

**BIOTECH CAPITAL LTD
ANNUAL GENERAL MEETING
WEDNESDAY 17TH NOVEMBER 2010**

CHAIRMAN'S ADDRESS

Good afternoon ladies and gentlemen and welcome to the 2010 Annual General Meeting for BioTech Capital Ltd.

The past year has been one of change for BTC as the Board progressed with its decision to discontinue actively investing in the life-sciences area given the continued chronic investor apathy towards the sector.

We flagged last year that no new investments would be made in the sector and that we would focus on supporting existing investees and taking active steps to monetise these holdings and return capital to shareholders.

BTC was established in 2000 and managed in a similar fashion to a traditional private equity fund but as an "evergreen" fund it had no formal wind up date. In addition, BTC was listed on the stock market whereas traditional private equity funds remain unlisted and very illiquid during the term of their investment horizon. It has become clear that running private equity style mandates in a publicly listed entity has several drawbacks. In particular, the inability to properly communicate the diverse range of holdings and in particular the private investments, results in the share-price trading consistently at a large discount to the underlying asset value.

As part of this restructure, shareholders recently approved the acquisition of the external investment manager – Titan Bioventures Management – and internalise the investment management function. This forms part of an orderly strategy over a 24 month time-frame to liquidate the portfolio and return capital to shareholders without compromising our ability to extract maximum value from our investments.

The Board has conducted a review of the unlisted investment portfolio and have adopted a very conservative provisioning approach recognising the shorter time-frame to realise these investments under the revised strategy.

Asset sales have commenced and we have sold our stakes in Alchemia and Starpharma. In keeping with our previously announced plan, as proceeds are received from these sales the Board would begin to implement dividends and/or other capital management strategies. We recently declared a 2 cent per share dividend and expect to be in a position to return additional capital to shareholders over coming months.

We also announced the retirement from the Board of Professor Tony Basten as the focus was on divestments and containing administrative costs and as such no longer required a skill set similar to Tony's. We would like to thank Tony for his contributions to the Board over the years and wish him well for the future.

The broader economic picture globally remains fragile with limited signs of a sustainable upturn in the major developed economies. Australia seems to continue to stand out from the majority of the rest of the world with a very resilient economy driven largely by a booming resources sector.

Investor appetite for risk, at least in the life sciences area, remains weak and confirms the Board's view that the current structure of BioTech Capital is not optimal to derive acceptable returns from the Australian life-science sector.

In conclusion, I thank you for your ongoing support and invite Mr Harry Karelis to make his presentation.

Kathryn Greiner
Chairman