
ASX Announcement and Media Release

2 February, 2005

SciGen Limited

SciGen and Bioton enter strategic investment relationship.

The Directors of SciGen Limited (“SciGen” or the “Company”) are pleased to announce that they have reached agreement to place 24% of the Company’s equity at 7 cents per share with one of its important commercial partners, Bioton SA (“**Bioton**”) a leading biotechnology company in Poland. The placement will raise approximately A\$9.3M and is, in part, subject to SciGen shareholder approval.

Bioton is one of SciGen’s strategic partners and the placement is expected to lead to a closer working relationship in the areas of research & development, marketing and manufacturing.

The funds raised through this transaction will be used to accelerate the development of the Company’s product pipeline including a therapeutic vaccine for the treatment of hepatitis B; provide funds for new licensing opportunities; provide equity for a proposed manufacturing facility in Singapore [see below] and for working capital purposes.

The executed Placement Agreement (the “Placement” or “Agreement”) provides for SciGen to issue two tranches of CHESS Units of Foreign Securities (“**CUFS**”) to Bioton at \$A0.07 per CUFS up to a maximum of 24% (post all issues) of the issued capital of SciGen. An initial tranche of approximately 9% is intended to be issued under the delegation of the Board of SciGen. The balance will be issued if approval is granted by shareholders at a General Meeting to be held in mid March.

The strategic alliance between SciGen and Bioton also provides for a joint initiative to develop a manufacturing facility in Singapore. This will allow for worldwide supply of products and price competitive entry by SciGen into markets in the Asia Pacific region and the rest of the world.

Finalisation of this project proposal is subject to completion of a feasibility study and approval by the respective boards of SciGen and Bioton.

The details of the Placement and further background on Bioton will be items for discussion at SciGen's AGM to be held on 28 February and senior directors of Bioton will be present to meet SciGen equity holders. However, due to the need to give a sufficient statutory notice period, the specific resolutions for the Placement to proceed in full cannot be put until a subsequent general meeting is convened. Equity holders in SciGen will receive a Notice of General Meeting and related documentation for that General Meeting which will explain the Placement in more detail.

The only conditions which remain prior to completing the initial tranche subscription are, among others, regulatory clearance in Singapore, approval by the ASX to quote the newly issued CUFS and completion of SciGen's due diligence by Bioton. The conditions which remain prior to completing the second tranche subscription are, apart from those mentioned above and the subscription of the initial tranche by Bioton, the appointment of two of Bioton's representatives to SciGen's board of directors and SciGen shareholder approval to the issue of the second tranche. All other requirements have been met and documentation is complete. It is expected that allocation of the first tranche of CUFS will be completed by 23 February 2005 and, subject to shareholder approval, the final tranche issued by 24 March 2005.

SciGen's Chairman Mr Paul Freiman said:

"This is a landmark transaction for SciGen. Bioton is a very natural strategic partner. The two companies already have an established commercial relationship and an understanding of the development opportunities that exist for the benefit for shareholders of both companies. This transaction brings the additional support needed to fund SciGen through to a cash flow and earnings positive position. In addition, this investment will enable SciGen to explore new product opportunities, expand sales and marketing activities in existing and developing markets and to explore new and competitive formulation and delivery systems."

Mr Ryszard Krause the President of Bioton’s Supervisory Board said:

“The decision to expand jointly is a milestone in strengthening the collaboration between Bioton SA located in Poland and Singapore based SciGen Limited. Reaching such an advanced stage of cooperation within only 3 years since the first commercial agreement was concluded, is confirmation of existing synergistic advantages awaiting both parties as well as a good promise for successful development and rapid achievement of common, strategic goals. In our view ‘working together’ means more efficient, faster and more profitable business for each and every one involved in this project.”

About Bioton

Bioton is a well established and very prominent biotechnology/biopharmaceutical Company based in Warsaw, Poland with substantial business operations throughout Eastern Europe and Russia in particular. Bioton and SciGen have an established commercial relationship, where Bioton is the key supplier of recombinant human insulin to SciGen, which SciGen consequently sells in various markets.

Bioton was established on 24 August 1989 as a limited liability company and changed its status to a joint stock company on 2 August 2004.

The Company started its business activity in 1993 as a pharmaceutical wholesaler. Since 1998, wholesale activity has been conducted by Bioton through its wholly own subsidiary Bioton Trade. The Company operates production plants in three locations and a biotechnology facility where the recombinant human insulin is manufactured.

For the last 7 years the Company has been focused mainly on biotechnology research and development, and marketing of new pharmaceutical products. The research activities of Bioton are mainly performed in close cooperation with state owned “Institute of Biotechnology and Antibiotics” in Warsaw.

Currently, Bioton SA offers modern pharmaceuticals being used in diabetes therapy (recombinant human insulin), antibiotics (cephalosporins and aminoglycosides) and cytostatics – anticancer medicines.

The approximate breakdown of Bioton's revenues for 2004 is as follows:

Insulin forms (Polish market) – 22.7%, Insulin substance and forms (export) – 21.3%, Cephalosporins (injections) – 28.2%, Cephalosporins (oral) – 6.8%, Biodacyna – 6.2%, Eye drops – 3.1%, Anti-cancer drugs - 10.0%, Sale of services – 1.9%.

A good illustration of Bioton's financial potential is not only the company's sales revenue that grows year by year (A\$37.8M in 2002, A\$49.4M in 2003 and A\$53.5 in January-September 2004 period) but also the net profit totaling in the last 3 years A\$6.7M: A\$0.8M in 2002, A\$3.3M in 2003 and A\$2.5M in January-September 2004 period).

At present the share capital of Bioton SA amounts to around A\$67.0M. In September 2004, an Extraordinary Shareholders' Meeting resolved to increase the share capital by issuing up to 16,000,000 shares (of nominal value PLN 1.00 = A\$0.4143 each) through a public offering. On 22 October, 2004, the Polish SEC admitted Bioton's shares to public trading and the first public offering is expected to take place in March 2005.

Bioton has a number of technological projects underway that are well advanced, in relation to insulin and other products aligned with SciGen's current portfolio. Subject to finalising the Placement, SciGen and Bioton will work closely together in the commercialisation of these products in various territories across the world. These collaborative projects will significantly enhance SciGen's portfolio of products and market reach.

About SciGen

SciGen Ltd is a biopharmaceutical company essentially involved in commercialising later stage research. It co-develops and markets genetically engineered biopharmaceutical products for human healthcare. SciGen focuses in the areas of gastroenterology, endocrinology and immunology. Its product portfolio includes vaccines and therapeutics.

SciGen acquires rights to manufacture, distribute and market biopharmaceutical products under exclusive licensing arrangements. SciGen's portfolio currently includes proprietary biotechnology-derived products, and biogeneric products, which can allow for faster entry into the market, as biogeneric products have undergone much of the clinical development and trials required to bring new drugs to market. This minimises the risks associated with early stage product development. SciGen currently undertakes R&D activities in collaboration with strategic partners and institutions.

SciGen's competitive advantage is in identifying research with commercial potential at an early stage to which it adds its expertise in gaining regulatory approval and bringing products to market

SciGen is a Singaporean biotechnology company, established in 1988 and listed on the Australian Stock Exchange (ASX code SIE). SciGen is headquartered in Singapore, with offices also in Australia, USA, Korea, Vietnam, Hong Kong and Philippines and partners in India, China, Indonesia, Israel, Poland and the Netherlands.

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Media enquiries

Mark Compton

Managing Director and CEO: Telephone: +61 2 9234 1700: Web: www.scigen.com.au