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The Manager - Companies
Australian Stock Exchange Limited
20 Bridge Street
SYDNEY NSW 2000 (2 pages by facsimile 1 300 300 021)

Dear Madam,

RE: PROSTATE CANCER TRIAL COMMENCED

The Directors are pleased to advise that Biotron Limited ('Biotron') has commenced a clinical trial of its CT-2 cancer diagnostic assay. The commencement of this clinical trial follows results from preliminary studies conducted by the Company which have demonstrated that specific cancer types have unique biomarker expression profiles and also the receipt of ethics approval from St. Vincent's Hospital, Sydney.

The clinical trial, to be conducted on blood samples from prostate cancer patients, will validate the Company's CT-2 test by identifying a pattern of cancer specific biomarkers detected by mass spectrometry.

The Company has already shown that different types of cancer express different patterns of these biomarkers. The commencement of the clinical trial represents a significant advance of the CT-2 test, the second of the Company's cancer diagnostic tests.

The C-Test Project

Based on research conducted by Professor Christopher Parish, Head of the Division of Immunology and Cell Biology at the John Curtin School of Medical Research at the Australian National University, the C-Test Project is developing two independent diagnostic tests for early detection and diagnosis of cancer. The first, **CT-1** is designed to detect the presence of cancer and the second, **CT-2**, is designed to diagnose the type of cancer. Both tests use mass spectrometry to detect levels of novel cancer biomarkers in the blood of cancer patients.

CT-1

CT-1 is already in clinical trial under the supervision of the National Health Sciences Centre Limited in Canberra. The basis of CT-1 is the detection of a single, specific molecule that disappears when cancer is present. This biomarker appears to be completely novel, no other group is known to have described it and the Company has applied for a patent for this compound.

In recent months a major effort has been made to elucidate the exact structure of the CT-1 molecule. Completion of this work, which the Company expects in the near future, will further strengthen our patent position and will facilitate preparation and analysis of patient blood samples. Elucidation of the structure of the CT-1 biomarker will significantly reduce the time and cost of the CT-1 clinical trial.

CT-2

CT-2 analyses the pattern of expression levels of a series of different biomarkers. Biotron aims to develop a diagnostic test that will diagnose the cancer type on the basis of the pattern of expression of small non-protein biomarkers that are found in serum. Preliminary studies have shown that the serum from patients with different cancer types have different, unique expression patterns or "fingerprints". The clinical trial at St. Vincent's Clinic will enable the Company to determine the spectrometric fingerprint for prostate cancer.

As existing assays are considered unreliable and lack specificity, the development of a very specific, sensitive and, importantly, a non-invasive assay for prostate cancer will be a major advance.

The CT-2 clinical trial, to be conducted in the Urology Department of St. Vincent's Clinic, Sydney, by Dr Philip Brenner and colleagues, will involve 120 volunteers with prostate cancer. Additional patients with benign prostatic hyperplasia as well as patients without prostate cancer will also be included in the trial.

The CT-2 clinical trial is expected to take approximately six months to complete.

For further information, please contact Dr. Michelle Miller, Business Development Manager, on (02) 61258001 or 0412313329.

Yours sincerely

Peter J. Nightingale
Company Secretary

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