



**Chairman's Address
BioTech Capital Ltd
Annual General Meeting 28th November 2005**

First of all, let me extend a welcome and thank you for taking the time to attend the 5th Annual General Meeting for BioTech Capital Ltd and my first as your new Chairman. We have on the agenda today several items of business which I will come back to later.

In accordance with normal practice I will make some preliminary remarks and then ask Mr Harry Karelis to provide a detailed presentation on the activities of the company and the likely outlook for the next 12 months. On conclusion of this address I will open the meeting for questions and discussion.

As always, the Board welcomes your involvement and is very happy to address any questions or issues you may have. Furthermore, at the end of the formal meeting we would be pleased to have informal discussions with any of you that have the time available.

The past financial year represented a milestone in the history of the company. Traditional private equity funds typically have three phases. The first phase is the active investment phase in which funds are committed and this typically represents the first three to five years.

The second phase is the building and maturing phase in which investees grow their businesses and achieve key milestones. This period is usually a further three to four years following the initial investment. The final phase is when investment gains are realized and profits returned to investors.

We believe BioTech Capital is now in the second phase of the life cycle described above. A number of portfolio companies achieved milestones that have led to increased value to the fund and several companies raised capital in the public equity markets at significantly higher valuations than our entry price.

These include Stem Cell Sciences which was able to successfully raise capital on the London Stock Exchange's Alternative Investment Market (AIM).

Another portfolio company to raise capital was new investee Phylogica which listed on the Australian Stock Exchange at well above our entry price.

Our imaging company, XRT, reported solid progress in the commercialisation of its unique high resolution imaging platform. We recently announced that the company had raised significant funds from a syndicate of London based investors.

Continence Control Systems has begun recruiting patients for a pilot trial of its treatment for severe urinary incontinence, a US\$1 billion per annum market. This marks a very significant milestone for the company.

The major disappointment for the year was in the performance of former investee company Proteome Systems following its listing in late 2004. This stake was sold at a loss to the fund. This was offset by the profitable disposal of our stake in Xenome and the sale of options in Clinical Cell Culture ahead of their expiry date.



Overall, we are very pleased with the above, which clearly demonstrates that our portfolio has continued to progress despite the sentiment in the financial markets towards the biotechnology sector in Australia being far from positive during the past financial year. Investors have avoided the biotechnology sector as they enjoy excellent returns in other sectors, particularly resources.

It is clear that underlying value has been growing in the company although not immediately reflected in the share price. To help address this and better communicate the story to investors, we recently commissioned a detailed research report on BioTech Capital by industry leader AEGIS Equities. I am pleased to report that this comprehensive 48 page report resulted in a "Recommended" rating providing the opportunity to now market the company to an extensive network of financial advisors across the country.

Your Board is fully committed in its focus on shareholder returns and as a result of continued trading of the company's shares at what we believe to be excessive discounts to underlying value we announced the implementation of an on-market share buyback program.

The Board took into consideration a number of factors including current and projected requirements for additional investment capital, the likelihood of boosting current cash reserves through assets sales, the persistence of an excessive discount despite the successful listing and new financings of several investees and the generally positive outlook for the sector in general. At the current share price, this program will result in an increase in net tangible asset backing per share.

On a final note, on behalf of the Board I would like to pass on our best regards to Bill Ireland who is retiring from the Board at today's meeting after serving as Foundation Chairman since the company's inception five years ago. As some of you may know, without Bill's support Biotech Capital would never have come into existence and I would like to pass on a formal note of thanks to Bill.

I thank you for your support as shareholders and would now like to turn to the next item on today's agenda and invite Harry Karelis to provide an overview of the last 12 month's activities and provide an opportunity for you to ask questions.

Kathryn Greiner
Chairman