



THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document you should consult a person authorised under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities.

If you have sold or otherwise transferred all of your shares in Alliance Pharma plc (the "Company"), please send this document, together with the accompanying 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 transmission to the purchaser or transferee. If you have sold only part of your holding of shares in Alliance Pharma Plc, please contact your stockbroker, bank or other agent through whom the sale was effected immediately.

ALLIANCE PHARMA PLC

(Incorporated in England and Wales with Registered Number 4241478)

NOTICE OF ANNUAL GENERAL MEETING ADOPTION OF NEW ARTICLES OF ASSOCIATION

**to be held at Buchanan Communications,
45 Moorfields, London EC2Y 9AE**

at 10.00 am on Thursday 27 May 2010

A Form of Proxy for the Annual General Meeting is enclosed and should be completed in accordance with the instructions set out on the form and returned so as to reach the Company's Registrar, Capita Registrars, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU by no later than 10.00 am on 25 May 2010. Completion and return of the Proxy will not prevent you from attending and voting at the Meeting in person, should you so wish.

DEFINITIONS

The following definitions apply throughout this document unless the context requires otherwise:-

“1985 Act”	the Companies Act 1985
“2006 Act”	the Companies Act 2006, as amended from time to time
“Annual General Meeting” or “AGM”	the Annual General Meeting of the Company to be held on 27 May 2010, notice of which is set out at the end of this document, including any adjournment of it
“Articles”	the articles of association of the Company as at the date of this document
“Board”	the Board of Directors of the Company
“Company”	Alliance Pharma plc
“Directors”	the Directors of the Company whose names appear on page 3 of this document
“New Articles”	the new Articles of Association of the Company whose adoption forms the business to be proposed at the Annual General Meeting
“Notice of AGM”	the notice of Annual General Meeting set out at page 5 of this document
“Ordinary Shares”	ordinary shares of 1 pence each in the capital of the Company
“Resolutions”	the resolutions to be proposed at the Annual General Meeting

ALLIANCE PHARMA PLC

(Incorporated in England and Wales with Registered Number 4241478)

Directors:

Michael R B Gatenby (Chairman)
John Dawson
Richard Wright
Anthony Booley
Peter Butterfield
Paul Ranson
Andrew Smith
Thomas Casdagli

Registered Office:

Avonbridge House
Bath Road
Chippenham
Wiltshire
SN15 2BB

20 April 2010

Dear Shareholder

NOTICE OF ANNUAL GENERAL MEETING ADOPTION OF NEW ARTICLES OF ASSOCIATION

1 Introduction

The purpose of this letter is to inform you about the resolutions to be proposed at the Annual General Meeting of the Company and, in particular, the differences between the Articles and the New Articles which it is proposed be adopted at the AGM. The final provisions of the Companies Act 2006 came into force on 1 October 2009. It is thus now possible for companies to make certain changes to their articles of association and so it is proposed that the New Articles be adopted at the Annual General Meeting. The differences between the Articles and the New Articles are shown in the Appendix.

The Annual General Meeting will be held at 10.00 am on 27 May 2010, at Buchanan Communications, 45 Moorfields, London EC2Y 9AE. Full details of the meeting and the resolutions that will be put to shareholders are set out in the enclosed Notice of AGM. Our Directors will be pleased to meet shareholders prior to the meeting from 9.30 am. If you are intending to come to the meeting, I do recommend that you arrive by 9.45 am to enable us to carry out all of the registration formalities to ensure a prompt start at 10.00 am.

If you cannot come to the meeting in person, your vote is still important and I would urge you to complete, sign and return the enclosed proxy card to be received by 10.00 am on 25 May 2010. The results of the voting on the resolutions will be posted on the Company's website after the meeting.

2 Annual General Meeting

You will find set out at the end of this document the Notice of AGM convening the Annual General Meeting for the purposes of considering and, if thought fit, approving the following resolutions:

Ordinary Business

- a. Resolution 1 is an ordinary resolution to approve and adopt the consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2009;
- b. Resolution 2 is an ordinary resolution to approve a dividend of 0.23 pence per share;
- c. Resolutions 3 and 4 are ordinary resolutions to approve the re-election of Paul Ranson and Richard Wright as Directors, who are retiring by rotation and offering themselves for re-election in accordance with the Articles;
- d. Resolution 5 is an ordinary resolution to elect Peter Butterfield as a Director;
- e. Resolution 6 is an ordinary resolution to approve the reappointment of Grant Thornton UK LLP as the auditors; and
- f. Resolution 7 is an ordinary resolution to authorise the Directors to fix the auditors' remuneration;

Special Business

- g. Resolution 8 is an ordinary resolution to authorise the Directors to issue Ordinary Shares pursuant to section 551 of the 2006 Act – the authority is for 75,226,600 Ordinary Shares (being approximately 33% of the issued ordinary share capital of the Company);

- h. Resolution 9 is a special resolution to disapply the statutory pre-emption rights contained in section 561 of the 2006 Act – the authority is in respect of 22,795,900 Ordinary Shares (being approximately 10% of the issued ordinary share capital of the Company); and
- i. Resolution 10 is a special resolution to adopt the New Articles.

3 Adoption of the New Articles

The final provisions of the 2006 Act came into force on 1 October 2009. It is now proposed that the Articles be amended to reflect the provisions of the 2006 Act and to ensure consistency with the 2006 Act.

Set out in the Explanatory Notes to the Notice of AGM is a summary of the main amendments to be introduced by the proposed New Articles. Changes which are of a minor, technical or clarifying nature have not been noted. The summary has been prepared in order to assist shareholders in understanding the rationale for and substance of the proposed amendments. Although the New Articles are in many respects largely unchanged from the Articles, the Directors recommend that shareholders pass a resolution to adopt new articles of association rather than to pass resolutions detailing each individual amendment. A copy of the New Articles will be available for inspection at the Company's registered office at Avonbridge House, Bath Road, Chippenham, Wiltshire, SN15 2BB from the date of this document until the conclusion of the General Meeting.

4 Action to be taken

Whether or not you intend to be present at the Annual General Meeting, you are asked to complete and return the Form of Proxy in accordance with the instructions printed thereon as soon as possible but in any event so as to arrive no later than 10.00 am on 25 May 2010, being 48 hours before the time appointed for the holding of the Annual General Meeting. Completion and posting of a Form of Proxy will not prevent you from attending and voting in person at the Annual General Meeting if you so wish.

5 Recommendation

Your Directors are of the opinion that the resolutions which are to be proposed at the Annual General Meeting are in the best interests of the Company and its shareholders and therefore unanimously recommend that you vote in favour of the Resolutions as they intend to themselves in respect of their shares, which amount in total to 69,860,893 Ordinary Shares (representing 30.65% of the issued share capital of the Company).

Yours sincerely

Michael R B Gatenby
Chairman

**ALLIANCE PHARMA PLC
NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the 2010 Annual General Meeting of Alliance Pharma plc ("the Company") will be held at Buchanan Communications, 45 Moorfields, London EC2Y 9AE on Thursday 27 May 2010 at 10.00 am for the purpose of transacting the following business:-

Ordinary Resolutions

- 1 To receive the consolidated financial statements of the Company and its subsidiaries and the report of the Directors and the auditors for the year ended 31 December 2009.
- 2 To declare a final dividend of 0.23 pence per share.
- 3 To re-elect Paul Ranson who retires by rotation in accordance with the Company's Articles of Association.
- 4 To re-elect Richard Wright who retires by rotation in accordance with the Company's Articles of Association.
- 5 To elect Peter Butterfield as a Director of the Company.
- 6 To reappoint Grant Thornton UK LLP as auditors of the Company.
- 7 To authorise the Directors to determine the remuneration of the auditors.

Special Business

To consider and, if thought fit, to pass the following resolutions as to which resolution 8 shall be proposed as an ordinary resolution and resolutions 9 and 10 shall be proposed as special resolutions:

Ordinary Resolution

8. That the Directors be generally and unconditionally authorised pursuant to and in accordance with Section 551 of the Companies Act 2006 to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for, or to convert any security into, shares in the Company (Rights) up to a maximum nominal amount of £752,266 (being approximately 33% of the issued Ordinary share capital of the Company), provided that this authority shall expire on the date of the next AGM of the Company after the passing of this resolution, save that the Company shall be entitled to make offers or agreements before the expiry of this authority which would or might require shares to be allotted or Rights to be granted after such expiry and the Directors shall be entitled to allot shares and grant Rights pursuant to any such offers or agreements as if this authority had not expired; and all unexercised authorities previously granted to the Directors to allot shares and grant Rights be and are hereby revoked.

Special Resolutions

9. That, subject to the passing of Resolution 8 set out above, the Directors be empowered pursuant to section 570 and section 573 of the Companies Act 2006 to allot equity securities, within the meaning of section 560 of that Act, for cash pursuant to the authority conferred by Resolution 8, as if section 561(1) of that Act did not apply to any such allotment, provided that this power shall be limited to:
 - (a) (i) the allotment of equity securities in connection with a rights issue; and (ii) the allotment to any person or persons (otherwise than in connection with a rights issue) of equity securities up to an aggregate nominal amount of £227,959 (being approximately 10% of the issued ordinary share capital of the Company);
 - (b) the power given by this resolution shall expire upon the expiry of the authority conferred by Resolution 8 set out above, save that the Directors shall be entitled to make offers or agreements before the expiry of such power which would or might require equity securities to be allotted after such expiry and the Directors shall be entitled to allot equity securities pursuant to any such offers or agreements as if the power conferred hereby had not expired; and

(c) for the purposes of this Resolution, “rights issue” means a rights issue, open offer or other offer of equity securities open for acceptance for a period fixed by the Directors to holders of equity securities on the register on a fixed record date where the equity securities respectively attributable to the interests of such holders are proportionate (as nearly as may be practicable) to their respective holdings of such equity securities or in accordance with the rights attached thereto (but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements or legal or practical problems under the laws of, or the requirements of any recognised body or any stock exchange in, any territory or by virtue of shares being represented by depositary receipts or any other matter).

10. That the Articles of Association contained in a document produced to the meeting and signed by the Chairman for the purposes of identification be approved and adopted as the new Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association.

By Order of the Board

Richard Wright
Secretary

20 April 2010

Registered Office:
Avonbridge House
Bath Road
Chippenham
Wiltshire
SN15 2BB

Notes to the Notice of Annual General Meeting:

(1) Shareholders

Holders of Ordinary shares, or their duly appointed representatives, are entitled to attend and vote at the AGM. Shareholders are entitled to appoint a proxy to exercise all or any of their rights to attend and speak and vote on their behalf at the meeting. A shareholder can appoint the Chairman of the meeting or anyone else to be his/her proxy at the meeting. A proxy need not be a shareholder. More than one proxy can be appointed in relation to the AGM provided that each proxy is appointed to exercise the rights attached to a different ordinary share or shares held by that shareholder. To appoint more than one proxy, the Proxy Form should be photocopied and completed for each proxy holder. The proxy holder's name should be written on the Proxy Form together with the number of shares in relation to which the proxy is authorised to act. The box on the Proxy Form must also be ticked to indicate that the proxy instruction is one of multiple instructions being given. All Proxy Forms must be signed and, to be effective, must be lodged with the Company's Registrar so as to arrive not later than 48 hours before the time of the meeting, or in the case of an adjournment 48 hours before the adjourned time. A failure to specify the number of shares each proxy appointment relates to or specifying a number in excess of those held by you may result in the appointment being invalid. In order to be valid, an appointment of proxy must be returned by post, by courier or by hand to the Company's Registrars, Capita Registrars, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU or via the CREST system and must be received by the Company no later than 10.00 am on 25 May 2010.

(2) Forms of Proxy

A form of proxy is enclosed for use by shareholders. The appointment of a proxy does not preclude a shareholder from attending the AGM and voting in person.

(3) CREST electronic proxy appointment

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

(4) CREST Proxy Appointments and Instructions

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual (available via www.euroclear.com/CREST). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA10) by 10.00 am on 25 May 2010. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

(5) Timings and Limitations

CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

(6) Invalid CREST Proxy Instructions

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

(7) Issued Share Capital and Total Voting Rights

As at 19 April 2010 (being the last practicable date prior to the publication of this Notice) the Company's issued share capital consisted of 227,959,526 Ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 19 April 2010 are 227,959,526.

(8) Corporate Representatives

Any corporation which is a member of the Company can appoint one or more corporate representatives who may exercise on its behalf all of its powers provided that they do not do exercise their powers in relation to the same shares.

(9) Directors' Service Contracts

Copies of the Directors' service contracts with the Company, Non-Executive Directors' terms and conditions of appointment and the register of interests of the Directors in the share capital of the Company are available for inspection at the registered office of the Company during usual business hours on any weekday and will be available at the location of the AGM from 15 minutes prior to and during the AGM.

(10) Directors' Biographical details

Biographical details of the Directors to be elected or re-elected can be found on pages 16 and 17 of the Company's Annual Report and Accounts for the year ended 31 December 2009.

Explanatory notes to certain of the resolutions to be proposed at the Annual General Meeting

(1) Resolution 8 – Renewal of Directors’ authority to allot shares

By virtue of Section 551 of the Companies Act 2006 (the “2006 Act”), the Directors require the authority of shareholders of the Company to allot shares or other relevant securities in the Company. This resolution authorises the Directors to make allotments of up to an additional 75,226,600 shares (representing approximately 33% of the issued share capital of the Company as at the date of the Notice, excluding treasury shares). The Directors have no present intention of exercising the authority given by this resolution.

(2) Resolution 9 – Disapplication of statutory pre-emption rights

By virtue of sections 570 and 573 of the 2006 Act, any issue by the Company of equity capital for cash made otherwise than to existing shareholders on a proportional basis requires the consent of shareholders of the Company unless the Company has obtained the authority of the shareholders under Section 570 of the Act. This resolution is for that purpose. It authorises the Directors to allot shares by way of rights or pursuant to an open offer or otherwise than strictly pro rata when the Directors consider that it is expedient to do so and allows them to issue for cash up to 22,795,900 shares (representing approximately 10% of the issued share capital of the Company as at the date of the Notice) other than on a pre-emptive basis.

(3) Resolution 10 – Adoption of New Articles

The final provisions of the 2006 Act came into force on 1 October 2009. It is now proposed that the Articles be amended to reflect the provisions of the 2006 Act and to ensure consistency with the 2006 Act.

Set out below is a summary of the main amendments to be introduced by the proposed new Articles of Association (the “New Articles”). Changes which are of a minor, technical or clarifying nature have not been noted. The summary has been prepared in order to assist shareholders in understanding the rationale for and substance of the proposed amendments. Although the New Articles are in many respects largely unchanged from the current Articles of Association, the Directors recommend that shareholders pass a resolution to adopt new articles of association rather than to pass resolutions detailing each individual amendment. A copy of the New Articles will be available for inspection at the Company’s registered office at Avonbridge House, Bath Road, Chippenham, Wiltshire, SN15 2BB from the date of this document until the conclusion of the General Meeting and on its website at www.alliancepharma.co.uk.

The number used below to identify each article, unless otherwise indicated, corresponds to the numbering used in the New Articles.

(a) Articles which duplicate statutory provisions

Provisions in the New Articles which replicate provisions contained in the 2006 Act are in the main amended to bring them into line with the 2006 Act.

(b) Authorised share capital and unissued shares (Articles 5 and 43)

The 2006 Act abolishes the requirement for a company to have an authorised share capital and the New Articles reflect this. Directors will still be limited as to the number of shares they can at any time allot because allotment authority continues to be required under the 2006 Act, save in respect of employee share schemes.

(c) Redeemable shares (Article 7)

Under the Companies Act 1985, if a company wished to issue redeemable shares, it had to include in its articles the terms and manner of redemption. The 2006 Act enables Directors to determine such matters instead provided they are so authorised by the articles. The New Articles contain such an authorisation.

(d) Sanction to variation (Article 47)

The 2006 Act largely abolished the concept of the extraordinary resolution from 1 October 2007, save in relation to existing extraordinary resolution requirements in a company’s articles of association. It is proposed that the provision in the Articles requiring the sanction of an extraordinary resolution passed at a separate general meeting of the holders of shares of the class duly convened and held, to vary the rights attached to any share or class of share, be amended to require the sanction of a special resolution passed at a separate general meeting of the holders of shares of the class duly convened and held, to reflect the changes in the 2006 Act.

(e) General Meetings (Articles 52 and 53)

Articles 52 and 53 are amended to stay in line with the provisions of the 2006 Act regarding the convening of and notice periods for general meetings. The effect of this is that at least 14 days notice is required for all general meetings, save for Annual General Meetings where at least 21 days notice will be required.

(f) Electronic Proxies (Articles 73 and 74)

The 2006 Act provides that when a company has given an electronic address in a notice of meeting or form of proxy, it is treated as having accepted that a communication in relation to that notice of meeting or form of proxy can be sent to that electronic address. Articles 73 and 74 in the proposed New Articles are amended to enable the Company to receive appointments of proxies in electronic form subject to the conditions or limitations which are specified in the notice of meeting.

(g) Corporate representatives (Article 78)

Article 78 is amended in line with the provisions of the 2006 Act. Under section 323(4) of the 2006 Act, multiple corporate representatives may be appointed, but if they purport to exercise their rights in different way, then the power is treated as not being exercised.

(h) Electronic Communication by the Company (new Article 171)

New provisions have been added to the Articles to provide the Company with a general power to send or give any notice, document or information to any shareholder in electronic form (such as by email), or by making it available on the Company's website, in accordance with the provisions of the 2006 Act.

If the Company gives any notice or sends any document or information to its shareholders by making it available on the Company's website, it must comply with the requirements of the 2006 Act and the new notice provisions in the Articles.

The Company will be able to ask each individual shareholder for his or her consent to receive communications from the Company via its website. If the shareholder does not respond to the request for consent within 28 days, the Company may take that as consent by the shareholder to receive communications in this way. When the Company makes a document available on its website, it must notify each shareholder who has consented (or is deemed to have consented) to receive documents via the website, either by post or by email (if the shareholder has previously provided their email address), that the document has been made available on the website. A shareholder who has received a document electronically can request a hard copy of any document at any time.

Shareholders can also revoke their consent to receive electronic communications at any time.

Article 171.4 in the proposed New Articles deals with joint holders of shares and provides that the agreement of the first named holder on the register of shareholders to accept notices, documents or information electronically or via a website will be binding on the other joint holders.

Article 171.5 in the proposed New Articles is to cater for situations where the provision of corporate information in electronic form may amount to a breach of securities laws of another jurisdiction. The effect of this new Article is to permit the Company not to give or send any notice, document or information to a shareholder whose registered address is not within the UK unless that shareholder has given a non electronic address within the UK.

(i) Communication to the Company (new Article 172)

New provisions have been added to the Articles in order to clarify the methods by which shareholders can communicate with the Company. This is extended (from hard copy documents or information sent or supplied by hand or by post) pursuant to the new electronic communication provisions in the 2006 Act to include electronic communication to an address specified for the purpose by the Company for the purposes of receiving such communication.

(j) The Company's objects (new Article 173)

The provisions regulating the operations of the Company are currently set out in the Company's memorandum and articles of association. The Company's memorandum contains, among other things, the objects clause which sets out the scope of the activities the Company is authorised to undertake. This is drafted to give a wide scope.

The 2006 Act significantly reduces the constitutional significance of a company's memorandum. The 2006 Act provides that a memorandum will record only the names of subscribers and the number of shares each subscriber has agreed to take in the company. Under the 2006 Act the objects clause and all other provisions which are contained in a company's memorandum, for existing companies at 1 October 2009, are deemed to be contained in the company's articles of association but the Company can remove these provisions by special resolution.

Further, the 2006 Act states that unless a company's articles provide otherwise, a company's objects are unrestricted. This abolishes the need for companies to have objects clauses. For this reason the Company is proposing to remove its objects clause together with all other provisions of its memorandum which, by virtue of the 2006 Act, are treated as forming part of the Company's articles of association as of 1 October 2009. The adoption of the New Articles confirms the removal of these provisions for the Company. As the effect of the adoption of the New Articles will be to remove the statement currently in the Company's memorandum of association regarding limited liability, the New Articles also contain an express statement regarding the limited liability of shareholders.

