

**14 October 2008**

**Phorm, Inc. ("Phorm" or the "Company")**

**Cancellation of admission of shares**

The Company (AIM: PHRM and PHRX) announces today that 30,000 common shares of \$0.001 each in the capital of the Company ("Common Shares") were cancelled from trading on the AIM market as a result of forfeiture by a former employee pursuant to Phorm's restricted stock agreement.

The cancelled shares were part of the Company's PHRM/;Reg S' line of stock.

Following the cancellation of admission of these shares the Company will have a total of 13,814,863 issued and outstanding Common Shares. Of which 13,014,537 will be trading on AIM under the ticker PHRM, the 'Reg S line' and 800,326 will be trading on AIM under the ticker PHRX, the 'unrestricted line'. Phorm does not hold any shares in Treasury.

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