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The Manager Companies
Australian Stock Exchange Limited
20 Bridge Street
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(2 pages by email)

Dear Madam

BIT225 PHASE I HUMAN TRIAL DATA PRESENTED AT INTERNATIONAL MEETING

The Directors are pleased to advise that Biotron Limited ('Biotron') has presented data from the Phase I clinical trial of its lead product, BIT225, at an international hepatitis C virus (HCV) conference this week.

Biotron's Development Manager, Dr Carolyn Luscombe, presented data on the safety and pharmacological profile of BIT225 at the HCV DART 2007 conference, being held in Maui, Hawaii. HCV DART 2007 focused on "Frontiers in Drug Development for Viral Hepatitis" and assembled clinicians, researchers, scientists and pharmaceutical company representatives from around the world.

As previously announced, the Phase I trial was successful, indicating that BIT225 was well tolerated, with no dose limiting toxicities. Preliminary analysis indicated that potentially therapeutic blood levels of BIT225 were achieved, based on calculations extrapolated from preclinical in vitro antiviral efficacy studies.

At the same meeting, Biotron's Senior Scientist, Dr Gary Ewart, presented a second paper on BIT225, with data demonstrating that BIT225 significantly enhances the activity of existing HCV therapies in an in vitro model system. As previously announced, BIT225 was highly synergistic in a triple combination with two of the most common HCV therapies in use today - ribavirin and interferon- α . The addition of BIT225 to ribavirin and interferon- α increased the level of inhibition of viral replication from 70% with the two other drugs to 100% when BIT225 was added to the mix. The potency of BIT225 was increased tenfold in this triple combination, compared to its activity on its own. The data indicate that BIT225 has the potential to be used in combination therapy to achieve a higher level of antiviral activity against HCV than is currently possible, while improving the potency of each of the drugs in the combination.

BIT225 is a new first-in class drug, BIT225, in development for treatment of both HIV and HCV infections. It offers the potential to significantly advance treatments of both these debilitating infections. The market for both these diseases is very large, with the worldwide market for HCV current almost US\$3.0 billion. The US market alone for HIV is over US\$3.3 billion.

In addition to the presentations this week at the HCV DART 2007 conference, Biotron's Senior Virologist, Dr John Wilkinson presented a paper at the Third International Workshop on HIV Persistence during Therapy workshop, held at St Martin, West Indies. Dr Wilkinson presented data to an international audience of HIV clinicians and scientists on BIT225's ability to prevent growth of HIV in the reservoir cells, which are refractory to current treatment.

The acceptance of abstracts for presentation by Biotron scientists at these prestigious meetings demonstrates the high level of international interest in the Company's programs. Biotron is now focused on progressing BIT225 into Phase Ib/IIa clinical trials in both HIV and HCV infected subjects. The recently completed Phase I clinical trial in healthy volunteers will support the trials in these two patient populations, which significantly reduces the costs and timelines of Biotron's clinical development program. Trial designs and regulatory and ethics submissions are in preparation for two trials, one in HIV and one in HCV populations and, subject to regulatory and ethics approvals, we anticipate commencement of these trials early in 2008, which should conclude in mid-2008.

For further information, please contact Dr Michelle Miller, CEO, on (61-2) 9247 8212.

Yours sincerely

A handwritten signature in black ink, appearing to read 'P. Nightingale', with a stylized flourish at the end.

Peter J. Nightingale
Company Secretary

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