

30 November 2005

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

(2 pages by email)

Dear Madam

BIOTRON'S HIV DRUG IMPROVES ACTIVITY OF EXISTING HIV THERAPIES

The Directors are pleased to advise a further significant advancement in development of Biotron Limited's ('Biotron') HIV antiviral development program.

Latest results have demonstrated that BIT225, Biotron's lead compound which progressed recently into a clinical development program, is able to improve the activity of current HIV therapies. These recent studies, independently performed by Southern Research Institute of Maryland, USA, are significant as they indicate that the Company's compound will be complementary to existing HIV treatments regimens.

BIT225 was tested in human cells infected with HIV-1 in combination with each of three leading HIV drugs representing the major existing types of anti-HIV therapies (a non-nucleoside reverse transcriptase inhibitor, a protease inhibitor and a nucleotide analogue). Dose response curves were performed for each drug individually, and then compared with dose response curves for each existing drug used in combination with BIT225.

Mathematical modelling was used to calculate whether the each of the existing drugs in combination with BIT225 gives:

- the same response as the sum of the existing drug and BIT225 individually (an additive benefit);
- a greater response than the sum of the existing drug and BIT225 individually (a synergistic benefit); or
- a smaller response (if one drug blocks the effects of the other).

BIT225 was synergistic with both two of the three existing HIV drugs, greatly improving the antiviral activity of each drug, and had an additive effect with the third existing HIV drug.

Biotron's anti-HIV therapy represents a first in class new approach to treatment of HIV. Current anti-AIDS drug therapies primarily target the HIV-1 reverse-transcriptase and protease enzymes. To counteract the ability of the HIV-1 virus to rapidly mutate and develop resistance, patients are given a cocktail of drugs as part of a Highly Active Anti-Retroviral Therapy. It is critical that new drugs are able to work in conjunction with existing drugs.

These latest BIT225 results are further evidence that Biotron's anti-HIV therapy will play a critical role in HIV treatment. As previously reported, BIT225 is active against strains of HIV that are resistant to existing drugs. Discovery and development of new anti-HIV-1 drugs that attack different parts of the virus life cycle is essential in the continuing fight against resistance.

Biotron has entered into a contract with Dr Reddy's Laboratories Ltd, Hyderabad, India for scale-up, manufacture and supply of 5 kilograms of BIT225. This material will be used for the final safety studies in animals and for the proposed Phase I/IIa human clinical trial.

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

Yours sincerely

A handwritten signature in black ink, appearing to read 'PJN', with a stylized flourish at the end.

Peter J. Nightingale
Company Secretary

pjn3283