



16 October 2012

SHAREHOLDER UPDATE

- **General update**
- **Board changes**
- **1 cent per share dividend**

Dear Shareholder

The Board of BioTech Capital Ltd ("BTC") would like to provide an update on the current status of the company.

Investments

In 2010 shareholders approved a change of strategy whereby the company would cease making new investments and instead focus on liquidating its portfolio of largely unlisted investments in an orderly manner. Since that change in strategy the company has distributed dividends totaling eight cents per share.

This process is now largely complete with only two remaining investments, Sensear Pty Ltd and Biocomm Services Pty Ltd. We have explored a number of potential exit routes for Sensear and continue to look at methods of realising its value. The timing and ability to secure an appropriate exit for our holding in Sensear remains uncertain and dependent on a range of factors and as such the Board can offer no guidance on a realistic time-frame to achieve a suitable exit.

Biocomm Services Pty Ltd is in the final stages of a member's voluntary liquidation awaiting clearance from the Australian Taxation Office before proceeding with a distribution of available assets and the Board is optimistic of receiving the cash proceeds prior to January 2013.

Board Changes

As previously announced, Ms Kathryn Greiner has announced her retirement from the Board. Ms Greiner was appointed a non-executive director and Chairperson in 2005. The Board would like to thank Ms Greiner for her contributions over that time and wish her well in future endeavours. Mr Alastair Davidson has assumed the role of Chairman of BTC.

In addition, we welcome the appointment of Mr Edward Taylor as a non-executive director to the Board of BTC. Mr Taylor is a Partner in Adelaide-based accounting group Shearer & Elliss and has extensive experience in business and taxation matters. Mr Taylor will replace Ms Greiner on 1 November 2012.

Dividend

We also declare a 1 cent per share unfranked dividend to shareholders registered as at 25 October 2012 with an ex-dividend date of 19 October 2012. There is no conduit foreign income in relation to this dividend and the payment date is expected to be on or around 12 November 2012. As a Pooled Development Fund, this dividend is considered tax-exempt income and therefore not taxable in the hands of shareholders.



Future of the Company

The Board believes that it is important, in the short term, for BTC to remain as a listed entity and retain the "listed shell" value for the benefit of shareholders. The Company will retain the ability to identify and secure new investment opportunities that have the potential to generate future value for shareholders. Shareholders will be given the opportunity to fully consider and vote on pursuing any new project at the appropriate time.

About BioTech Capital Ltd

BioTech Capital Ltd ("BTC") is a listed investment fund currently conducting an orderly wind-down of its holdings pursuant to a change in investment activity approved by shareholders in 2010. As a registered Pooled Development Fund (PDF), investors are generally exempt from tax on capital gains and income. BTC is listed on the Australian Stock Exchange (Code: BTC). Additional information can be found at www.biotechcapital.com.au

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