

BIOSIGNAL LIMITED

ANNUAL GENERAL MEETING , 25 NOVEMBER, 2008

CHAIRMAN'S ADDRESS

WELCOME TO THE FIFTH ANNUAL GENERAL MEETING OF BIOSIGNAL LIMITED. THIS MORNING I WILL TALK BRIEFLY ABOUT THE COMPANY'S PROGRESS IN FISCAL 2008, AND ABOUT SOME OF THE ISSUES AND OPPORTUNITIES WE ARE FACING IN FISCAL 2009. I WILL THEN HAND OVER TO OUR MANAGING DIRECTOR, PROFESSOR PETER STEINBERG, WHO WILL MAKE A DETAILED PRESENTATION ABOUT THE PRESENT AND PLANNED ACTIVITIES OF THE COMPANY. AFTER PETER'S PRESENTATION, WE WILL MOVE INTO THE FORMAL BUSINESS OF THE MEETING.

THE COMPANY RECORDED A LOSS FOR FISCAL 2008 OF \$4.40 MILLION COMPARED WITH A LOSS OF \$3.46 MILLION IN THE PREVIOUS YEAR. THE HIGHER LOSS IN FISCAL '08 REFLECTED MAINLY INCREASED WRITE DOWNS ON OUR PATENT PORTFOLIO. OUR OVERALL LEVEL OF EXPENDITURE ON RESEARCH WAS MUCH THE SAME IN BOTH YEARS.

FISCAL 2008 PROVED TO BE A DIFFICULT, AND DISAPPOINTING, YEAR FOR BIOSIGNAL. WE DEVOTED CONSIDERABLE TIME AND RESOURCES ATTEMPTING TO ESTABLISH A US-BASED SPIN-OUT COMPANY TO DEVELOP THE INDUSTRIAL APPLICATIONS FOR BIOSIGNAL COMPOUNDS. DESPITE REACHING HEADS OF AGREEMENT WITH PROSPECTIVE INVESTORS IN MARCH, NO DEAL WAS CONSUMMATED, AND NEGOTIATIONS WERE BROUGHT TO AN END JUST BEFORE YEAR END. THE CESSATION OF NEGOTIATIONS LEFT US SHORT OF FUNDS IN A CLIMATE FOR FUND-RAISING THAT WAS FIRSTLY DIFFICULT, AND SECONDLY DETERIORATING.

FORTUNATELY, WE RAISED A LITTLE OVER \$650,000 BY WAY OF FIRSTLY, A PRIVATE PLACEMENT, AND THEN A SHARE PURCHASE PLAN IN JUNE AND JULY RESPECTIVELY. WITH THIS CASH INJECTION, AND A SEVERE COST REDUCTION PLAN, WHICH UNFORTUNATELY INVOLVED A SIGNIFICANT REDUCTION IN RESEARCH EXPENDITURE, WE BELIEVE WE NOW HAVE SUFFICIENT RESOURCES TO CARRY ON BUSINESS UNTIL ABOUT MAY 2009. THE CLIMATE FOR FURTHER INVESTMENT IS NOT ENCOURAGING FOR THE BIOTECH SECTOR GENERALLY.

OUR FOCUS NOW IS ON ESTABLISHING RELATIONSHIPS WITH THIRD PARTIES THAT WILL PROVIDE FUNDING FOR RESEARCH AND DEVELOPMENT IN RETURN FOR TECHNOLOGY ACCESS. AS A FALL-BACK, WE HAVE ENGAGED AN ADVISORY FIRM TO ASSIST US IN FURTHER CAPITAL RAISING AND/OR BUSINESS RE-STRUCTURING.

PETER STEINBERG WILL PRESENT TO YOU SHORTLY AN UPDATE ON OUR CURRENT RESEARCH ACTIVITIES. WE ARE ACTIVE IN THE FIELDS OF MICROBIAL CORROSION IN OIL AND GAS FACILITIES, IN CERTAIN CONSUMER PRODUCT AREAS, INCLUDING DENTAL APPLICATIONS, IN A NUMBER OF AGRICULTURAL APPLICATIONS, AND IN SOME EARLY STAGE THERAPEUTICS APPLICATIONS.

ON THE PEOPLE FRONT, ROHAN MCDUGALL RESIGNED IN OCTOBER 2008 TO TAKE UP A POSITION WITH CURTIN UNIVERSITY IN PERTH. ROHAN HAD BEEN WITH BIOSIGNAL SINCE THE MID-1990'S, AND I WANT TO PLACE ON RECORD MY THANKS AND APPRECIATION, AND THAT OF THE SCIENTISTS AND OTHER MANAGEMENT OF BIOSIGNAL, FOR HIS DILIGENT WORK ON BEHALF OF THE COMPANY AND ITS TECHNOLOGY OVER A LONG PERIOD.

AT BOARD LEVEL, BRUCE FOY JOINED US IN MARCH 2008 AND WE HAVE GREATLY APPRECIATED THE WIDE EXPERIENCE HE BRINGS TO OUR DELIBERATIONS. PROFESSOR GUNTER PAULI ELECTED TO NOT SEEK RE-ELECTION AT TODAY'S AGM, SO HE WILL CEASE TO BE A DIRECTOR AT THE CLOSE OF THIS MEETING. WE THANK GUNTER FOR HIS ENTHUSIASM WHILST INVOLVED WITH THE COMPANY, AND WISH HIM WELL. AT THIS TIME WE HAVE NO PLANS TO RECRUIT FURTHER DIRECTORS.