

2 November 2011

Anthony Ingegneri
Advisor, Listings (Sydney)
ASX Compliance Pty Ltd
20 Bridge Street
Sydney NSW 2000

Dear Anthony

We refer to your letter dated 28 October 2011 and using the same numbering, would respond to the questions, as listed below –

1. Other than receipts from its customers, the Company is also funded by Bioton S.A. (“Bioton”), its ultimate holding company in Poland, which has given the Company a letter of financial support. The loan from Bioton is repayable on 31 December 2015.

From the continued support from our holding company, together with the balance sum due for the investment in a subsidiary company in India (as mentioned in Note 11 of the Half Year financial report for 30 June 2011, lodged on 19 August 2011 on ASX), and the increasing revenues from operations, the Company and the SciGen Group will have sufficient cash to fund its activities.

2. We expect that for a while longer, we will have a net negative operating cash flow at the SciGen Group level.
3. The objectives of the Company and the SciGen Group are to expand its operations, whilst focusing on its core product, insulin. The steps taken by the Company and the SciGen Group to meet its business objectives are :
 - (a) Increase of its network distribution within the Asia Pacific region by :
 - (i) Penetration into new market, which was achieved in Hong Kong, and negotiations are on-going with authorities and distributors to penetrate into India and Malaysia ;

- (ii) Introduction of new products into the market, where new product launches have been made in Australia, Korea, Philippines and Thailand ;
 - (iii) Intensive discussions with its present distributors in Indonesia, Thailand, Vietnam and Singapore to increase prices, drive sales and marketing of its products and strengthen its market position.
 - (iv) Potential commissioning of the secondary filling and packaging facility from the Company's subsidiary in China by year-end. Testing of the packaging is currently being carried out in China and Poland. Once commissioned, it will facilitate the supply of insulin to Asian region.
- (b) Generation of profit sharing income from the sales of insulin in China, India and Vietnam.

The ultimate holding company, Bioton has signed supply and distribution agreements with Bayer HealthCare, Marvel BioScience and NamHa in China, India and Vietnam respectively. Following the execution of these agreements, the Company entered into profit sharing agreement with Bioton, whereby the Company receives a share of profits from the revenues generated from the supply and distribution agreements in these countries.

- (c) Potential divestment of its subsidiary in Israel.

The Company is looking into the potential divestment of its subsidiary in Israel, which is in the manufacture of hepatitis B vaccines business. This is in line with its decision to focus on its core product, insulin and the development of insulin-related products. Insulin sold by the Company in Asia Pacific is manufactured by Bioton.

- (d) Potential divestment of its subsidiary in China.


The Company is looking into the potential divestment of its subsidiary in China, which owns a secondary filling and packaging facility as mentioned in item 3 a) iv) above. The divestment will be considered provided the company will recover

its cost of the investment and at the same time reduce the operating expenses of the group for the next 12 months.

4. The Company confirms that it is in compliance with the listing rules, and in particular, listing rule 3.1.

5. The measures in place to safeguard the Company are adequate to warrant its continued listing on ASX.

Yours sincerely,



JENNY LOW
Director & Corporate Secretary



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28 October 2011

Jenny Low
Company Secretary
Scigen Limited
Suite 1
13B Narabang Way
BELROSE NSW 2085

By Email:

Dear Jenny,

Scigen Limited (the "Company")

I refer to the Company's Quarterly Report in the form of Appendix 4C for the period ended 30 September 2011, released to ASX Limited ("ASX") on 28 October 2011 (the "Appendix 4C").

ASX notes that the Company has reported the following.

1. Receipts from product sales and related debtors of \$4,249,000.
2. Net negative operating cash flows for the quarter of \$1,556,000.
3. Cash at end of quarter of \$1,757,000.

In light of the information contained in the Appendix 4C please respond to each of the following questions.

1. It is possible to conclude on the basis of the information provided that if the Company were to continue to expend cash at the rate for the quarter indicated by the Appendix 4C, taking into account future administration costs, the Company may not have sufficient cash to fund its activities. Is this the case, or are there other factors that should be taken into account in assessing the Company's position?
2. Does the Company expect that in the future it will have negative operating cash flows similar to that reported in the Appendix 4C for the quarter and, if so, what steps has it taken to ensure that it has sufficient funds in order to continue its operations at that rate?
3. What steps has the Company taken, or what steps does it propose to take, to enable it to continue to meet its business objectives?
4. Can the Company confirm that it is in compliance with the listing rules, and in particular, listing rule 3.1?

5. Please comment on the Company's compliance with listing rule 12.2, with reference to the matters discussed in the note to the rule.

Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in the rule.

In responding to this letter you should consult listing rule 3.1 and the guidance note titled "Continuous disclosure: listing rule 3.1".

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

This letter and your response may be released to the market. If you have any concerns about your response being released, please contact me immediately. Your response should be sent to me **via email to anthony.ingegneri@asx.com.au**. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than **5:00 p.m. E.S.D.T. on Wednesday 2 November 2011**.

If you are unable to respond by the time requested you should consider a request for a trading halt in the Company's securities.

If you have any queries, please do not hesitate to contact me on 02 9227 0441.

Yours sincerely,

{Sent electronically without signature}

Anthony Ingegneri
Adviser, Listings (Sydney)