

To the shareholders of Biotec Pharmacon ASA:

## **NOTICE OF ANNUAL GENERAL MEETING**

The Board hereby gives notice of Annual General Meeting of Biotec Pharmacon ASA  
at the Company's premises,  
Forskningsparken, Sykehusveien 23, Tromsø:

**Friday 13 May 2011 at 10:00**

The Board has proposed the following agenda:

1. Opening of the meeting by the Chairman of the Board. Election of a person to chair the meeting and a person to co-sign the protocol.
2. Approval of the notice and agenda.
3. Report by the management on the status of the group, with reference to the presentation for 1st quarter of 2011
4. Statement of salaries and other compensation of senior executives.  
In accordance with the Public Companies Act § 6-16a, the Board has prepared a statement on the salary and other benefits for senior executives. The declaration is attached to the notice and is also shown in note 33 to the consolidated annual financial statement.
5. Approval of the annual report and financial statements for 2010. The board proposes no dividend based on year 2010.
6. Coverage of the deficit.
7. Approval of the auditor's fees.
8. Remuneration of the Board of Directors. The Election Committee proposes the following remuneration for the elected members for 2010: NOK 250,000 for the Chairman, NOK 200,000 for Deputy Chairman and NOK 150,000 for each member. In addition, the Nomination Committee proposes a remuneration of NOK 50,000 for the Chairman of the Audit Committee and NOK 25,000 to each member of the committee. Allowance for employees' representative on the board is proposed to 50% of the remuneration of shareholder-elected board member.
9. Proposal to issue shares in relation to capital expansion. The Board has had an authorization to issue 3,500,000 shares. The authorization was used for a private placement on 22. December 2010. The Board proposes to the AGM a new authorization of 3,000,000 shares through the following resolution:

"The Board is authorized under the Public Companies Act § 10-14 to increase the share capital by NOK 3,000,000 by issuing up to 3,000,000 new shares at par value NOK 1, - in one or more share issues. The terms of subscription shall be determined by the Board. Shareholders' rights in accordance with the Public Companies Act § 10-4 may be waived. The authorization is valid until the AGM in 2012. The authority does not include non-cash share issues, the right to incur special obligations on the Company, or capital increases in connection with mergers in accordance with the

Public Companies Act § 13-5. In the event of any changes in the Company's share capital or number of shares resulting from stock split, reverse split, bonus issue etc., the authorization shall be adjusted in accordance with recognized principles. The Company's statutes shall on a continuous basis be changed by the Board depending on the number of shares issued."

The purpose of the mandate is that the Company shall have the flexibility to raise capital quickly if the Board believes this is appropriate as part of an assessment of the Company's future capital needs.

10. Proposal of authorization in connection with share schemes for employees.

The Board holds an authorization to issue 1,000,000 shares in connection with capital expansions targeted at employees. The authorization is valid until the AGM in 2011. The authority has been partly used in the first quarter of 2011. The Board proposes that the current mandate is replaced by a new mandate, which expires at next year's annual general meeting. It is therefore proposed to AGM to adopt the following resolution:

"The board is authorized under the Public Companies Act § 10-14 to increase the share capital by NOK 1,000,000 by issuing up to 1,000,000 shares in Biotec Pharmacon ASA at NOK 1, - per share in one or more capital increases directed at employees, as part of a share scheme. In the event of any changes in the Company's share capital or number of shares as a result of stock split, reverse split, bonus issue etc., the authorization shall be adjusted in accordance with recognized principles, although in a manner that the adjustment cannot be in conflict with the Public Limited Companies Act with regards to the total number of shares to be issued pursuant to board authorization or the Public Limited Companies Act prohibition of subscription of shares below the par value. The shareholders' preferential subscription rights will be waived. The authorization is valid until the AGM in 2012. The board shall determine the subscription terms and other conditions. The Company's statutes shall on a continuous basis be changed depending on the number of shares issued. The authorization replaces the authorization granted by the general meeting 4 May 2010. "

The Board has established a stock option plan that applies to the Company's management and other employees. The purpose of the mandate is to issue shares for allotment to employees under existing option agreements. The main principles for the option program is that the exercise price shall be equal to or higher than the market price at the time of allocation, that the scheme shall provide an incentive to stay with the company, and that the scheme shall be graded depending on the possibility the employees have to contribute to a positive value development for the Company's shares.

11. Extension of authority to the Board to purchase own shares. The Board proposes that the General Meeting adopt the following resolution:

"The board is authorized to purchase up to 1,000,000 shares at NOK 1, -, a total nominal value of NOK 1,000,000. The lowest price per share is NOK 1, - and the highest price is NOK 100, -. In the event of any changes in the Company's share capital or number of shares resulting by stock split, reverse split, bonus issue etc., the authorization shall be adjusted in accordance with recognized principles. The authorization may be used for cash purchases. Disposal will be at the Board's choice. If the acquired shares are divested, the authority may be reused within the mandate period. The authorization is valid until the AGM in 2012. The authorization replaces

the mandate to acquire own shares, given by the General Meeting on 4 May 2010." The Company currently owns no shares, and a full utilization of the authorization would not be in conflict with the Public Limited Companies Act. The purpose of the mandate is to buy shares for resale to employees in relation to share schemes. Moreover, the authorization gives the company flexibility to carry out transactions where the consideration may consist of shares in the company.

12. Proposal for reduction of the share premium fund. The board proposes to carry out a reduction of the share premium of Biotec Pharmacon ASA of NOK 20,000,000 in accordance with the Public Companies Act § 3-2 second paragraph, no. 4 . The amount will be allocated to retained earnings. We refer to the attached statement from the company's auditor.

It is proposed that the AGM adopts the following resolution: "At the proposal of the Board, Biotec Pharmacon ASA reduces the share premium fund by NOK 20,000,000.00 in accordance with the Public Limited Companies Act § 3-2, second paragraph, number 4. The amount is allocated to other equity."

The reason for the reduction is to create the fundament for a flexible transfer of funds among companies in the Group as part of the financing of the Group's joint activities. The reduction will also enable the company to purchase its own shares within the authority given by the AGM.

13. Compensation of the Nomination committee.

The Board's proposal for compensation to the Nomination committee is NOK 20,000 for the Chairman of the committee and NOK 15,000 for the members.

14. Election of the Board of Directors.

The Nomination committee proposes the following composition:  
Chairman Svein Mathisen (reelection), 1 year  
Vice Chairman Erik Thorsen (new), 2 years  
Member Ingrid Alfheim (re-election), 1 year  
Member Gunnar Rørstad (re-election), 2 years  
Member Kjersti Grimsrud (new), 2 years

## Attendance at the General Meeting

Shareholders wishing to participate on the General Meeting, in person or by proxy, and requested to submit the attached registration/proxy authorization so that is received by the Company no later than 12 May, 2011 at 10:00.

The registration is to be sent to:

Biotec Pharmacon ASA  
Att: Arvid Vangen  
Postboks 6463  
9294 Tromsø

Or, per telefax to number +47 77 64 89 01, or to e-mail address [generalforsamling@biotec.no](mailto:generalforsamling@biotec.no).

Biotec Pharmacon ASA has as the date of this notice a share capital of NOK 28,552,816 distributed between 28,552,816 shares at par value NOK 1.00. The Company owns no own shares.

Each share holds one vote, and every shareholder is entitled to speak or appoint a spokesperson, and otherwise holds the rights as set out in the Public Limited Companies Act § 5-15.

Shareholders who are unable to meet in person have the opportunity to authorize the Chairman of the Board or others to vote for their shares by filling in the attached letter of attorney.

This notice is sent all shareholders in accordance with the shareholder registry in VPS as per 8 April 2011. The Annual Report and other relevant documents are available on [www.biotec.no](http://www.biotec.no) and may be order from the Company.

Tromsø, 13 April, 2011

For the Board of Biotec Pharmacon ASA

Svein Mathisen (sign.)

Chairman of the Board

## Registration Form

The undersigned wishes to participate on the Annual General Meeting of Biotec Pharmacon ASA, on Friday 13 May 2011 at 10:00.

I/we own \_\_\_\_\_ shares in Biotec Pharmacon ASA.

- I/we will vote for my/our shares in person
- I/we will be accompanied by an advisor
- I/we will be represented by a holder of a power of attorney, in according with the attached signed letter of attorney

Place and date: \_\_\_\_\_

Name (capital letters): \_\_\_\_\_

Signature: \_\_\_\_\_

Letter of Attorney

I/we hereby authorize (1 cross):

- The Chairman of the Board
- \_\_\_\_\_

to attend and to vote for mine/our shares in Biotec Pharmacon ASA on the Ordinary General Meeting in the Company on 13 May, 2011. The voting will be in accordance with the below instructions. If no cross has been set in any of the below categories, this will be regarded as a vote in favour of the proposal in the notice. The holder of the power of attorney will decide on the voting in the case that proposals are put forward in addition to or as a replacement for the proposals in the notice. The Company or the chairperson of the General Meeting cannot be held responsible for any loss that may arise as a consequence of the letter of attorney not reaching the holder of the power of attorney in time.

I/we own \_\_\_\_\_ shares in Biotec Pharmacon ASA.

Voting instructions for the holder of the power of attorney:

Item	Item	FOR	AGAINST	ABSTAIN	Decided by holder
2	Approval of notice and agenda				
4	The statutory declaration of remuneration for the senior executives				
5	Approval of the annual accounts and annual report for the financial year 2010				
6	Coverage of deficit				
7	Approval of the auditor's fees				
8	Remuneration of the Board of Directors				
9	Authorization to issue 3,000,000 new shares				
10	Authorization to issue 1,000,000 shares for employees' shares schemes				
11	Authorization to purchase own shares				
12	Proposal for reduction of the share premium fund				
13	Compensation of the Nomination committee				
14	Election of the Board of Directors:				
	<i>Chairman Svein Mathisen, 1 year</i>				
	<i>Vice Chairman Erik Thorsen, 2 years</i>				
	<i>Member Ingrid Alfheim, 1 year</i>				
	<i>Member Gunnar Rørstad, 2 years</i>				
	<i>Member Kjersti Grimsrud, 2 years</i>				

Place and date: \_\_\_\_\_

Name (capital letters): \_\_\_\_\_

Signature: \_\_\_\_\_

Registration deadline: 12 May 2011 at 10:00. May be sent by telefax on +47 776 48 901, or at e-mail: [generalforsamling@biotec.no](mailto:generalforsamling@biotec.no)