Port Erin Biopharma Investments Limited

("Port Erin" or the "Company")

Interim Results for the period from 3 May 2011 (date of incorporation) to 31 December 2011

The Board of Port Erin, the AIM quoted company focused on investing in the biotechnology and biopharmaceutical sectors, is pleased to announce its interim results for the period from 3 May 2011 (date of incorporation) to 31 December 2011.

Financial Highlights

	As at 31 December 2011
Shareholders' funds	£2,836,156
Ordinary Shares in Issue	33,000,000
Net Asset Value per share	8.594 pence
Share Price*	8.500 pence
Share Price Discount	(1.1%)

* Mid market closing share price as at 29 March 2012

For further information, please contact

Libertas Capital Corporate Finance Limited
Sandy Jamieson 0207 569 9650

Rivington Street Corporate Finance Limited
Dru Edmonstone/ Jon Levinson 0207 562 3389

Chairman's Statement

Introduction

I have great pleasure in presenting the first set of Interim Results for the Company.

The loss for the six months is £164,844. This figure needs to be considered in conjunction with the costs borne by the Company in completing our successful listing on AIM in mid-September 2011. Despite every effort to keep costs to the minimum, the total listing expenses were approximately £265,000. Thus in the first six months of trading, we have been able to generate a consolidated net gain of £157,241 – both realised and unrealised - on initial available investment cash of approximately £2.74 million. In considering the volatility of the current markets, this is a respectable outturn and represents a Net Asset Value of 8.594 pence per share.

The Biopharma Sector

The biopharma sector first emerged in the late 1970s, and is now overtaking the traditional pharma sector in terms of drug discovery and profitability. In a nutshell, biopharma products are derived from living organisms, whereas traditional pharma products are constructed using synthetic chemistry. The gap between traditional big pharma companies and biopharma companies has narrowed, as large pharma companies have acquired smaller entrepreneurial companies or forged alliances and provided finance to the latter. By 2015, we expect at least half of US drug sales to come from biopharma products and of special note will be those dealing with inflammatory diseases and in oncology.

Ageing of populations in many parts of the world, new therapies to both cure and reduce the effects of previously untreatable diseases, and excitement around areas of significant areas of unmet needs – for example Alzheimer's – is providing the engine for growth for many investable companies.

Notwithstanding the huge opportunities involved in the industry, total market capitalisation of the sector remains relatively small, and valuations appear to be much more attractive to us than in other technology industries.

Without a doubt, new drugs, new emerging markets and demographics will provide huge impetus to this nascent industry in future years and we expect the Company to prosper as a result.

Investment Objective

Our investment objective is to achieve long-term capital growth by investing primarily in biopharma and other life sciences companies that are either quoted or unquoted and possess the potential for high growth. We will invest in companies whose shares we consider to have good prospects, with experienced management and strong potential upside through the development and commercialisation of a product or enabling technology.

Investment Policy and Strategy

A portion, approximately 40%, of our assets will be invested in smaller and mid-capitalisation quoted companies, with a majority in larger capitalisation quoted companies, mostly in the US and in the UK. We are likely to invest up to 10% of our assets in unquoted companies, while allowing an exposure of up to 20% in unquoted companies after allowing for valuation write-ups and further follow-on investments.

Investments made in quoted public companies will be made in anticipation of significant re-rating in valuations when clinical trials are successful. For unquoted investments, our criterion is to seek to generate gains through the sale of these unquoted companies to strategic buyers including major pharmaceutical companies or, in some cases, through a flotation.

The majority of our investments will be made in the US and in the UK, which are the most mature and established markets for pharmaceutical drugs, and as a consequence have the most established commercial biotechnology industry with the broadest and deepest community of biotechnology companies. However, we will not limit ourselves to one particular region so the Company will usually have some investments in Western Europe and occasionally elsewhere such as Australia or Asia.

In the first period, we have had a major single investment success with Medivation, a US listed company, whose compound for late stage prostate cancer – MDV 3100 – appears likely to be effective. Other portfolio companies of note are Arrowhead Research, a leader in RNA technology, also with a promising obesity drug, and Plethora Solutions, a leader in sexual health.

Prospects

I remain very positive about the investment prospects for the biotechnological sector. I have mentioned the continuing population growth, and there is clearly no decrease in the demand for innovative new drugs and diagnostics. This innovation is fuelling an ever increasing requirement to treat the diseases and conditions associated with old age in the most cost effective manner possible.

The smaller companies lead this innovation and provide an effective mechanism for the traditional majors to acquire this expertise as the major's own internal resources are unable to keep up with new developments.

In the long term, the whole sector is trading at the lowest price earnings multiple as measured against the wider equity market as a whole in both relative and absolute terms. This, in my view, represents one of the most significant long-term opportunities currently available to investors.

Jim Mellon

Chairman

Port Erin Biopharma Investments Limited

30 March 2012

Principal activity

The Company was formed for the purpose of investing in the biotechnology and biopharmaceutical sector. The Company was incorporated on 3 May 2011 under the Isle of Man Companies Act 2006 and has no employees other than Directors. On 15 September 2011 the Company's shares were admitted to AIM.

Dividend

The Directors do not propose the payment of a dividend.

Directors

The Directors who served during the period and to date were:

	Appointed
James Mellon	6 May 2011
Thomas Winnifrith	6 May 2011
Nicholas James Woolard	6 May 2011

Directors' Interests

As at 31 December 2011, the interests (all of which are beneficial unless otherwise stated) of the Directors and their families (as such term is defined in the AIM Rules for Companies) in the share capital of the Company are as follows:

	Number of Ordinary Shares	**Percentage of**

	Direct Interests	Other Interests	Issued Capital
James Mellon[(1)]	310,000	3,100,000	10.33%
Thomas Winnifrith[(2)]	100,000	1,000,000	3.33%
Nicholas James Woolard	100,000	-	0.30%

Notes:

(1) Shellbay Investments Limited, wholly owned by a trust of which James Mellon is a life tenant, holds 3,100,000 Ordinary Shares.

(2) Thomas Winnifrith has a 28.7 per cent. interest in the capital of Rivington Street Holdings plc ("RSH") and is a director of that Company. RSH wholly owns Rivington Street Ventures Limited ("RSV") which holds 1,000,000 Ordinary Shares. In addition, RSH wholly owns both Rivington Street Stockbrokers Limited ("RSS"), which holds 4,258,225 Ordinary Shares in its nominee account on behalf of its clients, and T1ps Investment Management (IOM) Limited ("TIM"). TIM is the investment manager for both Elite t1ps Smaller Companies Income and Growth Fund ("SCIGF") and SF t1ps Smaller Companies Growth Fund ("SCGF"). SCIGF holds 3,250,000 Ordinary Shares and SCGF holds 3,260,000 Ordinary Shares. Thomas Winnifrith is also a director of TIM and RSS.

As at 31 December 2011 the Directors and their families (as such term is defined in the AIM Rules for Companies) held the following Warrants:

	Number of Warrants
James Mellon	2,100,000
Thomas Winnifrith	100,000
Nicholas James Woolard	100,000

The Company issued Warrants to subscribe for one new ordinary share for every placing share. The Warrants may be exercised for 12.5 pence at any time within two years of the 15 September 2011, being the date of admission to trading on AIM, at the option of the holder or at the option of the Company in the event that the closing price of the ordinary shares is more than £0.20p for five (5) consecutive trading days. The Warrants were issued on the placing date of the 15 September 2011 and will not be admitted to trading on AIM.

Statement of comprehensive income (Unaudited)
for the period from 3 May 2011 (date of incorporation) to 31 December 2011

	Notes	2011 £
Income	*1(d)*	**157,241**
Operating expenses		
Directors fees		**(5,000)**
Other costs	*2*	**(327,363)**
Exchange gains	*1(g)*	**8,749**
Net loss before interest		**(166,373)**
Interest received	*1(d)*	**1,529**
Loss before taxation		**(164,844)**
Taxation	*1(h)*	**-**
Net loss for the period		**(164,844)**
Other comprehensive income		**-**
Total comprehensive income for the period		**(164,844)**
Earnings per share	*5*	**(0.0101)**
Diluted earnings per share	*5*	**(0.0101)**

In the period, there were no recognised gains or losses other than those dealt with in the statement of comprehensive income.

The Directors consider that the Company's activities are continuing.

Statement of financial position (Unaudited)

as at 31 December 2011

	Notes	2011 £
Assets		
Non-current assets		
Investments	*1(c)*	**1,809,046**
Current assets		
Trade and other receivables	*1(e)*	**19,144**
Cash and cash equivalents	*1(e)*	**1,016,218**
Total assets		**2,844,408**
Equity and liabilities		
Capital and reserves		
Share capital	*3*	**33**
Share premium	*3*	**3,000,967**
Accumulated loss		**(164,844)**
		2,836,156
Current liabilities		
Trade and other payables		**8,252**
Total equity and liabilities		**2,844,408**

Statement of changes in equity (Unaudited)

for the period from 3 May 2011 (date of incorporation) to 31 December 2011

	Share Premium £	Share Capital £	Accumulated Loss £	Total £
Balance at 3 May 2011	-	-	-	-
Net loss for the period	-	-	(164,844)	(164,844)
Shares issued	3,000,967	33	-	3,001,000
Balance at 31 December 2011	**3,000,967**	**33**	**(164,844)**	**2,836,156**

Cash flow statement (Unaudited)

for the period from 3 May 2011 (date of incorporation) to 31 December 2011

	Notes	2011 £
Cash flows from operating activities		
Operating loss		(164,844)
Adjustment for:		
Interest received		(1,529)
Operating loss before changes in working capital		**(166,373)**
(Increase) in receivables		(19,144)
Increase in payables		8,252
Net cash outflow from operating activities		**(177,265)**
Cash flows from investing activities		
Investments acquired		(1,809,046)
Interest income		1,529
		(1,807,517)
Cash flows from financing activities		
Share issues	*3*	3,001,000
Increase in cash and cash equivalents		**1,016,218**
Cash and cash equivalents at beginning of period		-
Cash and cash equivalents at the end of period		**1,016,218**

Notes (Unaudited)

(forming part of the financial statements for the period the period from 3 May 2011 (date of incorporation) to 31 December 2011)

1 Accounting policies

Port Erin Biopharma Investments Limited is a Company domiciled in the Isle of Man.

The interim financial statements incorporate the principal accounting policies set out below.

a) Statement of compliance

The interim financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and the interpretations adopted by the International Accounting Standards Board (IASB).

b) Basis of preparation

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision only affects that period or in the period of the revision and future periods if the revision affects both current and future periods.

c) Investments

Investments are acquired to realise gains from fluctuations in prices. These assets are valued at fair value based on quoted bid prices.

All investments held at the period end were quoted on publicly traded exchanges.

d) Income

Any realised and unrealised gains and losses on investments are presented within 'Income'.

Interest income has been earned during the period, which is accrued on a time apportion basis, by reference to the principal outstanding and the effective rate applicable.

Dividend income is recognised when a security held goes ex-dividend.

e) Financial instruments

Measurement
Financial instruments are initially measured at cost, which includes transaction costs. Subsequent to initial recognition these instruments are measured as set out below.

Trade and other receivables
Trade and other receivables originated by the Company are stated at amortised cost less impairment losses.

Cash and cash equivalents
Cash and cash equivalents are measured at fair value and due on demand.

Financial liabilities
Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisations.

f) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will occur, and where a reliable estimate can be made of the amount of the obligation.

Where the effect of discounting is material, provisions are discounted. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

g) Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the income statement.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

h) Taxation

The Company is subject to tax at a rate of 0% in the Isle of Man, and accordingly, no tax has been provided for in the interim financial statements.

2 Other costs

	2011
	£
Bank charges	**550**
Insurance	**2,815**
Printing and stationery	**680**
Professional fees	**323,278**
Sundry expenses	**40**
	327,363

The Company has no employees other than the Directors.

3 Share capital

	2011
	£
Authorised	
2,000,000,000 Ordinary shares of £0.000001	**2,000**
Issued	
33,000,000 Ordinary shares of £0.000001 each	**33**
	33
Share premium	
3 shares issued at incorporation	997
30,000,000 shares issued on 15 September 2011	2,999,970
Total	**3,000,967**

On incorporation the share capital of the Company was £2,000 divided into 2,000 ordinary shares of £1 each.

On 3 May 2011, 3 ordinary shares were issued at par as follows:-

Galloway Limited -	1 ordinary share of £1 each
Rivington Street Ventures Limited -	1 ordinary share of £1 each
SF t1ps Smaller Companies Growth Fund -	1 ordinary share of £1 each

On 8 May 2011, Galloway Limited transferred 1 ordinary share of £1 to Shellbay Investments Limited.

On 9 May 2011, pursuant to a Director's resolution, the share capital was divided into 2,000,000,000 ordinary shares of £0.000001p each.

On 15 September 2011 the Company issued 30,000,000 ordinary shares at a price of £0.10 pence each, each with a Warrant attached. The Warrants are to subscribe for one new ordinary share for every placing share. The Warrants may be exercised for 12.5 pence at any time within two years of the 15 September 2011, being the date of admission to trading on AIM, at the option of the holder or at the option of the Company in the event that the closing price of the ordinary shares is more than £0.20p for five (5) consecutive trading days.

In the opinion of the directors any value that the Warrants may have is fully reflected in the share price and thus has no separately identifiable worth.

4 Financial instruments

The Company's financial instruments are exposed to a number of risks as detailed below:

Credit risk
The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

Exposure to credit risk

	Notes	**Carrying amount 2011 £**
Investments	*1(c)*	**1,809,046**
Cash and cash equivalents	*1(e)*	**1,016,218**

The Company invests available cash and cash equivalents with UK and Isle of Man licensed banks.

The risk is managed by the Company by means of cash flow planning to ensure that future cash requirements are anticipated and, where financial instruments have to be sold to meet these requirements, the process is carried out in a controlled manner intended to minimise the liquidity risk involved.

Market price risk
Market price risk is the risk that the market price will fluctuate due to macro-economic issues such as changes in market factors specific to that security, market interest rates and foreign exchange rates.

Cash flow and funding risk
The Company is exposed to liquidity risk to the extent that it holds investments that it may not be able to sell quickly at close to fair value.

Interest rate risk
A significant share of the Company's assets is comprised of cash held at banks. As a result, the Company is subject to risk due to fluctuations in the prevailing level of market interest rates. However, income earned from bank interest is not considered material to the Company's performance or financial position.

Fair values of financial instruments

At 31 December 2011 the carrying amounts of cash resources, trade and other receivables, and trade and other payables approximate their fair values due to their short-term maturities.

Foreign currency risk
The following significant exchange rate applied during the year:

	Average rate for active period	**Period end rate (31 December 2011)**
US Dollar	1.6012	1.5428

Sensitivity analysis
A 5% per cent. strengthening of sterling against the US Dollar at 31 December 2011 would have decreased equity and increased the loss by the amounts shown below. The analysis assumes that all other variables, in particular interest rates, remain constant.

	Equity	**Loss**
US Dollar	(£86,103)	(£86,103)

A 5% percent weakening of sterling against the above currencies at 31 December 2011 would have had the equal but opposite effect on the above currencies to the basis that all other variables remain constant.

Fair Value measurement at 31 December 2011

Investments in securities at fair value

	Total	**Quoted prices in active markets for identical assets (level 1)**	**Significant other observable inputs (level 2)**	**Significant unobservable inputs (level 3)**
Investments	1,809,046	1,809,046	-	-

5 Basic and diluted earnings per share

The calculation of basic earnings per share of the Company is based on the net loss of £164,844 and the weighted average number of shares of 16,259,259 in issue during the period.

Diluted earnings per share are calculated adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. As at 31 December 2011 there is no dilutive effect, because the Company incurred net losses. Therefore, basic and diluted earnings per share are equal.

6 Events after the reporting date

There have been no material events since the reporting date that require disclosure in the interim financial statements.