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27 June 2006

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

(21 pages by email)

Dear Madam

RE: PRESENTATION OF COMPANY ACTIVITIES

I attach a presentation updating the Company's activities.

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

Yours sincerely



Peter J. Nightingale
Company Secretary

pjn3546



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Dr. Michelle Miller

June 2006



BIOTRON LTD

- Developing new generation antiviral drugs with large, expanding world markets.
- Current major focus on drugs to treat HIV-1 and Hepatitis C virus.

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HIV - HIGH GROWTH MARKET

- 37.8 million people with HIV/AIDS at end of 2003
- 4.8 million people were newly infected with HIV in 2003
- In 2003 2.9 million people died of HIV/AIDS-related causes
- US market alone worth >US\$3.3 billion p.a.

NEW TREATMENTS NEEDED

- Development of resistant viral strains is a main cause of antiretroviral therapy failure
- Most patients develop resistance to existing HIV drugs
 - ~ 26% newly diagnosed patients have resistant strains of virus
 - ~ 78% of late-stage patients develop resistance to existing therapies
- FDA approved HIV therapies include 1 Entry Inhibitor, 17 Reverse Transcriptase Inhibitors and 10 Protease Inhibitors
- Unmet need for new drugs suitable for HAART* therapy that attack the virus in new ways and

* Highly Active Anti-Retroviral Therapy

BIOTRON'S HIV DRUG DEVELOPMENT PROGRAM

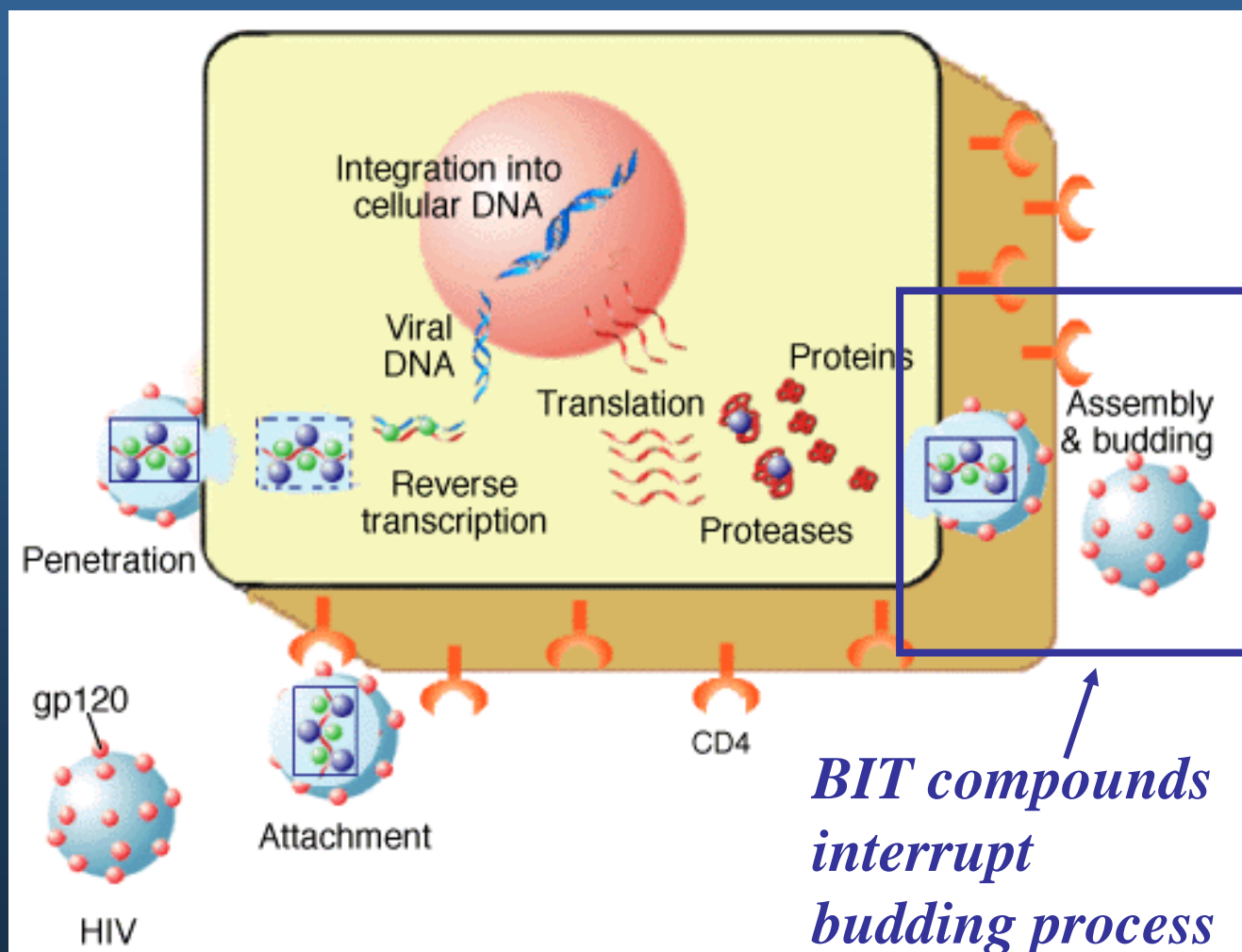
- Designed and synthesised library of ~250 compounds to target Viral Protein U (Vpu)
 - >70% active against target
- Developed bacterial cell-based assay for target screening
- Selected subset for detailed studies to determine “druggability” profiles
- In late 2005 selected BIT225 as lead compound to take to the clinic

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BIT 225 –A NOVEL APPROACH

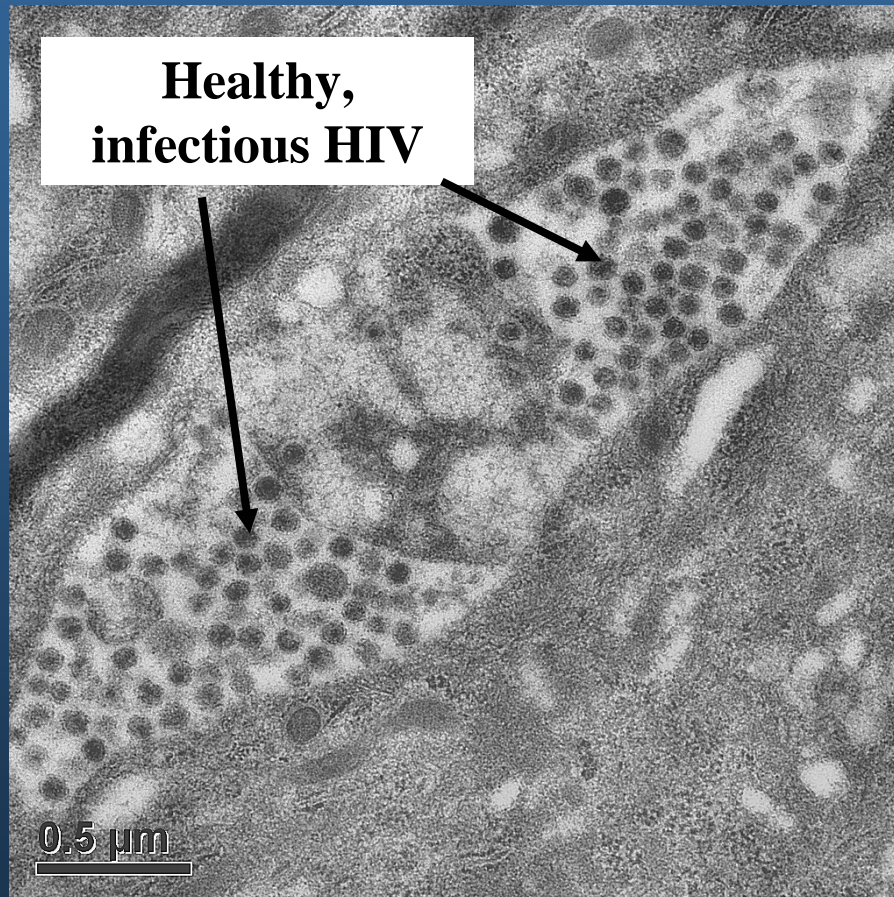
- BIT-225 is a Viral Protein U (Vpu) inhibitor
- No existing drugs target HIV Vpu protein – novel mode of action
- Disturbs formation of new virus particles through budding process
- Reduces infectivity of virus produced by infected cells

BIT- 225 TARGETS DIFFERENT STAGE OF HIV LIFE CYCLE

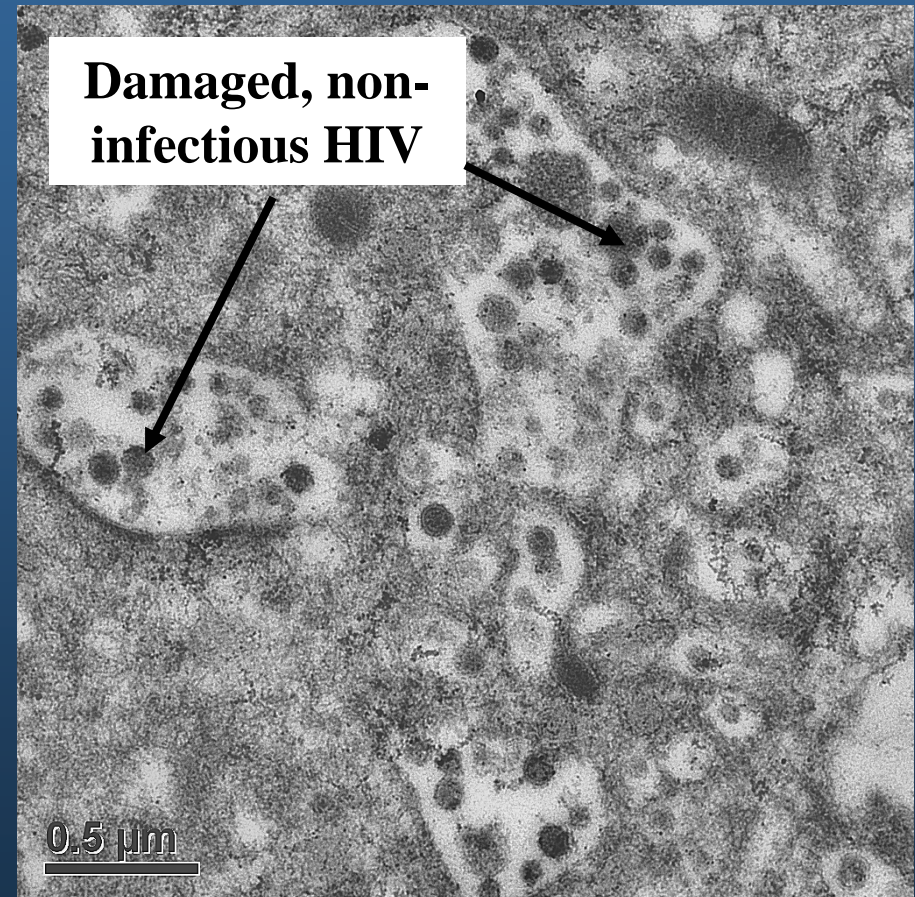


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BIOTRON'S HIV DRUG IN ACTION



HIV inside untreated human
cells

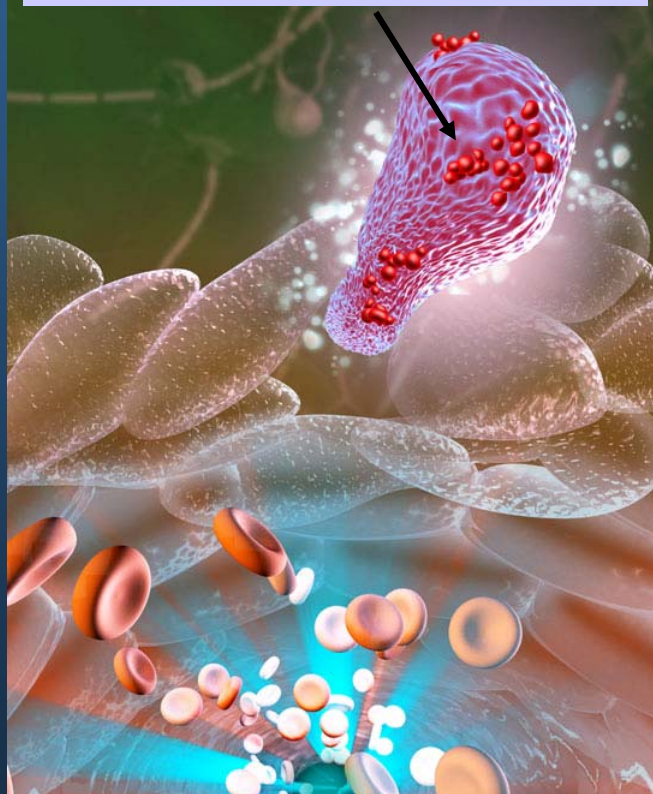


HIV inside human cells treated
with BIT-225

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BIT- 225 ACTIVE IN VIRAL RESERVOIR CELLS

HIV-infected monocytes move out of the blood stream to set up reservoirs of infection in surrounding tissues



- Eradication of HIV from reservoirs is essential to prevent development of AIDS
- Current HIV drugs cannot eradicate the underlying seat of infection (termed the viral reservoir)

BIT225 is the first of a new class of HIV drugs that target the viral reservoir cells

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BIT- 225 PROFILE

- ✓ • High oral bioavailability (~68%)
- ✓ • Good stability and half-life *in vivo*
- ✓ • Excellent safety profile in animals
- ✓ • Good activity against HIV *in vitro*
- ✓ • Active against resistant strains of HIV
- ✓ • Synergistic with leading current HIV therapies
- ✓ • Simple chemistry for manufacture
- ✓ • Novel compound - new mechanism of action

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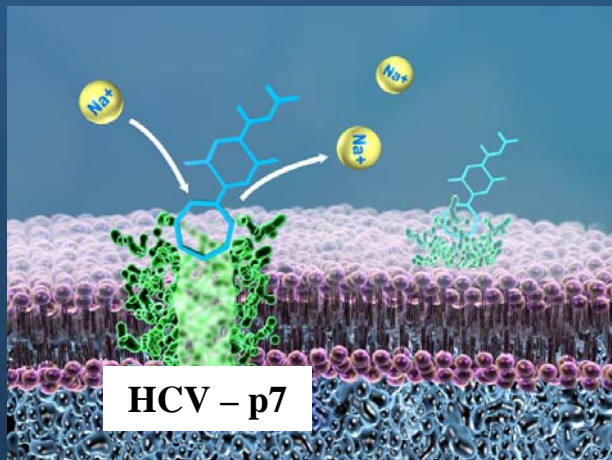
BIT- 225 CURRENT STATUS

- Manufacture of drug to cGMP standards underway
 - Dr Reddy's Laboratories, India
- Formal preclinical safety and toxicity studies in progress
 - A leading European contract research organisation
- Finalising Phase I/IIa trial site and design
 - Melbourne
- Phase I/IIa human trial due to commence end 06

HEPATITIS C VIRUS (HCV) MARKET

- 4x more prevalent than HIV
- 4m patients in US (2.7m chronic infection); 170m worldwide
- Worldwide market ~US\$2.8 billion currently predicted to expand to >US\$10b
- US surgeon general considers hepatitis C is one of the most significant public health threats facing US.
- Existing therapies ineffective and toxic

BIOTRON – TARGETING HCV P7



- No existing drugs target HCV p7
- p7 target is essential for production of infectious HCV
- p7 and Vpu belong to same class of viral proteins called *viroporins*

BIOTRON'S HCV PROGRAM

- Developed proprietary assays to screen drugs for anti-HCV activity
- Identified several lead candidates targeting HCV-p7 from Biotron compound library
- Commenced a lead optimization program
- Collaborations with Prof Eric Gowans at Burnet Institute, Melbourne and the NIH, USA
- Potential to fast-track to clinic based on preclinical data generated for HIV program

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ANTICIPATED MILESTONES 2006/07

BIT225 HIV Program:

- Completion of BIT225 scale-up Q2 06
- Completion of BIT225 preclinical and formulation work; regulatory /ethics approvals filed Q4 06
- Commencement of Phase I/IIa clinical trial in humans Q4 06
- Results of Phase I/IIa clinical trial Q2 07

ANTICIPATED MILESTONES 2006/07

HCV Program:

- Results of screens for anti-HCV activity Q3 06
- Selection of lead compound Q4 06
- Commencement of preclinical work on selected lead Q1 07
- Completion of preclinical studies Q3 07
- Commencement of Phase I/IIa clinical trial for HCV Q4 07

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CORPORATE STRATEGY

- Increase shareholder value through technology platform focused on small molecule antiviral drugs
- Progress BIT-225 to the clinic as fast as possible for proof-of-concept human trial against HIV
- Identify lead compound for HCV and progress to the clinic
- Seek non-equity finance e.g. NIH grants for further development
- Partner at a stage to maximise value for shareholders

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FINANCIAL SUMMARY

- Shares on issue: 89.7m
- Unlisted options: 5.85m
(average strike 46 cents, average exercise date Dec 2009)
- Cash: \$0.86m
(as of 31 Mar 06)
- Historical cash burn per month \$0.2m
- Raised \$4.2m via rights issue in April 06
- Sufficient capital on hand to fund two Phase I/IIa human clinical trials (HIV & HCV)

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INVESTMENT SUMMARY

- First-in-class, patent protected, anti-HIV and anti-HCV drugs
 - Clinical trials with BIT225 due to commence late 2006
 - Potential for second-generation follow-up drugs
 - Lead selection in progress for HCV
 - Due to reach clinic in 2007
- Antiviral programs for Influenza and Dengue viruses
- Antivirals – higher chance of successful development through the clinic and to market
- Positioned to gain maximum value over next 12 months



Dr Michelle Miller

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