



ASX announcement:

SciGen strategic partner Bioton increases investment through share exchange agreement

Sydney, Australia. 31 October 2005. ASX listed and Singaporean-based biopharmaceutical company SciGen Limited (ASX: SIE) advises the market that its two largest shareholders, SciTech Genetics Pte Ltd (**SciTech Genetics**) and Bioton have entered into a share exchange agreement, which may result in Bioton gaining 44.7% equity in SciGen.

Acquisition of SciGen Shares by Bioton

On 28 October SciTech Genetics and Polish biopharmaceutical company Bioton entered into a share exchange agreement pursuant to which SciTech Genetics has agreed to sell its 19.17% shareholding in SciGen, comprising 105,692,832 SciGen shares, to Bioton in consideration for cash and shares in the capital of Bioton.

The majority shareholder of SciTech Genetics is SciTech Medical Products Pte. Ltd (**SciTech Medical**). SciTech Medical is a private healthcare company based in Singapore. The current founder and CEO of SciGen, Mr. Saul Mashaal, a major shareholder, stated "The Board of Directors of SciTech Genetics has agreed to proceed with the Share Exchange Agreement following Bioton's confirmation in writing to commit to investing A\$30 million dollars in SciGen. This will enable SciGen to move forward in its business development."

Mr Mashaal will remain as SciGen's Executive Vice Chairman and CEO, and will be elected to the supervisory board of Bioton.

As a result of the share exchange agreement with SciTech Genetics, Bioton will increase its shareholding in SciGen from 25.6% to 44.77%, subject to certain conditions being satisfied, such conditions being governmental approvals in both Poland and Singapore. Under Singaporean corporation law, Bioton will be required to offer to acquire all the remaining ordinary shares in SciGen.

Under the agreement:

- (1) SciTech Genetics is selling its shares to Bioton for A\$0.075 per SciGen share, a premium to the current ASX market price of A\$0.067 (as of 4.30pm Friday 28 October)
- (2) The proceeds of the sale will comprise of A\$1.5 million in cash and the balance exchanged for Bioton shares at 7.4 polish zlote (approximately A\$2.98). Bioton share are presently trading at around 10.5 zlote.

- (3) Bioton has committed in its agreement with SciTech Genetics to invest A\$30 million in SciGen to accelerate the launch of SciGen's portfolio of biopharmaceutical products to market. Terms of the investment in SciGen are to be agreed between Bioton and SciGen. At present there is no binding agreement between Bioton and SciGen.
- (4) Bioton will offer to purchase the shares of all ordinary shareholders for A\$0.075 once conditions of the share exchange agreement between Bioton and SciTech Genetics are satisfied.
- (5) SciGen shareholders will have the option to purchase Bioton shares from the proceeds of the sale of their shares to Bioton at a price of 7.4 polish zloty per share, a discount to the current trading price of 10.5 zloty. Under the offer, 50% of any such Bioton shares issued will be escrowed for six months and the balance of such Bioton shares will be escrowed for 18 months.
- (6) In the event that conditions are not satisfied within 12 weeks, the Share Exchange Agreement between Bioton and SciTech Genetics becomes null and void.

More information concerning the expected timing of the receipt of the takeover offer and the timetable under that offer will be made available as soon as more information concerning the satisfaction of the conditions in the share exchange agreement is available.

About Bioton

Bioton has operated in the Biopharmaceutical market since 1989 and offers modern pharmaceuticals used in diabetic therapy, antibiotics, and anticancer medicines. Both SciGen and Bioton secured the license of their respective recombinant human insulin SciLin™ from BTGC (now Ferring). Bioton has been considered an important strategic and commercial partner for SciGen. The Polish SEC admitted Bioton's shares to public trading in 2004.

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.

A Teleconference will be held for investors at 10:30 am today.

Further information:

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