

10 July 2007

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

(1 page by email)

Dear Madam,

**EXPANSION OF BIOTRON ANTIVIRAL PROGRAM TO HEPATITIS B VIRUS
and
PHASE I TRIAL UPDATE**

The Directors of Biotron Limited ('Biotron' or 'the Company') are pleased to advise that Biotron compounds have shown potent activity against the Hepatitis B virus (HBV).

A number of Biotron's proprietary antiviral compounds have been independently tested in the USA against HBV in *in vitro* cell culture assays. Several compounds had high levels of potency and specificity activity against HBV. Further tests are in progress.

According to the World Health Organisation (WHO), 350 - 400 million people are chronically infected with HBV. Chronic Hepatitis B (CHB) is a serious global health problem, with infection progressing to liver cirrhosis and hepatocellular carcinoma, resulting in up to 1.2 million deaths worldwide each year. Up to 80% of the world's primary liver cancer, which is currently the fifth most frequent cancer worldwide, is attributable to chronic CHB.

This latest activity data against HBV demonstrates the depth of Biotron's antiviral portfolio. The Company has an impressive portfolio of clinical and preclinical antiviral programs developing drugs targeting HIV, Hepatitis C virus (HCV), Dengue virus and Influenza virus.

Biotron's lead anti-HIV drug, BIT225, is currently in a Phase I clinical trial in humans. This Phase I trial, which is designed to determine the safety and drug blood levels of BIT225 in healthy volunteers after a single dose after fasting or with food, is well advanced and is meeting all of the Company's expectations.

For further information, please contact Dr Michelle Miller, CEO, on (61-2) 61258001.

Yours faithfully



Peter J. Nightingale
Company Secretary

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