Bio-Technology General Acquires Rights to Technology for Important New Drug, PEG-Uricase, from Duke University and Mountain View Pharmaceuticals, Inc.

ISELIN, N.J. -- (BUSINESS WIRE) -- Aug. 17, 1998 -- Bio-Technology General Corp. NASDAQ:BTGC - news) announced today that it has licensed exclusive worldwide rights from Duke University ("DUKE") of North Carolina, and Mountain View Pharmaceuticals, Inc. ("MVP"), a California company, to technology relating to polyethylene glycol ("PEG") conjugates of uricase (urate oxidase). Uricase, an enzyme produced by most animals, destroys uric acid.

Uricase is not produced by humans, who have alternative biochemical pathways for the normal elimination of uric acid. When the normal human system fails, excess uric acid can accumulate and contribute to the development of gout and create a risk of kidney failure. Accumulation of uric acid occurs as well in other disease states. However, in individuals with these conditions, the uricase enzyme to be developed by BTG should effectively and efficiently eliminate excess uric acid from the body.

DUKE has developed recombinant uricases and, together with MVP, has developed PEG conjugates of uricases to make them safer and longer acting. MVP will transfer PEG technology to BTG, and BTG will produce PEG conjugates of uricase, undertake clinical trials, and commercialize the product. BTG believes that it could receive Orphan Drug designation for the use of this product in those individuals with gout and others for whom current treatment is ineffective or contraindicated.

Gout occurs when uric acid accumulates in the joints. The disease causes severe pain and may lead to life-threatening complications. Current treatments for gout and related conditions are sometimes ineffective, and may even cause life-threatening allergic reactions. PEG-uricase is a chemically modified enzyme of mammalian origin that converts uric acid to a more soluble and readily excreted product. The PEG-modified enzyme has a much longer circulating lifetime and is less likely to induce immune reactions than uricase itself.

Partial funding for the development of PEG-uricase will be provided by the Israel-U.S. Binational Industrial Research and Development Foundation ("BIRD"). BIRD actively supports projects in the life sciences. Repayment of funds from BIRD will begin once the product is introduced to the market.

Commenting on the agreement, Sim Fass, President & CEO of BTG, stated: "The acquisition of rights to this product is an important addition to BTG's pipeline and affirms our commitment to bringing products that serve unmet needs successfully through development to market. PEG-uricase strengthens and fits well with our focus in the field of endocrine and metabolic disorders, and will allow us to exploit our proven genetic engineering capabilities to produce the enzyme. In fact, this product could emerge as one

of BTG's more significant clinical/commercial successes. We look forward to reporting on the progress of this exciting new product."

Bio-Technology General Corp. [OTC BB:TCGN - news], a leading biopharmaceutical company, develops, manufactures and markets genetically engineered and other products for human health care. BTG's products are marketed in up to 30 countries worldwide. In the United States, Oxandrin® (oxandrolone, USP), and Delatestryl® (testosterone enanthate), are marketed by BTG, and MircetteTM (oral contraceptive) is marketed by BTG's licensee, Organon, Inc. The Company's BioLonTM (hyaluronic acid), will be launched in the United States this year by BTG's licensee, Akorn, Inc. BTG's product sales and diluted earnings per share for the first six months of 1998 were $32.7 million and $0.16, respectively.

Statements in this news release concerning the Company's business outlook or future economic performance, anticipated profitability, revenues, expenses or other financial items; and statements concerning assumptions made or expectations as to any future events, conditions, performance or other matters, are "forward-looking statements" as that term is defined under the Federal Securities Laws. Forward-looking statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from those stated in such statements. Such risks, uncertainties and factors include, but are not limited to, changes and delays in product development plans and schedules, customer acceptance of new products, changes in pricing or other actions by competitors, patents owned by the Company and its competitors, and general economic conditions, as well as other risks detailed in the Company's filings with the Securities and Exchange Commission.

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