Biotron Limited
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The Manager - Companies
ASX Limited
20 Bridge Street
SYDNEY NSW 2000 (2 pages by email)

Dear Madam,

PHASE II HCV CLINICAL TRIAL COMMENCED

The Directors are pleased to advise that Biotron Limited ('Biotron') has commenced a Phase IIa clinical trial of BIT225 in Hepatitis C virus ('HCV') infected patients.

This trial of Biotron's lead antiviral drug is a combination study of BIT225 with the current approved treatment for HCV - interferon and ribavirin. The trial is designed to assess the safety of Biotron's drug when given daily for 28 days, as well to assess its effect on the level of virus in the blood of the patients and to see whether BIT225 can improve the efficacy of interferon and ribavirin.

Twenty four patients infected with genotype 1 HCV will be dosed twice daily with BIT225 or placebo for 28 days at the commencement of a standard course of treatment of interferon and ribavirin.

Genotype 1 patients make up the majority of HCV infections in the Western world, and are the hardest to treat, with less than half responding to current approved treatment. There is an unmet medical need for drugs that will improve treatment outcomes for this group of patients.

This trial is a crucial step in the development path of BIT225, and follows on from a seven day clinical trial of the drug on its own in HCV-positive patients. That trial showed promising results, and we anticipate these results may be improved upon in this new trial as laboratory studies with BIT225 have shown the drug is able to significantly improve the activity of interferon and ribavirin.

BIT225 is a new, first-in-class drug with the potential to significantly improve treatment options for HCV patients.

It is anticipated that the clinical phase of the trial will be concluded by the end of 2010.

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.

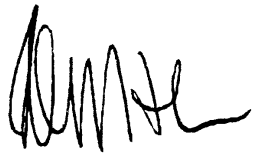
About HCV

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

Yours sincerely



Peter J. Nightingale
Company Secretary

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