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

Dear Madam

COMPLETION OF CLINICAL STAGE OF HCV TRIAL

The Directors of Biotron Limited ('Biotron' or 'the Company') are pleased to advise of the completion of an important milestone, with the conclusion of the clinical or treatment stage of its Phase Ib/IIa clinical trial, BIT225-003, in Hepatitis C virus (HCV)-infected subjects.

The complete Phase Ib/IIa trial was a placebo-controlled, randomised study of the safety, pharmacokinetics and antiviral activity of BIT225 in patients with HCV infection. The primary objective was to assess the safety and tolerability of BIT225. The secondary objectives were to assess the pharmacokinetics of BIT225 as well as to assess the antiviral efficacy of BIT225 in these patients. The study involved 18 HCV-infected volunteers, who were grouped into three cohorts of six subjects. All treated members of a cohort received the same drug dosage, receiving either 35 mg or 200 mg BIT225 twice daily for 7 days, with one cohort receiving placebo. Data from each cohort was blinded throughout the clinical phase of the study.

Over the next 6 to 8 weeks, data from the trial will be assembled and reviewed by an independent Data Safety Review Committee to determine if BIT225 has met the primary safety end points, and to analyse efficacy data.

Recently, a paper on preclinical efficacy of BIT225 was presented to an international conference at the 2nd World Summit of Antivirals held in Beijing, China, by Biotron's collaborators at Southern Research Institute (SRI), Maryland, USA.

About Biotron

Biotron Limited is engaged in the research, development, and commercialisation of drugs targeting significant viral diseases with unmet medical need, with a major focus on HIV and HCV. The Company has BIT225 in clinical development for both HIV and HCV, and also has several earlier stage preclinical and research programs for several other viral infections including influenza, Dengue and Hepatitis B.

About BIT225 and HCV

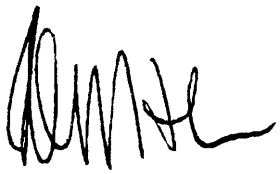
BIT225 represents a first-in-class drug for treatment of HCV, targeting the p7 protein of HCV. It is estimated that in the USA alone, some 4 million people have been infected with Hepatitis C with 2.7 million suffering from chronic infection. Worldwide, 170 million people are infected. HCV causes inflammation of the liver, which may lead to fibrosis and cirrhosis, liver cancer and, ultimately, liver failure. Existing drugs for HCV have limited effectiveness and toxicity issues, leaving a significant need for new therapies. The worldwide market is currently almost US$3.0 billion, but is estimated that this market will expand to over US$10.0 billion as safe, effective therapies enter the market.

Monotherapy with interferon-α and combination therapy with interferon-α and the ribonucleoside analog ribavirin are the two different regimens currently approved as therapy for chronic hepatitis C. Treatment with interferon-α alone, or in combination with ribavirin, has limited effectiveness. The use of interferon-based therapy for the treatment of HCV can be further limited by frequent side effects, injectable administration and poor patient tolerance and adherence. Many patients receiving interferon can experience influenza-like symptoms, fatigue and depression. Ribavirin can be problematic for patients with pre-existing anemia, kidney problems or heart disease.

BIT225 has been shown to be synergistic with interferon and ribavirin, the current approved drugs for HCV treatment, as well as with NS5B-inhibitors which are a new class in development. The use of BIT225 in combination with either the current standard of care treatment, or NS5B inhibitors, holds exciting potential therapeutic treatment of human HCV infections.

For further information, please contact Dr Michelle Miller, Managing Director, on (61-2) 9805 0488.

Yours sincerely



Peter J. Nightingale
Company Secretary

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