



Portage Biotech Inc. Corporate Disclosure Policy

Statement of policy

Portage Biotech Inc. (“the company” or “Portage”) is committed to a policy of full, true and plain public disclosure of all material information in a timely manner, in order to keep security holders and the investing public informed about the company's operations.

This policy extends to the conduct of directors, officers, spokespersons and other employees of Portage and all its subsidiaries, and all methods that the company uses to communicate to the public, such as written statements made in the company's annual and quarterly reports, news and earnings releases, letters to shareholders, speeches by senior management and information contained in the company's Internet web site. It also covers oral statements made in group and individual meetings with financial analysts and investors, telephone calls with financial analysts and investors, interviews with the media and press conferences.

This policy statement outlines Portage's approach toward the determination and dissemination of material information, the circumstances under which the confidentiality of information will be maintained, and restrictions on employee trading. It also provides guidelines in order to achieve consistent disclosure practices across the company and its subsidiaries.

Disclosure policy committee

Currently, the company's operations do not warrant setting up of a formal disclosure policy committee. The directors collectively review adherence to the policies on a periodic basis.

Spokespersons

The primary spokespersons for the company are the Chairman and Chief Financial Officer. These spokespersons may, from time to time, designate others to speak on behalf of the company or to respond to specific inquiries from the investment community or the media.

Employees/consultants/advisors other than the authorized spokespersons are not to respond to inquiries from the investment community or the media unless specifically asked to do so by an authorized spokesperson. All such queries should be referred to an authorized spokesperson.

The authorized spokespersons will be involved in scheduling and developing communications and presentations for all meetings with the investment community and the media.

If there is any doubt about the appropriateness of supplying information to an outside party, an employee should contact authorized spokespersons for advice.

Material information

In securities law, the term "material information" means any information relating to the business and affairs of a company and its subsidiaries that results in or would reasonably be expected to result in a significant change in the market price or value of any of the company's securities.

Securities law and securities commission and stock exchange policies require immediate disclosure of all material information through news media.

In certain circumstances, company officials may withhold information from public disclosure for legitimate business purposes. The information, if it constitutes material information, must still be filed with securities regulators on a confidential basis and is reviewed by the company every 10 days. Portage will only withhold information consistent with the circumstances outlined in the applicable securities laws and in such cases will take appropriate precautions to keep the information confidential.

Timing of and procedure for disclosure

All Portage news releases, including releases of material information, will be managed by the authorized spokespersons and by no one else.

The authorized spokespersons will ensure that the company's securities counsel first reviews all news releases where the subject matter has been determined by them to be material, in order to ensure that the company's disclosure is in compliance with applicable securities laws and stock exchange requirements.

Once a decision is made that information is material and will not be the subject of a confidential filing, it must be disclosed immediately and as broadly disseminated to the public as possible keeping in mind the costs and related benefits. Portage uses a wire service (currently Canada Newswire Agency.) to disseminate news releases. In addition, news releases will be faxed or e-mailed to parties who have expressed a desire to receive such releases directly.

After public dissemination, all of the company's disclosures will be monitored to ensure accurate media reporting and take corrective measures, if necessary.

When necessary, Portage will file a material change report with securities regulators.

Responding to market rumours

It is the company's practice not to comment on market rumours or speculation, particularly where it is clear that the company is not the source of the market rumour. If a stock exchange or a securities regulator requests the company to make a statement in response to a market rumour, the authorized spokespersons will consider the matter and make a recommendation to the Chief Executive Officer as to the nature and content of any company response.

The authorized spokespersons will also recommend an appropriate course of action where the company or an employee of the company is the apparent source of the rumour.

Authorized spokespersons may monitor chat rooms and newsgroups on the Internet in order to identify discussions about Portage, with a view to being able to anticipate the need to respond to a market rumour.

Communications with financial analysts and investors

One of the most important functions of Portage's authorized spokespersons is to provide financial analysts and investors with information about the company.

Authorized spokespersons will also be responsible for meetings with financial analysts and investors. If material non-public information is inadvertently disclosed at such a meeting, Portage will take immediate action to achieve broad public dissemination of the information.

If a company's employee other than the authorized spokespersons holds a one-on-one meeting with an outside party such as a financial analyst or investor, authorized spokespersons will ascertain whether any new material information was disclosed during the discussion. If so, that information will be publicly disclosed immediately.

Portage will not provide confidential, proprietary or material non-public information in communications with financial analysts or investors. The company will only disclose information that does not impair its own effectiveness. Any information disclosed will be factual and not speculative.

Portage will not discriminate among recipients of information. Under no circumstances will it bar a financial analyst from access to information, nor will the company confirm or attempt to influence a financial analyst's opinions or conclusions. Portage will provide the same information that has been provided to financial analysts to individual investors when requested.

The company will not discuss near-term operational results or future earnings nor will it comment on earnings estimates of analysts or investors, except as required by law. Similarly, it will not review financial analysts' reports or models but it may confirm or correct publicly released historical information contained in analysts' reports.

The company may provide selective, forward-looking information to enable the investment community to evaluate the company and its prospects for performance, such as new projects, expected volume growth or decline, capital spending, operating expense targets, and projected demand or market potential for its products, provided that it is not undisclosed material information, it does not deal with near-term operational results or future earnings, and it has been prepared or reviewed by authorized spokespersons

Forward-looking information

A forward-looking statement made in the company's written documents will be identified as such and accompanied with meaningful cautionary language that warns investors that there is a risk that the statement could change materially. In the case of oral forward-looking statements, the statement will be identified as such and, if the cautionary language is not included in a previously released, readily available written document, it will immediately accompany the statement.

Restrictions on Insider trading

A formal policy regarding insider trading in the company's securities is now in place.