Biotron Limited
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23 January 2007

The Manager Companies
Australian Stock Exchange Limited
20 Bridge Street
SYDNEY NSW 2000 (1 page by email)

Dear Madam,

SUCCESSFUL COMPLETION OF PRECLINICAL PROGRAM FOR HIV DRUG

The Directors of Biotron Limited ('Biotron') are pleased to advise that the Company's antiviral drug development program has passed a major milestone.

Biotron's lead antiviral drug, BIT225, has successfully passed through a formal preclinical development program that was designed to determine the drug's potential as a candidate for human trials.

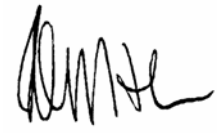
This program of rigorous safety tests included analysing BIT225's pharmacokinetic properties, safety levels in *in vivo* models, effect on respiratory, cardiovascular and neurological functions, and its potential to induce genetic abnormalities. The studies, which were performed to international standards of Good Laboratory Practice (GLP), were contracted to a leading European contract research organisation specialising in these types of tests.

The results of the preclinical studies support progression of BIT225 into human clinical trials. Submissions for regulatory and ethics approval for commencement of human trials are in progress. The initial human trial will be a Phase I safety study in healthy volunteers, and will be followed by proof-of-concept trials in virus-infected patients.

BIT225 is Biotron's lead drug for its anti-HIV drug development program. BIT225 represents a novel, first in class approach to the treatment of HIV. BIT225 is specifically active in HIV reservoir cells and represents an opportunity to attack HIV at its source. In addition, BIT225 has demonstrated good anti-hepatitis C virus (HCV) activity in models of HCV infection. The proposed Phase I human safety trial of BIT225 will support trials of the drug in both HIV- and HCV-infected patients.

For further information, please contact Dr Michelle Miller, CEO, on (61-2) 61258001.

Yours faithfully



Peter J. Nightingale
Company Secretary

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