

12 February 2009

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

(2 pages by email)

Dear Madam,

BIT225 HIV DATA PRESENTED AT INTERNATIONAL MEETING

The Directors are pleased to advise that Biotron Limited ('Biotron') has presented data on inhibition of HIV-1 by its lead drug, BIT225, in macrophage reservoirs at an international meeting in Canada this week.

Biotron presented a paper at the 16th Conference on Retroviruses and Opportunistic Infections ('CROI') in Montreal, demonstrating that BIT225 stops integration of HIV-1 into cells by more than 99% and reduces release of virus from cells by more than 95%.

The study was performed in human macrophage cells infected *in vitro* with HIV-1. In addition, data was also presented showing that BIT225 significantly inhibits transfer of HIV-1 virus from macrophages to T cells. This is significant as, during HIV infection in humans, HIV-infected macrophages are responsible for ongoing re-infection of T cells. Current approved antiretroviral drugs do not target HIV in macrophages whereas BIT225 specifically targets HIV in these cells.

The paper also presented data on the proposed mode of action of BIT225, demonstrating that the drug works in cells infected with HIV-1 but is inactive against a different strain of HIV known as HIV-2. HIV-2 is a milder, less common form of HIV which does not contain the Vpu protein. The data supports that BIT225 is targeting the Vpu protein of HIV-1. The studies confirmed that BIT225 works at a late, post-integration stage in the virus life cycle and has a novel mode of action.

The level of interest by the international community in Biotron's antiviral programs is reflected by the selection of Biotron to participate in prestigious international scientific conferences such as CROI. In October 2008 Biotron was selected to present at the 6th Australasian Viral Hepatitis conference in Brisbane and in December 2008 Biotron scientists were selected to present data at the biannual HIV DART conference in the USA. Presentation at these meetings provided an excellent opportunity to further discussions of the Company's technologies with potential pharmaceutical partners.

About BIT225

BIT225 is a new first-in-class drug, in development for treatment of both HIV and HCV infections. It offers the potential to significantly advance treatments of both these debilitating infections.

The market for both these diseases is very large, with the worldwide market for HCV current almost US\$3.0 billion. The US market alone for HIV is over US\$3.3 billion. 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. A Phase I trial in healthy volunteers was completed in late 2007 and Biotron is currently progressing protocols and other documentation through the necessary ethics and regulatory processes, with the aim of progressing BIT225 into a Phase Ib/IIa trial in HIV-positive patients.

A Phase Ib/IIa trial in HCV-positive patients is currently underway at two trial sites in Australia. To date, 6 patients out of a planned trial of 18 patients have been enrolled for the blinded trial which is a placebo-controlled randomised study of the safety, pharmacokinetics and antiviral activity of BIT225 at 35 mg and 200 mg dosages.

As a blinded study, results are not available until the completion of the trial. However, there have been no adverse events reported to date and the trial is, subject to patient recruitment, expected to be completed at about the end of March 2009

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

Yours faithfully



Peter J. Nightingale
Company Secretary

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