \$30 billion in assets under management as of December 31, 2006. Fortress is headquartered in New York and has affiliates with offices in Dallas, Frankfurt, Geneva, Hong Kong, London, Los Angeles, Rome, San Diego, Sydney and Toronto.

Fortress was founded in 1998 as an asset-based investment management firm with a fundamental philosophy premised on its alignment of interests with the investors in its funds. Fortress raises, invests and manages private equity funds, hedge funds and publicly traded alternative investment vehicles. Fortress intends to grow its existing businesses, while continuing to create innovative products to meet the increasing demand by sophisticated investors for superior risk-adjusted investment returns.

www.fortressinv.com

Morgan Stanley

Morgan Stanley is a leading global financial services firm providing a wide range of investment banking, securities, investment management, wealth management and credit services. The Firm's employees serve clients worldwide including corporations, governments, institutions and individuals from more than 600 offices in 31 countries. For further information about Morgan Stanley, please visit:

www.morganstanley.com

Och-Ziff

Och-Ziff Capital Management Group is a global institutional asset management firm, founded in 1994 by Daniel Och. The firm currently manages over \$25 billion and has offices in the US, Europe and Asia, staffed by over 270 employees worldwide. Och-Ziff has dedicated teams of investment professionals focussed on private equity and credit investments based in London, New York and Hong Kong. To date, Och-Ziff has invested over \$4.8 billion in private investments and, in Europe, has completed more than 20 investments over the last 2 years.