Biotron Limited
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13 October 2008

The Manager Companies
Australian Stock Exchange Limited
20 Bridge Street
SYDNEY NSW 2000 (23 pages by email)

Dear Madam,

RE: PRESENTATION TO ANNUAL GENERAL MEETING

I attach a PowerPoint presentation and explanatory notes which are to be delivered to the shareholders present at today's Annual General Meeting to be held at 11.00 am.

Yours faithfully

Peter J. Nightingale
Company Secretary

pjn4552

Biotron

AGM

13 October 2008

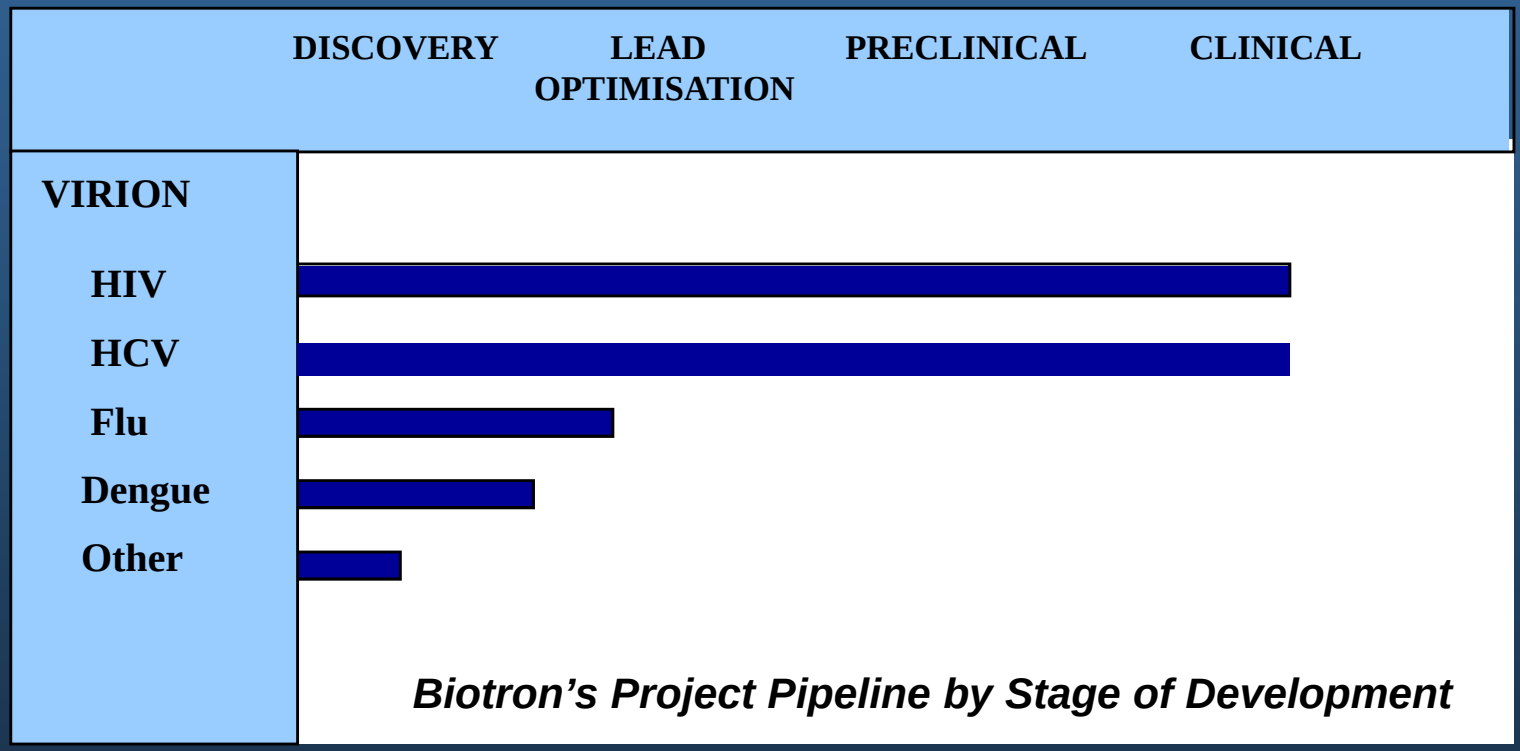
BIOTRON LTD (ASX:BIT)

- Developing world-class drugs to treat viral diseases with unmet medical need & large, expanding markets
- Specific focus on HIV and Hepatitis C virus (HCV)
- Beyond HIV & HCV, portfolio of promising early stage drug programs for Dengue, flu and Hepatitis B virus

KEY HIGHLIGHTS

- Successful completion of underwritten rights issue, raising $2.5 million
- Receipt of Commercial Ready grant for Phase I trial of BIT225
- Commencement of Phase Ib/IIa clinical trial of BIT225 in HCV+ patients
- Demonstration of synergism of BIT225 with current and new HCV drugs

BIT – PIPELINE OF ANTIVIRAL PRODUCTS



HEPATITIS C VIRUS (HCV)- THE SILENT KILLER

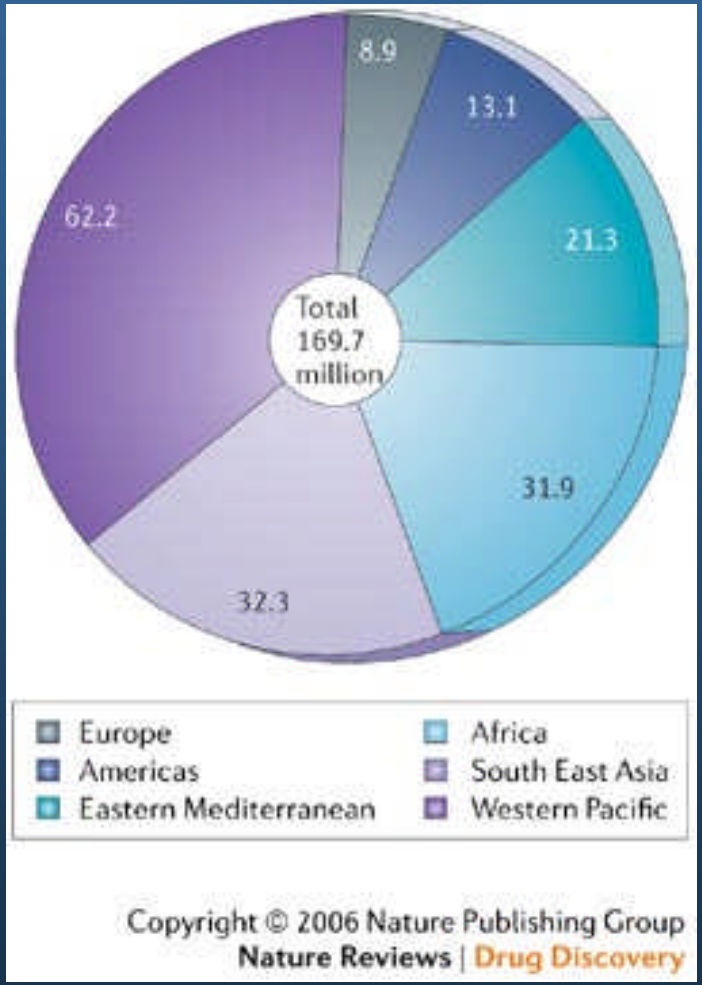
- 170 m people infected worldwide; 4 m patients in US (2.7m chronic infection)
- Majority remain asymptomatic for decades before developing cirrhosis or liver cancer
- US surgeon general considers hepatitis C is one of the most significant public health threats facing US.
  - 40 – 50% of liver transplants are due to HCV
- Existing therapies ineffective and toxic
  - Documented need for new, safer drugs

HCV – AN EXPANDING MARKET

Worldwide market ~US$2.8 billion; predicted to expand to >US$10 billion as new, safer drugs enter the market.

Only small percentage currently receive treatment.

USA and Europe represent major markets but other, larger markets are emerging.



Smith Nature Reviews Drug Discovery 5, 715–716 (September 2006)

BIT225 – A NEW DRUG FOR TREATMENT OF HCV

- A new drug in development for treatment of HCV
- BIT225 is a first-in-class drug
  - Works in a different, but complementary way to the current approved HCV drugs
  - Excellent activity against HCV in disease models
- Highly synergistic with the current approved HCV drugs
  - Improves their activity and increases their potency
- Phase I clinical trial was completed in 2007
- Phase Ib/IIa clinical trial in HCV+ patients underway at two sites in Australia

COMPLETED SUCCESSFUL PHASE I CLINICAL TRIAL OF BIT225

- Completed a Phase I human clinical trial of BIT225 in late 2007
  - 40 healthy volunteers dosed with 35, 100, 200 or 400mg BIT225
- No dose-limiting toxicities
- Excellent safety profile with good blood levels of the drug
  - Achieved estimated therapeutic levels of drug

HCV CLINICAL TRIAL

BIT225-003 – Placebo-controlled, randomised study of safety, PK and antiviral activity of BIT2225 in patients with HCV infection

- 3 treatment groups – 35mg and 200mg BIT225 vs placebo
- 6 subjects per treatment group
- Twice daily dosing for 14 days
- Two sites (Sydney and Brisbane)

This trial is major value-adding milestone for BIT

COMPETITIVE ADVANTAGE

- Antiviral market is attractive:
  - Patients receive cocktails of drugs which attack viruses in different ways
  - Market expands as new mode of action drugs are approved
- BIT225 is first-in-class
  - Biotron has back-up drugs and rapid high throughput assay to facilitate development of 2nd generation drugs
- BIT225 is an oral drug (tablet) unlike existing HCV drugs with are injectable
- Good safety profile in human studies to date
- Strong patent protection – 5 patent families filed worldwide

BUSINESS STRATEGY

- Progress BIT225 through Phase IIa, proof-of-concept human trials, then partner with international large biotechnology or pharmaceutical company
  - Upfront payment at deal signing
  - Milestone payments as drug progresses in the clinic
  - Royalty payments on sale of approved product
- Focused on international partner as “customer”
- Income from licensing will be invested in turn in development of next generation inhibitors as well as other antiviral programs

AV. TERMS FOR CLINICAL DEALS

(SOURCE: RECOMBINANT CAPITAL)

	PRECLINICAL	PHASE I	PHASE II
Upfront IND	$3-10 million $2-5 million	$5-15 million NA	$10-25 million NA
Ph II Start Ph III Start	$3-8 million $10 million	$5-10 million $10-15 million	NA $25 million
NDA Filing 1st Approval	$5 million $5 million	$5 million $10 million	$10 million $30 million
2 – 3 Approval Royalty Tiers	$10 million 9-13%	$20 million 12-15%	$45 million 14-20%

All dollar values in USD

HIV - HIGH GROWTH MARKET

- 39.5 million people with HIV/AIDS at end of 2006
- 4.3 million people were newly infected with HIV in 2006
- In 2006 2.9 million people died of HIV/AIDS-related causes
- US market alone worth >US$3.3 billion p.a.

NEW TREATMENTS NEEDED

- Resistance is a main cause of antiretroviral therapy failure
  - ~ 26% newly diagnosed patients have resistant strains of virus
  - ~ 78% of late-stage patients develop resistance to existing therapies
- Unmet need for new drugs suitable for HAART* therapy that attack the virus in new ways

* Highly Active Anti-Retroviral Therapy

BIT225 & HIV

- BIT225 is a Viral Protein U (Vpu) inhibitor
  - No existing drugs target HIV Vpu protein – novel mode of action
- Disturbs formation of new virus particles through budding process
- Reduces infectivity of virus produced by infected cells
- Active against resistant strains of HIV
- Synergistic with leading current HIV therapies

HIV PROGRAM

- First-in-class new anti-HIV drug
  - New mode of action
  - Targets HIV in viral reservoirs *in vivo*
  - No existing drugs target this source of HIV in the body
- Phase I completed in 2007
- Phase Ib/IIa trial preparation in progress
- Aiming to have approvals, etc during second half of 2008

FINANCIAL SUMMARY

- Shares on issue: 104 m
- Unlisted options: 7.1 m
- Cash at 30 June 2008: A$2.06m

Biotron

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COMMENTARY FOR A PRESENTATION TO THE 2008 ANNUAL GENERAL MEETING

13 OCTOBER 2008

I am pleased to be able to present this update on the Company's activities.

Slide 2

The last 12 months have seen significant advances on clinical progression of Biotron Limited's ('Biotron' or the 'Company') antiviral drug development program, with a major focus on developing new drugs for treatment of HIV and Hepatitis C virus (HCV). The Company has made excellent progress during this time with its clinical HCV and HIV programs - these are truly world-class, with a new first-in class drug, BIT225, in development for treatment of both HIV and HCV infections. BIT225 offers the potential to significantly advance treatments of both these debilitating infections.

In December 2007 Biotron initiated and subsequently completed a Share Purchase Plan (SPP) to raise additional capital for clinical development of its antiviral programs. The issue of 14,700,000 shares to raise $2.5 million was fully underwritten and the funds raised by the SPP are being used to support the Company's ongoing operational costs, including funding the BIT225 Phase Ib/IIa clinical trials in infected patients. The Director's would like to thank all those shareholders who supported the Company by participating in this capital raising.

Biotron continues to leverage shareholder funds by accessing non-equity funding to support its development programs. In the second half of 2007, the Company received a grant of $465,000 from the Federal Government's Commercial Ready Grant program. The grant is a partial reimbursement of expenditures incurred in the Phase I clinical development and testing of BIT225.

The successful completion of the first human trial of BIT225 during the second half of 2007 was a major value adding milestone for Biotron. The completed Phase I clinical trial in healthy volunteers will support trials of BIT225 in both HCV and HIV patient populations, which significantly reduces the costs and timelines of Biotron's clinical development programs. Since the end of the financial year, Biotron has commenced a Phase Ib/IIa trial of BIT225 in HCV-infected patients, after receipt of the necessary ethics and regulatory approvals. The commencement of this trial marks another major milestone for the Company.

BIT225 significantly enhances the activity of existing HCV therapies in an in vitro model system. The results of this research are significant as they indicate that BIT225 has the potential to be used in combination therapy to achieve a higher level of antiviral activity against HCV than is currently possible, while improving the potency of each of the drugs in the combination. More recently, it was found that 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.

Slide 3
Biotron has an impressive portfolio of clinical and preclinical antiviral programs developing drugs targeting HIV, Hepatitis C virus (HCV), Dengue virus and Influenza virus. BIT225 is in clinical trials for treatment of HIV and HCV. In addition, the Company has earlier stage drug programs for influenza, dengue and other viral diseases, generating an on-going pipeline of candidates to progress to clinical trials. These programs currently receive minimal funding as the Company focuses on current clinical programs for HCV and HIV.

Slide 4
Hepatitis C usually produces no early symptoms. The disease can go unrecognised for decades. This is why HCV is termed a "silent killer". During the decades of quiescence the virus can continue to slowly destroy liver cells without the patient having any idea this is happening. It is estimated that in the US 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. Existing drugs for HCV are ineffective and toxic, leaving an unmet need for new therapies.

Slide 5
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. At present only a relatively small number of infected patients worldwide receive treatment; currently Europe and the USA make up the main market, but other larger markets, such as China and other parts of Asia, are emerging.

Slide 6
BIT225 is a new drug in development by Biotron for treatment of HCV infection in humans. The drug has shown good antiviral activity in preclinical surrogate models of HCV infection. The drug was highly synergistic with current leading HCV therapies in these models of infection, with triple combination of BIT225 with existing drugs resulting in significantly higher activity than current drugs alone. The Phase I clinical trial of BIT225, completed in the second half of 2007, has been used to support a Phase Ib/IIa efficacy study of BIT225 in HCV+ patients.

Slide 7
The data from the Phase I clinical trial indicated BIT225 was well tolerated, with no dose limiting toxicities. Analysis of the data indicated that potentially therapeutic blood levels of BIT225 were achieved, based on calculations extrapolated from preclinical in vitro antiviral efficacy studies. The data from this Phase I trial is the first human clinical analysis of BIT225, and are important as they set the stage for further studies of the drug in patient populations. The Phase I trial demonstrated that the absorption, distribution, half-life and tolerability of BIT225 were acceptable, and that safety and pharmacokinetic profiles of BIT225 supported ongoing clinical development.

Slide 8
Biotron has commenced a Phase Ib/IIa trial of BIT225 in HCV-infected patients, after receipt of the necessary ethics and regulatory approvals. The commencement of this trial marks another major milestone for the Company. The trial, code named BIT225-003, will run over two sites during the second half of 2008. The trial is a placebo controlled, randomised study of the safety, pharmacokinetics and antiviral activity of BIT225 in patients with HCV infection. The primary objective is to assess the safety and tolerability of BIT225, given

twice daily, for 14 consecutive days. The secondary objectives are to assess the pharmacokinetics of BIT225 as well as to assess the antiviral efficacy of BIT225 in these patients. Eighteen patients will be randomly assigned to receive one of two dose levels of BIT225 or placebo. The use of two trial sites, based in Sydney and Brisbane, is aimed at maximising the recruitment rate for the trial.

Slide 9
Biotron has a strong competitive position, as the antiviral market expands to accommodate new, effective drugs as they are approved. Patients receive a cocktail of different classes of drugs, so as new classes are approved they get added to the existing regimen. BIT225 represents a first-in-class drug; in addition Biotron has backup drug candidates and its proprietary high throughput assay, which can be used to assist with identification of new drugs that work in a similar way to BIT225. BIT225 is an oral drug (taken by mouth), unlike approved HCV therapies which are injectable. In studies performed to date, BIT225 has demonstrated a good safety profile. Biotron has filed 5 international patent families that cover its antiviral program.

Slide 10
Biotron's business strategy is to develop BIT225 to a stage suitable for partnering with an international pharmaceutical company for further clinical development. During the year, ongoing discussions were held with potential partners regarding the Virion technology. Whilst keen to secure a partner to take the Company's compounds through into clinical development, Biotron can significantly increase the value of the technology by undertaking the proposed Phase Ib/IIa clinical trials before forming an alliance. This will translate into higher returns to the Company in the form of upfront payments as well as increased milestone and royalty payments in the future.

Slide 11
This slide summaries average deal terms within the biopharmaceutical industry, and provides a general indication of potential deal terms between biotechnology and pharmaceutical companies. Note that this is general in nature and is not specific for the antiviral field.

Slide 12
In addition to this HCV drug development program, Biotron is also developing BIT225 as an anti-HIV drug. HIV is considered to be a high growth market. In 2006 39.5 million people world-wide were infected with AIDS, with 4.3 million new cases. Over 2.9 million people died of HIV/AIDS related causes that year. The global market is worth US$6.6 billion per annum, with the USA accounting for 70% of these sales.

Slide 13
Despite the relatively large number of HIV drugs on the market, infected patients are still progressing to development of AIDS with subsequent death. Development of resistance to antiviral drugs by the HIV virus is the main cause of therapy failure. At the time of initial diagnosis 26% of patients have drug resistant virus in their body, and this increases to 78% of late-stage patients. There is an unmet need to develop drugs that attack the virus in new ways.

Slide 14
BIT225 targets the Vpu protein of HIV – no other drugs target this protein. BIT225 disturbs the formation of new virus particles, reducing the infectivity of resulting virus. Importantly,

BIT225 has been shown to have good activity against strains of HIV that are resistant to other HIV drugs. *In vitro* studies have demonstrated that BIT225 is able to improve the activity of current HIV therapies, further supporting its use with existing HIV drugs.

Slide 15
BIT225 represents a new, first-in-class drug for treatment of HIV. The drug has a new mode of action, targeting HIV in reservoirs of infection - a source of virus not targeted with current approved therapies. The Phase I trial completed in late 2007 is being used to support ethics and regulatory applications for a Phase Ib/IIa trial of BIT225 in HIV+ patients. Application processes are underway, and we hope to have approvals in the second half of 2008.

Slide 16
Cash balance at 30 June 2008 was $2.06m.

During 2008/09, Biotron looks forward to reaping the benefit of these key advances in Virion to maximise returns to shareholders.