

Announcement to NZX - 20 August 2008

Further to recent announcements regarding the company's position, Botry-Zen Limited (BOZ) advises that following consultation with Bank of New Zealand it has today engaged PricewaterhouseCoopers as an independent adviser to prepare a report as to the Company's financial position and options. That report is expected to be received within a relatively short time frame. It will then be discussed with Bank of New Zealand. As a consequence of the Company's proposed capital raising not being approved at the recent meeting, the company is currently operating in excess of its approved overdraft limit with Bank of New Zealand and is therefore in default of its facility and security arrangements.

In the absence of an early commitment from a third party to provide additional capital to the Company (in respect of which the company has no current ongoing discussions), the board expects that a likely course of action will be a sale of the Company's business.

The directors' view is that the Company has substantial and valuable intellectual property which they anticipate would generate interest from a wide variety of potential purchasers both from within New Zealand and potentially overseas. The Company has received some early expressions of interest and this provides some confidence for believing that a sale could be concluded within a reasonable timeframe. It would be premature, however, to speculate what the timing and outcome of a sales process might be.

Dr Max Shepherd
Chairman

On behalf of the Board of Directors