



Chairman's AGM Address 2005

Sydney, 21 November 2005.

Firstly I would like to welcome you all to the annual general meeting of SciGen on behalf of the Board and Management. We are delighted you can be here today.

The year has been one of continuing advancement, coupled with some challenges, as the company continues to work toward achieving its vision of Delivering Human Solutions.

During the year, SciGen reached a number of financial and operational milestones.

The Group's revenue increased by 19% over the previous year to S\$7.7M primarily through increased sales of SciLin™ and SciTropin™ in the Asia Pacific region with India as the territory showing the greatest revenue growth. SciGen's net cash flow from operating activities improved by \$1 M or 21% over the prior year and the group finished the year with a healthy cash balance of S\$15.4 M.

The company achieved health registration of its recombinant human insulin, SciLin™ and its recombinant human growth hormone, SciTropin™ in India. Sales of SciLin™ began in India in late December through our partner Shreya Biotech. SciLin™ also attained health registration in Thailand just last week and earlier in the Philippines, with the product now ready for launch in both countries in 2006. We have also entered into commercialization agreements for the sale of SciLin™ in Sri Lanka.

This year SciGen secured the exclusive worldwide rights to manufacture, distribute and market our third generation proprietary Hepatitis B vaccine - Sci-B-Vac™. We believe that this will be a key driver in our business due to the excellent profile of Sci-B-Vac™ which we believe is superior to other products on the market.

As part of our program for Sci-B-Vac™ we announced the establishment of a new manufacturing facility for the vaccine in Israel to assist in a faster return to market of the product following Savient Pharmaceuticals' decision to cease manufacture of the product. Operating this new facility in conjunction with the new Shreya Biotechnology facility in India will ensure continuity of supply of Sci-B-Vac™ in the future. We have also secured a commercial partnership with the accomplished European biotechnology company Berna Biotech to market, sell and distribute Sci-B-Vac™ in Western Europe for immunization against the Hepatitis B virus. This marks our dedication to expanding our operations into Western Europe.

In December 2004, SciGen announced a joint development initiative with the highly reputable and publicly listed Intercell A.G. of Vienna, Austria to explore the potential of SciGen's third generation Hepatitis B vaccine, Sci-B-Vac™, for the treatment of chronic Hepatitis B infection. While this is an early stage project, we are very excited about the potential to develop a blockbuster product of such importance. A therapeutic vaccine would significantly reduce the burden of the disease and meet a high medical demand in an attractive market. Currently there is no therapeutic vaccine against Hepatitis B available. The consequences of chronic Hepatitis B infection include liver cirrhosis and liver cancer, both incurable diseases usually with tragic outcomes. Any therapeutic agent developed to comprehensively and successfully treat Hepatitis B infection would be regarded by the international medical community as a revolutionary breakthrough.

SciGen announced the relocation of its management team to Asia in June. In line with the development of our business in the Asia Pacific the Board felt it necessary to undertake this change. However, while this change has occurred, the Board continues to recognize the importance of SciGen's presence in Australia and its Australian shareholders. This commitment will not change.

The milestones achieved in the past 12 months are indicative of a growing business with the necessary sales and development activities and key partners in place. Although SciGen has not yet reached positive cash flow and earnings; as the company continues to invest in growth, our climbing revenues and ongoing registrations are clear hallmarks of success in the future.

I would like to address some key developments since the end of FY 2005.

In mid October we announced a highly significant agreement regarding the distribution of Sci-B-VacTM in China by Hefei Life Science Park Investment & Development Company. This seven year agreement will start on registration of Sci-B-VacTM, expected in 2007. The revenue expected over the seven year period will be at a minimum US\$145.

This agreement is non-exclusive which allows SciGen considerable control over the future of Sci-B-VacTM sales and marketing in China. The sales targets agreed by Hefei are substantive and SciGen anticipates generating revenue from this agreement in the first quarter of 2008 subject to securing registration.

As you will be aware, at the end of October we announced the share swap agreement between our two largest shareholders Bioton SA and SciTech Genetics which will see Bioton take at least 44.7% equity in SciGen. Bioton is an important strategic partner of the company's and we believe its increased interest will deliver many benefits to the company. Firstly, it will ensure our financial stability over the coming years through the commitment by Bioton of a \$30m

lending facility to assist in the expansion and rapid implementation of our product portfolio; secondly we get an immediate benefit through the reduced price at which we will now source SciLin™ from Bioton; and finally we will work collaboratively with Bioton to identify new projects and opportunities to expand our portfolio and secure the future of the company.

A consequence of Bioton's increased equity is the compulsory Offer to all SciGen shareholders to purchase or exchange their shareholdings. This is a requirement under Singaporean corporation law. Bioton will be required to issue a Prospectus for the Offer and as a Board we will be obtaining independent advice and a valuation report on the Offer which will form the basis of our recommendation to shareholders.

While Bioton may have a controlling interest in SciGen at the end of the transaction, the intention is for the company to remain listed in Australia and we do not anticipate any changes to the management or to the strategic focus of the company.

In keeping with our vision of Delivering Human Solutions and an acceptable return to shareholders, SciGen's medium to long term future, including entrée to the European markets, will be based on continued successful commercialization of our existing product portfolio and strategic expansion of our networks and partnerships to secure new products.

We are confident that the company is well positioned to deliver shareholder value in the near future. While we have achieved much in the past twelve months we recognize that there is still much to do in our bid to provide an appropriate return to investors. Growth in the use of pharmaceuticals and generic pharmaceuticals in particular, continues to be significant in markets around the world and shows no sign of abating. As patents reach their expiry dates, opportunities will continue to increase.

In 2004, whilst the growth of patented pharmaceuticals slowed to below 10%, that of generic pharmaceuticals and biotech products grew by approximately 20% reaching US\$38b worldwide. The market for SciGen's existing products is increasing as part of this global trend. Of immediate benefit to SciGen, governments and other parties funding healthcare are looking more to generic pharmaceuticals as a way of offering high quality pharmaceuticals at a lower price.

Our combined strategies of selecting products with growing markets, establishing efficient manufacturing operations and introducing the products to growth markets stand SciGen in good stead for future growth.

Together with Saul Mashaal and other Directors and Management of the company, we invite your questions and discussion.

Thank you

Mr Paul Freiman, Chairman SciGen Limited.

Further information:

Investor Relations and Media	Company
Rebecca Wilson Buchan Consulting +61 2 9237 2800 +61 417 382 391 (mobile) rwilson@bcg.com.au	Saul Mashaal Executive Vice Chairman, Founder & CEO SciGen Ltd. + 61 2 9234 1700 +65 9630 5691 (Mobile)