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19 March 2010

The Manager Companies
ASX Limited
20 Bridge Street
Sydney NSW 2000

(5 pages by email)

Dear Madam

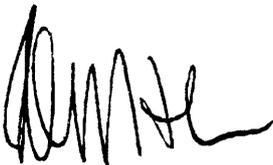
**SHAREHOLDER UPDATE
and
PIGGY BACK OPTIONS OPPORTUNITY**

In accordance with Listing Rule 3.17, I attach a copy of the following documents as sent to the Company's shareholders and optionholders:

- A Newsletter which gives an update on important developments in the progress of the Company's combination study of BIT225 in conjunction with two other drugs already approved for treatment of the Hepatitis C virus.
- A letter, together with a Notice of Exercise of Options, explaining how optionholders can take advantage of the opportunity to receive their 'Piggy Back' options by the end of March 2010.

If you have any questions, do not hesitate to contact Peter Nightingale on +61 2 93003344 or Michelle Miller on +61 2 98050488.

Yours sincerely



Peter J. Nightingale
Company Secretary

pjn5294

Dear Shareholder

Welcome to this edition of *BITNews*. It comes amid exciting times for your Company, with Biotron's lead drug BIT225 moving into its next stage of development, and a new international alliance that we believe will be critical to success.

Firstly, we'd like to thank our investors for ongoing support. Our options issue capital raising in December 2009 was well oversubscribed and raised the full offer amount of \$2.1 million.

These funds will now largely be used to progress to the next stage of testing our first-in-class Hepatitis C therapy against the virus (HCV).

It follows the successful completion of early stage human trials that showed promising results, with virus levels diminishing in study patients.

The new trial will be a combination study of BIT225 in conjunction with two other drugs already approved for treatment of HCV.

It is well known that existing therapies have limited effectiveness and can be toxic. This is why there is a critical need for new treatments like BIT225 that directly target and halt virus replication and reproduction.

To this end, we are pleased to advise the Company has signed a Letter of Intent to undertake its next trial with the internationally-recognised ACLIRES group.

This is an important alliance for Biotron. ACLIRES specialises in running clinical trials for both Hepatitis C and the HIV virus, with fully accredited facilities in South America and Asia.

It has a long history of running successful Phase I and II trials of new drugs, with international pharmaceutical companies and US biotech companies among its clients.

At its helm is well regarded infectious diseases expert, Professor Rob Murphy. He is currently the Director of the Center for Global Health at the prestigious Northwestern University in Chicago, USA and we are confident that our drug trials are in the best possible position under Professor Murphy's leadership.

Another benefit of working with the ACLIRES group is their access to large numbers of eligible patient populations. This is critical to the successful completion of the trial, as one of the biggest risk factors for trials is access to sufficient suitable patients.

We expect documentation for this HCV trial to progress through institutional ethics review early next month and then progress to regulatory approvals, which are expected before the end of June. The trial is expected to conclude in September this year.

Options Issue

As mentioned above, we raised \$2.1 million by our options issue in December. The next deadline is at the end of March 2010 when optionholders who take the opportunity to exercise their options early will, in addition to receiving a fully paid ordinary share, receive one free \$0.20 option for every option exercised.

The form for the early exercise is available on Biotron's website (www.biotron.com.au/investorinfo.htm) and is being sent to eligible option holders.

Thank you for your continued support. We look forward to providing further updates.



Michelle Miller
CEO & Managing Director

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18 March 2010

Dear Fellow Optionholder

'PIGGY BACK' OPTION OPPORTUNITY

As you will be aware, the Biotron Limited Options ('BITO') which you hold carry certain rights which are fully detailed in the Company's Entitlements Issue Offer Document dated 17 December 2009.

One feature of the BITO is:

Each BITO will carry an additional right whereby if a BITO is exercised by 31 March 2010, one additional option for each BITO exercised (**'Piggy Back Option'**) will be issued to the optionholder for nil consideration. Each Piggy Back Option may be exercised to acquire one new fully paid ordinary share in the capital of the Company up to 30 March 2012 for \$0.20.

Thus, if you exercise your BITO by 31 March 2010, in addition to receiving a fully paid ordinary share, you will receive a Piggy Back Option for every BITO exercised.

For your information and to assist you, I enclose:

- A Newsletter which gives you an update on the Company's progress.
- A Notice of Exercise of Options form which can be completed and, together with exercise monies, returned to the Company in the enclosed Reply Paid envelope by 31 March 2010 to take advantage of this opportunity.

If you have any questions, do not hesitate to contact Peter Nightingale on +61 2 93003344 or Michelle Miller on +61 2 98050488.

Yours sincerely



Michael J. Hoy
Chairman

NOTICE OF EXERCISE OF OPTIONS

TO: The Directors
Biotron Limited
Level 2
66 Hunter Street
Sydney NSW 2000

Optionholder Entitlement Details	
HIN/SRN	<input type="text"/>
Number of Options held	<input type="text"/>
Amount payable on full exercise of Options @ \$0.10 per Option	<input type="text"/>

I/We _____ being the registered holder(s) of the options hereby exercise my/our option to subscribe for _____ **A** ordinary shares in Biotron Limited. In respect of the shares the subject of this notice, I/we enclose application monies of \$ _____ **B**.

I/We authorise you to register me/us as the holder(s) of the shares to be allotted to me/us and I/we agree to accept such shares subject to Biotron Limited's Constitution.

Holder Identification Number ('HIN') or Securityholder Reference Number ('SRN'):

INDIVIDUALS TO SIGN BELOW

COMPANIES TO SIGN BELOW

Executed in accordance with the Company's Constitution

Individual or Securityholder 1

Director

Securityholder 2

Director/Secretary (Delete inapplicable)

Securityholder 3

Sole Director and Sole Company Secretary

If a joint holding, all shareholders must sign. If this form is being signed by a person who is not the registered holder, then the relevant authority (e.g. power of attorney) must either have previously been exhibited to the Company or its Registrar or be attached to this form.

If only one signatory needs to sign on behalf of a Company and that signatory is not the Sole Director and Sole Company Secretary then a certified copy of the



Dated this _____ day of March 2010.

How to Complete this Form

A Enter the number of Options you wish to exercise. **B** Enter the amount of exercise monies being **A** x \$0.10.

You can pay by Bpay (see below) or make your cheque or bank draft for the amount in **B** payable to Biotron Limited. Return this completed and signed form together with your cheque or bank draft to the Company at Level 2, 66 Hunter Street, Sydney NSW 2000.

	Bill Code: 126185 Ref: <input type="text"/>	BPAY® this payment via internet or phone banking from your cheque, savings or credit card account. Applicants should be aware of their financial institution's cut-off time (the time payment must be made to be processed overnight) and ensure payment is processed on time. It is the Applicant's responsibility to ensure funds are submitted correctly.

Terms and Conditions of Options

- (a) **(Entitlement)** Each New Option entitles the optionholder to subscribe for one fully paid ordinary share in the capital of the Company.
- (b) **(Issue price)** The issue price of each New Option is \$0.02.
- (c) **(Exercise price)** The exercise price of each New Option is \$0.10.
- (d) **(Option period)** Each New Option may be exercised in whole or in part at any time before 30 December 2011. A New Option not exercised automatically expires on 30 December 2011.
- (e) **(Certificates)** The Company must give each optionholder a holding statement stating:
 - (i) the number of New Options issued to the optionholder;
 - (ii) the exercise price of the New Options; and
 - (iii) the date of issue of the New Options.
- (f) **(Participation rights)** An optionholder is not entitled to participate in any new issue to existing Shareholders of securities in the Company unless they have exercised their New Options before the record date for determining entitlements to the new issue of securities and participate as a result of holding Shares.
- (g) **(Notice of new issues)** The Company must give an optionholder, in accordance with the ASX Listing Rules, notice of:
 - (i) the proposed terms of the issue or offer proposed under clause (f); and
 - (ii) the right to exercise their New Options under clause (f).
- (h) **(Bonus issues)** If the Company makes a bonus issue of Shares or other securities to Shareholders (except an issue in lieu of dividends or by way of dividend reinvestment) and no Share has been issued in respect of the New Option before the record date for determining entitlements to the issue, then the number of underlying Shares over which the New Options is exercisable is increased by the number of Shares which the optionholder would have received if the optionholder had exercised the New Option before the record date for determining entitlements to the issue.
- (i) **(Pro rata issues)** If the Company makes a pro rata issue of Shares (except a bonus issue) to existing Shareholders (except an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) and no Share has been issued in respect of the New Option before the record date for determining entitlements to the issue, the exercise price of each New Option is reduced in accordance with the ASX Listing Rules.
- (j) **(Reorganisation)** If there is a reorganisation (including consolidation, sub-division, reduction or return) of the share capital of the Company, then the rights of the optionholder is changed to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
- (k) **(Calculation and adjustments)** Any calculations or adjustments which are required to be made under the terms of issue will be made by the board of Directors of the Company and will, in the absence of manifest error, be final and conclusive and binding on the Company and the optionholder.
- (l) **(Notice of change)** The Company must within a reasonable period give to each optionholder notice of any change pursuant to the terms of issue to the exercise price of any New Options held by an optionholder or the number of Shares which the optionholder is entitled to subscribe for on exercise of a New Option.
- (m) **(Method of exercise and payment)** To exercise New Options, the optionholder must give the Company or its share registry, at the same time:
 - (i) a written exercise notice (in the form approved by the board of the Company from time to time) specifying the number of New Options being exercised and shares to be issued;
 - (ii) payment of the exercise price for the Shares the subject of the exercise notice by way of bank cheque or by other means of payment approved by the Company; and
 - (iii) the certificate, if any, for the New Options.
- (n) **(Exercise all or some options)** An optionholder may only exercise New Options in multiples of 10,000 unless the optionholder exercises all New Options held by the optionholder. New Options will be deemed to have been exercised on the date the application is lodged with the Directors.
- (o) **(Option certificates)** If an optionholder exercises less than the total number of New Options registered in the optionholder's name:
 - (i) the optionholder must surrender their option certificate (if any); and
 - (ii) the Company must cancel the option certificate (if any) and issue the optionholder a new option certificate or holding statement stating the remaining number of New Options held by the optionholder.
- (p) **(Issue of Shares on exercise)** Within 10 business days after receiving an application for exercise of New Options and payment by an optionholder of the exercise price, the Company must issue the optionholder the number of Shares in the capital of the Company specified in the application.
- (q) **(Piggy back option)** Upon issue of a Share on exercise of a New Option (provided that the notice of exercise is validly exercised and received by the Company on or prior to 31 March 2010), the Company will issue one further option to the optionholder ('**Piggy Back Option**') for each New Option so exercised and the Piggy Back Option will be on the same terms and conditions as New Options, except that:
 - (i) the issue price under condition (a) is zero;
 - (ii) the exercise price under condition (c) is \$0.20;
 - (iii) the exercise period under condition (d) will be until 30 March 2012;
 - (iv) this condition (q) will not apply; and
 - (v) references to 'New Option' will be references to the Piggy Back Option.
- (r) **(Ranking of Shares on issue)** Subject to the Company's constitution, all Shares issued on the exercise of New Options rank in all respects (including rights relating to dividends) pari passu with the existing Shares of the Company at the date of issue.
- (s) **(Quotation)** The Company will apply to ASX for official quotation of:
 - (i) the New Options; and
 - (ii) the Shares issued on exercise of the New Options.