



Solagran Limited

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17 September, 2007

**Company Announcement
Presentation to General Meeting of Shareholders**

The Directors are pleased to announce details of the presentation to be made to Shareholders at the General Meeting held today.

Peter Stedwell
Company Secretary
On behalf of the Board of Directors
Solagran Limited

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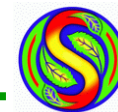
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Solagran Limited

Bioeffectives[®]: Heralding a New Pharmaceutical Paradigm

*Presented to a General Meeting of Shareholders
17 September 2007*

Agenda



Today's presentation will cover strategy, operations and science. It will be followed by a comprehensive question and answer session

- A review of the current Solagran strategy

Denis Kilroy

- A brief outline of Solagran's operating plans

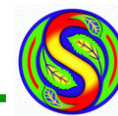
Charles Pellegrino

- A comprehensive review of progress with research and trials

Vagif Soultanov

- Questions and answers

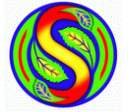
Chaired by Peter Stedwell



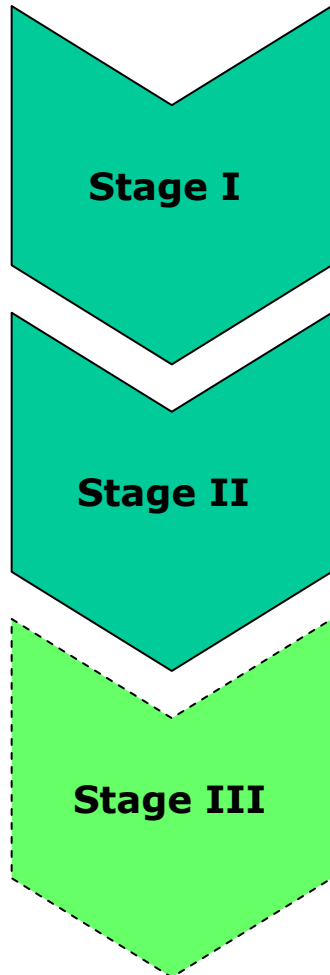
☛ Strategic Review

- ❑ Operating Plans
- ❑ Research and Trials
- ❑ Questions and Answers

Strategic Review



Solagran has a clear, multi-stage strategy that provides a solid platform for ongoing business development and shareholder wealth creation



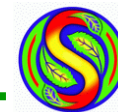
- Ongoing Trials
- *Ropren* for liver disease in St Petersburg and Moscow
- *Bioeffective A* in Australia
- *Bioeffective B* in Australia and Europe

- Extension of Stage I
- *Ropren* for liver disease throughout Russian Federation
- Commercialisation of *Bioeffective I* from SibEX
- Scaling up production to meet increased demand

- Extension of Stage II
- Expand manufacturing footprint to include Finland and Pacific North West
- Introduce *Bioeffective A* in Russia, Hungary, Malaysia and USA
- Position *Bioeffective A* for registrable claims

Valued for internal purposes in March 2007

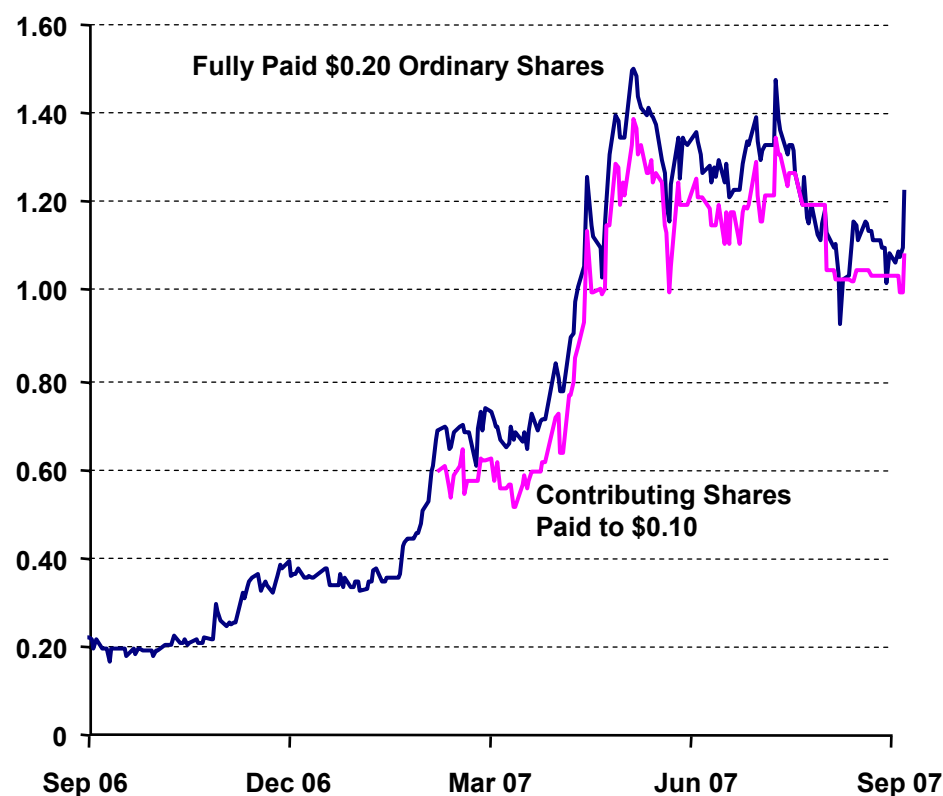
Closing the Value Gap



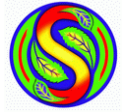
Over the past 10 months we have begun to close the gap between intrinsic and observed value. But there is still some way to go

- Most shareholders have seen a solid increase in value over the past 12 months
- Early last week, our fully diluted market capitalisation was \$210m. It was \$250m at last Friday's close
- We have seen a reduction of more than 20 percent in market capitalisation since *Ropren* was approved
- The Board believes the intrinsic value of the company actually increased during this period
- We have a responsibility to ensure that this value uplift is reflected in the share price

Solagran Share Price – Last 12 Months



Participation Strategy



There are four primary markets in which Solagran will compete with *Bioeffectives*®

Pharmaceuticals

- Demonstrate safety and efficacy in multiple applications
- Achieve regulatory approval for a specific indication
- All *Bioeffectives* have potential to secure registrable claims

Complementary Medicines & Nutritional Additives

- May choose this path initially for strategic reasons
- Start with single indication and expand to cover multiple indications
- May ultimately change perception of complementary medicine efficacy

Personal Care and Cosmetics

- Many potential applications
- Participate mainly as an ingredient supplier
- Serious interest from major US cosmetics player

Animal Nutrition and Agriculture

- Participate through BioPropect
- Main opportunities with *Bioeffective A*, *Bioeffective I* plus others
- Markets are very large with huge potential demand just for *Bioeffective A*

Operating Strategy



... and there are four main aspects to the way in which we will compete

Bioeffectives Value Proposition

- Efficacy
- Multi-faceted activity
- Difficult to detect any side effects

Bioeffectives Manufacture

- At facilities controlled by Solagran
- Sites initially in Russia
- Expanding to Finland and Pacific North West

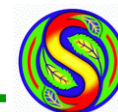
End Product Development

- Developed by Solagran, or in conjunction with strategic partners
- *Bioeffectives* brand for Solagran products
- *Bioeffectives Inside* brand for 3rd party products

Bioeffectives as Ingredients

- Licence and supply *Bioeffectives* to strategic partners
- Includes prescription and OTC pharmaceuticals, complementary medicines, nutritional additives and personal care products

Multi-faceted Nature of *Bioeffectives*



***Bioeffectives* are different to conventional pharmaceuticals. While these differences pose some initial regulatory challenges, ultimately they provide *Bioeffectives* with a sustainable competitive advantage**

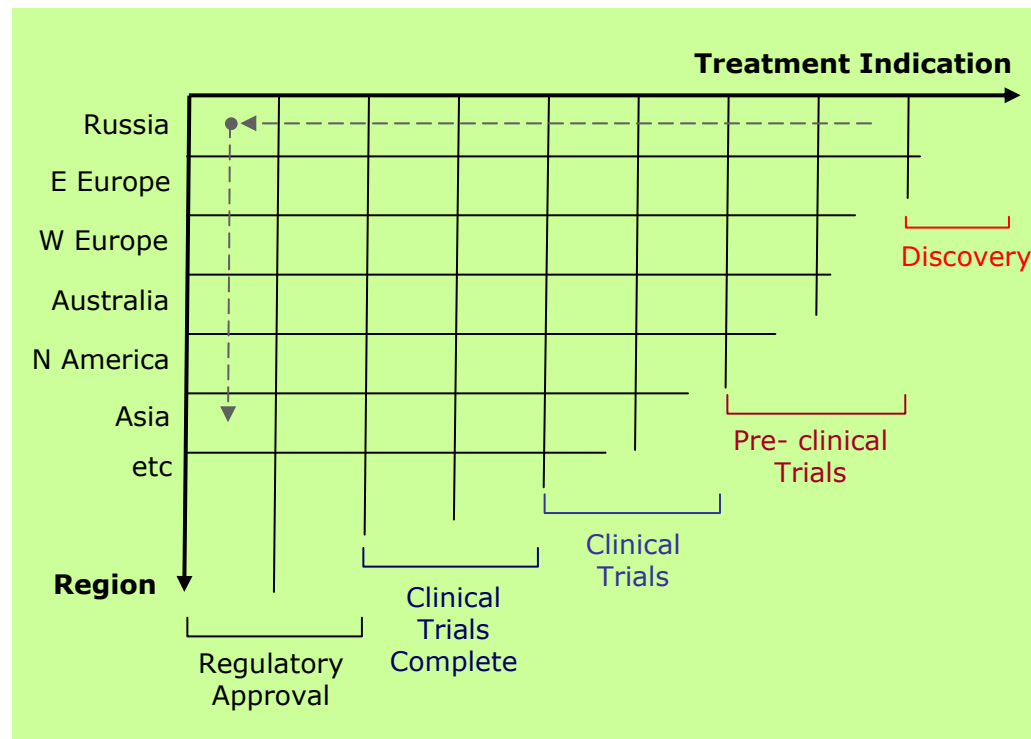
	Chemical Pharmaceuticals	Solagran's <i>Bioeffectives</i>
Source	Chemical Synthesis	Extracted and Isolated from Green Tree Foliage
Number of Molecules	Single	Multiple (<10 to >800)
Range of Therapeutic Indications	Narrow	Broad
Side Effects	Can be severe	Close to zero

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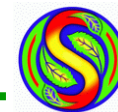
Multi-faceted Nature of *Bioeffectives*



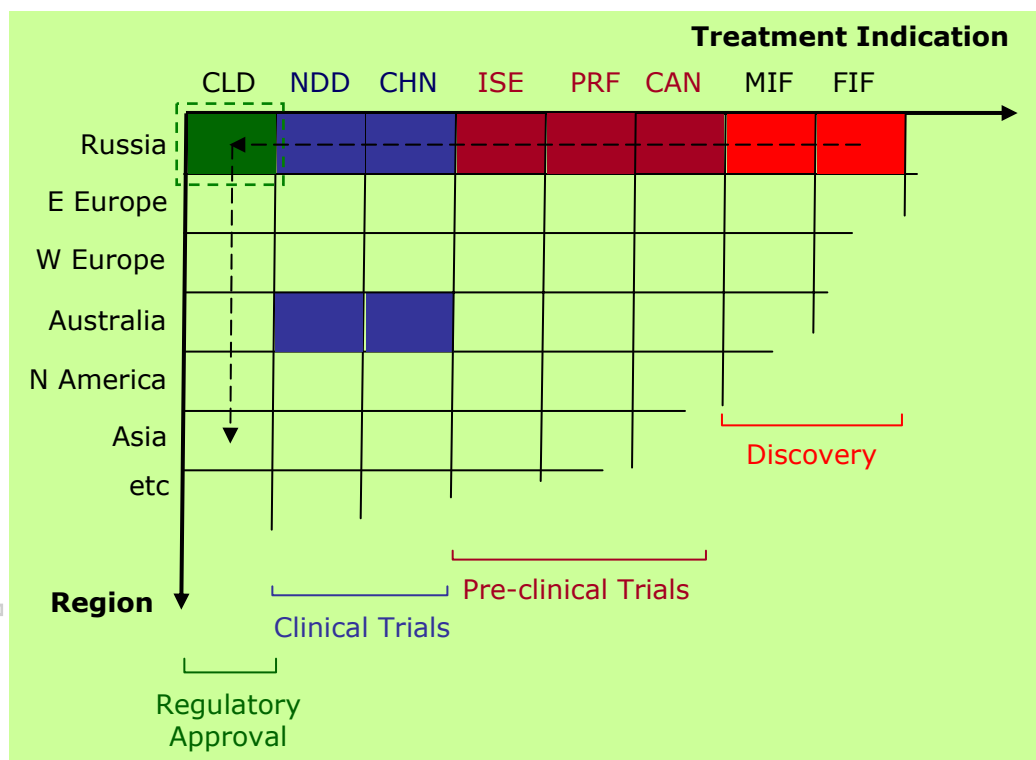
The multi-faceted nature of *Bioeffectives* is a key driver of intrinsic value. Starting with one indication in one region, commercialisation can proceed in two directions



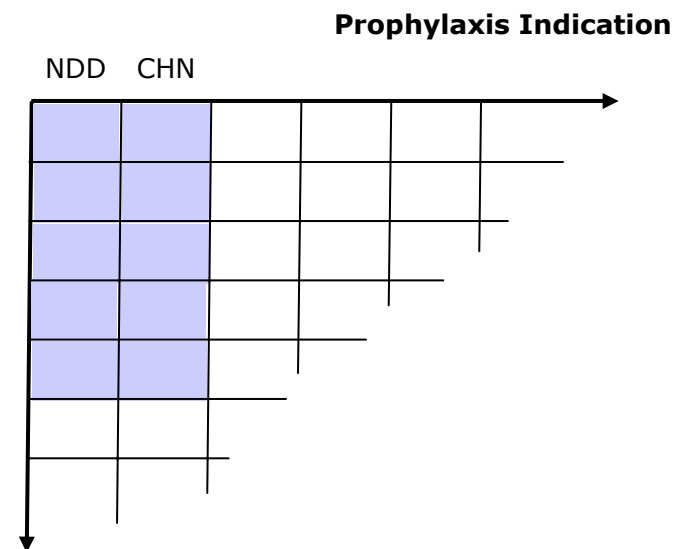
Multi-faceted Nature of *Bioeffective R*



Bioeffective R has a number of established and potential pharmaceutical indications for which existing treatments are either not very effective, have significant side effects, or both. It also has potential to act as both a treatment and a prophylactic in a number of conditions

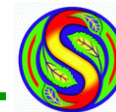


 Focus of the current Solagran strategy

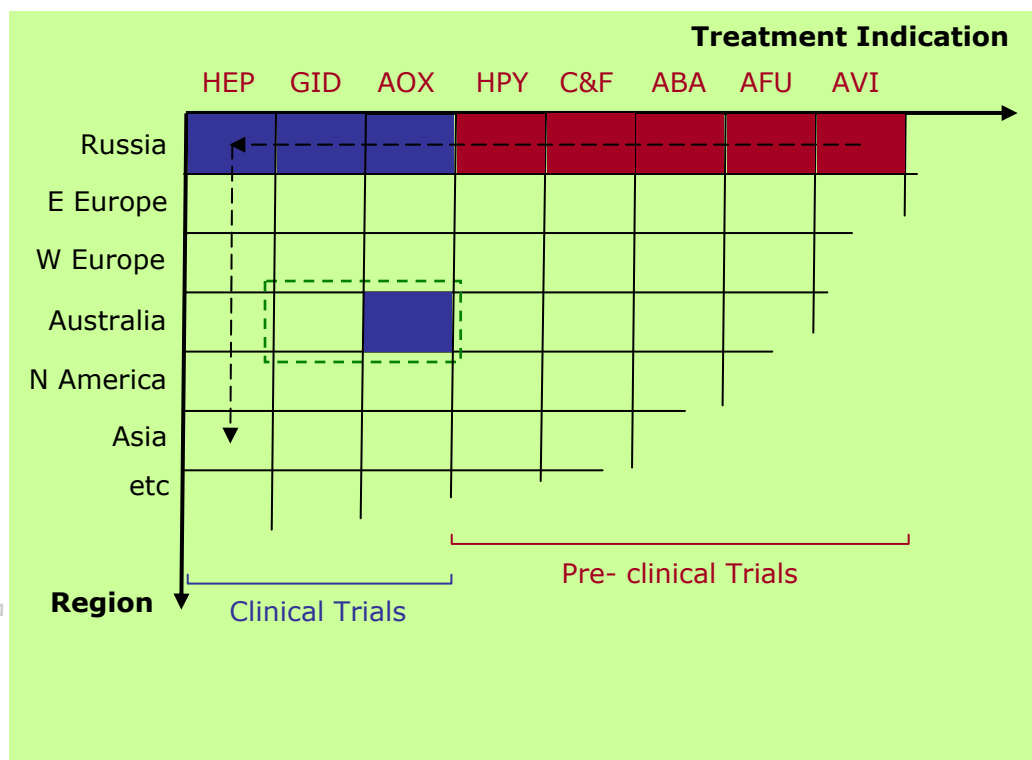


- CLD: Chronic Liver Disease
- NDD: Neurodegenerative Disorders
- ISE: Immune System Enhancement
- CHN: Cholesterol Normalisation
- CAN: Cancer (certain forms)
- PRF: Prostate Function
- MIF: Male Infertility
- FIF: Female Infertility

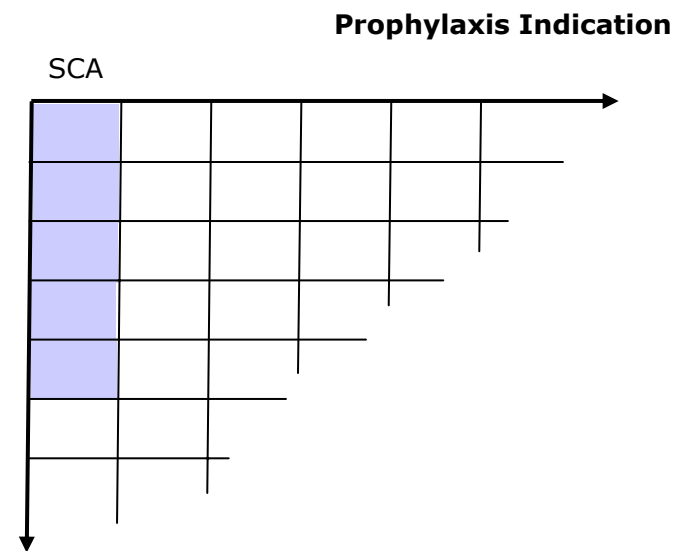
Multi-faceted Nature of *Bioeffective A*



***Bioeffective A* is equally multi-faceted. While listed on the Australian Register of Therapeutic Goods as a powerful anti-oxidant, it has the potential to be registered as a pharmaceutical in a number of indications**



 Focus of the current Solagran strategy



- AOX: Anti Oxidant
- GID: Gastrointestinal Disorders
- HPY: *Helicobacter pylori*
- ABA: Anti Bacterial (including *MRSA*)
- AFU: Anti Fungal
- AVI: Anti Viral
- C&F: Colds & Flu
- HEP: Hepatoprotective
- SCA: Stomach Cancer

Bioeffective A Strategy in Australia



Solagran is pursuing a three pronged strategy with *Bioeffective A* in Australia – starting with a *practitioner only* complementary medicine product, *Bioeffective A 320*

Solagran Products

Complementary Medicines

Bioeffective® A 320

Anti-bacterial gel
Medicated toothpaste
Concentrate solution

Practitioner only
No specific label claims
No consumer advertising
Practitioner education
Journal articles



**Build Base of
Committed
Practitioners**

3rd Party Products

CMs Containing CGNC

3rd Party Brand Capsule

Anti-bacterial cream
Throat lozenges
Toothpaste
Chewing gum

Specific label claims
Consumer advertising
OTC products
Unique presentation
“*Bioeffectives Inside*” logo



**Build Consumer
Awareness leading to
Volume Sales**

Prescription Medicines

Solagran or Licenced

Treatment for *H.pylori*

Treatment for other conditions
Capsules, liquid medicines
Other delivery formats

Different format
Strong label claims
Practitioner education
Journal articles

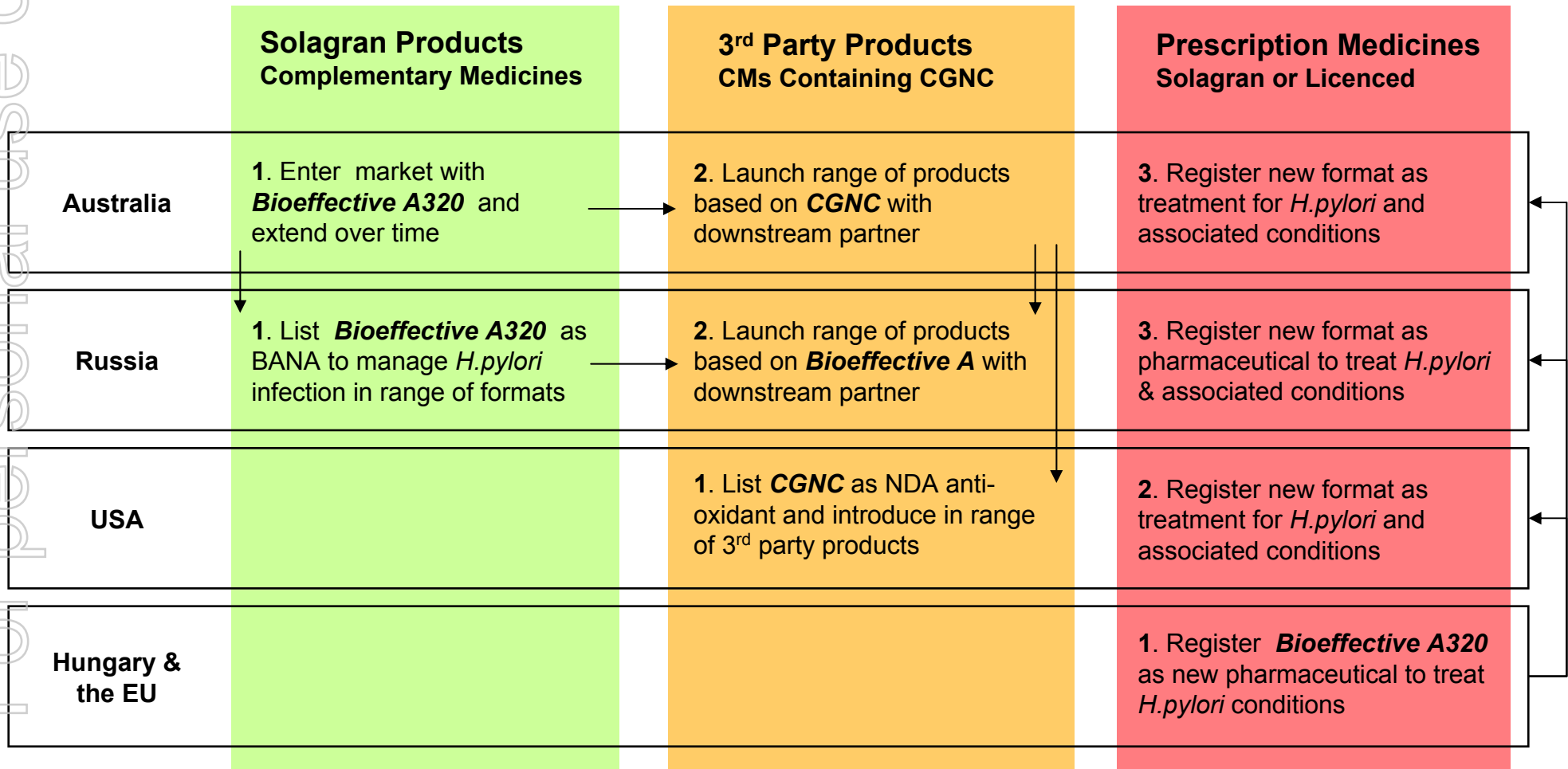


**Establish as Treatment of
Choice among Opinion-
Leading Clinicians**

Flexibility in Strategy Implementation



The efficacy and lack of side effects of *Bioeffectives* provide a great deal of flexibility in strategy development and implementation. If we focus on just *Bioeffective A* and its potential use in the prevention and treatment of conditions associated with *H.pylori*...



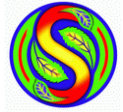
Size of the Opportunity



The markets in which we are planning to participate and win are very large...

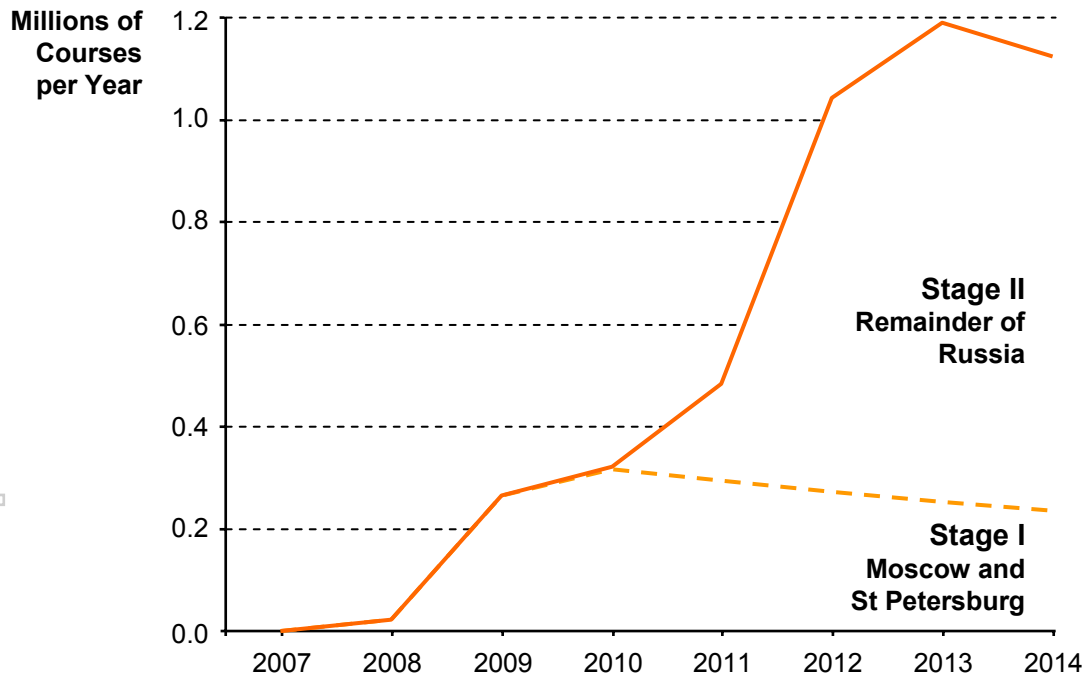
- ❑ **Chronic Liver Disease.** 10m cases in Russia and CIS countries, with 1m new cases and 0.1m related deaths each year. 0.2m new cases and 0.03m deaths in the USA each year. *Ropren* can overcome a wide range of liver conditions, including cirrhosis
- ❑ **Lipid Metabolism.** Statins like *Lipitor* are the most widely prescribed drugs world wide with sales of \$15b. Three different trials have demonstrated *Ropren's* ability to normalise lipid metabolism (increase HDL levels and reduce LDL levels)
- ❑ **Neurodegenerative Disorders.** Alzheimer's disease is becoming more and more prevalent. *Ropren* has reversed cognitive decline in initial human trials
- ❑ **Depression and Mood Related Problems.** Trials indicate some *Bioeffectives* potentially very effective in treating these conditions. Affect 20.9 million American adults or 9% of population. 30,000 deaths per year from suicide compared with 18,000 from homicide
- ❑ **Anti-microbial.** Synthetic antibiotics are losing power. *Bioeffective A* has demonstrated efficacy against most pathogenic bacteria – including *Methicillin-resistant* strains – and common fungi including *Candida albicans*
- ❑ **H.pylori Infection and Associated Conditions.** 50% of the world's population is infected. 90-100% in some developing countries. ~1m deaths each year. Conventional treatment not feasible in many countries. The Pasteur Institute believes that *Bioeffective A* is the most promising solution for both prevention and treatment
- ❑ **Prostate Hyperplasia.** Affects most men over 50. Application of *Bioeffectives* looks promising

Ropren Demand in Russia



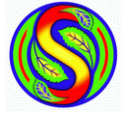
We are expecting sales of *Ropren* in Russia for liver disease alone to exceed 0.3m courses annually by the end of 2010 – and reach 1.2m courses per year by 2013. Its use for other indications is also expected to be significant by that time

Expected Stages I & II Ropren Demand
Chronic Liver Disease in Russia Only



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Revenue Expectations



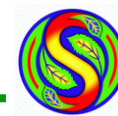
Pricing of *Ropren* in Russia should be resolved soon, enabling us to provide a clear revenue forecast at the next AGM

- ❑ Stage I revenues will be dominated by *Ropren*
- ❑ The same picture may remain for Stage II

but

- ❑ By the time Stage III has been implemented, it is possible that revenues from *Bioeffective A* could begin to approach those of *Ropren*

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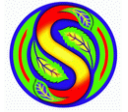
- ❑ Strategic Review

- ☛ **Operational Plans**

- ❑ Research and Trials

- ❑ Questions and Answers

Operational Plans



Solagran's *Bioeffectives* are extracted not synthesised. Production requires an integrated approach to planning and logistics involving government and the forestry industry

"Solagran's business is going to lead to a significant new industry in the Tomsk special economic zone.

It will require an integrated approach to planning and logistics throughout the entire region.

It has my full support."

Victor M. Kress
Governor of the Tomsk Oblast

Operational Plans



Once the international medical community embraces *Bioeffectives*, there is likely to be an explosion in demand – and not just for *Ropren...*

"*H.pylori* infection is endemic in many countries.

In developed countries, the rate of infection is 30-40 percent. But in some developing countries, it is approaching 100 percent.

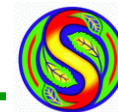
We cannot treat this problem on a global scale with existing combination therapies involving antibiotics. Even if we could, we would still have to confront the high rate of re-infection that exists in many countries.

Bioeffective A offers a potential solution – not only as a safe and effective treatment, but also as a means of preventing infection and re-infection.

The attraction of this substance is that in addition to its effectiveness as an anti-microbial, it is also a powerful anti-oxidant. It reduces oxidative stress at a cellular level and stimulates the body's immune response."

Professor Anatoly Zhebrun DSc
Director, The Pasteur Institute

Operational Plans



The signs are beginning to point to a substantial demand for *Bioeffectives* that will emerge faster than was previously expected

- **Equine Gastric Ulcer Syndrome.** Solagran and BioProspect have been approached recently by thoroughbred owners from the Middle East interested in the potential of *Bioeffectives A* and *I* to be used in combination as a treatment for EGUS, a condition endemic in the racing industry worldwide.

If adopted, this could translate into a demand of 7g of *Bioeffective A* per day per animal (equivalent to more than two packs of *Bioeffective A 320* every three days)

- **Medicated Toothpaste.** The Pasteur Institute has recommended that *Bioeffective A* be registered as a BANA in Russia later this year for inclusion in toothpaste and chewing gum as a means of preventing the spread of *H.pylori*

The additional demand for *Bioeffective A* arising from this initiative would be significant

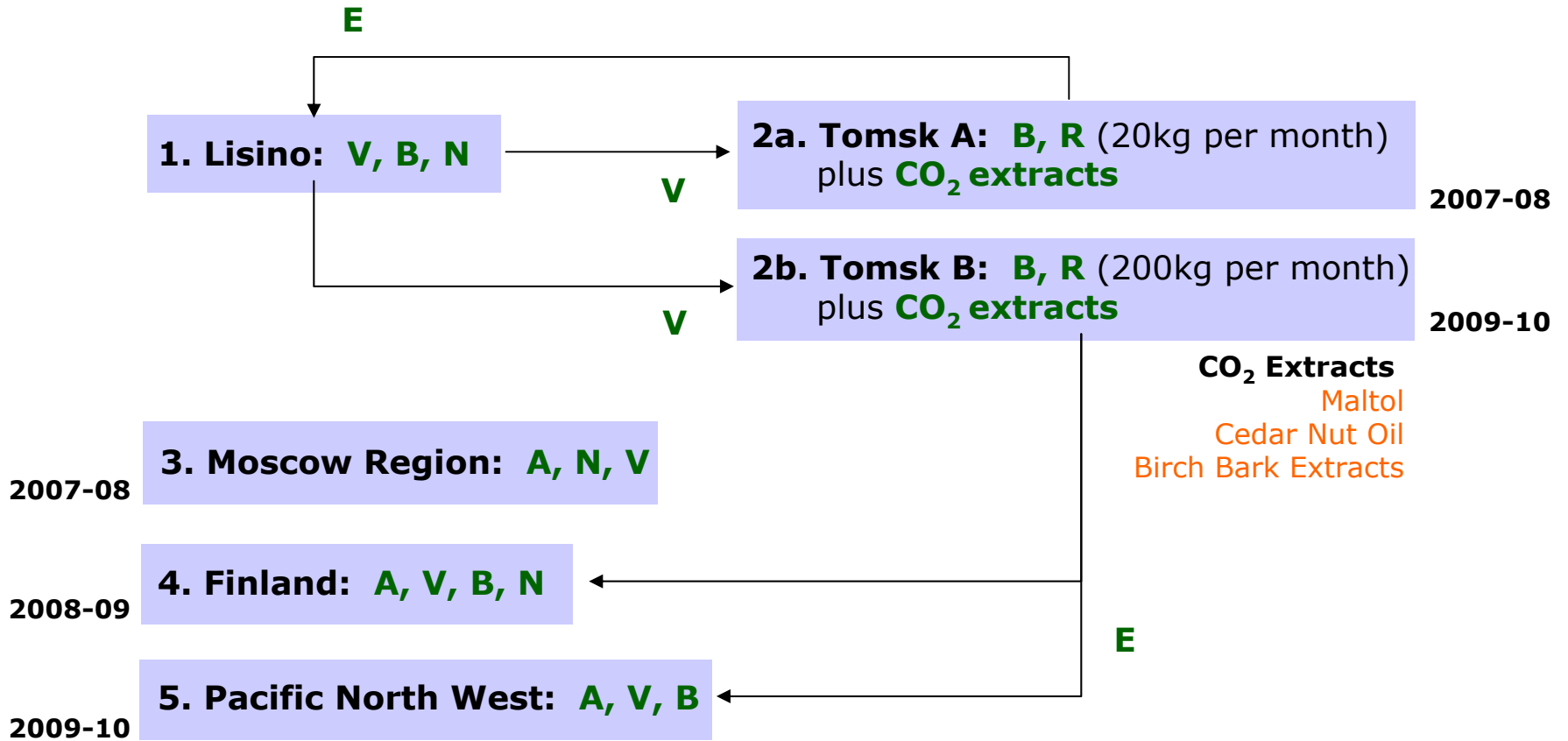
- **Stock Feed.** There are 10 million tonnes of stock feed produced annually in Australia, and some 500 million tonnes produced worldwide.

If BioPropect's trials are successful, the demand for *Bioeffective A* and *Bioeffective I* in stock feed could be enormous. At expected inclusion levels, demand in Australia alone would be measured in the thousands of tonnes per annum

Operational Plans

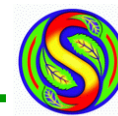


We need to accelerate the establishment of our production facilities



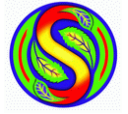
Note. 20kg of Bioeffective R translates into 5,000 courses of Ropren per month

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- Strategic Review
- Operating Plans
- Research and Trials**
- Questions and Answers

Research and Trials

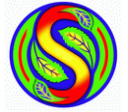


Since listing in 2003, Solagran has completed 29 pre-clinical and clinical trials

- Every trial has produced a positive outcome. This is no accident
- These trials have reinforced our understanding that...
 - Each *Bioeffective* has the capability to deal with more than one condition
 - The fact that their composition is determined by nature rather than Solagran means that they are essentially free from side effects
 - They are analogous to substances that already exist in the human body. While powerful acting alone, they also act synergistically, without negative interactions with other *Bioeffectives*
- We are now in a strong position make the claim that a relatively small number of *Bioeffectives* have the potential to deal with huge number of human health problems

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Research and Trials



Why have we conducted so many trials? And why are we continuing to do so? There are three main reasons

1. To support a wider base of therapeutic claims

2. To confirm once and for all the multi-faceted nature and activity of *Bioeffectives*

3. To underpin market penetration that will be both wider and deeper...

... wider because *Bioeffectives* will be shown to be effective in treating a wider number of conditions

... deeper, because they will also be shown to deal with both the underlying causes of disease, and the clinical manifestations and symptoms of resultant conditions

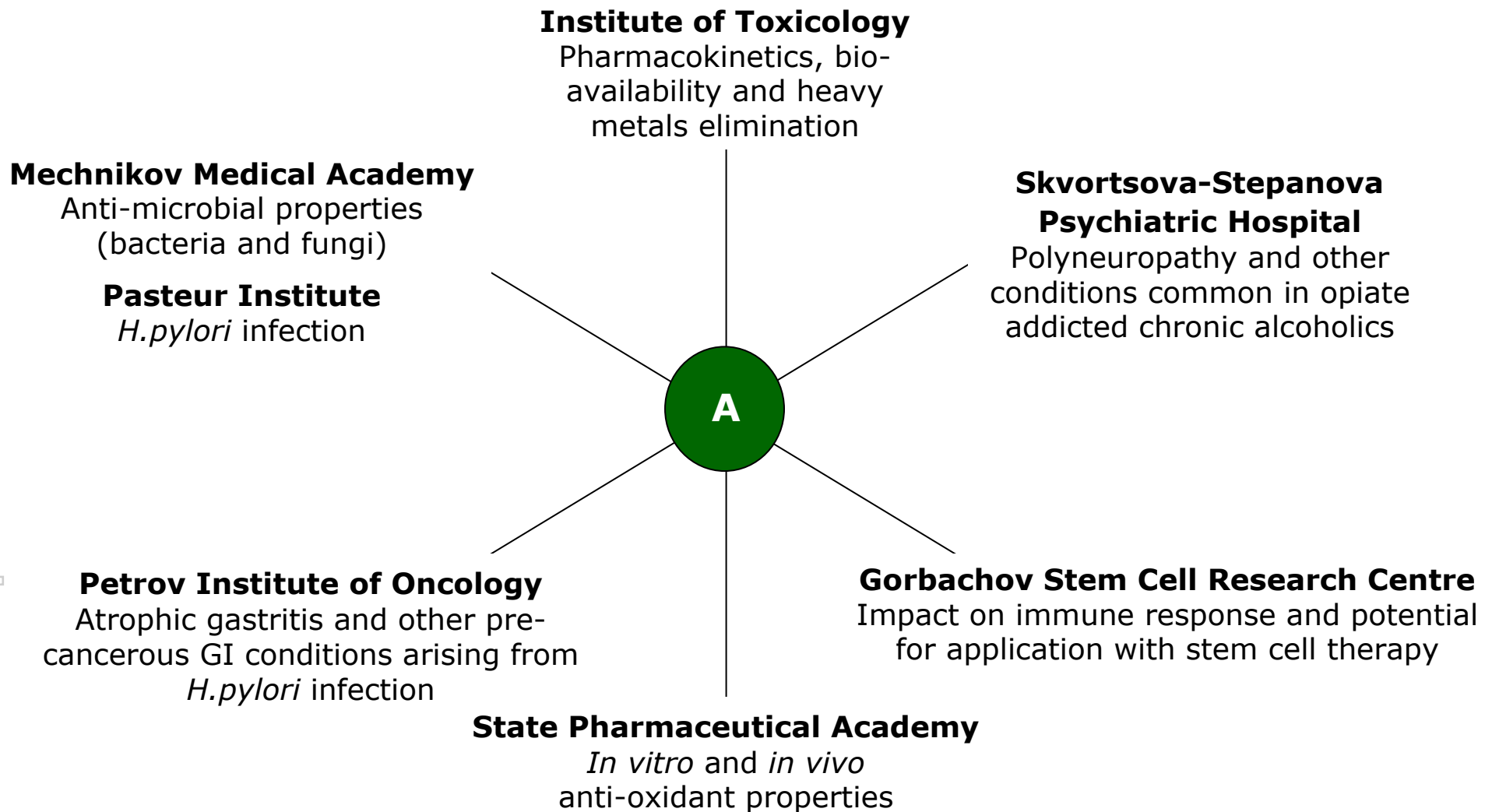
(eg. Gastritis, followed by *H.pylori* infection leading to stomach and duodenal ulcers, then atrophic gastritis and eventually stomach cancer)

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Diversity of Trials to Date



A number of prestigious research institutions are involved in a systematic effort to investigate and understand the multi-faceted nature and activity of *Bioeffective A*



Diversity of Trials to Date



A similar process is underway with *Bioeffective R* and *Ropren*

Medical Academy of Postgraduate Studies

Phased clinical trials to establish efficacy and safety of *Ropren* as a hepatoprotector in current form and also in injectable form

Institute of Influenza

Adenovirus study
Children flu studies

Skvortsova-Stepanova Psychiatric Hospital

Pre-clinical Alzheimer's efficacy trial

Polyneuropathy and other conditions common in opiate addicted chronic alcoholics

R

Institute of Biophysics

Understanding of Mechanism of Action of *Bioeffective R* at cellular level

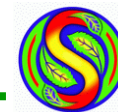
Institute of Evolutionary Physiology

Brain studies including hepatic encephalopathy

Chemical Pharmaceutical Academy

In vitro and *in vivo*
anti-oxidant properties

Current Trials Program



This year, we have completed seven trials and commenced four more

Trials Completed since 2006 AGM

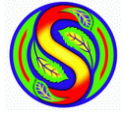
- A** Opiate addicted chronic alcoholics (parallel trial to *Ropren* alcoholics trial)
- A** Helicobacter pylori
- A,R,B,N** Pharmacokinetics and bioavailability
- A** Heavy metal elimination
- R** Injectable format development and pyrogenity (now in toxicity trials)
- R** Liposomal format development (now in toxicity trials)
- R** Phase II of Children Flu Study

Trials Commenced since 2006 AGM

- A** Impact on immune response and potential for application in stem cell therapy
- B** Prostate cancer
- R** Mechanism of action in the body
- R** Wider Children Flu Study

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Some Recent Breakthroughs



The results of some of these trials have been outstanding and represent major clinical and epidemiological breakthroughs

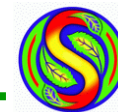
- Alcoholics Trials
 - *Bioeffective A* and *Bioeffective R* both have a multi-faceted positive impact
 - The impact of each substance complements that of the other
 - Patent work still proceeding

- *Bioeffective A*
 - Heavy metal elimination
 - *Helicobacter pylori*

- *Bioeffective B* and *R*
 - Prostate Hyperplasia

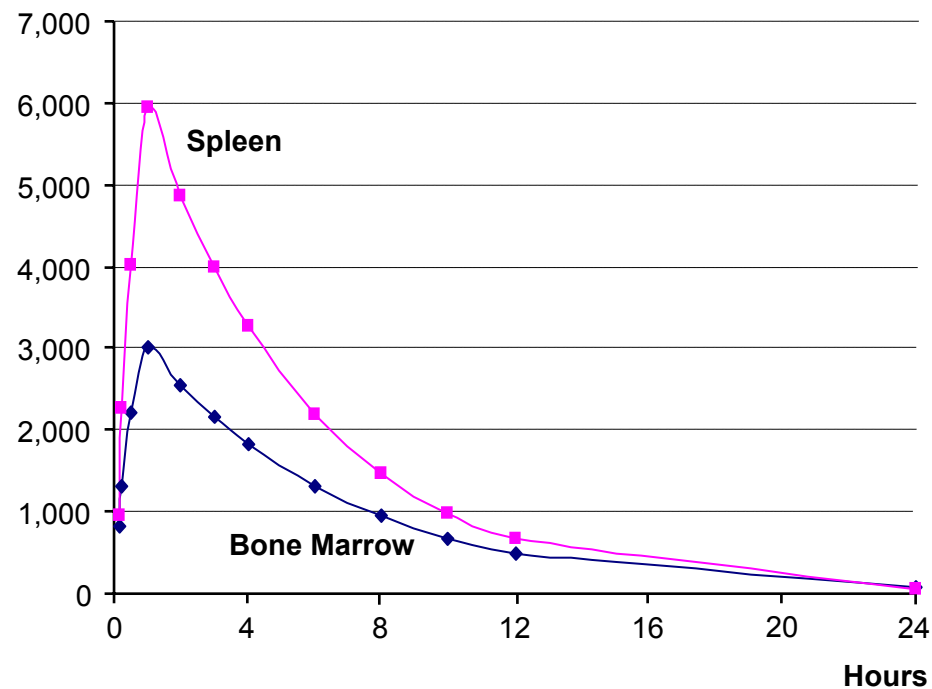
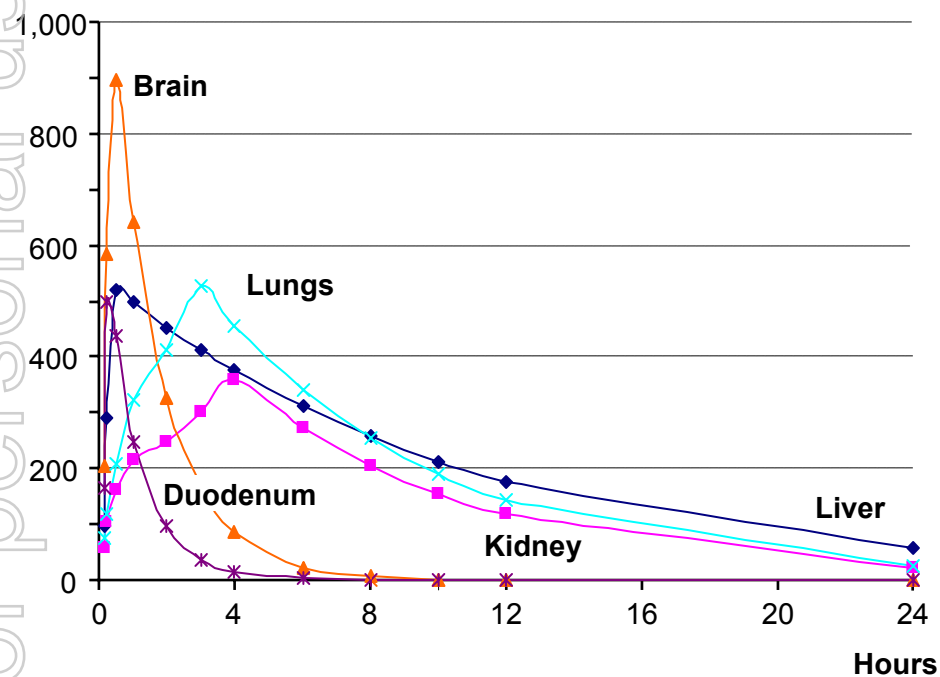
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Some Recent Breakthroughs

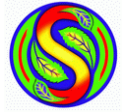


We have an excellent understanding of the Pharmacokinetics and Bioavailability of key Bioeffectives

Bioeffective A Concentration in Organs (mcg/g)
After Oral Administration of 100mg/kg Body Mass



Some Recent Breakthroughs



We have completed the development of a liposomal format for *Ropren* and the crucial injectable format for *Bioeffective R*

- The injectable format for *Bioeffective R* was developed at the request of leading neurologists
- The intention is to use it to treat patients with neurodegenerative disorders, and in cases of brain injury or loss of blood supply to the brain, to prevent delayed neuronal cell death
- It is currently undergoing pre-clinical trials in St Petersburg



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Path Forward with the Trials Program



We are now in a position to move forward with a series of major, multi-centre, multi-country, clinical trials

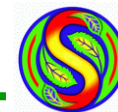
- We believe that 2-3 *Bioeffectives* in combination will provide the answers to many serious health problems

- In gastrointestinal conditions...
 - *Bioeffectives A* and *R* together have the potential to resolve most chronic liver diseases
 - *Bioeffective A* has a wide spectrum of activity in relation to both the prevention and treatment diseases of the digestive system

- In Neurodegenerative disorders...
 - Ropren has multi-faceted activity
 - Successful *Bioeffective A* alcoholics trials

- Assisting with prevention and treatment of a range of viral infections..
 - Flu studies with *Bioeffective R*
 - Anti viral properties of *Bioeffective A*

Publication of Trials Results

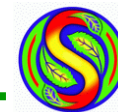


Solagran will soon publish more of its trials results in international journals

- Solagran has already published a number of articles in the Annals of the Russian Academy of Sciences, as well as the Proceedings of Gastro 2007
- However, with natural products we need a very careful approach to the release of results
 - We must first secure our IP
 - We will then communicate the key findings to the market
 - When we are ready, we will publish in appropriate journals
- We are a long way ahead of potential competitors and we want it to stay that way
- With *Ropren* approved and significant revenues on the horizon, it is prudent to release less information about our trials program than we have in the past

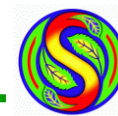
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Summary



We have achieved a great deal over the past four years. But there is still a long way to go

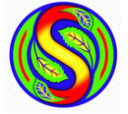
- Our science is in excellent shape
- We remain well ahead of any potential competitors, and we are now ready to commence dialogue with global pharmaceutical companies
- Commercially, things continue to move forward
 - We now have initial regulatory approval for *Bioeffective B* in Hungary and the EU
 - We are working towards pharmaceutical registration of *Bioeffective A* in Hungary
 - Our NDI application for *Bioeffective A* is progressing well in the USA
- We are going to appoint more marketing resources in Australia, Russia and Hungary
- The Pasteur Institute has proposed registering *Bioeffective A* as a BANA in Russia. This may even happen in 2007
- We have two more senior Russian scientists coming out this year. One is here today
- There is a proposal for a hour long documentary on Solagran for Russian TV
- We continue to be extremely frugal in relation to expenditure. However we may now need to raise capital to accelerate production. If we do, we will give existing shareholders the opportunity to participate



- ❑ Strategic Review
- ❑ Operating Plans
- ❑ Research and Trials

☛ **Questions and Answers**

Questions and Answers



We have set aside an hour for questions and answers

- Peter Stedwell will chair the Q&A session
- Questions can be directed through Peter to any member of the board
- Board members and management will also be available for informal discussions at the end of the meeting

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