

November 05, 1998

***BioTime officers retract statements regarding FDA approval.***

On October 26, 1998 Asensio & Company, Inc. released a report concerning expectations for Hextend's FDA marketing approval. The report stated that management fostered a belief that approval would be expedited. Also on October 26th, after our report was issued, a Dow Jones News article included the statement that "BioTime President Ronald S. Barkin denied outright that his company has led investors to believe Hextend was granted priority-review status." In fact, both Mr. Barkin and Dr. Ronald Leonardi, BioTime's FDA regulatory consultant, have stated that BioTime expected Hextend to receive FDA expedited review.

During a conference call from Puerto Rico on January 20, 1998, Dr. Leonardi said that he believed that Hextend's NDA "should be expedited or given a priority review which means that the agency must act on the application within six months." Dr. Leonardi further elaborated stating that his reason for believing Hextend's NDA would be expedited was based on the product's safety, and not its efficacy. In a presentation at the Montgomery Securities Healthcare conference in New York on July 14, 1998, Mr. Barkin stated that he knew the "application has been accepted, and our belief is that they will treat this in an expedited manner and that we will get a six-month review and we do believe that we will get an actual letter from the FDA in September or October of this year."

We believe that the above quotes clearly and convincingly show Mr. Barkin's denial to be baseless and false. In any case, BioTime's Hextend NDA is based on clinical trials whose primary endpoint demonstrated simple equivalency to another existing commodity-based product, not greater safety or efficacy. The NDA is not complex, should be approved and approval should come in a reasonable period of time. Our negative opinion of Hextend is not based on a risk that Hextend will not be approved or that approval will be delayed. It is based on Hextend's extremely small margin and sales potential, and BioTime management's fraudulent stock promotion, which has caused the stock to trade at excessive levels. As a result, we estimate that BioTime shares will soon trade below \$1 per share.

BioTime, Inc. (OTC Symbol: BTIM) (Price: \$11.75)

Short selling involves a risk not associated with the purchase of stock including, but not only limited to, unlimited loss and stock borrowing risks. Additional information is available upon request.