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

(1 page by email)

Dear Madam

BIOTRON BEGINS PHASE I CLINICAL TRIAL OF ITS HIV DRUG BIT225

The Directors are pleased to advise that Biotron Limited ('Biotron') has initiated a Phase I clinical trial of BIT225, its lead drug for treatment of HIV. This Phase 1 study is designed to evaluate the safety and pharmacokinetic properties of BIT225 in humans after a single dose.

BIT225 represents a novel, first in class approach to the treatment of HIV. BIT225 specifically targets HIV in reservoir cells and represents an opportunity to attack HIV at its source in the body. Current HIV therapies have little or no effect on HIV in the underlying reservoir of infected cells where the virus hides from the immune system.

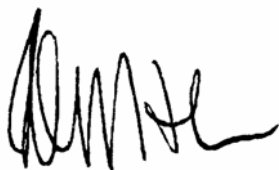
In addition, BIT225 has demonstrated good antiviral activity in surrogate models of Hepatitis C virus ('HCV') infection. This human safety trial of BIT225 will support trials of the drug in both HIV and HCV infected patients, to commence on conclusion of the Phase I study.

"The initiation of clinical testing of Biotron's HIV inhibitor is a major milestone for the Company" said Michelle Miller, Ph.D., Biotron's Managing Director. "This progression into human studies marks the transition of Biotron from an R&D focused company to an antiviral drug development company with an exciting portfolio of clinical development programs".

The trial is due for completion in the second quarter of 2007.

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

Yours sincerely



Peter J. Nightingale
Company Secretary

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