



JOINT VENTURE PROGRESSES ESTABLISHMENT OF CHINESE MANUFACTURING FACILITY

Singapore and Australia. Friday 28 September 2006. ASX listed and Singaporean-based biopharmaceutical company SciGen Limited (ASX:SIE) wishes to update its shareholders on the status of its joint venture to establish a manufacturing facility for biopharmaceuticals in the People's Republic of China.

SciGen previously announced on 13 December its intention to establish a GMP (good manufacturing practice) and EMEA compliant facility to produce a range of biopharmaceuticals including SciGen's recombinant human insulin SciLin™ and hepatitis B vaccine Sci-B-Vac™. The benefit to SciGen is a third facility capable of producing its lead products and allowing the company to meet its current and future supply agreements in the region. SciGen will own 51% of the facility.

The joint venture partners with SciGen are Hefei Life Science & Technology Park Investments & Development Co. Ltd. with its registered offices in Hefei, China and Polish biopharmaceutical company Bioton S.A, SciGen's largest equity holder.

The agreements were made under a condition precedent of obtaining consent of the Minister of Commerce as well as the consent of SciGen's Board of directors and Bioton's supervisory board.

SciGen will hold 51% in the Joint-Venture's share capital, Hefei 25%, and Bioton 24%.

The Joint-Venture's scope of activities shall include:

- i) manufacturing of ready made forms of bioPharmaceuticals;
- ii) delivery of ready made forms of insulin and hepatitis B vaccine to distributors and sale of those products within the territory of China.
- iii) conduct of development research within the scope of biotechnological products.

The investment has the value of US\$25 million, US\$12.5 million constituting payments for the share capital. The amount and the dates of payments for the share capital have been established as follows:

- i) BIOTON will pay US\$450,000 within 90 days and the remaining US\$2,550,000 within two years from the date of registration of the Joint-Venture;
- ii) SciGen will pay US\$956,250 within 90 days and the remaining US\$5,418,750 within two years from the date of registration of the Joint-Venture; SciGen financial contribution to the Joint Venture will be paid out of the fees to be paid by Bioton to SciGen for the rights to be part of this Joint Venture in China.
- iii) Hefei will make, within 30 days, an in-kind contribution consisting of land having the value of US\$1,100,000 and US\$2,025,000 in cash within two years from the date of registration of the Joint-Venture.

The agreements are governed by Chinese law.

“The establishment of the Joint-Venture in China is an important step for SciGen to make a rapid entry into the lucrative and booming Chinese market for both human insulin and hepatitis B,” said Saul Mashaal, CEO of SciGen and Chairman of the Joint Venture.

About SciGen

SciGen Ltd is a biopharmaceutical company involved in commercializing later stage research. It co-develops and markets 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 allow for faster entry into the market, as biogeneric products have undergone much of the clinical development and trials required to bring drugs to market. This minimizes 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 in Australia, USA, Korea, Vietnam, Hong Kong, and Philippines and partners in India, China, Indonesia, Israel, Poland, Austria and the Netherlands.

Further information:

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