Biotron Limited
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The Manager Companies
Australian Stock Exchange Limited
20 Bridge Street
Sydney NSW 2000 (3 pages by email)

Dear Madam

BIOTRON EXPANDS HCV CLINICAL TRIAL TO A SECOND SITE

The Directors are pleased to advise that Biotron Limited ('Biotron') has expanded its Phase Ib/IIa clinical trial of BIT225 in Hepatitis C virus ('HCV') infected patients to include a second trial site.

As recently announced, Biotron has commenced clinical testing of BIT225, its HCV inhibitor, in infected patients at a clinical trial site in NSW. Biotron has now received ethics and regulatory approvals to commence clinical testing at a second clinical trial site. The inclusion of a second site, based in Brisbane, is aimed at maximising the recruitment rate for the trial.

The trial, code-named BIT225-003, will run over the two sites during the second half of 2008. As previously advised, 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. An updated summary of the study design is set out in the attached Appendix.

BIT225 is an orally-administered, novel antiviral compound in development by Biotron for treatment of HCV infections. BIT225 represents a first-in-class drug for treatment of HCV, targeting the p7 protein of HCV. BIT225 has demonstrated good antiviral activity in surrogate models of HCV infection, and has been shown to be highly synergistic with current leading therapies for this disease.
It is anticipated that the trial will be completed by the end of 2008.

About Biotron
Biotron Limited is engaged in the research, development, and commercialisation of drugs targeting significant viral diseases with unmet medical need, with a major focus on HIV and HCV. The Company has BIT225 in clinical development for both HIV and HCV, and also has several earlier stage preclinical and research programs for several other viral infections including influenza, Dengue and Hepatitis B.

About HCV

It is estimated that in the USA 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. HCV causes inflammation of the liver, which may lead to fibrosis and cirrhosis, liver cancer and, ultimately, liver failure. Existing drugs for HCV have limited effectiveness and toxicity issues, leaving a significant need for new therapies. 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.

Monotherapy with interferon-α and combination therapy with interferon-α and the ribonucleoside analogue ribavirin are the two different regimens currently approved as therapy for chronic hepatitis C. Treatment with interferon-α alone, or in combination with ribavirin, has limited effectiveness. The use of interferon based therapy for the treatment of HCV can be further limited by frequent side effects, injectable administration and poor patient tolerance and adherence. Many patients receiving interferon can experience influenza-like symptoms, fatigue and depression. Ribavirin can be problematic for patients with pre-existing anemia, kidney problems or heart disease.

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

Yours sincerely

Peter J. Nightingale
Company Secretary

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APPENDIX

A summary of the key aspects of this trial is set out below:

Study title:	A Phase I, placebo-controlled, randomised study of the safety, pharmacokinetics and antiviral activity of BIT225 in patients (male and female) with HCV infection.
Primary objective:	To evaluate the safety and tolerability of 35 and 200 mg BIT225 administered twice daily compared with placebo in patients with chronic HCV infection.
Secondary objective:	1. To evaluate the pharmacokinetics of 35 and 200 mg BIT225 administered for 14 consecutive days in patients with chronic HCV infection. 2. To evaluate the antiviral activity of BIT225 administered for 14 consecutive days in patients with chronic HCV infection.
Route:	Oral.
Test formulation:	BIT225 powder mixed with 25 mL OraSweetSF™
Placebo formulation:	Lactose mixed with 25 mL OraSweetSF™
Dose levels:	Two dose levels of BIT225 (35 mg and 200 mg) and placebo will be studied. Patients will receive study treatment once daily on Day 1 and Day 14 and twice daily on Days 2 to 13.
Blinding status:	Blinded.
No. of trial subjects:	6 patients per treatment group, resulting in 18 patients enrolled in total.
Study population:	Target population are males and females (of non-childbearing potential), aged 18 to 55 years inclusive, with chronic HCV infection.
Product development status:	Drug product was manufactured to GMP standards.
Trial locations:	Sydney and Brisbane, Australia.
Trial standard:	ICH-GCP.