

April 29, 1998

BioTime possesses no valuable product or technology.

BioTime, Inc.'s (OTC Symbol: BTIM) (Price: \$11.125) management claims that Hextend, its principal product candidate, has annual sales potential of \$750 million. This is untrue. In fact, there is no factual or reasonable basis for this claim. BioTime's management has also claimed that Hextend is a synthetic substitute for certain human blood products. This claim is also completely false. Hextend is a simple, commodity-based plasma volume expander. Hextend performs none of the blood's essential life-supporting functions. Hextend offers no advantage over its competitors. If approved it will have to compete on price in an already declining \$30 million market.

BioTime possesses no asset or future potential that can remotely support its current stock price. We believe that BioTime's false product and sales potential claims were purposely disseminated by management to defraud investors. Even based on BioTime's own unrealistic FDA-approval schedule and price assumption, we believe the shares are worth much less than \$2.

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.