

MALLESONS STEPHEN JAQUES

Confidential communication

Australian Stock Exchange Limited
Company Announcements
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SciGen Ltd ("SciGen")

We act for Bioton S.A. ("Bioton"), a Polish company listed on the Warsaw Stock Exchange, as its Australian legal adviser in connection with its mandatory conditional offer for SciGen.

We attach an announcement Bioton made on 18 January in Poland in relation to its mandatory conditional offer for SciGen.

Yours faithfully



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BIOTON S.A.**MANDATORY CONDITIONAL OFFER FOR SCIGEN LTD BY BIOTON S.A.****1. Introduction**

- 1.1. The Acquisition. On 27 October 2005, Bioton S.A. ("Bioton") entered into a conditional sale and purchase agreement dated 27 October 2005 with Scitech Genetics Pte Ltd ("Scitech") (the "Agreement"), pursuant to which Bioton would purchase from Scitech its entire shareholding amounting to 100,692,832 ordinary shares in the capital of SciGen Ltd ("SciGen") ("SciGen Shares"), representing approximately 18.2% of SciGen's issued share capital¹ (the "Acquisition"), subject to the terms and conditions of the Agreement. SciGen is a company incorporated in Singapore and is listed on the Australian Stock Exchange ("ASX"). An announcement dated 27 October 2005 in relation to the Acquisition (the "First Announcement") was issued by Bioton by way of an advertisement in The Business Times in Singapore on 29 October 2005.

As at the date of this Announcement, Bioton owned 146,133,383 SciGen Shares, representing approximately 26.5% of the issued share capital of SciGen.

1.2. Consideration for the Acquisition. The Acquisition involves:-

- (a) a cash payment by Bioton to Scitech of an aggregate of A\$7,551,962.40 (which is equivalent to A\$0.075 per SciGen Share); and
- (b) the subscription by Scitech of an aggregate of 2,020,579 new ordinary shares of 1.0 Polish Zloty each in the capital of Bioton (the "Bioton Consideration Shares"), representing approximately 1.14% of Bioton's enlarged share capital immediately following the issue of the Bioton Consideration Shares, at a subscription price of 7.40 Polish Zloty per Bioton Consideration Share. Based on the average exchange rate for Australian dollar and Polish Zloty of A\$1.00 to 2.5032 Polish Zloty published by the National Bank of Poland as at 27 October 2005 (being the date of the Agreement) (the "Exchange Rate"), the aggregate subscription price for the 2,020,579 Bioton Consideration Shares payable by Scitech to Bioton amounts to approximately A\$5,973,268.06.

After setting-off part of the cash payment in (a) above against the subscription monies in (b) above, the net cash amount payable by Bioton to Scitech would be approximately A\$1,578,694.34.

Scitech will be subject to a moratorium period of 6 months for 50% of the Bioton Consideration Shares and a moratorium period of 18 months for the remaining 50% of the Bioton Consideration Shares, from the date such shares are acquired by Scitech. The Bioton Consideration Shares will, on issue, be credited as fully paid-up and shall rank *pari passu* in all respects with the ordinary shares of Bioton existing as at the completion of the Acquisition, subject to the moratorium. Bioton anticipates that the completion of the Acquisition will take place within three weeks from the date of this Announcement.

¹ Unless otherwise stated, references in this Announcement to the issued and paid-up share capital of SciGen are based on 551,270,320 ordinary shares of S\$0.0013133 each in the capital of SciGen as at 16 January 2006 (based on information provided by SciGen).

The above offer price for each Offer Share under the Cash Alternative was determined based on the simple average market price (i.e. the arithmetic average of the highest and lowest traded prices) of Bioton shares traded on the Warsaw Stock Exchange ("WSE") on 27 October 2005, being the date of the Agreement, of A\$3.8451² (the "Average Bioton Share Price"). Accordingly, the price for each Offer Share has been computed as follows:-

(i) Under the Cash Alternative

Based on (i) A\$1,578,694.34 (being the net cash amount payable by Bioton to Scitech referred to in Section 1.2) divided by 100,692,832 SciGen Shares (being the number of SciGen Shares which is the subject of sale under the Agreement) plus (ii) A\$7,769,284.47 (being the Average Bioton Share Price multiplied by the number of Bioton Consideration Shares) divided by 100,692,832 SciGen Shares and rounded to the nearest 4 decimal places.

(ii) Under the Share Plus Cash Alternative

The cash portion is based on A\$1,578,694.34 divided by 100,692,832 SciGen Shares, and the share portion is based on 2,020,579 Bioton Consideration Shares divided by 100,692,832 SciGen Shares and rounded to the nearest 4 decimal places.

(c) Based on information provided by SciGen, an aggregate of 30,832,822 options to subscribe for new SciGen Shares (the "Options") granted by SciGen under Classes 1, 5, 6, 7, 8, 9, 10 and 11 remained outstanding as at 16 January 2006. The Offer will be extended, on the same terms and conditions, to all new SciGen Shares unconditionally issued or to be issued pursuant to the valid exercise of any Options prior to the close of the Offer. For the purposes of the Offer, the expression "Offer Shares" shall include the aforesaid SciGen Shares.

(d) The Offer Shares are to be acquired fully-paid and free from all liens, charges, pledges and other encumbrances and together with all rights, benefits and entitlements attached thereto as at the date of the First Announcement and thereafter attaching thereto, including the right to all dividends, rights and other distributions (if any) declared, made or paid thereon on or after the date of the First Announcement.

The principal terms and conditions of the Offer stated above are subject to such modifications as the Singapore Securities Industry Council ("SIC") may require and such modifications as Bioton may require in consultation with the SIC. In particular, due to certain restrictions under Australian laws on the availability of the Share Plus Cash Alternative to SciGen shareholders whose addresses are in Australia ("Australian Shareholders"), Bioton has proposed to the SIC, among other things, to extend only the cash offer to the Australian Shareholders i.e. only the Cash Alternative would be made available to Australian Shareholders and they would not have the option to select the Share Plus Cash Alternative (the "SIC Ruling"). The application for the SIC Ruling is still pending. If the SIC Ruling is not obtained and/or relied upon by Bioton, Australian Shareholders will have the option to select either the Cash Alternative or the Share Plus Cash Alternative under the Offer.

² Based on the Average Bioton Share Price of 9.625 Polish Zloty and applying the Exchange Rate of A\$1.00 to 2.5032 Polish Zloty published by the National Bank of Poland as at 27 October 2005, being the date of the Agreement. For the purpose of this Announcement, the above figure of A\$3.8451 has been rounded to the nearest 4 decimal places.

- 2.2 **New Bioton Shares.** The New Bioton Shares to be issued to each holder who selects the Share Plus Cash Alternative will be subject to a moratorium of 6 months from the date such New Bioton Shares are acquired by that holder (i.e. each holder who selects the Share Plus Cash Alternative will be restricted from selling, transferring or otherwise disposing of the New Bioton Shares for a period of 6 months from the date such New Bioton Shares are acquired by that holder). The New Bioton Shares will, on issue, be credited as fully paid-up and shall rank *pari passu* in all respects with the ordinary shares of Bioton existing as at the date of issuance of such shares, subject to the moratorium. Each New Bioton Share shall entitle its holder to one vote at Bioton's shareholders' meeting.

Bioton sought, and on 18 January 2006 the Polish Securities Commission delivered to Bioton, a waiver from Polish prospectus requirements that relates to the offer of the New Bioton Shares. It is anticipated that (a) within 7 days of the relevant Polish registry court delivering to Bioton its decision approving the registration of the increase in Bioton's share capital resulting from the issue of the New Bioton Shares, Bioton will apply to the WSE for the admission and/or introduction of the New Bioton Shares to exchange trading on the WSE and (b) the admission and introduction of the New Bioton Shares to exchange trading on the WSE will take place within 6 months of the date of the Offer Document. The admission of the New Bioton Shares to quotation on the WSE is subject to the approval of the WSE.

Pursuant to the Offer and based on the terms of the Offer as at the date of this Announcement, as part consideration for the Offer Shares, Bioton will issue up to 6,739,065 New Bioton Shares, representing approximately 3.79% of the present issued share capital of Bioton of 177,781,997 Bioton shares or approximately 3.61% of the issued share capital of Bioton as enlarged by the issue of the New Bioton Shares and the Bioton Consideration Shares (assuming (i) all Options are validly exercised prior to the close of the Offer, (ii) full acceptances of the Offer, and (iii) all SciGen Shareholders select the Share Plus Cash Alternative).

- 2.3 **Options.** Under the terms of the Options granted under Classes 1, 5, 6, 7, 8 and 9, the Options are not transferable by the holders thereof. In view of this restriction, Bioton will not make an offer to acquire the Options granted under Classes 1, 5, 6, 7, 8 and 9 (although, for the avoidance of doubt, the Offer will be extended to all new SciGen Shares unconditionally issued to or to be issued pursuant to the valid exercise of such Options prior to the close of the Offer).

There are no restrictions on the transferability of the Options granted under Classes 10 and 11. Bioton intends to make an appropriate offer or proposal to the holders of the outstanding Options granted under Classes 10 and 11 (the "Options Proposal"). Holders of Options granted under Classes 10 and 11 can either (i) subject to the terms of the Options, exercise their Options and accept the Offer in respect of the new SciGen Shares to be issued pursuant to such exercise, or (ii) accept the terms of the Options Proposal. Details of the Options Proposal will be set out in the Offer Document.

- 2.4 **Condition of the Offer.** The Offer will be conditional upon Bioton having received, by the close of the Offer, valid acceptances in respect of such number of Offer Shares which, when taken together with the SciGen Shares owned, controlled or agreed to be acquired by Bioton and parties acting in concert with it (either before or during the Offer and pursuant to the Offer or otherwise), will result in Bioton and parties acting in concert with it holding such number of SciGen Shares carrying more than 50% of the voting rights attributable to the issued share capital of SciGen as at the close of the Offer (including any voting rights attributable to SciGen Shares unconditionally issued or to be issued pursuant to the valid exercise of any outstanding Options prior to the close of the Offer).

Accordingly, the Offer will not become or be capable of being declared unconditional as to acceptances until the close of the Offer, unless at any time prior to the close of the Offer, Bioton has received valid acceptances in respect of such number of Offer Shares which, when taken together with SciGen Shares owned, controlled or agreed to be acquired by Bioton and parties acting in concert with it (either before or during the Offer and pursuant to the Offer or otherwise), will result in Bioton and parties acting in concert with it holding such number of SciGen Shares carrying more than 50% of the maximum potential issued share capital of SciGen. For these purposes, the "maximum potential issued share capital of SciGen" means the total number of SciGen Shares which would be in issue had all the outstanding Options (but excluding the Classes 10 and 11 Options in respect of which acceptances of the Options Proposal have been received by Bioton as of the date of such declaration) been validly exercised as of the date of such declaration.

The Offer will be unconditional in all other respects.

- 2.5 **Overseas Shareholders.** Due to potential restrictions on the making and availability of the Offer to SciGen Shareholders whose addresses (as shown in the register of members of SciGen or, as the case may be, in the records of CHESS subregister of SciGen) are outside Singapore or Australia ("Overseas Shareholders") under the laws of the relevant jurisdictions outside Singapore and Australia ("Overseas Jurisdictions"), it is intended that the Offer is not being made or extended, and will not be made or extended, to Overseas Shareholders. In addition, Bioton shall have the right not to treat an acceptance or purported acceptance of the Offer in or from any Overseas Jurisdiction and/or in respect of an Overseas Shareholder as valid. It is intended that the Offer is made only to SciGen Shareholders whose addresses as aforesaid are in Singapore and Australia and only in the jurisdictions of Singapore and Australia. Accordingly, it is not intended that the Offer will be made in or into, and the Offer is not capable of acceptance in or from, any Overseas Jurisdictions. Further, it is not intended that the Offer will be made, directly or indirectly, in or into or by use of mail or any means or instrumentality (including without limitation, by means of facsimile or electronic transmission, telephone or Internet) of interstate or foreign commerce of, or any facilities of a securities exchange of, or in or into, the Overseas Jurisdictions and it is not intended that the Offer will be capable of acceptance by any such use, means, instrumentality or facilities in or from the Overseas Jurisdictions. Persons receiving the Offer Document (including without limitation, custodians, nominees and trustees) should observe these restrictions and should not send or distribute them in, into or from such Overseas Jurisdictions, and so doing may render invalid any related purported acceptance of the Offer. Persons wishing to accept the Offer should not use the mails or any means of instrumentality (including without limitation, by means of facsimile or electronic transmission, telephone or Internet) of interstate or foreign commerce of or any facilities of a securities exchange of, or in or into, the Overseas Jurisdictions for any purpose, directly or indirectly, relating to acceptance of the Offer. In any event, Overseas Shareholders should inform themselves about and observe any applicable legal requirements. **If you are in doubt about your position, you should consult your professional adviser in the relevant jurisdiction.** Further details in relation to Overseas Shareholders will be contained in the Offer Document.

3. **Brief information on Bioton**

- 3.1 Bioton is a company incorporated in Poland and is listed on the WSE. It is a biotechnological company and its principal activities include manufacturing clinically important modern drugs, including recombinant human insulin and its pharmaceutical forms, preparations from the cephalosporine, aminoglycoside and macrolide groups. As at the date of this Announcement, Bioton has a share capital of 177,781,997 ordinary shares which have been issued and are fully paid-up. Its market capitalisation as at 16 January 2006 was 2,560 million Polish Zloty.

- 3.2 Based on latest information available to Bioton, as at 16 January 2006, the major shareholders of Bioton include Prokom Investments S.A. ("Prokom") with 45.50% votes, NIHONSWI AG with 14.04% votes, and Instytut Biotechnologii i Antybiotyków (Biotechnology and Antibiotics Institute) with 10.21% of votes.

On 5 January 2006, Bioton's Management Board adopted a resolution to increase Bioton's share capital by the issue of between 1 to 8,500,000 ordinary bearer series E shares (the "Series E Shares") with a nominal value of 1 Polish Zloty each. The Series E Shares will be offered to Prokom in connection with Prokom's agreement to finance Bioton's capital expenditures, including the Offer. The offer of the Series E Shares will not be made before the close of the Offer. Prokom has agreed to subscribe for such number of the Series E Shares offered by Bioton's Management Board as will allow it to refinance the total amount of the drawn financing granted to Bioton by Prokom, provided that Prokom shall only subscribe for such number of shares that will not, among other things, cause Prokom's equity stake and votes in Bioton to exceed respectively 50% of Bioton's share capital and the total number of votes at Bioton's shareholders' meeting.

4. Brief Information on SciGen

- 4.1 SciGen is a company incorporated in Singapore and is listed on the ASX. It is not listed in Singapore. It is a company headquartered in Singapore with offices in Australia, USA, Korea, Vietnam, Hong Kong and Philippines. 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.

5. Disclosures of Shareholdings

As stated in Section 1.1 above, as at the date of this Announcement, Bioton owned 146,133,383 SciGen Shares, representing approximately 26.5% of the issued share capital of SciGen. Upon the completion of the Acquisition, Bioton will own an aggregate of 246,826,215 SciGen Shares, representing approximately 44.7% of the issued share capital of SciGen.

Save as disclosed in this Announcement, based on the latest information available to Bioton, as at the date of this Announcement, neither Bioton nor parties acting in concert with Bioton (i) owns, controls or has agreed to acquire any SciGen Shares or securities which carry voting rights in SciGen or are convertible into SciGen Shares or securities which carry voting rights in SciGen, or rights to subscribe for, or options in respect of, SciGen Shares or such securities, (ii) has received any irrevocable undertaking from any party to accept or reject the Offer.

6. Other Terms under the Agreement

Pursuant to the Agreement, Bioton has agreed to:-

- (a) appoint Mr Saul Mashaal (the current Executive Vice Chairman, Founder and Chief Executive Officer of SciGen) to Bioton's Supervisory Board;
- (b) use its best efforts to cause Mr Mashaal to remain in the management of SciGen for a period of 5 years from the date of the Agreement under the terms and conditions of his current employment agreement with SciGen; and

- (c) use its best efforts to cause Mr Mashaal to receive an assignable, in whole or part, stock options in SciGen for 7.5% of SciGen's shares for the exercise price of A\$0.05 per SciGen Share. The stock options are exercisable by Mr Mashaal for a 10-year period commencing upon the earliest of the following to occur:
- (i) SciGen breaks even in any year up to 30 June 2009;
 - (ii) SciGen's net profit exceeds US\$2 million level in any year up to 30 June 2010; or
 - (iii) SciGen's net profit exceeds US\$5 million level in any year up to 30 June 2011.

Based on latest information available to Bioton, Mr Mashaal does not presently hold any SciGen Shares. He is, however, deemed to have an interest in the SciGen Shares owned by Scitech, which is the subject of the Agreement, by reason of his deemed interest of not less than 20% in the issued share capital of Scitech. Based on latest information available to Bioton, Mr Mashaal currently holds 9,379,311 Options which are exercisable into 9,379,311 SciGen Shares representing approximately 1.7% of the existing issued share capital of SciGen.

The rationale for the above arrangements is to retain the services of Mr Mashaal, who is one of the key management executives of SciGen. The SIC has ruled that the proposed issue of stock options in SciGen to Mr Mashaal, Mr Mashaal's appointment to Bioton's Supervisory Board and his continued employment with SciGen under the Agreement do not constitute a special deal under Rule 10 of the Code.

Pursuant to the Agreement, Bioton has also agreed to make its best efforts in order to support SciGen's investments up to the amount of A\$30 million.

7. Confirmation of Financial Resources

- 7.1 Bayerische Hypo-und Vereinsbank AG, Singapore Branch confirms that sufficient financial resources are available to Bioton to satisfy full acceptance of the Cash Alternative by SciGen Shareholders.

8. Offer Document

- 8.1 The Offer Document containing the terms and conditions of the Offer, and enclosing the appropriate form(s) of acceptance of the Offer, will be dispatched to holders of Offer Shares whose addresses are in Singapore and Australia not earlier than 14 days and not later than 21 days from the date of this Announcement. SciGen Shareholders are advised to exercise caution when dealing in SciGen Shares.

9. Announcements to be made under the Offer

- 9.1 The SIC had on 17 January 2006 ruled that Bioton is required to comply with all disclosure requirements under the Code and, in this connection, references in the Code to "announcement" means an announcement on the ASX and references to "press" and "paid press notice" means the Australian press and advertisements in the Australian press.

10. Responsibility Statement

- 10.1 The directors of Bioton's Management Board (including those who may have delegated detailed supervision of this Announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Announcement are fair and accurate and that no material facts


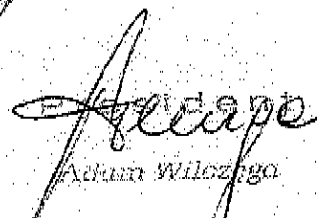
have been omitted from this Announcement, and they jointly and severally accept responsibility accordingly.

Where any information has been extracted from published or publicly available sources (including, without limitation, information relating to SciGen), the sole responsibility of such directors of Bioton's Management Board has been to ensure through reasonable enquiries that such information is accurately extracted and reflected in this Announcement.

By Order of the Board
Bioton S.A.

Adam Wilczęga, the President of the Management Board
Piotr Wielesik, the Vice-President of the Management Board

18 January 2006


Vice President

President
Adam Wilczęga