

**NOT FOR DISTRIBUTION IN THE UNITED STATES, CANADA, AUSTRALIA  
OR JAPAN**

**International Biotechnology Trust plc (the "Company")**

Proposed C Share Issue and Discount Control Mechanism

In the period since 15 November 2005, the share price of the ordinary shares of the Company has risen from a closing middle market price of 104.5p to 155.5p, being the closing middle market price on 14 November 2006, an increase of 48.8 per cent. The net asset value of the ordinary shares has risen from 122.37p on 15 November 2005 to 155.97p at the close on 14 November 2006, being the latest published net asset value per share, a rise of 27.5 per cent. The Company continues to benefit from the proven management skills of the team at SV Life Sciences Managers LLP as evidenced by the recent valuation uplifts in the Company's portfolio of listed and unlisted investments.

In view of this performance and the favourable long-term outlook for the biotechnology sector, the Company is considering increasing its size through a C Share issue to provide the Company with additional proceeds to invest, over time, into, in particular, unquoted biotechnology companies in accordance with the Company's investment strategy. Any fundraising would be structured so as not to be dilutive to existing shareholders' net asset value. The Company will make a further announcement in due course, including the anticipated size of the issue.

The Board also announces the introduction of a discount management policy, to take effect on the completion of the C Share issue, under which the Company will seek to maintain the discount to the net asset value at which shares, including the C Shares, are quoted on the London Stock Exchange at no greater than 8 per cent. Given the nature of the portfolio, the need for the Manager to have access to any available cash for investment opportunities and any changes in general market conditions and/or peer group company ratings, it will be necessary for the Board to review this target discount level from time to time and to maintain the same at either a narrower or wider level as appropriate.

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