TRANXENOGEN, INC.

800 Boston Turnpike
Shrewsbury, MA 01545
Telephone: (508) 842-5036
Fax: (508) 842-2786

Proxy Statement and Notice of Meeting

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 2005 Annual General Meeting of the Company (the "Meeting") will be held at the offices of the Company, 800 Boston Turnpike, Shrewsbury, Massachusetts 01545, United States, on June 23, 2005 at 10:00 a.m. Eastern Daylight Time, for the following purposes:

1. **To approve the cancellation of admission of the Company's shares from the AIM Market of the London Stock Exchange.**
2. **To approve the sale of the Company's Shrewsbury Facility.**
3. **To re-elect Mr. Paul DiTullio as a Director of the Company.**
4. **To transact such other business that may properly come before the meeting, and any adjournment of the meeting.**

The above matters are more fully described in this Proxy Statement and Notice of Meeting.

Only stockholders of record of the Company at the close of business on May 10, 2005 will be entitled to receive notice of and to vote at the meeting or any adjournment (the "Meeting" or the "Annual Meeting"). A list of all stockholders of record as of May 10, 2005 will be open for inspection for any purpose germane to the meeting for ten days before the meeting during ordinary business hours at the Company's principal executive offices and at the Annual Meeting.

Registered Office:
1209 Orange Street
Wilmington, Delaware 19801
United States

May 25, 2005

BY ORDER OF THE BOARD

Marc A. Rubenstein
Company Secretary

TRANXENOGEN, INC.

800 Boston Turnpike
Shrewsbury, MA 01545
Telephone: (508) 842-5036
Fax: (508) 842-2786

PROXY STATEMENT
ANNUAL MEETING OF STOCKHOLDERS
To Be Held June 23, 2005

SOLICITATION OF PROXIES

This proxy statement and accompanying form of proxy is furnished in connection with the 2005 Annual Meeting of Stockholders of TranXenoGen, Inc.

These proxy materials are furnished in connection with the solicitation of proxies by the Board of TranXenoGen, Inc. a Delaware corporation (the "Company") for the Annual Meeting of Stockholders (the "Annual Meeting" or "Meeting") to be held at the offices of the Company, 800 Boston Turnpike, Shrewsbury, Massachusetts 01545, United States, on June 23, 2005 at 10:00 a.m. Eastern Daylight Time and at any adjournments of the meeting.

The enclosed proxy is solicited by our Board (the "Board") for the purposes set forth in the Notice of Annual Meeting of Stockholders of the Company. This proxy statement and accompanying proxy are first being sent or given to stockholders on or about May 10, 2005. The authority granted by an executed proxy may be revoked at any time before its exercise by filing with our Secretary a written revocation or a duly executed proxy bearing a later date or by voting in person at the meeting.

Pursuant to vote of the Board, each stockholder of record at the close of business on May 10, 2005 (the "Record Date"), is entitled to notice of and vote at the Annual Meeting. As of the close of business on the Record Date, we had 32,180,000 shares of common stock, $0.001 par value, outstanding, each of which is entitled to one vote. Consistent with Delaware law and as provided under our By-laws, the holders of shares representing a majority of the votes entitled to be cast on a particular matter, present in person or represented by proxy, constitutes a quorum as to such matter.

Proxies returned to us or our transfer agent, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, United Kingdom, and properly executed will be voted in accordance with stockholders' instructions. You specify your choice by appropriately marking the enclosed proxy card.

Any proxy card that is timely signed and returned with no other markings will be voted in accordance with the recommendation of our Board. The proxies also give our Board discretionary authority to vote the shares represented thereby on any matter, which was not known as of the date of this proxy statement and is properly presented for action at the Annual Meeting.

The execution of a proxy will in no way affect your right to attend the Annual Meeting and vote in person. You have the right to revoke your proxy prior to the Annual Meeting by giving notice to our Secretary, Marc Rubenstein. You may also complete and submit a new proxy card prior to the Annual Meeting or you may revoke a previously submitted proxy at the Annual Meeting by giving notice to our Secretary at the Annual Meeting.

A description of the proposals to be considered at the Annual Meeting is as follows:

Proposals to be Acted Upon at the Annual Meeting

Proposal 1. To approve the cancellation of admission of the Company's shares from the AIM Market of the London Stock Exchange.

The Company has been unsuccessful in its attempts over the past 12-18 months to raise the additional capital needed to fund ongoing operations. The Company has pursued a number of short term and long term financing options and business development strategies that include attempts to generate revenue through out-licensing of its cloning patent portfolio, partnering its ANUP program, marketing its transgenic chicken manufacturing platform and seeking direct equity placements. In January 2004, the investment bank Madison Keats was retained to supplement the Company's efforts to identify a partner for its ANUP anticancer product and secure financing to allow funding of its internal development programs and transgenic chicken technology. Following an intensive six-month campaign, Madison Keats was also unsuccessful in achieving either objective in part due to the early stage of development of the ANUP program and lack of investor interest in transgenic technology based companies. As a final alternative, to generate additional operating capital, the Company placed its Shrewsbury facility up for sale; however, a weak real estate market has resulted in an extended process that may not be completed until Q3 of 2005, if at all. See Proposal 2 – To Approve the Sale of the Company's Shrewsbury Facility.

In addition, although the Company is making progress in licensing its intellectual property portfolio, there can be no certainty that a license agreement will be signed nor that material revenues will be generated to support ongoing operations.

TranXenoGen ended 2004 with an unrestricted cash position of $137,000. For the year ended December 31, 2004, TranXenoGen reported a net loss of $4.7 million, or $0.15 per share, compared to a net loss of $4.4 million, or $0.14 per share for 2003. The decrease of $7.3 million in Property and Equipment, net in 2004 compared to 2003 reflects the transfer of the Shrewsbury facility to current assets as the facility was placed up for sale, an additional depreciation expense and sales of equipment to raise cash. In addition, the carrying value of the facility was written down to estimated realizable value of $4,942,000 in accordance with accounting principles generally accepted in the United States of America. The adjustment was based on a survey of comparable properties sold in the same geographic area less the estimated costs to sell the facility. The Company had three employees as of December 31, 2004 compared to 20 employees for the years ending December 31 2003 and 2002.

The Unaudited Financial Statements for the year ending December 31, 2004, included in this proxy statement on pages 7 through 10, have been prepared on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business, in conformity with accounting principles generally accepted in the United States. No adjustments have been made to reflect the potential cost of liquidating the company or closing up the business. The Company does not currently have sufficient funds to pay its existing liabilities and is relying on the proceeds from the potential sale of the Shrewsbury facility to repay its creditors. The financial statements should be read in conjunction with the Company's financial statements and notes thereto included in the Company's Annual Report to Shareholders for the year ended December 31, 2003.

The Board of Directors recommends that the shareholders approve a voluntary cancellation of admission of the Company's shares from the AIM Market of the London Stock Exchange since the Company can no longer justify or afford the costs associated with compliance with the listing requirements of the market. These costs include register and transfer fees, fees charged by the compulsory nominated advisor and broker, UK legal fees, Annual Audit fees and AIM listing fees. The failure of the Company to comply with the AIM Rules could lead to the London Stock Exchange imposing fines on the Company and potentially a compulsory cancellation of admission.

The Company will be withdrawing its securities from the CREST system and returning to a certificated stock. TranXenoGen shareholders will be able to transfer ownership in the Company's stock by contacting the Treasurer of the Company, Patricia Muzzy, TranXenoGen, Inc., 800 Boston Turnpike, Shrewsbury, Massachusetts, USA 01545, who will act as registrar for the shares and issue new certificates. If this resolution is approved at the Annual Meeting, stockholders transacting through CREST will receive instructions regarding the timetable and issuance of certificates for their shares.

The affirmative vote of seventy five percent (75%) of the Company's stock entitled to vote and properly cast thereon at the Meeting is required for the approval of the cancellation of admission of the Company's common stock in accordance with the AIM guidelines.

The Board of Directors of the Company recommends a vote in favor of Proposal 1 to delist the Company's common stock from the Alternative Investment Market of the London Stock Exchange.

Proposal 2. To approve the sale of the Company's Shrewsbury Facility.

As part of its restructuring plan initiated in 2004, the Company placed its Shrewsbury facility up for sale as a means to generate capital to support continuing operations. The Shrewsbury facility is an 80,000 sq. ft. free-standing, one-story structure comprised of office, laboratory, animal facility and warehouse space. The Company entertained proposals from several corporate real estate groups and following that process selected Richards Barry Joyce (RBJ) as the exclusive marketing agent for the property. The agreement called for RBJ to oversee the production of brochures/marketing materials, generate market survey reports of recent real estate transactions and conduct a comprehensive marketing campaign. The strategy was to market the building without an initial asking price and create value by targeting a diverse group of buyers to obtain competing offers. Based on a market survey report prepared by RBJ of completed real estate transactions in the area, the facility was expected to achieve a sale price of between $4.6 and $5.6 million without consideration given to the laboratory improvements made to the facility.

After six months of actively marketing the property, an offer of $5.1million was received from Ira Acquisition Corp, a Massachusetts corporation, its successors and assigns. In addition to the cash consideration, TranXenoGen is obligated to remove or sell selected capital equipment with an estimated current net book value of $500,000, which was added during the renovations of the facility. The Company has no way to determine the current market value of this equipment and what, if any, proceeds could be realized from a sale or disposal. The purchase and sale agreement, which was fully executed on May 5, 2005, allows for an initial 90-day "Review and Permitting Period" of the property with two possible 30-day extensions to the Permitting Period to obtain the necessary zoning approval from the Town of Shrewsbury for the new business. In the Review Period, the Purchaser retains the right to terminate the agreement for any reason; however, upon the expiration of the Review Period the agreement can only be terminated in the event the zoning approval is not received. The closing of the purchase and sale of the property will occur on the earlier date of (i) 30 days after the expiration of the Permitting period, (ii) 10 business days after the Purchaser's receipt of all necessary approvals but no event later than September 30, 2005.

Following the sale of the property, the Company will lease space in the same geographic area to allow it to continue its business development activities. The Company intends to use the proceeds from the sale of the facility to continue the licensing of its cloning patent portfolio, identify a partner for its ANUP program and transgenic technology. In addition, the Company will evaluate potential exit strategies that would include the sale of all remaining assets and the return of excess proceeds to the stockholders.

The affirmative vote of a majority of the Company's outstanding stock entitled to vote and properly cast thereon is required for the approval of the sale of the Company's facility under the Company's Certificate of Incorporation and Delaware General Corporate Law.

The Board of Directors of the Company recommends a vote in favor of Proposal 2 to sell the Company's facility. The recommendation of the Board is based on the following reasons:

1. The proposed sale would allow the Company to satisfy its mortgage obligations to Commerce Bank of $3,639,000 which has an effective due date of August 4, 2005. As part of a Loan Modification Agreement under which the Company's monthly payment obligations were reduced to interest and real estate taxes only the effective date of the Commerce Bank Loan was accelerated from January 2007 to August 4, 2005.

2. The net proceeds from the sale of approximately $1.3 million would provide the Company with the necessary operating capital to pay existing liabilities and to explore potential business opportunities which could include the outright sale of the all Company's remaining assets, partnering of its ANUP anticancer therapeutic, and licensing of its cloning patent portfolio. The Company believes the net proceeds from the sale would provide approximately two years of operating capital and allow it to evaluate the best course of action for maximizing shareholder value.

3. The Board believes that the offer price of $5.1 million represents a fair value in the current real estate market environment in Massachusetts. The projected vacancy rates for lab/office/flex space in the area have risen to approximately 25%. The difficult funding environment in the biotech sector has made the direct sale to an end user unlikely which would have provided the greatest return on the investment in the facility.

Proposal 3. To re-elect Mr. Paul DiTullio as a Director of the Company.

Mr. DiTullio is a founder of TranXenoGen and has over 16 years of experience in the transgenic industry. As part of the Company's restructuring plan, Mr. DiTullio was appointed President and Chief Executive Officer as of August 1, 2004. Mr. DiTullio was until that time the Vice President, Product Development. He was previously employed as a research scientist at GTC Biotherapeutics Inc., where he developed transgenic constructs for the expression of proteins in the milk of transgenic mice, rabbits and goats. Mr. DiTullio's

expertise includes cloning and engineering of specific genes for the expression of proteins in eggs and milk as well as human genes for other proprietary expression systems. He also has extensive experience with large and small animal biology and husbandry. Mr. DiTullio was appointed to the Board of Directors in February 2000 and was re-elected to the Board in 2002.

Mr. DiTullio's term as a director will expire at the Annual Meeting unless re-elected to the Board by the stockholders of the Company.

The affirmative vote of a plurality of the Company's outstanding stock entitled to vote and properly cast thereon is required for the approval of the re-election of Mr. DiTullio to the Board of Directors of the Company.

The Board of Directors of the Company recommends a vote in favor of Proposal 3 to re-elect Paul DiTullio to the Board of Directors of the Company.

Additional Information

1. The votes on all resolutions will be by way of a poll.
2. A stockholder entitled to attend and vote at the Meeting may appoint a proxy to attend and, on a poll, to vote, instead of him. A proxy need not be a stockholder. Completion and return of the enclosed form of proxy will not preclude stockholders from attending and voting at the Meeting.
3. To be valid, the form of proxy, together with the power of attorney, if any, under which it is signed, or a notarially certified copy thereof, must be received at the office of the Company's Transfer Agent, Capita IRG Plc, Bourne House, 34 Beckenham Road, Beckenham, Kent BR3 4TU, United Kingdom, not less than 48 hours before the time fixed for the Meeting or any adjourned Extraordinary General Meeting at which the proxy is to vote.
4. The Company specifies that only the stockholders registered in the register of members of the Company as of May 10, 2005 shall be entitled to attend or vote at the Meeting in respect of the number of shares registered in their respective names at that date. Changes to entries on the register after that time will be disregarded in determining the rights of any person to attend or vote at the Meeting.
5. The holders of a majority in interest of all stock issued and outstanding and entitled to vote upon matters to be considered at the Meeting, present in person or represented by proxy, will constitute a quorum for the transaction of business at the Meeting.
6. A majority of the Company's stock entitled to vote and properly cast thereon will decide any general matter at the Meeting.

BALANCE SHEETS

December 31, 2004 and 2003

	2004 (Unaudited)	2003
ASSETS		
Current assets:		
Cash and cash equivalents	$ 137,346	$ 2,186,090
Restricted cash	172,595	-
Net assets held for sale	4,942,000	-
Prepaid expenses	93,810	126,654
Other current assets	51,213	2,030
Total current assets	5,396,964	2,314,774
Property and equipment	639,887	8,770,686
Accumulated depreciation	(404,935)	(1,224,997)
Property and equipment, net	234,952	7,545,689
Other assets:		
Restricted cash	-	363,785
Intangible assets, net	-	1,630
Deposits	-	9,013
Total other assets	-	374,428
Total assets	$ 5,631,916	$ 10,234,891
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 65,541	$ 215,157
Accrued expenses	415,025	216,928
Current portion of long-term debt	3,602,885	136,420
Other current liabilities	18,039	7,439
Total current liabilities	4,101,490	575,944
Long-term deferred lease income	185,694	190,583
Long-term debt, less current portion	-	3,548,283
Commitments and contingencies		
Stockholders' Equity:		
Preferred stock, $0.01 par value; authorized, 1,000,000 shares; issued and outstanding, 0 shares in 2004 and 2003		
Common stock, $0.001 par value per share; authorized, 100,000,000 shares; issued 40,570,000 shares in 2004 and 2003, outstanding, 32,180,000 in 2004 and 2003	40,570	40,570
Treasury stock	(195,659)	(195,659)
Additional paid-in capital	22,964,558	22,964,558
Deferred compensation	-	(98,236)
Accumulated deficit	(21,464,737)	(16,791,152)
Total stockholders' equity	1,344,732	5,920,081
Total liabilities and stockholders' equity	$ 5,631,916	$ 10,234,891

The accompanying notes are an integral part of these unaudited financial statements.

STATEMENTS OF OPERATIONS

Years Ended December 31, 2004, 2003 and 2002 and Cumulative from Inception (April 16, 1996) to December 31, 2004

	Years ended December 31, 2004 (Unaudited)	2003	2002	Cumulative From Inception (April 16, 1996) to December 31, 2004
Revenue - contract revenue	$ -	$ -	$ 33,333	$ 1,009,001
Expenses:				
Selling, general and administrative	1,381,405	1,633,473	1,496,290	7,836,246
Research & development	790,247	1,647,762	1,871,691	8,739,329
Impairment of assets	1,905,672	-	-	1,905,672
Stock-based compensation	98,236	414,250	503,875	2,151,500
Depreciation and amortization	366,312	562,377	562,579	2,139,471
Total expenses	4,541,872	4,257,862	4,434,435	22,772,218
Operating loss	(4,541,872)	(4,257,862)	(4,401,102)	(21,763,217)
Other Income (Expense):				
Interest income	8,579	39,838	132,818	1,086,198
Interest expense	(192,500)	(194,709)	(219,296)	(657,932)
Other income, net	52,141	61,508	73,169	222,957
Foreign currency gain (loss)	67	545	(5,658)	(345,235)
	(131,713)	(92,818)	(18,967)	305,988
Loss before provision for income taxes	(4,673,585)	(4,350,680)	(4,420,069)	(21,457,229)
Provision for income taxes	-	-	-	7,508
Net loss	$ (4,673,585)	$ (4,350,680)	$ (4,420,069)	$ (21,464,737)
Net Loss per Share				
Basic and diluted net loss per share	$ (0.15)	$ (0.14)	$ (0.14)	
Basic and diluted weighted-average common shares outstanding	32,180,000	32,172,904	32,071,329	

The accompanying notes are an integral part of these unaudited financial statements.

Statement of Changes in Stockholders' Equity

Years ended December 31, 2004 (Unaudited), 2003, 2002, 2001, 2000, 1999, 1998, 1997

	Class A Convertible Preferred Stock		*Class B Convertible Preferred Stock*		*Class C Convertible Preferred Stock*		*Class D Convertible Preferred Stock*		*Treasury Stock*		*Common Stock*					
	Number of Shares	*$0.01 Par Value*	*Number of Shares*	*$0.01 Par Value*	*Number of Shares*	*$0.01 Par Value*	*Number of Shares*	*$0.01 Par Value*	*Number of Shares*	*Amount*	*Number of Shares*	*$0.001 Par Value*	*Additional Capital Common*	*Deferred Compensation*	*Accumulated Deficit*	*Total*
Balance at January 1, 1997	**345,000**	**$ 250,000**	**-**	**$ -**	**-**	**$ -**	**-**	**$ -**	**-**	**$ -**	**1,288,000**	**$ 1,288**	**$ 712**	**$ -**	**$ 32,828**	**$ 284,828**
																-
Repurchase of common stock	-	-	-	-	-	-	-	-	-	-	(644,000)	(644)	(356)	-	-	(1,000)
Net loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(40,975)	(40,975)
Balance at December 31, 1997	**345,000**	**250,000**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**644,000**	**644**	**356**	**-**	**(8,147)**	**242,853**
Issuance of common stock																
in connection with Gestation merger	-	-									9,016,000	9,016	(8,516)	-		500
Issue of common stock	-	-	-	-	-	-	-	-	-	-	9,890,000	9,890	267,530	-	-	277,420
Issuance of Class B Convertible Preferred Stock	-	-	100,000	137,723	-	-	-	-	-	-	-	-	-	-	-	137,723
Issuance of options to purchase shares of Class C																
Convertible Preferred Stock	-	-					-	-	-	-	-	-	102,000	-	-	102,000
Net loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(333,860)	(333,860)
Balance at December 31, 1998	**345,000**	**250,000**	**100,000**	**137,723**	**-**	**-**	**-**	**-**	**-**	**-**	**19,550,000**	**19,550**	**361,370**	**-**	**(342,007)**	**426,636**
Issuance of Class B Convertible Preferred Stock	-	-	440,000	1,091,747	-	-	-	-	-	-	-	-	-	-	-	1,091,747
Purchase of Treasury Stock	-	-	-	-	-	-	-	-	6,982,800	(195,518)	-	-	-	-	-	(195,518)
Net loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,206,515)	(1,206,515)
Balance at December 31, 1999	**345,000**	**250,000**	**540,000**	**1,229,470**	**-**	**-**	**-**	**-**	**6,982,800**	**(195,518)**	**19,550,000**	**19,550**	**361,370**	**-**	**(1,548,522)**	**116,350**
Issuance of common stock, net of approximately																-
$1,516,000 in issuance costs	-	-	-	-	-	-	-	-	-	-	6,250,000	6,250	17,189,359	-	-	17,195,609
Conversion of 345,000 shares of Class A Convertible																-
Preferred Stock to 3,450,000 common shares	(345,000)	(250,000)	-	-	-	-	-	-	-	-	3,450,000	3,450	246,550	-	-	-
Issuance of Class B Convertible Preferred Stock	-	-	100,000	249,730	-	-	-	-	-	-	-	-		-	-	249,730
Conversion of 640,000 shares of Class B Convertible																-
Preferred Stock to 6,400,000 common shares	-	-	(640,000)	(1,479,200)	-	-	-	-	-	-	6,400,000	6,400	1,472,800	-	-	-
Issuance of Class C Convertible Preferred Stock	-	-	-	-	175,000	524,030	-	-	-	-	-	-	-	-	-	524,030
Conversion of 175,000 shares of Class C Convertible																-
Preferred Stock to 1,750,000 common shares	-	-	-	-	(175,000)	(524,030)	-	-	-	-	1,750,000	1,750	522,280	-	-	-
Issuance of Class D Convertible Preferred Stock	-	-	-	-	-	-	250,000	995,569	-	-	-	-	-	-	-	995,569
Conversion of 250,000 shares of Class D Convertible																-
Preferred Stock to 2,500,000 common shares	-	-	-	-	-	-	(250,000)	(995,569)	-	-	2,500,000	2,500	993,069	-	-	-
Deferred compensation in connection with the issuance																
of stock options	-	-	-	-	-	-	-	-	-	-	-	-	2,806,000	(2,806,000)	-	-
Amortization of deferred compensation	-	-	-	-	-	-	-	-	-	-	-	-	-	486,050	-	486,050
Purchase of Treasury Stock	-	-	-	-	-	-	-	-	1,407,200	(141)	-	-	-	-	-	(141)
Exercise of stock options	-	-	-	-	-	-	-	-	-	-	50,000	50	1,950	-	-	2,000
Net Loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,459,333)	(2,459,333)
Balance at December 31, 2000	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**8,390,000**	**(195,659)**	**39,950,000**	**39,950**	**23,593,378**	**(2,319,950)**	**(4,007,855)**	**17,109,864**
Amortization of deferred compensation	-	-	-	-	-	-	-	-	-	-	-	-	-	649,089	-	649,089
Forfeiture of stock options with																
deferred compensation													(272,000)	272,000		-
Exercise of stock options	-	-	-	-	-	-	-	-	-	-	460,000	460	17,940	-	-	18,400
Net loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(4,012,548)	(4,012,548)
Balance at December 31, 2001	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**8,390,000**	**(195,659)**	**40,410,000**	**40,410**	**23,339,318**	**(1,398,861)**	**(8,020,403)**	**13,764,805**
Amortization of deferred compensation	-	-	-	-	-	-	-	-	-	-	-	-	-	503,875	-	503,875
Forfeiture of stock options with																
deferred compensation													(382,500)	382,500		-
Exercise of stock options	-	-	-	-	-	-	-	-	-	-	150,000	150	5,850	-	-	6,000
Net loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(4,420,069)	(4,420,069)
Balance at December 31, 2002	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**8,390,000**	**(195,659)**	**40,560,000**	**40,560**	**22,962,668**	**(512,486)**	**(12,440,472)**	**9,854,611**
Issuance of common stock in connection with																
milestone payment											10,000	10	1,890	-	-	1,900
Amortization of deferred compensation	-	-	-	-	-	-	-	-	-	-	-	-	-	414,250	-	414,250
Net loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(4,350,680)	(4,350,680)
Balance at December 31, 2003	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**8,390,000**	**(195,659)**	**40,570,000**	**40,570**	**22,964,558**	**(98,236)**	**(16,791,152)**	**5,920,081**
Amortization of deferred compensation	-	-	-	-	-	-	-	-	-	-	-	-	-	98,236	-	98,236
Net loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(4,673,585)	(4,673,585)
Balance at December 31, 2004	**-**	**$ -**	**-**	**$ -**	**-**	**$ -**	**-**	**$ -**	**8,390,000**	**$ (195,659)**	**40,570,000**	**$ 40,570**	**$ 22,964,558**	**$ -**	**$ (21,464,737)**	**$ 1,344,732**

The accompanying notes are an integral part of these unaudited financial statements.

STATEMENTS OF CASH FLOWS

Years Ended December 31, 2004, 2003 and 2002 and Cumulative from Inception (April 16, 1996) to December 31, 2004

	Year ended December 31, 2004 (Unaudited)	2003	2002	Cumulative From Inception (April 16, 1996) to December 31,2004
Cash flows from operating activities:				
Net loss	$ (4,673,585)	$ (4,350,680)	$ (4,420,069)	$ (21,464,737)
Adjustments to reconcile net loss to net cash used in operating activities:				
Depreciation and amortization expense	366,312	562,377	562,579	2,139,471
Compensation expense related to stock options issued	98,236	414,250	503,875	2,151,500
Impairment of assets	1,923,671	-	-	1,923,671
Loss on disposal of equipment	31,994	-	-	36,493
Changes in assets and liabilities:				
Prepaid expenses	32,844	(35,036)	(19,944)	(93,810)
Other assets and deposits	8,220	1,881	13,377	(86,522)
Accounts payable	(149,616)	36,673	(472,216)	368
Accrued expenses and other liabilities	203,808	(16,534)	(313,216)	422,279
Proceeds from cell tower lease	-	197,600	-	197,600
Net cash used in operating activities	(2,158,116)	(3,189,469)	(4,145,614)	(14,773,687)
Cash flows from investing activities:				
Purchase of intellectual property	-	-	-	(265,741)
Additions to property and equipment	-	(23,387)	(634,325)	(8,585,168)
(Increase) decrease in restricted cash	191,190	(3,655)	(8,594)	(172,595)
Net cash (used in) provided by investing activities	191,190	(27,042)	(642,919)	(9,023,504)
Cash flows from financing activities:				
Issuance of common stock - net	-	-	-	17,198,109
Principal payments under capital lease obligations	-	-	-	(112,168)
Proceeds from issuance of convertible preferred stock - net	-	-	-	3,350,799
Exercise of stock options	-	-	6,000	26,400
Repurchase of common stock	-	-	-	(141)
Proceeds from notes payable	-	-	407,705	5,980,000
Repayment of notes payable	(81,818)	(123,760)	(91,537)	(2,508,462)
Net cash (used in) provided by financing activities	(81,818)	(123,760)	322,168	23,934,537
Net (decrease) increase in cash and cash equivalents	(2,048,744)	(3,340,271)	(4,466,365)	137,346
Cash and cash equivalents - beginning of period	2,186,090	5,526,361	9,992,726	-
Cash and cash equivalents - end of period	$ 137,346	$ 2,186,090	$ 5,526,361	$ 137,346
Supplemental disclosure of cash flow information:				
Cash paid for taxes	$ -	$ -	$ -	$ 23,162
Cash paid for interest	$ 191,342	$ 196,064	$ 219,602	$ 508,676
Fair value of shares of common stock issued in connection with milestone payment	$ -	$ 1,900	$ -	$ 1,900
Fair value of shares of common stock used in connection with the acquisition of Gestation	$ -	$ -	$ -	$ 277,420
Notes issued in connection with the repurchase of common stock	$ -	$ -	$ -	$ 195,518
Equipment acquired under capital lease obligations	$ -	$ -	$ -	$ 112,168
Conversion of 1,410,000 shares of convertible preferred stock 14,100,000 shares of common stock - net of issuance costs	$ -	$ -	$ -	$ 3,248,799

The accompanying notes are an integral part of these unaudited financial statements.

Notes to the Unaudited Financial Statements

1. Basis of Presentation and Management's Plan

The Unaudited Financial Statements included in this proxy statement have been prepared on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business, in conformity with accounting principles generally accepted in the United States. These unaudited financial statements should be read in conjunction with the Company's financial statements and notes thereto included in the Company's Annual Report to Shareholders for the year ended December 31, 2003.

In March 2004, cost reduction initiatives were undertaken to reduce the cash burn rate to provide additional time to raise funds. Actions included deferment of the Non-Executive Directors' board fees for twelve months, the reduction of the Chief Executive Officer's salary to $60,000 per year reflecting a reduced level of activity, salary reductions for the three senior management personnel and a reduction in workforce by 30%.

In July 2004, after exhausting all possible avenues of raising capital including efforts by the investment bank Madison Keats, the Board of Directors approved a restructuring plan to significantly scale back operations and sell assets. The plan included reducing the Company's workforce from 13 to three people, offering for sale the Shrewsbury facility and laboratory equipment and significantly reducing the Company's development activity. As part of placing the facility up for sale, the bank loan was renegotiated to release restricted cash to fund continuing operations while accelerating the effective date of the note from January 2007 to August 4, 2005. The amount due on the loan at August 4, 2005 is $3,603,000 plus a loan modification fee of 1% or $36,028.

As a result of the restructuring plan, the Company incurred a workforce reduction charge of approximately $200,000 of which $30,000 was paid in August 2004. The balance was deferred until the Company either sells the Shrewsbury facility or receives sufficient funds from its licensing program to have cash available to make the payment. The Company has severance agreements with the remaining employees totaling approximately $135,000.

As shown in the financial statements, at December 31, 2004, the Company had an unrestricted cash balance of $137,000 and liabilities of $4.1 million. For the year ended December 31, 2004, TranXenoGen had a net loss of $4.7 million, or $0.15 per share, compared to a net loss of $4.4 million, or $0.14 per share for 2003. The decrease of $7.3 million in property and equipment, net in 2004 compared to 2003 reflects the transfer of the Shrewsbury facility to current assets as the facility was placed up for sale, additional depreciation expense and sale of excess equipment to raise cash~~.~~ In addition, the carrying value of the Company's Shrewsbury facility was written down to the estimated realizable value of $4,942,000, in accordance with accounting principles generally accepted in the United States. The adjustment in carrying value was based on a survey of comparable properties sold in the same geographic area less estimated closing costs to complete the sale.

The Company's cash expenses currently exceed its cash receipts, and management expects this trend to continue for the foreseeable future. These factors give rise to substantial doubt about the Company's ability to continue as a going concern. No adjustments have been made to reflect the potential cost of liquidating the company or closing up the business. The Company does not currently have sufficient funds to pay its existing liabilities and is relying on the proceeds from the potential sale of the Shrewsbury facility to repay its creditors.

2. Subsequent Events and Basis of Presentation

In April 2005, the Company received an offer to purchase the Shrewsbury facility of $5.1million from Ira Acquisition Corp, a Massachusetts corporation, its successors and assigns. In addition to the cash consideration, TranXenoGen has the right to remove or sell selected capital equipment with an estimated current net book value of $500,000, which was added during the renovations of the facility. The Company has no way to determine the current market value of the equipment if sold. The Purchase and Sale Agreement, which was fully executed on May 5, 2005, allows for an initial 90-day "Review Period" of the property and two possible 30-day extensions to obtain the necessary zoning approval from the Town of Shrewsbury for the new business. During the Review Period, the Purchaser retains the right to terminate the agreement for any reason. However, upon the expiration of the Review Period, the agreement can only be terminated in the event the zoning approval is not received. The closing of the purchase and sale of the property will occur on the earlier date of (i) 30 days after the expiration of the Permitting period, (ii) 10 business days after the Purchaser's receipt of all necessary approvals but no event later than September 30, 2005.

Following the sale of the property, the Company will lease space in the same geographic area to allow it to continue its business development activities. The Company intends to use the proceeds from the sale of the facility to continue the licensing of its cloning patent portfolio, identify a partner for its ANUP program and transgenic technology. The Company also intends to evaluate potential exit strategies that would include the sale of all remaining assets and the return of excess proceeds to the stockholders.

Risk Warning Notice:

TranXenoGen, Inc. (LSE: TXN.L) is a publicly traded development stage, Biotechnology Company, and, as such, investors should be aware that an investment in the Company involves a substantially high degree of risk. Its shares are quoted on the Alternative Investment Market of the London Stock Exchange. The securities of the Company have not been registered under the Securities Act of 1933 and therefore, may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements under such Act.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 2005 Annual General Meeting of the Company (the "Meeting") will be held at the offices of the Company, 800 Boston Turnpike, Shrewsbury, Massachusetts 01545, United States, on June 23, 2005 at 10:00 a.m. Eastern Daylight Time, for the following purposes:

		Resolution on Proxy Form
1.	To approve the cancellation of admission of the Company's shares from the AIM Market of the London Stock Exchange.	1
2.	To approve the sale of the Company's Shrewsbury Facility.	2
3.	To re-elect Mr. Paul DiTullio as a Director of the Company.	3

Registered Office:
1209 Orange Street
Wilmington, Delaware 19801
United States

May 25, 2005

BY ORDER OF THE BOARD

Marc A. Rubenstein
Company Secretary