

Level 8, 261 George Street  
Sydney NSW 2000  
Tel: (61-2) 9247 8212  
Fax: (61-2) 9247 3932  
E-mail: [pjn@zip.com.au](mailto:pjn@zip.com.au)  
Website: [www.biotron.com.au](http://www.biotron.com.au)

28 August 2002

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

(1 page by facsimile 1 300 300 021)

Dear Madam,

**RE: INDEPENDENT TESTS VERIFY THE COMPANY'S  
HIV COMPOUND TO BE EFFECTIVE AND NON-TOXIC**

The Directors are pleased to advise that independently conducted tests have shown that Biotron Limited's ('the Company') Virion Project lead compound, BIT009, inhibits HIV-1 replication in human cells without harming human cell survival.

The inhibition of HIV-1 replication prevents the HIV-1 virus developing into AIDS.

In experiments designed to test the ability of the compound to inhibit viral replication, purified white blood cells were infected with the HIV virus. After adding BIT009 the level of virus released by the cells was significantly reduced, with almost complete inhibition of virus replication and, most importantly, without harming the human white blood cells.

The tests were independently conducted by the Centre for Virus Research at the Westmead Millenium Research Institute. Dr. Michelle Miller, the Company's Managing Director, said; "The results significantly strengthen the Company's commercial position in the development of a new type of drug which can be used in the treatment of AIDS."

The study extends previous results showing that BIT009 inhibits HIV replication. In this most recent study, excellent levels of viral inhibition were obtained using a 10-fold lower concentration of the BIT009 compound compared to previous studies. At the two lowest levels tested HIV replication was almost completely inhibited with no evidence of cellular toxicity.

As advised in the Company's announcement dated 23 May 2002, existing AIDS drugs do not target the 'budding' process in the development of HIV-1 to AIDS. The results of the tests conducted by the Westmead Millenium Research Institute represent significant progress in the development of a new type of drug which can be used in the treatment of AIDS and further confirm the Company's drug discovery platform approach.

For further information, please contact Dr. Michelle Miller, Managing Director, on (02) 61258001 or 0412313329.

Yours sincerely

Peter J. Nightingale  
Company Secretary

pjn1901