

29 January 2010

Dear Shareholder,

I am pleased to enclose a Notice of our Annual General Meeting, which is taking place at 11.00 am on 24 March 2010 at our offices at Porton Down Science Park.

As you may be aware, Porton Down is a Ministry of Defence site and operates a security policy. If you are planning to attend the AGM it would be helpful if you could inform Pam Land on 01980 557013 so that she can take care of the necessary arrangements with the security staff. On the day you will need to bring with you some form of photographic identification, such as a driving licence or passport.

In addition to the ordinary business, which covers the receipt of the Accounts and the Report of the Directors and Auditors, the reappointment of those Directors required to retire by rotation and the reappointment of the Auditors, there are two items of special business on the agenda, as follows:

Resolution 8

This resolution deals with the renewal of the existing general authority to allot new shares, which we are required to renew every five years. This will be proposed as an ordinary resolution and seeks to confer on the Directors the authority to allot ordinary shares and other shares in the Company or grant rights to subscribe for, or convert any security into shares in the Company ("Relevant Securities") up to an aggregate nominal amount of £70,345.14 (representing approximately 54% of the issued ordinary share capital as at 29 January 2010. This authority will expire five years from the date of the passing of the Resolution and will revoke the previous authorities to the extent that they have not already been utilised. Your Directors have no present intention of issuing any shares in the capital of the Company, but the passing of the Resolution will enable your Directors to take advantage of any opportunities which may arise. As at 29 January 2010 the Company held none of its own shares as treasury shares.

Resolution 9

It is customary each year for the Board to seek a disapplication of pre-emption rights for cash issues of up to a certain proportion of the Company's issued share capital. You will see from the proposed resolutions that having obtained a disapplication of pre-emption rights for cash issues of up to 20% of the Company's issued share capital at both the 2008 and 2009 Annual General Meetings, this year the Board has decided to seek to renew the same level of disapplication on the same terms as previously granted. As in previous years, prior to renewing this level of disapplication the Board has again elected to seek the views of some of the Company's major shareholders. As a result of these discussions, in circumstances where the Board wishes to exercise this authority, if so granted by shareholders, it undertakes to consult with major shareholders in respect of any allotments in excess of 10% of the issued share capital.

Action to be taken

Accompanying this document is a hard copy Proxy Form for use in relation to the Annual General Meeting. Proxy Forms should be completed and returned in accordance with the instructions printed thereon, so that they arrive at the Company's registrars, Capita Registrars, Proxy Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible and in any event not less than 48 hours before the time appointed for the Annual General Meeting.

Recommendation

Your Directors consider that each of the proposed Resolutions in the Notice are in the best interests of the Company and its shareholders as a whole. Accordingly, your Directors unanimously recommend that shareholders vote in favour of the Resolutions as they intend to do in relation to their beneficial holdings, where appropriate, amounting in aggregate to 22.1 million shares representing approximately 17% of the issued share capital of the Company.

I look forward to seeing you at the Annual General Meeting.

Yours sincerely,



Dr Geoffrey W Guy
Chairman

Directors seeking re-election

Having carried out an evaluation of the individual performance of each of the following non-executive Directors, the Board is satisfied that their performance continues to be effective and that they continue to demonstrate commitment to their roles. The Board therefore consider that it is entirely appropriate for the following members of the Board to seek re-election at the Annual General Meeting on 24th March:

James Noble:

James Noble was first appointed to the GW Board in 2007. James serves as the Company Deputy Chairman, senior independent non-executive, Chairman of the Audit Committee and member of both the Remuneration and Nominations committees.

James has extensive experience in the biotech industry and is currently CEO of Immunocore Limited and Adaptimmune Limited, two companies involved in T cell receptor technology. James was previously CEO of Avidex Limited, a private biotech company, which was sold to MediGene AG in 2006, where he subsequently served as a member of the Supervisory Board. James is also a non-executive Director of Astaire Securities plc and Evolve Capital plc, two AIM-listed companies, 3D Diagnostic Imaging plc (PLUS-markets) and Axellis Ltd, a UK biotech company. He recently stepped down as a director of CuraGen Corporation, a NASDAQ-listed biopharmaceutical company, following its acquisition by Celldex Therapeutics.

In 2003, James was a member of the UK government committee on funding the UK biotech industry. From 1997–2001, he held numerous non-executive director positions including PowderJect Pharmaceuticals plc, Oxford GlycoSciences plc (OGS), Advanced Medical Solutions plc, as well as a number of other private UK, European and US biotech companies. At PowderJect and OGS, he was a director prior to and following flotation of these companies, and in particular played a key role in the secondary IPO of OGS on NASDAQ, which raised £175m.

Prior to this, James was a director of corporate finance at Kleinwort Benson (1983–1990) and Finance Director of British Biotech Plc (1990–1997). He started his career at PriceWaterhouse, where he qualified as a chartered accountant.

Richard Forrest:

Richard Forrest was first appointed to the GW Board in 2007 and has since served as a member of Remuneration, Audit and Nominations Committees. Richard is considered by the Board to be an independent Director.

Richard has extensive commercial experience in the international pharmaceutical industry, gained over a period of more than 25 years. Richard's previous experience includes 19 years with the Rhone-Poulenc Rorer Group (now Sanofi-Aventis), where his most senior position was Senior Vice-President, Europe. His roles have included responsibility for General Management, Marketing and Sales and Business Development in Europe and Rest of the World (South America, Africa, Middle East and South-East Asia).

Richard was also a member of the Pharmaceutical Operations Committee which had responsibility for worldwide operational performance, as well as the Pharmaceutical Development Committee, which had responsibility for all R&D portfolio decisions and major licensing. Subsequently, his most recent position was Chief Operating Officer of Novuspharma SpA, an Italian biopharmaceutical company, which merged with Cell Therapeutics Inc. in January 2004.

Hans Schram:

Hans Schram has over 20 years' experience in global pharmaceutical business development and marketing. Hans first became a non-executive Director of GW in April 2003. Hans is Chairman of the Remuneration Committee and is a member of the Audit Committee.

Hans is currently Chief Executive Officer of Nordic Group, a specialist pharmaceutical sales and marketing company with operations in Scandinavia, UK, Netherlands and France. Prior to this appointment he spent 18 years at Ferring Group, an international pharmaceutical company operating in over 40 countries with annual revenues of over Euro 500 million. Hans was a member of Ferring's Executive Management Team and Senior Vice President, International Business Development. Hans also held posts as Managing Director of several of the European affiliates and as Regional Director of the Group's operations in Asia, Central & Eastern Europe, Latin America, and Middle East.

GW PHARMACEUTICALS PLC
(the "Company")

NOTICE is hereby given that the Annual General Meeting of the Company will be held at Porton Down Science Park, Salisbury, Wiltshire SP4 0JQ on 24 March 2010 at 11.00 am for transaction of the following business:

As ordinary business

To consider and, if thought fit, pass resolutions 1 to 7 inclusive which will be proposed as ordinary resolutions:

1. To receive, consider and adopt the Directors' and Auditors' Reports and the Statement of Accounts for the year ended 30 September 2009 (the "Annual Report") and to note that the Directors do not recommend the payment of any dividend for the year ended on that date.
2. To approve the Directors' Remuneration Report on pages 17 to 21 of the Annual Report.
3. To re-elect as a Director James Noble who retires in accordance with the articles of association of the Company.
4. To re-elect as a Director Richard Forrest who retires in accordance with the articles of association of the Company.
5. To re-elect as a Director Hans Schram who retires in accordance with the articles of association of the Company.
6. To reappoint Deloitte LLP as Auditors of the Company.
7. To authorise the Directors to fix the Auditors' remuneration.

As special business

To consider and, if thought fit, pass the following ordinary resolution:

8. That for the purposes of section 551 of the Companies Act 2006 (the "2006 Act") the Directors be and are hereby generally and unconditionally authorised to exercise all the powers of the Company to allot shares in the Company or grant rights to subscribe for or convert any security into shares in the Company ("Relevant Securities") up to an aggregate nominal amount of £70,345.14 (representing 54% of the total ordinary share capital in issue as at the date of this Notice) in substitution for all existing authorities (but without prejudice to any allotment, offer or agreement already made pursuant thereto) during the period expiring on the date five years from the date of this resolution, unless previously revoked or varied from time to time by the Company in general meeting, provided that the Company may before such expiry, revocation or variation make an offer or agreement which would or might require Relevant Securities to be allotted after such expiry, revocation or variation and the Directors may allot Relevant Securities in pursuance of such offer or agreements as if such authority had not expired or been revoked or varied.

To consider and, if thought fit, pass the following special resolution:

9. That subject to the passing of Resolution 8, the Directors of the Company be and they are hereby empowered pursuant to Section 570 of the 2006 Act to allot equity securities (within the meaning of Section 560 of the 2006 Act) for cash, pursuant to the general authority conferred by the passing of Resolution 8 as if Section 561(1) of the Act did not apply to such allotment provided that this power shall be limited to:
 - (a) the allotment of equity securities in connection with a rights issue, open offer or other pre-emptive offer in favour of ordinary shareholders where the equity securities respectively attributable to the interests of all ordinary shareholders are proportionate or as nearly as may be to the respective number of ordinary shares held by them on the record date applicable to such issue, but subject to such exclusions or other arrangements as the Directors may deem fit to deal with fractional entitlements or legal or practical problems arising in or in respect of any overseas territory, the requirements of any regulatory body or stock exchange or by virtue of any other matter whatever; and
 - (b) the allotment (otherwise than pursuant to sub-paragraph (a) above) of equity securities up to an aggregate maximum nominal amount of £25,930.97 (which amounts to 20.0% of the issued share capital as at the date of this notice);

and the power hereby conferred shall expire at the earlier of (a) 23 June 2011 and (b) on the conclusion of the Annual General Meeting of the Company following the date of the passing of this Resolution but may be previously revoked or varied from time to time by special resolution but so that the Company may before such expiry, revocation or variation make an offer or agreement which would or might require equity securities to be allotted after such expiry, revocation or variation and the Directors may allot equity securities in pursuance of such offer or agreement as if such power has not expired or been revoked or varied.

Registered Office

Porton Down Science Park
Salisbury
Wiltshire SP4 0JQ
Registered in England and Wales Number: 4160917

BY ORDER OF THE BOARD



Secretary

Dated: 29 January 2010

Notes

- (1) Any member entitled to attend, speak and vote at the meeting may appoint one or more proxies to attend and, on a poll, vote instead of him. A proxy need not be a shareholder of the Company. A shareholder may appoint more than one proxy in relation to the Annual General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. To appoint more than one proxy you should contact the Company's registrars, Capita Registrars, at the address below. To be valid, the form of proxy and the power of attorney or other authority (if any) under which it is signed or a certified copy of such power or authority must be lodged at the offices of the Company's registrars, Capita Registrars, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU by hand, or sent by post, so as to be received not less than 48 hours before the time fixed for the holding of the meeting or any adjournment thereof (as the case may be).
- (2) In the case of joint holders, the vote of the senior who tenders a vote whether in person or by proxy will be accepted to the exclusion of the votes of any other joint holders. For these purposes, seniority shall be determined by the order in which the names stand in the Company's relevant register of members for certificated or uncertificated shares of the Company (as the case may be) (the "Register") in respect of the joint holding.
- (3) In the case of a corporation, the form of proxy must be executed under its common seal or signed on its behalf by a duly authorised attorney or duly authorised officer of the corporation.
- (4) The completion and return of a form of proxy will not preclude a member from attending in person at the meeting and voting should he wish to do so.
- (5) The Company has specified that only those members entered on the register of members at 11.00am on 22 March 2010 (the "Specified Time") shall be entitled to attend, speak and vote at the meeting in respect of the number of ordinary shares in the capital of the Company held in their name at that time. Changes to the register after the Specified Time shall be disregarded in determining the rights of any person to attend and vote at the meeting. Should the meeting be adjourned to a time not more than 48 hours after the Specified Time, that time will also apply for the purpose of determining the entitlement of members to attend and vote (and for the purpose of determining the number of votes they may cast) at the adjourned meeting. Should the meeting be adjourned for a longer period, then to be so entitled, members must be entered on the Register at the time which is 48 hours before the time fixed for the adjourned meeting or, if the Company gives notice of the adjourned meeting, at the time specified in the notice.
- (6) Members are informed that copies of all contracts of service and letters of appointment between the Company and the Directors are available for inspection at the Registered Office of the Company during normal business hours on any weekday (Saturdays and public holidays excepted) and at the place of the Annual General Meeting from at least 15 minutes prior to the Annual General Meeting until its conclusion.
- (7) As at 28 January 2009 (being the last working day prior to the publication of this notice), the Company's issued share capital consisted of 129,654,855 ordinary shares of £0.001 each, carrying one vote each. So, the total voting rights in the Company as at that date are 129,654,855