

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the action you should take, you should immediately seek advice from your stockbroker, bank manager, solicitor, accountant or other independent professional adviser authorised under the Financial Services and Markets Act 2000 if you are resident in the United Kingdom or, if not, another appropriately authorised independent financial adviser.

If you have sold or transferred all of your ordinary shares in SkyePharma PLC, please forward 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 the transfer was effected, for transmission to the purchaser or transferee.

SKYEPHARMA PLC

(Incorporated and registered in England and Wales No: 107582)

LETTER FROM THE CHAIRMAN NOTICE OF ANNUAL GENERAL MEETING

Notice of the Annual General Meeting of the Company to be held at 10.30 a.m. on Friday 15 May 2009 is set out at the end of this document.

Please complete, sign and return the accompanying Form of Proxy in accordance with the instructions thereon as soon as possible and in any event so as to arrive at Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU not later than 10.30 a.m. on 13 May 2009. Completion and return of the Form of Proxy will not prevent you from attending and voting at the Annual General Meeting in person, should you so wish.

Electronic proxy appointment is available for this Annual General Meeting. This facility enables shareholders to lodge their proxy appointment by electronic means on a website provided by Capita Registrars on www.capitaregistrars.com. Further information on the procedure to be followed is set out in the accompanying Chairman's letter.

LETTER FROM THE CHAIRMAN

SKYEPHARMA PLC

(Incorporated and registered in England and Wales No. 107582)

The Directors

Jeremy Scudamore (*Non-Executive Chairman*)
Ken Cunningham (*Chief Executive Officer*)
Peter Grant (*Chief Financial Officer*)
Alan Bray (*Non-Executive Director*)
Frank Condella (*Non-Executive Director*)
Jerry Karabelas (*Non-Executive Director*)
Jean-Charles Tschudin (*Non-Executive Director*)

Registered Office

105 Piccadilly
London, W1J 7NJ

10 April 2009

To all Shareholders

Dear Shareholder,

This letter is sent on behalf of the Board of SkyePharma PLC and is to be read in conjunction with the following documents concerning your shareholding. These documents are:

1. the Annual Report and Accounts for the year ended 31 December 2008; and
2. the enclosed Form of Proxy for the Annual General Meeting.

The Annual General Meeting of SkyePharma PLC (the "Company") will be held at 10.30 a.m. on Friday 15 May 2009 at the offices of Financial Dynamics at Holborn Gate, 26 Southampton Buildings, London, WC2A 1PB for the following purposes. You will find on pages 7 to 16 of this document the Notice of Annual General Meeting convening this meeting.

Ordinary Business

Resolution 1 — Receipt of the 2008 Report and Accounts

The Directors are required to lay before the Annual General Meeting the accounts of the Company for the year ended 31 December 2008, the Directors' Report, the Remuneration Report and the Auditors' Report on the accounts and the auditable part of the Remuneration Report.

Resolution 2 — Approval of the Directors' Remuneration Report

Shareholders will be asked to approve the Directors' Remuneration Report (as set out on pages 44 to 57 of the Annual Report and Accounts for the year ended 31 December 2008); however, the Directors' remuneration is not conditional on this resolution being passed.

Resolution 3 — Reappointment of the Auditors

A resolution to reappoint Ernst & Young LLP as Auditors to the Company will be proposed at the Annual General Meeting.

Resolution 4 — Remuneration of the Auditors

This resolution proposes that the Directors be authorised to determine the level of the Auditors' remuneration.

Resolutions 5 & 6 — Re-election of the Directors

The Directors retiring by rotation are Peter Grant and Alan Bray.

In accordance with best practice, your attention is also drawn to the biographical information set out on page 6 of this Letter and also in the 2008 Annual Report and Accounts in the Directors section on pages 28 and 29, and the Corporate Governance Report on pages 35 to 43.

In addition to the ordinary business of the Annual General Meeting, certain additional resolutions will be proposed, details of which are set out below:

Special Business

Resolution 7 — Authority to allot relevant securities

This resolution gives authority to allot, in the period to the Annual General Meeting in 2010, shares (or grant rights over shares) up to a nominal amount of £15,096,521. This figure represents approximately two-thirds of the Company's issued ordinary share capital as at

25 March 2009. This authority is in substitution for but without prejudice to authorities previously given relating to the shares required to be set aside to satisfy the Company's existing contractual commitments including: contingent consideration by way of shares and other securities which may fall due to be issued to the vendors of Krypton Limited; shares which may fall to be allotted under the Company's share schemes for employees; and shares which may fall due to be allotted to holders of the 6 per cent. Convertible Bonds due 2024 and to holders of the 8 per cent. Convertible Bonds due 2025 issued by SkyePharma (Jersey) Limited. The authority will expire at the conclusion of the Annual General Meeting to be held in 2010 and replaces a similar authority granted on 21 May 2008, which expires at the end of the Annual General Meeting.

Resolution 8 — Disapplication of pre-emption rights

This resolution will permit Directors to allot, in the period to the Annual General Meeting in 2010, shares (or grant rights over shares) for cash, up to a nominal amount of £1,132,239 representing 5 per cent. of the issued ordinary share capital as at 25 March 2009. This amount is in addition to the shares (or rights over shares) which may be required to be issued under existing contractual commitments as set out in the paragraph dealing with Resolution 7 above. The Association of British Insurers ("ABI") recommends that a company should not issue shares for cash (without first offering them to existing shareholders) in any one year in excess of 5 per cent. of the issued ordinary share capital or in excess of 7.5 per cent. in any rolling period of three years. It is the Company's intention to comply with these guidelines or to the extent that an issue is contemplated in excess of any such guidelines, to consult with and seek the approval of its substantial shareholders. It is also proposed that the power should also extend to the sale of any ordinary shares purchased by the Company and held in treasury and that any such ordinary shares shall be included in the 5 per cent. limit referred to above.

Resolution 9 — Authority to make market purchases

The Company is seeking power to make market purchases of its ordinary shares. It is common practice for listed companies to have such authority and the Directors consider that it is prudent for the Company to renew such authority at the Annual General Meeting. The proposed authority is for a maximum nominal amount of £2,264,478 which represents not more than 10 per cent. of the Company's issued ordinary share capital as at 25 March 2009 and will expire at the end of the Annual General Meeting to be held in 2010. The maximum price which may be paid for an ordinary share is 105 per cent. of the average of the middle market quotations for the five business days preceding the purchase and the minimum price that may be paid for an ordinary share is its nominal value of £1.00. The Directors intend to use this authority only when they consider it to be in the best interests of the shareholders taking into account prevailing market conditions and the financial position of the Company and where the effect would be expected to result in an increase in earnings per share. In addition, it would be possible for the Company to hold any ordinary shares purchased by it in treasury instead of cancelling them. Such ordinary shares may be sold by the Company for cash or alternatively transferred for the purposes of an employees' share scheme. If the Company were able to purchase ordinary shares in accordance with this authority, the Directors would consider the possibility of holding them in treasury. The Directors have no present intention of exercising the authority conferred by this resolution.

Resolution 10 — Amendments to the Articles of Association

As you may be aware, certain provisions of the Companies Act 2006 have come into force since January 2007 and the remainder of the legislation is being implemented in a number of further phases ending in October 2009. Whilst further changes to the Articles will need to be made in future, to reflect this phased implementation process, we are proposing to make certain principal changes at the Annual General Meeting as summarised below.

The principal proposed changes to the Articles involve:

Authorised Capital — It is proposed to update article 5 so as to reflect the current authorised share capital position of the Company;

"C Deferred Shares" and *"Convertible Non-Voting Shares"* — It is proposed to amend the Articles so as to reflect the rights and restrictions attaching to the new class of "C Deferred Shares" and the new class of "Convertible Non-Voting Shares" created pursuant to a resolution passed on 19 September 2008 in connection with the placing and open offer undertaken by the Company in Autumn 2008;

Destruction of Documents — It is proposed to amend article 30 so that it extends to the destruction of electronically stored or generated communications and proxy forms;

Votes of members — Article 70 currently provides that a poll may be demanded by "at least three members". This is inconsistent with section 321 Companies Act 2006 (effective as from 1 October 2007) which provides that "not less than five members" may demand a poll. It is therefore proposed to amend this article so that it conforms with the provisions of the Companies Act 2006;

The proposed amendment to article 77 (which tracks the wording in section 322 Companies Act 2006) is intended to make it clear that if a member is entitled to more than one vote, in the event that he does vote he is not obliged to use all his votes or cast all his votes in the same way;

Proxies — The proposed amendments to article 89 are intended to govern a situation where two or more valid but differing appointments of a proxy are delivered in respect of the same share;

Borrowing powers — The current drafting of article 118, which refers to the Company's borrowing powers is considered to be unwieldy and there is some uncertainty as to how its various provisions might be applied in practice. It is therefore proposed that amendments are made

to article 118 so as to make it easier to use and follow in practice. The amended article comprises a two-fold test, whereby the Company's power to borrow is limited to the higher of £250 million (the level approved by the shareholders pursuant to a special resolution passed on 19 September 2008) and a four times multiple of total shareholders' equity;

Proceedings of Directors — It is proposed to amend article 131 to allow notices of Board meetings to be sent to Directors electronically and, also, confirm in a more appropriate place that if a Director outside the United Kingdom does not make a request as to how notice should be served on him outside the United Kingdom then it is not necessary for the Company to send notice to him when absent from the United Kingdom;

Directors' written resolutions — The proposed changes to article 140 are intended to make the written resolution procedure for the Directors more flexible. For example the addition of the "signed or otherwise agreed to" language will enable a Director to indicate his consent to a resolution by e-mail;

Notices — It is proposed that article 186 be amended to remedy the current conflict between that article and article 193.5. Article 186 as currently drafted obliges the Company to send notices etc to all overseas members, whereas article 193.5 states that the Company only need supply overseas members with notices, documents or information if such member has supplied the Company with a service address within the United Kingdom;

Indemnity and Insurance — The Companies Act 2006 Act has in some areas widened the scope of the powers of a company to indemnify Directors and to fund expenditure incurred in connection with certain actions against Directors. In particular, a company can now indemnify a Director against liability incurred in connection with the activities of any company as trustee of an occupational pension scheme. In addition, the existing exemption allowing a company to provide money for the purpose of funding a Director's defence in court proceedings now expressly covers regulatory proceedings and applies to associated companies. The opportunity is being taken to insert a fuller provision in article 201 so as to make clear in which circumstances the Company may indemnify its Directors and/or maintain insurance;

Liability of members — It is proposed that a statement of the limited liability of members be inserted into the Articles as a new article 202. This statement is currently contained in the Company's memorandum of association. However, by virtue of section 3(1) of the Companies Act 2006, as from 1 October 2009 this statement will need to be made in the Company's Articles, so it is included here now in readiness; and

General — Other amendments have been made to the Articles which are of a minor, technical and clarifying nature and the opportunity has been taken to use clearer language.

Amended Articles showing all the changes proposed have been prepared. Both the current Articles and the Amended Articles will be available for inspection at the offices of Fasken Martineau, 17 Hanover Square, London W1S 1HU and the registered office of the Company at 105 Piccadilly, London W1J 7NJ.

Resolution 11 — Notice for general meetings

As you may be aware the EU's Shareholders' Rights Directive (the "Directive") is due to come into force in August 2009. Whilst the Companies Act 2006 enables companies to call shareholder meetings (other than an Annual General Meeting) on 14 days' notice, the Directive would require at least 21 clear days' notice for all general meetings. BERR have indicated that the UK will be taking up its option to permit companies to call meetings on a minimum 14 days' notice subject to (1) an appropriate annual resolution being passed each year by the members of a Company allowing 14 days' notice for general meetings (other than Annual General Meetings) and (2) the Company must offer the facility for shareholders to vote by electronic means accessible to all shareholders. In preparation for the Directive coming into force, we are proposing that shareholders should authorise that a general meeting other than an Annual General Meeting may be called on not less than 14 days' notice. Subject to the results of the public consultation being conducted by BERR, we intend to pass this resolution on an annual basis.

Action to be taken

Shareholders will find enclosed a Form of Proxy for use at the Annual General Meeting. Whether or not you intend to be present at the meeting, you are requested to complete and return the Form of Proxy in accordance with the instructions thereon so as to arrive as soon as possible at Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, but in any event so that it is received not later than 10.30 a.m. on 13 May 2009. The completion and return of a Form of Proxy will not preclude you from attending and voting in person at the meeting, if you so wish.

Shareholders are also able to record a proxy vote electronically. Certificated shareholders who would like to vote online may do so by visiting the Registrars' website, www.capitaregistrars.com, and following the instructions. You will need your share certificate to hand as you will be required to insert your Investor Code before you are able to vote. In addition, the Registrars would like to take the opportunity of registering your email address for future communications.

If your shares are held electronically via CREST, you may register your votes via your usual CREST link following established CREST procedures. In both cases, instructions should be received by 10.30 a.m. on 13 May 2009. All shareholders or proxies attending the Annual General Meeting are asked to bring the attendance card with them.

If you wish to appoint a corporate representative to attend the Annual General Meeting, please refer to the notes in the Notice of Annual General Meeting on pages 13 and 14 for details.

Board Recommendation

Your Directors believe the resolutions being proposed are in the best interests of the Company and its shareholders and therefore recommend that you vote in favour of the resolutions as they propose to do in respect of their own beneficial holdings amounting to 86,775 ordinary shares representing 0.383% of the ordinary share capital of the Company, as at 25 March 2009.

Yours faithfully,

Jeremy Scudamore

Non-Executive Chairman

SkyePharma PLC

APPENDIX 1

Biographical information on Peter Grant and Alan Bray

Peter Grant

Chief Financial Officer

Peter Grant (aged 53) joined the Company and was appointed to the Board as Chief Financial Officer in November 2006. Previously, he was Interim CEO of Voice Commerce Group, Group Finance Director at Eurodis Electron PLC, Chief Financial Officer at WorldPay plc and Group Finance Director, then Group Chief Executive at Molins PLC. Prior to this he held a variety of senior commercial, financial and general management roles in the General Electric Company plc group of companies. Peter Grant was previously a Non-Executive Director of ShipServ, Inc. He holds an MA in Mathematics from Oxford University and is a Chartered Accountant.

Alan Bray

Senior Independent Director

Alan Bray (aged 64) was appointed to the Board as a Non-Executive Director in September 2004. He became Senior Independent Director in June 2006 and is Chairman of the Audit Committee. He is a member of the Nomination & Governance and Remuneration Committees. Previously, Mr Bray was a Senior Partner at Deloitte & Touche LLP in their financial services practice. Mr Bray has worked with retail and investment banks, insurance companies and asset management firms and was seconded for a time to the Department of Trade and Industry. He was responsible for Deloitte & Touche LLP's risk management policies and procedures in its financial services practice and was a serving member on a DTI Supervisory Board and Audit Committee. He is a Chartered Accountant.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 2009 Annual General Meeting of SkyePharma PLC (the "Company") will be held at 10.30 a.m. on Friday 15 May 2009 at the offices of Financial Dynamics at Holborn Gate, 26 Southampton Buildings, London, WC2A 1PB for the following purposes:

Resolutions

To consider and, if thought fit, to pass the following resolutions, of which numbers 1 to 7 will be proposed as ordinary resolutions and resolutions 8 to 11 as special resolutions.

1. To receive the Annual Report and Accounts for the year ended 31 December 2008.
2. By separate advisory resolution to approve the Directors' Remuneration Report contained in the Annual Report and Accounts for the year ended 31 December 2008.
3. To reappoint Ernst & Young LLP as Auditors of the Company to hold office until the conclusion of the next general meeting at which the accounts are laid before the Company.
4. To authorise the Directors to determine the remuneration of the Auditors.
5. To re-elect as a Director Peter Grant, who retires by rotation in accordance with the Articles of Association of the Company.
6. To re-elect as a Director Alan Bray, who retires by rotation in accordance with the Articles of Association of the Company.
7. That the Directors be and they are hereby generally and unconditionally authorised pursuant to section 80 of the Companies Act 1985 (the "Act") to allot relevant securities (within the meaning of section 80 of the Act) up to an aggregate nominal amount of £15,096,521, which represents approximately two-thirds of the Company's issued ordinary share capital as at 25 March 2009, provided that this authority shall expire (unless previously renewed, varied or revoked by the Company in general meeting) at the conclusion of the Company's next following Annual General Meeting but the Company may before such expiry make an offer or enter into an agreement which would or might require relevant securities to be allotted after the expiry of this authority and the Directors may allot relevant securities pursuant to that offer or agreement as if this authority had not expired. This authority shall be in substitution for any other authority to allot relevant securities but without prejudice to the continuing authority of the Directors to allot relevant securities in pursuance of an offer or agreement made before the expiry of the authority pursuant to which such offer or agreement was made.
8. That, subject to the passing of Resolution 7 set out in this Notice, the Directors be empowered to allot for cash equity securities (as defined for the purposes of section 89 of the Act) pursuant to the general authority conferred on them under section 80 of the Act in accordance with Resolution 6 above and to sell or make offers or agreements to sell equity securities which immediately before the sale are held by the Company as treasury shares (as defined by section 162A of the Act) in each case, as if section 89 (1) of the Act did not apply to the allotment but this power shall be limited:
 - 8.1 to the allotment of equity securities, whether by way of rights issue, open offer or other pro rata offers or issues, to holders of ordinary shares and to holders of other securities in the Company that by their terms are entitled to participate in such rights issue, open offer or other pro rata offers or issues in such a manner that the number of equity securities allotted to them is in proportion (as nearly as may be) to their respective holdings of such securities or in accordance with the rights attached thereto. The Directors may deal as they see fit with fractional entitlements, overseas shareholders and with the legal or practical problems or requirements of any regulatory body or stock exchange, in any territory;
 - 8.2 to the allotment of equity securities pursuant to the terms of any share scheme for employees approved by the Company in general meeting;
 - 8.3 (otherwise than pursuant to sub-paragraphs 8.1 and 8.2 above) to the allotment or sale of equity securities up to an aggregate nominal amount of £1,132,239, representing 5 per cent. of the Company's issued ordinary share capital as at 25 March 2009.

This power shall be in substitution for all such powers previously given but without prejudice to the continuing power of Directors to allot equity securities pursuant to an offer or agreement made by the Company before the date this resolution is passed and unless previously renewed, varied or revoked by the Company in general meeting shall expire at the conclusion of the next following Annual General Meeting of the Company after the date on which this resolution is passed save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.

9. That the Company be generally and unconditionally authorised to make market purchases (as defined by section 163 of the Act) of its ordinary shares on such terms and in such manner as the Directors may from time to time determine provided that:

the Company shall not purchase ordinary shares with an aggregate nominal value of more than £2,264,478;

the Company shall not pay less than the nominal share value;

the Company shall not pay more for each ordinary share than 105 per cent. of the average of the middle market price of an ordinary share as derived from the UK Listing Authority Daily Official List for the five business days immediately preceding the date on which the Company agrees to buy the ordinary shares concerned;

this authority shall continue in force until the conclusion of the next following Annual General Meeting of the Company after the date on which this resolution is passed; and

the Company may agree before the authority terminates under this paragraph 9 to purchase ordinary shares where the purchase contract will or may be executed (either wholly or in part) after the authority terminates and the Company may complete such purchase contract notwithstanding that the authority has terminated.

10. To amend the Articles of Association of the Company.

10.1 by making all of the necessary and numbering cross-referencing amendments pursuant to the changes in this resolution;

10.2 by the insertion of the following definitions:

"Regulations" means the Uncertificated Securities Regulations 2001; and

"Subsidiary Undertaking" has the meaning given to it in the statutes;

10.3 by amending article 5 to reflect the current authorised share capital position so that it reads: "At the date of amendment of these Articles the authorised share capital of the Company is £140,000,000 divided into 56,451,008 ordinary shares of £1 each ("Ordinary Shares"), 12,000,000 "B" Deferred Shares of 10p each, 7,334,899,200 "C" Deferred Shares of 1p each, and 9,000,000 Convertible Non-Voting Shares of £1 each";

10.4 by the insertion of a new article 5.2 as follows:

5.2 The "C" Deferred Shares (the ""C" Deferred Shares") shall have a nominal value of 1p (one pence) and shall confer upon the holders thereof the rights, and be subject to the restrictions, as follows:

5.2.1 Income

The "C" Deferred Shares shall not confer any right to participate in any profits of the Company.

5.2.2 Capital

On a winding up or other return of capital each "C" Deferred Share shall entitle the holder thereof the right to receive the nominal value thereof if and only if the holders of Ordinary Shares in the capital of the Company have received the sum of £1,000,000 (One Million Pounds Sterling) per Ordinary Share.

5.2.3 Voting

The "C" Deferred Shares shall not confer upon the holders thereof the right to receive notice of or attend or vote at any general meeting of the Company.

5.2.4 Cancellation of "C" Deferred Shares

The following provisions shall apply to the "C" Deferred Shares:

5.2.4.1 neither the passing by the Company of any resolution for the cancellation of the "C" Deferred Shares (whether by way of return of capital or for no consideration, the Company retaining any capital sum thereby set free) by means of a reduction of capital whether or not requiring the confirmation of the Court, nor the obtaining by the Company nor the making by the Court of any order confirming any such reduction of capital nor the becoming effective of any such order nor the becoming effective of any such resolution and reduction of capital shall constitute a variation, modification or abrogation of the rights attaching to the "C" Deferred Shares and accordingly the "C" Deferred Shares may at any time be cancelled for no consideration by means of a reduction of capital effected in accordance with the Companies Act 1985 and the Companies Act 2006 (in each case to the extent then in force) without sanction on the part of the holders of the "C" Deferred Shares;

5.2.4.2 any increase or reduction or subdivision or other alteration in the authorised or issued share capital of the Company shall be deemed not to be a variation or abrogation of the rights attaching to the "C" Deferred Shares;

5.2.4.3 the Company shall have irrevocable authority to appoint any person to execute on behalf of the holders of the "C" Deferred Shares a transfer/cancellation of the "C" Deferred Shares and/or an agreement to transfer/cancel the same, without making any payment or otherwise providing any valuable consideration to the holders of the "C" Deferred Shares to such person or persons as the Company may determine as custodian thereof and, pending such transfer and/or cancellation, to retain the certificates for such shares.

The Company may, at its option at any time purchase all or any of the "C" Deferred Shares then in issue in accordance with the provisions of the Companies Act 1985 and the Companies Act 2006 (in each case to the extent then in force) without making any payment to the holders thereof or otherwise providing any valuable consideration. Subject thereto the "C" Deferred Shares shall not be transferable.

10.5 by the insertion of a new article 5.3 as follows:

- 5.3 The Convertible Non-Voting Shares of £1.00 each (the "Convertible Non-Voting Shares") rank *pari passu* in all respects with the Ordinary Shares of £1.00 each (including as to dividends and rights to return of capital on a winding up) and are subject to the restrictions set out below:
- 5.3.1 the Convertible Non-Voting Shares shall not confer upon the holder(s) thereof the right to receive notice of or to attend or vote at any general meeting of the Company (other than in respect of resolutions to wind up the Company or vary, modify, alter or abrogate any of the rights attaching to the Convertible Non-Voting Shares);
- 5.3.2 each Convertible Non-Voting Share will be convertible into one Ordinary Share of £1.00 each on a one-for-one basis: and (subject to clause (b) below) the Company will promptly make an application for a listing (on the same market or exchange on which the Ordinary Shares of the Company are then listed) of the ordinary shares arising on conversion (i) upon written notice given at any time to the Company at its registered office by HBM BioVentures (Cayman) Limited ("**HBM**"); or (ii) automatically upon the transfer by HBM of the Convertible Non-Voting Shares to a third party that is not acting in concert with HBM, provided that; (a) immediately following any such conversion, the holder of the Convertible Non-Voting Shares (together with its concert parties) will be interested in shares representing less than 30 per cent. of the voting rights in the capital of the Company; and (b) a notice of conversion shall specify the number of shares to be converted and such conversion shall take effect seven days after service of a valid notice, unless the Company is required to issue a prospectus in connection with the listing of the ordinary shares upon such conversion, when the conversion will only take effect 3 months after the date on which: (A) the notice of conversion is received by the Company; or (B) the transfer of the Convertible Non-Voting Shares takes effect, as applicable, and during that 3-month period the Company will be required to prepare and issue a prospectus in respect of such listing. The Ordinary Shares arising upon such conversion shall rank *pari passu* in all respects with the Ordinary Shares of £1.00 each;
- 5.3.3 the rights attached to the Convertible Non-Voting Shares shall not be deemed to be varied by:
- 5.3.3.1 the creation or issue of further shares ranking *pari passu* with them or subsequent to them or by the purchase or redemption by the Company of its own shares or by any other reduction of capital; or
- 5.3.3.2 the variation of any rights attached to any other shares in the Company; and
- 5.3.4 if the Company undergoes any further reorganisation of its ordinary share capital, the number and nominal value of ordinary shares into which each Convertible Non-Voting Share may be converted shall be adjusted by the Directors of the Company as they consider to be necessary so that, after such adjustment, the holder(s) of the Convertible Non-Voting Shares shall, upon conversion, be entitled to receive the same percentage of the issued ordinary share capital of the Company carrying the same proportion of votes exercisable at a general meeting of shareholders of the Company and the same entitlement to participate in distributions of the Company, in each case as nearly as practicable, as would have been the case had no such reorganisation occurred (and making such reduction or increase as is necessary to the premium arising on the issue and allotment of the ordinary shares upon conversion).

10.6 by the deletion in article 25 of the reference to the "Uncertificated Securities Regulations 2001" and the insertion of "Regulations";

10.7 by the amendment of article 30.1 so that it reads as follows:

"all instruments of transfer of shares (which phrase, together with references to documents, shall for the purposes of this article 30 include electronically generated or stored communications in relation to the transfer of uncertificated shares and any electronic or tangible copies of the same) and all other documents on the faith of which entries are made in the register of members at any time after the expiration of 6 years from the date of registration,";

10.8 by the amendment of article 30.2 so that it reads as follows:

"all dividend mandates or any variation or cancellation thereof and notifications of change of name or address (which shall include, in relation to communications in Electronic Form, any number or address used for the purposes of such communications) at any time after the expiration of 2 years from the date of recording";

10.9 by the amendment of article 30.3 and the insertion of article 30.4 so that they read as follows:

- "30.3 all share certificates which have been cancelled at any time after the expiration of 1 year from the date of cancellation, and
- 30.4 any proxy form, after one year from the date it was used if it was used for a poll, or after one month from the end of the meeting to which it relates if it was not used for a poll.;

If the Company destroys a document in good faith and without notice of any claim (regardless of the parties) to which the document might be relevant, it shall conclusively be presumed in favour of the Company that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered, every share certificate so destroyed was a valid and effective document duly and properly cancelled and every other document mentioned above so destroyed was a valid and effective document in accordance with the recorded particulars in the books or records of the Company. Nothing in this article shall be construed as imposing upon the Company any liability in respect of the destruction of any document at an earlier date than that provided above or if the condition as to good faith and absence of notice is not met. References in this article to the destruction of any document include references to its disposal in any manner. References in this article to instruments of transfer shall include, in relation to uncertificated shares, instructions and/or notifications made in accordance with the relevant system concerned relating to the transfer of such shares. In relation to uncertificated shares, the provisions of this article shall apply only to the extent the same are consistent with the Regulations."

- 10.10 by the deletion in article 70 of the reference to "three members" and the insertion of a reference to "five members";
- 10.11 by the insertion in article 77 of the words "A member entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way" after the words " of which he is the holder";
- 10.12 by the insertion in article 84 of the words " in any usual or common form or in any other form which the Directors may approve " after the words " the instrument appointing a proxy must be In Writing";
- 10.13 by the deletion in article 85.3 of the reference to "section 237(3) CA 2006" and the insertion of a reference to "section 327(2) CA 2006";
- 10.14 by the insertion in article 87 of the words "Failing previous registration with the Company," before the words "the instrument appointing a proxy" and by the deletion of the reference to "section 237(3) CA 2006" and the insertion of a reference to "section 327(2) CA 2006";
- 10.15 by the insertion in article 89 of the words "If two or more valid but differing appointments of a proxy are delivered or (in the case of appointments in Electronic Form) received in accordance with article 85 in respect of the same share for use at the same meeting, the one which is last delivered or, as the case may be, received as aforesaid (regardless of its date, its date of sending or the date of its execution) shall be treated as replacing and revoking the others as regards that share. If the Company is unable to determine which was delivered or received last, none of them shall be treated as valid in respect of that share. " after the words " show that the proxy appointment is genuine";
- 10.16 by the deletion of the existing article 118 and the insertion of a new article 118 as follows:
Directors' borrowing powers and restrictions on borrowing
In this article 118:
"Borrowings" means moneys borrowed, amounts raised pursuant to any note purchase facility, the issue of bonds, debentures, loan stock or any similar instrument where all such amounts shall be evaluated in accordance with generally accepted accounting principles and in the manner required for inclusion in liabilities in the consolidated Group accounts;
"Cash and Cash Equivalents" means liquid investments that are readily convertible to known amounts of cash where all such amounts shall be evaluated in accordance with generally accepted accounting principles and in the manner required for inclusion in cash and cash equivalents in the consolidated Group accounts;
"Group" means the Company and its Subsidiary Undertakings for the time being;
"Shareholders' Equity" means equity attributable to the owners of the Company; and
"Subsidiary Undertaking" means a subsidiary undertaking of the Company which is required by the Statutes to be included in consolidated Group accounts.
- 118.1 Subject as hereinafter provided the Directors may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property and assets (present and future) and uncalled capital, or any part thereof, and subject to the provisions of the Statutes to issue debentures, debenture stock, and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.
- 118.2 The Directors shall restrict the Borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its Subsidiary Undertakings (if any) so as to secure (so far, as regards Subsidiary Undertakings, as by such exercise they can secure) that the aggregate amount for the time being remaining outstanding of all Borrowings by the Group and for the time being owing to persons outside the Group net of Cash and Cash Equivalents shall not at any time, without the previous sanction of an ordinary resolution of the Company in general meeting, exceed a sum equal to the greater of:
- 118.2.1 £250,000,000; or
- 118.2.2 if positive, four times the total shareholders' equity (as shown in the latest audited consolidated balance sheet of the Group).
- 118.3 For the purposes of this article 118 "monies borrowed" shall not include and shall be deemed not to include amounts borrowed for the purpose of repaying the whole or any part (with or without premium) of any monies borrowed by

any member of the Group then outstanding and so to be applied within six months of being so borrowed, pending their application for such purpose within such period.

118.4 A certificate or report by the Auditors as to the amount of the limit in article 118.2 or to the effect that the limit imposed by this article has not been or will not be exceeded at any particular time or times or during any period shall be conclusive evidence of such amount or fact for the purposes of this article.

118.5 No lender or other person dealing with the Company or any of its Subsidiary Undertakings shall be concerned to see or inquire whether the said limit is observed, and no debt incurred or security given in excess of such limit shall be invalid or ineffectual, except in the case of express notice to the lender or the recipient of the security at the time when the debt was incurred or security given that the said limit has been or would thereby be exceeded."

10.17 by the amendment of article 131 so that it reads as follows:

"Notice of a Board meeting may be given to a Director personally or by word of mouth or sent In Writing to him at his last known address or any other address given by him to the Company for this purpose or sent an Electronic Form to such address (if any) for the time being specified by him or on his behalf to the Company for that purpose. A Director may waive notice of a meeting either prospectively or retrospectively. A Director absent or intending to be absent from the United Kingdom may request the Directors that notices of meetings of the Directors shall during his absence be sent in writing to him to such address given by him to the Company for this purpose, whether or not out of the United Kingdom, or be sent by Electronic Means to such address (if any) for the time being notified by him to the Company for that purpose. If no such request is made to the Directors, it shall not be necessary to send notice of a meeting of the Directors to any Director who is for the time being absent from the United Kingdom."

10.18 by the amendment of article 140 so that it reads as follows:

"A resolution in writing, signed or otherwise agreed to by all those Directors for the time being entitled to receive notice of a meeting of the Directors or by all the members of a committee for the time being entitled to receive notice of a committee meeting, (in each case) who would have been entitled to vote on the resolution at a meeting of the Directors or of such committee shall be as valid and effective for all purposes as a resolution passed at a meeting duly convened and held, and may consist of two or more documents in like form each signed or agreed to by one or more of such Directors or members of such committee, provided that all those signing or agreeing to the resolution would have formed a quorum at such a meeting. Such a resolution in writing need not be signed or agreed to by an alternate Director if it is signed or agreed to by the Director who appointed him."

10.19 by the amendment of article 171.4 so that it reads as follows:

"the Directors shall not proceed with any election unless the Company has sufficient reserves or funds that may be capitalised to give effect to it after the basis of allotment is determined and, if prior to 1 October 2009, sufficient unissued shares authorised for issue;"

10.20 by the deletion from article 186 of the following sentence "A member is entitled to receive notices from the Company notwithstanding that his registered address as appearing in the register of members is outside the United Kingdom";

10.21 by the deletion of the existing article 201 and the insertion of a new article 201 as follows:

201 Indemnity and Insurance

201.1 Without prejudice to any other provisions of these articles, the Directors may exercise all the powers of the Company to purchase and maintain insurance for or for the benefit of any persons who are or were at any time Directors of the Company, or of any other body (whether or not incorporated) which is or was its parent undertaking or subsidiary undertaking or another subsidiary undertaking of any such parent undertaking (for the purposes of this article 201, together "Group Companies") or otherwise associated with the Company or any Group Company or in which the Company or any such Group Company has or had any interest, whether direct or indirect, or of any predecessor in business of any of the foregoing, or who are or were at any time trustees of (or Directors of trustees of) any pension, superannuation or similar fund, trust or scheme or any employees' share scheme or other scheme or arrangement in which any employees of the Company or of any such other body are interested, including (without prejudice to the generality of the foregoing) insurance against any costs, charges, expenses, losses or liabilities suffered or incurred by such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or the actual or purported exercise of their powers and discretions and/or otherwise in relation to or in connection with their duties, powers or offices in relation to the Company or any such other body, fund, trust, scheme or arrangement.

201.2 Subject to the provisions of the Statutes (but so that this article does not extend to any matter insofar as it would cause this article or any part of it to be void under the Statutes) but without prejudice to any indemnity to which the person concerned may otherwise be entitled, every person who is or was at any time a Director of the Company or any Group Company may be indemnified out of the assets of the Company against all costs, charges, expenses, losses or liabilities (together "Liabilities") which he may sustain or incur in or about the actual or purported execution

and/or discharge of his duties (including those duties, powers and discretions in relation to any Group Company or any Company that is a trustee of an occupational pension scheme (as defined in section 235(6) of CA 2006)) and/or the actual or purported exercise of his powers or discretions and/or otherwise in relation thereto or in connection therewith, including (without prejudice to the generality of the foregoing) any Liability suffered or incurred by him in disputing, defending, investigating or providing evidence in connection with any actual or threatened or alleged claims, demands, investigations, or proceedings, whether civil, criminal, or regulatory or in connection with any application under section 144(3) or (4) of CA 1985 (or section 661 CA 2006 when in force) or section 1157 CA 2006.

201.3 Funding of expenditure

The Company may also provide funds to any Director of the Company or of any Group Company to meet, or do anything to enable a Director of the Company or any Group Company to avoid incurring expenditure to the extent permitted by the Statutes.”

10.22 by the insertion of a new article 202 as follows:

“202 The liability of the members is limited to the amount, if any, unpaid on the shares in the Company respectively held by them.”

11. To authorise that a general meeting other than an Annual General Meeting may be called on not less than 14 days’ notice effective from 1 August 2009 to 31 July 2010.

By order of the Board

John Murphy
General Counsel &
Company Secretary
10 April 2009

Registered Office:
105 Piccadilly
London, W1J 7NJ

NOTES:

1. A Form of Proxy is enclosed for your use.
2. A member of the Company entitled to attend and vote at the meeting may appoint one or more proxies to attend and speak and vote on his/her behalf. A proxy need not be a member of the Company. You can also appoint more than one proxy provided each proxy is appointed to exercise the rights attached to a different share or shares held by you.

The Form(s) of Proxy should be returned to the Registrars, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU; or electronically at the Registrar's website at www.capitaregistrars.com by following the instructions on the website. CREST members should use the CREST electronic proxy appointment service and should refer to note 3 below. In each case, the proxy appointment must be received by 10.30 a.m. on 13 May 2009 or not less than 48 hours before the time for the holding of the meeting or adjourned meeting together (except in the case of appointments made electronically) with any authority (or a notarially certified copy of such authority) under which it is signed.

3. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Annual General Meeting to be held on Friday 15 May 2009 and any adjournment(s) thereof 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 voting 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.

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 instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or 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 Company's agent (ID RA10) by the latest time(s) for receipt of proxy appointments specified in the Notice of Annual General Meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company'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.

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 messages. 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(s), 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 service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

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.

4. Completion of a Form of Proxy will not preclude a member from attending and voting in person at the Annual General Meeting should he/she so wish.
5. Appointment of a Designated Corporate Representative — In order to facilitate voting by corporate representatives at the meeting, arrangements will be put in place at the meeting so that:
 - (i) if a member has appointed the Chairman of the meeting as its corporate representative with instructions to vote on a poll in accordance with the directions of all of the other corporate representatives for that shareholder at the meeting, then on a poll those corporate representatives will give voting directions to the Chairman and the Chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and
 - (ii) if more than one corporate representative for the same corporate shareholder attends the meeting but the corporate shareholder has not appointed the Chairman of the meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative.

Corporate shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators ("ICSA") on proxies and corporate representatives on the ICSA website, icsa.org.uk, for further details of this procedure.

6. Nominated Persons: Any person to whom this Notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may have a right, under an agreement between him/her and the

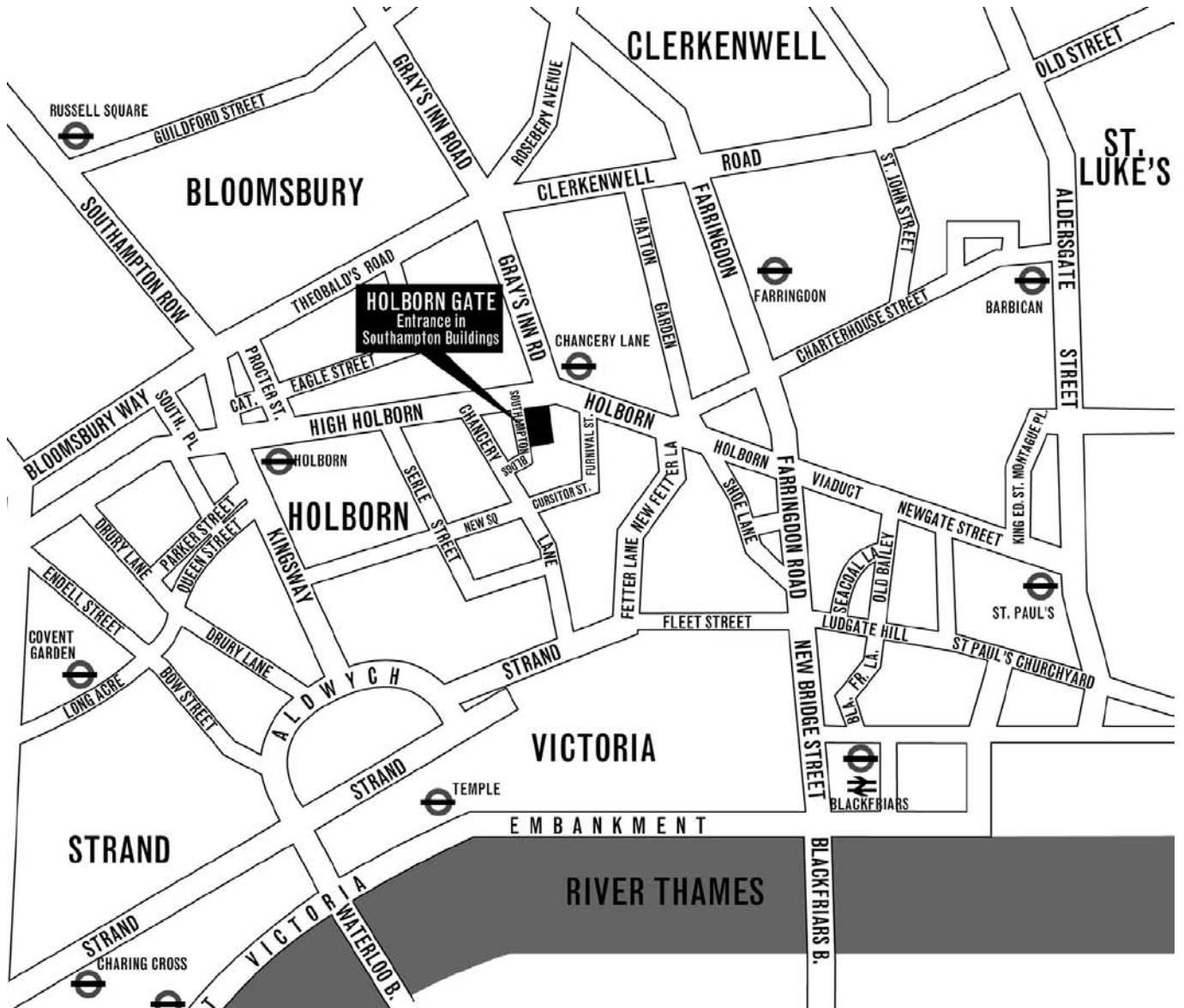
shareholder by whom he/she was nominated, to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights. The statement of the rights of shareholders in relation to the appointment of proxies above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.

7. Total Voting Rights: As at 10 April 2009 (being the last practicable date prior to the publication of this Notice of Annual General Meeting) the Company's issued ordinary share capital consists of 22,698,690 ordinary shares, carrying one vote each. Therefore, the total voting rights of the Company as at 10 April 2009 are 22,698,690.
8. The following will be available for inspection at the registered office of the Company during usual business hours on any weekday (Saturdays, Sundays and Bank Holidays excepted) from the date of this Notice up to and including the date of the meeting and at the place of the meeting for fifteen minutes prior to and during the Annual General Meeting:
 - 8.1. a statement of the interests and transactions of the Directors and their families in the share capital of the Company;
 - 8.2. Directors' service contracts and letters of engagement;
 - 8.3. a copy of the Amended Articles of Association (which will also be lodged with the Document Viewing Facility of the Financial Services Authority at 25 The North Colonnade, Canary Wharf, London, E14 5HS, shortly after the date of this Notice).

You may not use any Electronic Address provided in this Notice of Annual General Meeting to communicate with the Company for any purposes other than those expressly stated.

MAP

The Annual General Meeting of SkyePharma PLC will be held at the offices of Financial Dynamics, Holborn Gate, 26 Southampton Buildings, London, WC2A 1PB on Friday 15 May 2009 at 10.30 a.m.



Nearest Stations

- 2 minutes walk from Chancery Lane (Central Line)
- 10 minutes walk from Farringdon (Circle, Hammersmith City & Metropolitan Lines)
- 10 minutes walk from Holborn (Central & Piccadilly Lines)
- 15 minutes walk from Temple (Circle & District Lines)
- 15 minutes walk from Blackfriars (Rail only)