1 March 2018

Dear Optionholder,

BIO-GENE TECHNOLOGY LIMITED – LOYALTY OPTION ISSUE

On 20 February 2018, Bio-Gene Technology Limited (ASX:BGT) (**Bio-Gene** or the **Company**) announced that it is proposing to conduct a pro rata bonus issue of Loyalty Options (**Loyalty Options**). The bonus issue of Loyalty Options was foreshadowed in the Company's IPO Prospectus. Each Loyalty Option will have an exercise price of $0.20 (20 cents) and expire on 4 December 2018, and be issued on the basis of one Loyalty Option for every five ordinary BGT shares held at 7 March 2018 (**Record Date**). The Company has today lodged a Prospectus for the issue of the Loyalty Options.

Your existing options do not entitle you to receive Loyalty Options. You will only be entitled to receive Loyalty Options if you exercise your existing options (in accordance with the terms of such options) and ordinary BGT shares received from the exercise of such existing options are entered in the Company's share register on or before the Record Date.

The purpose of this letter is to give you notice prior to the Record Date such that you may exercise your options should you wish to receive Loyalty Options.

The market price of the Company's shares as at the close of trade on the day prior to the date of this letter was $0.19 (19 cents) per share, whereas the exercise price of your existing options is $0.20 (20 cents).

If you exercise your options and shares received from the exercise of such options are entered into Bio-Gene's share register on or before the Record Date, and have a registered address in Australia and/or New Zealand, you will receive one Loyalty Option for every five ordinary BGT share held as at the Record Date. Any shares issued upon exercise of your options will be subject to mandatory ASX imposed escrow until 29 November 2019.

Summary of key information	
Issue	Pro rata issue of one Loyalty Option for every five ordinary BGT shares held as at the Record Date
Exercise price of Loyalty Options	$0.20 (20 cents)
Expiry Date	4 December 2018
Eligible shareholders	The following shareholders will be eligible to receive Loyalty Options: - holders of shares on the Company's register of shareholders at the Record Date; and - who reside in Australia and New Zealand.

If you have any questions in relation to the proposed issue of Loyalty Options, please contact Bio-Gene by email on bgt.shareholder@bio-gene.com.au or by telephone on +61 3 9628 4178.
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Yours sincerely,

Roger McPherson
Company Secretary

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