

**BIOTECH CAPITAL LTD
ANNUAL GENERAL MEETING
WEDNESDAY 19TH NOVEMBER 2008**

CHAIRMAN'S ADDRESS

Good afternoon ladies and gentlemen and welcome to the 2008 Annual General Meeting for BioTech Capital Ltd.

It is clear that the past year has been very challenging for both the Australian economy and the Australian biotechnology sector.

The economy faces unprecedented challenges on a number of fronts – with collapses in major credit markets spilling over to recessionary environments in most developed economies and slowdowns in emerging markets. The world is currently gripped by fear and uncertainty.

These factors led to the worst financial year performance since 1982. The benchmark S&P/ ASX 200 Index closed the financial year down 17%, its first loss since 2002. This overall negative return masked some more significant falls in sectors usually considered defensive including property trusts and banks. In addition, the ten worst performing stocks in the S&P/ASX 200 were down over 80% on average. The month of October proved to be a very bad month for markets as investors continued to bail out of investments across the board.

Investors have understandably cut their exposure to equities and risky asset classes as they look for clear signs that the global economy has stabilised and the absence of further credit-related write-downs from the financial sector.

The biotechnology sector has not been immune from the broader trends and investors have faced a difficult year. The broader sector has been heavily sold down over the past 12 months falling on average by about 50%. Despite the continued strong progress by many of these listed companies and compelling valuations, investors have erred on the side of caution and indiscriminately exited the sector.

Most observers expect volatility to continue in the financial markets. In addition to the challenges this will pose for the biotechnology sector, this offers significant opportunity to those investors well placed to take advantage of distorted market valuations. BioTech Capital remains focused on seeking out these opportunities and investing in companies with clear commercial promise but on terms favourable to shareholders in BioTech Capital.

Finally, the Board has taken the view that it is an opportune time to seek your approval to drop the Pooled Development Fund (PDF) status of Biotech Capital Ltd. The Board believes that the absence of investment restrictions imposed as a PDF will provide a greater universe of opportunities to generate wealth for shareholders. There are a number of issues to consider and these are outlined in the Explanatory Memorandum attached to the Notice of Meeting. There will be an opportunity for greater discussion and questions on this issue later in this meeting.

In conclusion, I thank you for your patience and support in these difficult markets and invite Mr Harry Karelis to make his presentation.

Kathryn Greiner
Chairman