Biotron Limited
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30 June 2010

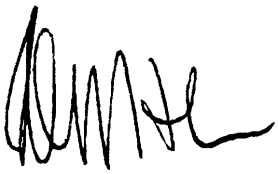
The Manager Companies
ASX Limited
20 Bridge Street
Sydney NSW 2000 (2 pages by email)

Dear Madam

SHAREHOLDER UPDATE

In accordance with Listing Rule 3.17, I attach a copy of a document, being a newsletter updating the Company's activities, as sent to the Company's shareholders.

Yours sincerely



Peter J. Nightingale
Company Secretary

pjn5444

Biotron

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BITNews

June 2010

Dear Shareholder

Welcome to this edition of Biotron's newsletter, *BITNews*. We are pleased to be able to update you on progress in moving Biotron's lead drug, BIT225, forward to its next stage of clinical development.

During 2010, Biotron's focus has been on progressing to the next stage of testing of BIT225, a first-in-class Hepatitis C drug, against the virus (HCV). The new trial will be a combination study of BIT225 in conjunction with the two approved drugs currently used to treat HCV infection. Biotron has previously reported the promising results from a 7-day human clinical trial, and this trial will test the drug over a longer treatment period with the approved drugs in patients infected with HCV genotype 1, the most common variant of the virus in the Western world.

So far this year we have been finalising the design of this combination trial and in preparing the detailed documentation required by ethics and regulatory authorities. The approval process is a multistep process, involving ethics committees and review boards overseeing the trial sites, and government authorities which are responsible for issuing permits to import drug and final approvals to start the trial.

We can now advise shareholders that the application has successfully passed the first step in the ethics approval process, and is now progressing through the next stage of approvals.

Biotron's aim is to complete dosing of patients in September this year, and together with ACLIRES, the international contract research organisation overseeing the running of the trial, we are doing all we can to expedite the approval process.

The completion date for the trial is dependent on a number of factors, including a smooth transit of the documentation through the approval agencies. Additional time has been spent in preparation of the documentation to minimise the risk of delays during the approval process.

The other key factor in ensuring a timely completion of the trial is recruitment of eligible patients once the trial commences. To ensure sufficient patients are available, steps have been undertaken to enable ACLIRES to use its trial sites in both Argentina and Thailand.

At present the main commercial focus remains the HCV combination study, but in addition to progressing the HCV trial, we have been working towards implementing a Phase Ib/IIa HIV trial and will progress the HIV trial to the approval stage. Commencement of an HIV trial is expected to follow receipt of results from the HCV combination trial, subject to the Company's financial position.

At the end of March 2010, $640,000 was raised from early exercise of options - thank you to those shareholders that participated.

Thank you for your continued support. We look forward to providing further updates.

Sincerely

Michelle Miller
CEO & Managing Director

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