

Company name **Merrion Pharm Plc**
Headline **Further re Equity Funding Proposal**

RNS Number : 6237W
Merrion Pharmaceuticals Public Ltd
01 February 2012

Merrion Pharmaceuticals plc

Update on Previously Announced Equity Funding

Dublin, Ireland, 1 February 2012

Further to the announcement made on 12 December 2011 that the Board had decided to raise €2.5m in new equity, the Board has now been informed by Irelandia Investments (a party related to one of the major shareholders) that, as an alternative to the proposed equity fundraising, Irelandia Investments has entered into discussions with the principal lender to Merrion, Hercules Technology Growth Capital, Inc. ("Hercules") (NASDAQ: HTGC) with a view to purchasing the entire debt currently owed to Hercules. The purpose of this would be to provide Merrion with materially more favourable terms and to assist the Company in managing its working capital over the next 18 months. Accordingly, the proposed equity issue will not now proceed. The Board is pleased with the support offered by Irelandia Investments in this regard. Details of the Hercules debt facility were set out in the announcement by the Company on 30 June 2011 and full details of the revised debt arrangements will be announced in due course.

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The Directors of Merrion accept responsibility for the information contained in this announcement. To the best of their knowledge and belief (having taken all reasonable care to ensure such is the case), the information contained in this announcement is in accordance with the facts and does not omit anything likely to affect the import of such information.