

22 December 2006

The Manager Companies
Australian Stock Exchange Limited
20 Bridge Street
SYDNEY NSW 2000

(1 page by email)

Dear Madam,

**AGREEMENT WITH THE ANU AND
ENHANCEMENT OF THE ANTIVIRAL DRUG DEVELOPMENT PROGRAM**

The Directors are pleased to advise that Biotron Limited ('Biotron' or 'the Company') has completed an agreement with the Australian National University ('ANU') which enhances the development of the Company's Virion antiviral drug development program. The Company's lead drug, BIT225, is scheduled to enter human clinical trials for HIV early in 2007 and trials for HCV are due to commence before mid-2007. In addition, Biotron's antiviral drug development programs for influenza and dengue fever are at an earlier stage of development but founded on the same platform technology.

Under the terms of the agreement with the ANU, existing Virion project patents and other intellectual property held by the ANU, and to which Biotron has a worldwide exclusive licence, will be transferred to outright ownership by Biotron. Further, Biotron will receive \$442,703 for relinquishing rights to possible future intellectual property from certain ANU research programs which are primarily basic, non-commercial research and not relevant to Biotron's antiviral drug development program.

Biotron will also receive a royalty from the commercialisation by the ANU of certain existing research projects at the ANU. The development of these projects will not require any funding by Biotron.

These new arrangements with the ANU are a reflection of the maturing of Biotron from a research-based company to a mature antiviral drug development company with an exciting portfolio of clinical development programs.

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

Yours faithfully



Peter J. Nightingale
Company Secretary

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