

October 26, 1998

***BioTime Hextend fails to meet priority review standards.***

Investors may be buying BioTime, Inc. (OTC Symbol: BTIM) (Price: \$10.625) shares believing that Hextend's New Drug Application ("NDA") has received U.S. Food and Drug Administration ("FDA") priority review and that marketing approval is imminent. Management has fostered these expectations by stating that it "believes" Hextend's NDA is receiving FDA priority review. There is no legitimate reason for management to qualify its priority review statements. If Hextend had qualified for priority review BioTime would know. In fact, BioTime could have known if Hextend qualified for priority review even before clinical trials began in October 1996.

If the Hextend's NDA had been reviewed on a priority basis, BioTime would have received FDA notification concerning approval within six months of its completion. This six month period has elapsed and BioTime has not disclosed that the FDA has approved or denied the application, or requested additional information. Furthermore, there was never any reasonable basis to believe that Hextend, a simple, commodity-based product that offers no new medical or cost advantages, would meet the FDA's requirements for priority review.

BioTime's stock promotion was based on the claim that Hextend was a blood substitute product. It is not. Hextend is a simple, low-margin, commodity product that if approved will be one of three products competing in an estimated \$30 million declining market. BioTime's principles also sold Cryomedical Sciences, Inc.'s (Symbol: CMSI) stock to the public claiming to be developing a blood substitute product. CMSI's stock currently traded at \$0.125 per share. We believe that BioTime possesses no asset or future potential that can remotely support its current over \$120 million market value. As a result, we estimate that BioTime shares will soon trade below \$1 per share.

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.