

May 17, 1998

BioTime analyst issues false report.

David K. Crossen, an analyst employed by NationsBanc Montgomery, issued a new report on BioTime, Inc. (OTC Symbol: BTIM) (Price: \$9.625) last week in response to an article criticizing the company in The Wall Street Journal. Since June 10, 1997 Mr. Crossen has written at least 19 highly positive reports on BioTime. The reports contain numerous material omissions of fact, false statements and factual errors. Mr. Crossen's April 29th report serves to illustrate his use of false and misleading statements to promote BioTime's stock.

In his latest report Mr. Crossen writes that it was BioTime's bankers and lawyers who claim its products could be used as a blood substitute. This is not true. BioTime's management is responsible for their material misrepresentation of the possible uses and sales potential of its proposed product. Mr. Crossen also claims that these misrepresentations have no bearing on Hextend's use by physicians. This is true. The fact is that regardless of Mr. Crossen and BioTime's false statements and claims, the FDA will not allow the use of Hextend without a limitation on dosage, and physicians will not use Hextend beyond those limitations.

Mr. Crossen uses his false dose and safety claims in order to support his further false claim that Hextend's sales will exceed even those of the entire hetastarch market. There exists no evidence of any kind that supports either of these claims. Hextend and Hespan are for all intents and purposes the same. They are not drugs as Mr. Crossen calls them. They are simple, low cost hetastarch solutions.

BioTime's own trials showed absolutely no statistically significant difference in amount used or bleeding risk between Hextend and Hespan. Any statements to the contrary are necessarily false and irresponsible.

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.