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The Manager Companies
Australian Stock Exchange Limited
20 Bridge Street
Sydney NSW 2000

(2 pages by email)

Dear Madam

BIT225 HIGHLY SYNERGISTIC WITH NEW CLASS OF ANTI-HCV THERAPIES

The Directors of Biotron Limited ('Biotron') are pleased to announce that the Company's lead antiviral drug, BIT225, has demonstrated enhanced activity when combined with a new class of Hepatitis C virus (HCV) antiviral agents.

This latest study, performed independently by Southern Research Institute, Maryland, USA, using a surrogate cell culture system, has demonstrated that Biotron's lead antiviral drug, BIT225, is synergistic when combined with a particular class of antiviral drug. These drugs inhibit the RNA-dependent RNA polymerase of HCV (also known as NS5B). NS5B inhibitors have been the focus of several international research and development programs and a number are in early clinical development.

The finding is significant as there is a recognised need to develop antiviral drugs that work in combination to attack HCV. The finding that BIT225 works in combination with NS5B inhibitors to enhance the virus killing ability of both BIT225 and the NS5B inhibitors further improves the standing of BIT225 within this field.

These results extend the previously reported finding that BIT225 is synergistic with the current standard of care treatment for HCV (interferon and ribavirin). The results of this latest research demonstrate that higher levels of virus death could be effected using significantly lower levels of both drugs than if either is used alone. The major practical benefit of synergism between two anti-viral drugs is that, for therapeutic purposes, each drug would remain effective at lower plasma concentrations than if the combined effect was merely additive. This has the potential to decrease the risk of adverse drug side effects and the potential for generation of drug resistant virus strains, as drug levels in the plasma fall below effective concentrations, is reduced.

The use of BIT225 in combination with either the current standard of care treatment, or with NS5B inhibitors, holds exciting potential therapeutic treatment of human HCV infections.

As previously advised, Biotron recently commenced a Phase Ib/IIa clinical trial of BIT225 as a monotherapy in patients with chronic HCV infection. This trial followed on from a successful Phase I clinical trial of BIT225 in healthy volunteers. The trial is due for completion in late 2008.

About Biotron

Biotron Limited is engaged in the research, development, and commercialisation of drugs targeting significant viral diseases with unmet medical need, with a major focus on HIV and HCV. The Company has BIT225 in clinical development for both HIV and HCV, and also has several earlier stage preclinical and research programs for several other viral infections including influenza, Dengue and Hepatitis B.

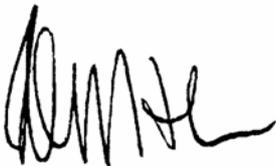
About HCV

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 limited effectiveness and toxicity issues, 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.

Monotherapy with interferon- α and combination therapy with interferon- α and the ribonucleoside analog ribavirin are the two different regimens currently approved as therapy for chronic hepatitis C. Treatment with interferon- α alone, or in combination with ribavirin, has limited effectiveness. The use of interferon based therapy for the treatment of HCV can be further limited by frequent side effects, injectable administration and poor patient tolerance and adherence. Many patients receiving interferon can experience influenza-like symptoms, fatigue and depression. Ribavirin can be problematic for patients with pre-existing anemia, kidney problems or heart disease.

For further information, please contact Dr Michelle Miller, Managing Director, on (61-2) 9805 0488.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Peter J. Nightingale', written in a cursive style.

Peter J. Nightingale
Company Secretary

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