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28 February 2011

The Manager Companies
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

(19 pages by email)

Dear Madam,

HALF YEAR REPORTS

In accordance with Listing Rule 4.2A, I attach the Company's Appendix 4D and Interim Financial Report for the half year ended 31 December 2010. This Interim Financial Report should be read in conjunction with the Company's 30 June 2010 Annual Report.

Yours sincerely



Peter J. Nightingale
Company Secretary

pjn5868

Appendix 4D

Half Year Report

Name of entity

BIOTRON LIMITED

ABN or equivalent company reference

60 086 399 144

Financial year ended ('current period')

31 DECEMBER 2010

Results for announcement to the market

Revenues from ordinary activities	Up	475%	to	30,691
Loss from ordinary activities after tax attributable to members	Up	30%	to	1,071,851
Net loss for the period attributable to members	Up	30%	to	1,071,851
Dividends (distributions)	Amount per security		Franked amount per security	
Final dividend	Nil¢		Nil¢	
Interim dividend	Nil¢		Nil¢	
Previous corresponding period				
Final dividend	Nil¢		Nil¢	
Interim dividend	Nil¢		Nil¢	
Record date for determining entitlements to the dividend.	N/A			
Brief explanation of any of the figures reported above and short details of any bonus or cash issue or other item(s) of importance not previously released to the market:				
Refer attached reports.				
NTA backing	Current period		Previous corresponding period	
Net tangible asset backing per ordinary security	0.01 cents		0.01 cents	

BIOTRON LIMITED
A.B.N. 60 086 399 144

**INTERIM FINANCIAL REPORT
FOR THE HALF YEAR ENDED
31 DECEMBER 2010**

BIOTRON LIMITED

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BIOTRON LIMITED

DIRECTORS' REPORT

Your Directors have pleasure in submitting their report together with the interim financial report of Biotron Limited ('the Company') for the half year ended 31 December 2010 and the review report thereon.

Directors

The names of the Directors of the Company in office during or since the end of the half year are:

Mr Michael J. Hoy
Independent and Non-Executive Chairman

Mr Hoy has more than 30 years' corporate experience in Australia, the United Kingdom, USA and Asia. He is Chairman of CityPrint Holdings Pty Limited, Chairman of Telleso Technologies Limited and a former director of John Fairfax Holdings Limited and FXF Trust.

He has been a director since 7 February 2000 and Chairman since 16 March 2000.

Dr Michelle Miller, BSc, MSc, PhD, GCertAppFin (Finsia)
Managing Director

Dr Miller has worked for over 20 years in the bioscience industry, with extensive experience in managing commercial bioscience research. She completed her PhD in the Faculty of Medicine at Sydney University investigating molecular models of cancer development. Her experience includes a number of years at Johnson and Johnson developing anti-HIV gene therapeutics through preclinical research to clinical trials. She has experience in early-stage start-ups from time spent as Investment Manager with a specialist bioscience venture capital fund.

She was appointed as Managing Director on 21 June 2002.

Dr Michael S. Hirshorn, OAM, MBA, MBBS, FFin
Independent and Non-Executive Director

Dr Hirshorn has a 30 years career of founding, building, managing and investing in technology companies. He played a major role in all commercial aspects of Cochlear Limited's development, was a founding director of Resmed Inc., and Chief Executive Marketing for Polartechnics Limited.

He has over eight years of private equity experience, raising a fund and investing and developing companies. He has served on numerous government advisory committees, including the Start IT and T Committee, the Start Grants Biological Sciences Committee of the Department of Industry, Science and Resources. He is currently a director of Dynamic Hearing, LBT Innovations and TGR BioSciences.

Dr Hirshorn was appointed as a director on 16 March 2000.

Mr Bruce Hundertmark
Independent and Non-Executive Director

Mr Hundertmark is an independent businessman and company director with a wide range of experience in diverse business operations. He has specialised in recent years in high technology based company start-up operations and in promoting the formation of venture capital companies including News Datacom Research Limited in Israel, News Datacom Limited in Hong Kong and both PT Indo Bio Products and PT Indo Bio Fuels in Indonesia.

He has been a director of numerous private and publicly listed companies including News International PLC, Sky Television PLC, Prudential Cornhill Insurance Limited, Harris Scarfe Limited, Bernkastel Wines Limited, Codan Limited, Samic Limited and Investment & Merchant Finance Corporation Limited.

Mr Hundertmark was appointed as a director on 16 March 2000.

BIOTRON LIMITED

DIRECTORS' REPORT

Dr Denis Wade ***Non-Executive Director***

Dr Denis Wade has been involved for over 40 years with the development of research-based pharmaceuticals and medical devices in both industry and academia. He has been a director of several private and public companies in the Health-care sector, including Heartware Limited and subsequently HeartWare International Inc., since December 2004. He was a Director and Chairman of Gene Shears Pty Limited and, from 1987 until his retirement in 2002, Dr. Wade was Managing Director and Chairman of Johnson & Johnson Research Pty Ltd, a research and development company of Johnson and Johnson Inc. He was also a member of the J&J Corporate Office of Science and Technology. Prior to that, Dr. Wade was the Foundation Professor of Clinical Pharmacology at the University of New South Wales and served as a member of a number of State and Federal bodies related to the drug industry, including the P3 Committee.

He is a former Chairman of the Australian Academy National Committee for Pharmacology, the Australasian Society for Clinical and Experimental Pharmacology and Toxicology and a former Chairman of the Clinical Pharmacology Section of the International Union of Pharmacology.

Dr Wade holds a First Class Honours degree in Medicine and Science from the University of Sydney and a Doctorate of Philosophy from the University of Oxford. He was awarded an Honorary Doctorate of Science by the University of New South Wales and is a Fellow of the Royal Australasian College of Physicians and of the Australian Academy of Technological Sciences and Engineering. In 1999 he was made a Member of the Order of Australia.

Dr Wade was appointed as a Director on 30 April 2010.

Mr Peter J. Nightingale ***Company Secretary***

Mr Nightingale graduated with a Bachelor of Economics degree from the University of Sydney and is a member of the Institute of Chartered Accountants in Australia. He has worked as a chartered accountant in both Australia and the USA.

As a director or company secretary Mr Nightingale has, for the past 23 years, been responsible for the financial control, administration, secretarial and in-house legal functions of a number of private and public listed companies in Australia, the USA and Europe including Pangea Resources Limited, Timberline Minerals Inc., Perseverance Corporation Limited, Valdora Minerals N.L., Mogul Mining NL, Bolnisi Gold NL and Palmarejo Silver and Gold Corporation. Mr Nightingale is currently Chairman of Callabonna Uranium Limited and a director of Augur Resources Ltd, Cockatoo Coal Limited, Planet Gas Limited and Sumatra Copper & Gold plc.

Mr Nightingale has been Company Secretary since 23 February 1999.

Review of Operations

The period under review has seen significant advances on clinical progression of Biotron Limited's ('Biotron' or 'the Company') antiviral drug development program, with continued focus on clinical development of the Company's lead drug, BIT225 for treatment of Hepatitis C virus ('HCV').

Significant events achieved in this half year period include:

- Commencement of a Phase IIa clinical trial of BIT225 in a combination study with current approved drugs. This marked a major milestone for the Company.
- An independent, international published study provided strong support for the Company's HIV drug development program.
- Presentation of data from the Company's HIV and HCV programs at international scientific conferences as well as showcasing the Company to the international investment community.

BIOTRON LIMITED

DIRECTORS' REPORT

Clinical Development of BIT225

Biotron has an impressive pipeline of world class clinical programs developing new drugs to treat significant viral diseases including HCV and HIV. During the half year under review, Biotron commenced the third human trial of its lead drug, BIT225 - an investigational, orally-administered, novel antiviral compound in development by Biotron for treatment of HCV and HIV infections. This trial follows on from the successful completion of the two preceding human trials of BIT225. These previous trials included a 48 person first-in-human safety study in healthy volunteers in late 2007, and a Phase Ib/IIa trial of the drug in people infected with HCV, completed in late 2009.

The trial currently underway is a Phase IIa trial of BIT225 in combination with the current approved treatment for HCV - interferon and ribavirin. The trial is designed to assess the safety of Biotron's drug when given daily for 28 days, as well to assess its effect on the level of virus in the blood of the patients and to see whether BIT225 can improve the efficacy of interferon and ribavirin. During this trial twenty four patients infected with genotype 1 HCV will be dosed twice daily with BIT225 or placebo for 28 days at the commencement of a standard course of treatment of interferon and ribavirin.

Genotype 1 patients make up the majority of HCV infections in the Western world, and are the hardest to treat, with less than half responding to current approved treatment. There is an unmet medical need for drugs that will improve treatment outcomes for this group of patients.

This trial is a crucial step in the development path of BIT225, and follows on from a seven day dosage clinical trial of the drug on its own in HCV-positive patients. That trial showed promising results, and we anticipate these results may be improved upon in this new trial as laboratory studies with BIT225 have shown the drug is able to significantly improve the activity of interferon and ribavirin.

This HCV Phase IIa combination trial has been specifically designed with the aim of providing the information that potential partners are likely to require in order to form a partnership with an international pharmaceutical company for continued development.

Antiviral drugs cannot be used on their own to treat chronic infections due to development of drug resistance, so this combination study reflects how BIT225 would most likely be used in a clinical setting, subject to continuing positive results and approvals. These existing drugs, interferon and ribavirin, are often associated with severe side effects, and have limited benefit in a large percentage of patients. BIT225 has been shown to be highly synergistic with these drugs in preclinical laboratory testing, which means that greater reductions in virus levels can be achieved using smaller quantities of the drugs in combination than if they were used individually.

BIT225 represents a first-in-class drug for treatment of HCV, targeting the p7 protein of HCV. It is estimated that in the USA alone, some 4 million people have been infected with Hepatitis C with 2.7 million suffering from chronic infection. Worldwide, 170 million people are infected.

HCV causes inflammation of the liver, which may lead to fibrosis and cirrhosis, liver cancer and, ultimately, liver failure. Existing drugs for HCV have toxicity issues and limited effectiveness, leaving a significant need for new therapies. The worldwide market is currently almost US\$3.0 billion, but is estimated that this market will expand to over US\$10.0 billion as safe, effective therapies enter the market. The pharmaceutical industry is particularly interested in new drugs that specifically target the replication cycle of the Hepatitis C virus, and there is considerable interest in the outcomes of the combination trial that Biotron is currently completing.

BIT225 also works against HIV, the virus that causes AIDS. BIT225 specifically targets HIV in reservoir cells and represents an opportunity to attack HIV at its source in the body. Current HIV therapies have little or no effect on HIV in the underlying reservoir of infected cells where the virus hides from the immune system.

In July 2010, Biotron scientists presented a paper at the XVIII International AIDS conference in Vienna, demonstrating that BIT225 has the potential to prevent the establishment of HIV infection in the first cells to encounter the virus at the point of infection. These cells, called dendritic cells, act as the 'watch dogs' of the immune system, so reach the virus first when it gets into the body. Within approximately 24 hours of first infection, HIV starts replicating in these dendritic cells, and is then transmitted to the body's T cells, where the virus establishes a more explosive infection. Delegates at the conference heard that BIT225 was able to significantly reduce levels of HIV in dendritic cells in the laboratory, with up to 89% reduction in virus transferred to uninfected T cells.

The results are significant as prevention or minimisation of the establishment of HIV infection would potentially ameliorate the devastating effects of HIV infection in the body. The finding opens up a new avenue for potential exploitation of BIT225 in addition to its potential use in controlling viral reservoirs in patients with established infection.

BIOTRON LIMITED
DIRECTORS' REPORT

In November 2010, an independent, international published study provided further strong support for Biotron's HIV drug development program. The study demonstrated how the deadly HIV virus manages to avoid the human body's natural defence mechanisms, showing that the Vpu protein of HIV is central to this process. BIT225 specifically targets the Vpu protein of HIV. The study on Vpu, published in the prestigious peer-reviewed journal Cell Host & Microbe, showed that Vpu stops cells infected with HIV from triggering an immune reaction, 'hiding' the infected cells so that immune cells are unable to seek them out and destroy them. The study infers that drugs targeting Vpu could potentially 'wake up' the cells, making them susceptible to destruction by the body's defence system. The study provides solid evidence of the importance of Vpu as a potential major target for therapeutic intervention.

The Company is finalising trial designs for its HIV program, and proposes to progress BIT225 into a proof-of-concept Phase Ib/IIa trial in HIV-infected patients, subject to funding availability.

These trials in HCV and HIV patients are critical steps in the Company's development. Demonstration that BIT225 can attack these viruses in patients will be a major advance in terms of Company and technology valuations. The Company is focused on achieving a successful outcome, and has been progressing discussions with potential pharmaceutical companies in anticipation of partnering the technology once these trials have been completed. The proposed trials are designed to benefit shareholders through significantly increasing the value of Biotron in the market and to its future pharmaceutical company partners.

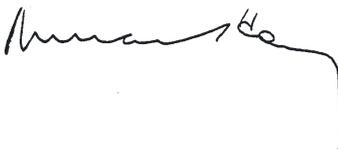
Subsequent Events

No matters or circumstances have arisen since the end of the half year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the company in future financial years.

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

The lead auditor's independence declaration is set out on page 5 and forms part of the Directors' Report for the half year ended 31 December 2010.

This report has been signed in accordance with a resolution of the Directors and is dated 28 February 2011:



Michael J. Hoy
Director



**Lead Auditor's Independence Declaration under Section 307C
of the Corporations Act 2001 to the Directors of Biotron Limited**

I declare that, to the best of my knowledge and belief, in relation to the review for the half year ended 31 December 2010, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

A handwritten signature in blue ink, appearing to be 'Adam Twemlow', written over a horizontal line.

Adam Twemlow
Partner

28 February 2011
Brisbane

BIOTRON LIMITED

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2010**

	Notes	31 December 2010 \$	31 December 2009 \$
Administration and consultants' expenses		(123,815)	(133,839)
Depreciation		(7,194)	(11,561)
Direct research and development expenses		(483,016)	(396,046)
Employee and director expenses		(324,536)	(197,835)
Legal expenses		(6,387)	(416)
Rent and outgoings expenses		(34,174)	(28,682)
Other expenses from ordinary activities		(69,420)	(65,601)
Operating loss before financing income		<u>(1,048,542)</u>	<u>(833,980)</u>
Interest income		30,691	6,467
Net finance income		<u>30,691</u>	<u>6,467</u>
Loss before tax		(1,017,851)	(827,513)
Income tax expense		-	-
Loss for the period		(1,017,851)	(827,513)
Other comprehensive income for the period		-	-
Total comprehensive loss for the period		<u><u>(1,017,851)</u></u>	<u><u>(827,513)</u></u>
Basic loss per share attributable to ordinary equity holders	7	<u>(0.84) cents</u>	<u>(0.72) cents</u>
Diluted loss per share attributable to ordinary equity holders	7	<u>(0.84) cents</u>	<u>(0.72) cents</u>

The condensed interim statement of comprehensive income is to be read in conjunction with the notes to the interim financial statements set out on pages 10 to 12.

BIOTRON LIMITED**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2010**

	31 December 2010	30 June 2010
	\$	\$
Current assets		
Cash and cash equivalents	889,271	1,780,567
Trade and other receivables	657	9,471
Other	26,764	23,577
Total current assets	<u>916,692</u>	<u>1,813,615</u>
Non-current assets		
Plant and equipment	37,037	44,230
Total non-current assets	<u>37,037</u>	<u>44,230</u>
Total assets	<u>953,729</u>	<u>1,857,845</u>
Current liabilities		
Trade and other payables	33,497	62,212
Employee entitlements	105,572	78,075
Total current liabilities	<u>139,069</u>	<u>140,287</u>
Total liabilities	<u>139,069</u>	<u>140,287</u>
Net assets	<u>814,660</u>	<u>1,717,558</u>
Equity		
Issued capital	20,762,703	20,750,759
Reserves	2,021,139	2,277,738
Accumulated losses	(21,969,182)	(21,310,939)
Total equity	<u>814,660</u>	<u>1,717,558</u>

The condensed interim statement of financial position is to be read in conjunction with the notes to the interim financial statements set out on pages 10 to 12.

BIOTRON LIMITED**CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2010**

	31 December 2010	31 December 2009
	\$	\$
Cash flows from operating activities		
Payments for research and development	(542,779)	(443,883)
Cash payments in the course of operations	(389,161)	(435,379)
Cash absorbed by operations	(931,940)	(879,262)
Interest received	30,691	8,042
Net cash used in operating activities	(901,249)	(871,220)
Cash flows from financing activities		
Proceeds from issue of shares	9,953	-
Net cash from financing activities	9,953	-
Net decrease in cash and cash equivalents	(891,296)	(871,220)
Cash and cash equivalents at 1 July	1,780,567	950,581
Cash and cash equivalents at 31 December	889,271	79,361

The condensed interim statement of cash flows is to be read in conjunction with the notes to the interim financial statements set out on pages 10 to 12.

BIOTRON LIMITED

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2010**

**Attributable to equity holders of the
Company**

	Share capital \$	Option premium reserve \$	Retained losses \$	Total \$
Balance at 1 July 2009	19,920,593	359,608	(19,438,695)	841,506
Total comprehensive income for the period				
Loss for the period	-	-	(827,513)	(827,513)
<i>Other comprehensive income</i>	-	-	-	-
Transaction with owners, recorded directly in equity	-	-	-	-
Balance at 31 December 2009	19,920,593	359,608	(20,266,208)	13,993
Balance at 1 July 2010	20,750,759	2,277,738	(21,310,939)	1,717,558
Total comprehensive income for the period				
Loss for the period	-	-	(1,017,851)	(1,017,851)
<i>Other comprehensive income</i>	-	-	-	-
Transaction with owners, recorded directly in equity				
Ordinary shares issued	9,953	-	-	9,953
Share based payment transaction	-	105,000	-	105,000
Transfer expired options	-	(359,608)	359,608	-
Exercise of options	1,991	(1,991)	-	-
Balance at 31 December 2010	20,762,703	2,021,139	(21,969,182)	814,660

The condensed interim statement of changes in equity is to be read in conjunction with the notes to the interim financial statements set out on pages 10 to 12.

BIOTRON LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2010

1. REPORTING ENTITY

Biotron Limited (the 'Company') is a company domiciled in Australia.

The annual financial report of the Company as at and for the year ended 30 June 2010 is available upon request from the Company's registered office at Level 2, 66 Hunter Street, Sydney, NSW, 2000 or at www.biotron.com.au.

2. STATEMENT OF COMPLIANCE

The interim financial report has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the Corporations Act 2001.

The Company's interim financial report does not include all of the information required for a full annual financial report, and should be read in conjunction with the 30 June 2010 annual financial report and any public announcements by the Company during the half year in accordance with continuous disclosure obligations arising under the Corporations Act 2001.

The interim financial report was authorised for issue by the Directors on 28 February 2011.

3. SIGNIFICANT ACCOUNTING POLICIES

Except as described below, the accounting policies applied by the Company in this interim financial report are the same as those applied by the Company in its financial report as at and for the year ended 30 June 2010.

Presentation of transactions recognised in other comprehensive income

From 1 July 2010 the Company has applied amendments to AASB 101 *Presentation of Financial Statements* outlined in AASB 2010-4 *Further amendments to Australian Accounting Standards arising from the Annual Improvements Project*. The change in accounting policy only relates to disclosures and had no impact on earnings per share or net income. The changes have been applied retrospectively and allow the Company to disclose transactions recognised in other comprehensive income in the notes to the interim financial report.

4. ESTIMATES

The preparation of the interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Except as described below, in preparing this interim financial report, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial report as at and for the year ended 30 June 2010.

During the six months ended 31 December 2010 management reassessed its estimates in respect of:

- Note 5 Going Concern
- Note 8 Share Based Payments

BIOTRON LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2010

5. GOING CONCERN

The interim financial report has been prepared on a going concern basis which contemplates the realisation of assets and settlement of liabilities in the ordinary course of business.

The Company has incurred a trading loss of \$1,017,851 in the half year ended 31 December 2010 and has accumulated losses of \$21,969,182 as at 31 December 2010. The Company has cash on hand of \$889,271 at 31 December 2010 and used \$901,249 of cash in operations for the half-year ended 31 December 2010. These conditions give rise to a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern. The ongoing operation of the Company is dependent on:

- the Company raising additional funding from shareholders or other parties; and/or
- the Company reducing expenditure in line with available funding.

The directors have prepared cash flow projections that support the ability of the Company to continue as a going concern. These cash flow projections assume the Company obtains sufficient additional funding from shareholders or other parties. If such funding is not achieved, the Company plans to reduce expenditures significantly.

In the event that the Company does not obtain additional funding and/or reduce expenditure in line with available funding, it may not be able to continue its operations as a going concern and therefore may not be able to realise its assets and extinguish its liabilities in the ordinary course of operations and at the amounts stated in the interim financial report.

6. CAPITAL AND RESERVES

During the half year ended 31 December 2010, the Company issued ordinary shares following the exercise of 99,529 \$0.10 options for cash totalling \$9,953. There were no amounts unpaid on the shares issued and there were no share issue costs.

There were no shares issued during the half year ended 31 December 2009.

No dividends were declared or paid by the Company during the current or prior period.

7. LOSS PER SHARE

	31 December 2010	31 December 2009
	\$	\$
Basic and diluted loss per share have been calculated using:		
Net loss for the six months ended 31 December	1,017,851	827,513
Weighted average number of ordinary shares	121,779,294	114,537,315

BIOTRON LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2010

8. SHARE BASED PAYMENTS

The Company has a share option program that entitles key management personnel to be granted options in the Company.

The terms and conditions of the grants made during the half year ended 31 December 2010 were as follows:

Grant date	Expiry date	Vesting date	Exercise price	Fair value of options granted	Granted during the period Number	Exercised during the period Number	Expired during the period Number	Balance at end of the period Number
24 December 2010	30 October 2015	24 December 2010	\$0.22	\$105,000	1,000,000	-	-	1,000,000
24 December 2010	30 October 2015	30 October 2011	\$0.22	\$105,000	1,000,000	-	-	1,000,000
24 December 2010	30 October 2015	30 October 2012	\$0.25	\$312,000	3,000,000	-	-	3,000,000
				<u>\$522,000</u>	<u>5,000,000</u>	<u>-</u>	<u>-</u>	<u>5,000,000</u>

There were no options issued during the half year ended 31 December 2009.

Fair value of options

The fair value of options granted is measured at grant date and recognised as an expense over the period during which the key management become unconditionally entitled to the options. The fair value of the options granted is measured using an option valuation methodology, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of options that vest.

The fair value of options granted on 24 December 2010 was \$522,000. The Black-Scholes formula model inputs were the Company's share price of \$0.12 at the grant date, a volatility factor of 141% based on historic share price performance, a risk free interest rate of 5.47% based on government bonds, and a dividend yield of 0%.

9. SEGMENT REPORTING

The Company operates solely in the biomedical industry in Australia.

10. SUBSEQUENT EVENTS

No matters or circumstances have arisen since the end of the half year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

BIOTRON LIMITED

DIRECTORS' DECLARATION

In the opinion of the directors of Biotron Limited:

- (a) the financial statements and notes, set out on pages 6 to 12, are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Company's financial position as at 31 December 2010 and of its performance for the half year ended on that date; and
 - (ii) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This report has been signed in accordance with a resolution of the directors and is dated 28 February 2011:



Michael J. Hoy
Director



INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF BIOTRON LIMITED

We have reviewed the accompanying interim financial report of Biotron Limited (the 'Company'), which comprises the condensed interim statement of financial position as at 31 December 2010, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows for the half year ended on that date, a description of significant accounting policies and other explanatory notes 1 to 10, and the directors' declaration.

Directors' Responsibility for the Interim Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Company's financial position as at 31 December 2010 and its performance for the half year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Biotron Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Biotron Limited is not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Company's financial position as at 31 December 2010 and of its performance for the half year ended on that date; and
- b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Material uncertainty regarding continuation as a going concern

Without qualifying our conclusion, we draw attention to Note 5, "Going Concern" in the interim financial report. The conditions disclosed in Note 5 indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern and, therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the interim financial report.

KPMG
28 February 2011
Brisbane

Adam Twemlow
Partner

BIOTRON LIMITED
CORPORATE DIRECTORY

Directors:

Mr Michael J. Hoy (Chairman)
Dr Michelle Miller (Managing Director)
Dr Michael S. Hirshorn
Mr Bruce Hundertmark
Dr Denis N. Wade

Company Secretary:

Mr Peter J. Nightingale

Registered Office:

Level 2, 66 Hunter Street
SYDNEY NSW 2000
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E-mail: enquiries@biotron.com.au
Homepage: www.biotron.com.au

Share Registrar:

Computershare Investor Services Pty Limited
117 Victoria Street
West End Queensland 4101
Phone: 61-7 3237 2100
Fax: 61-7 3229 9860

Auditors:

KPMG
Level 16, Riparian Plaza
71 Eagle Street
BRISBANE QLD 4000

Home Exchange:

ASX Limited
20 Bridge Street
SYDNEY NSW 2000

Solicitors:

Minter Ellison
88 Phillip Street
SYDNEY NSW 2000

Biotron Limited, incorporated and domiciled in Australia, is a publicly listed company limited by shares.