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28 July 2003

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

(1 page by email)

Dear Madam

RE: POTENTIAL NEW THERAPY FOR SARS

The Directors are pleased to advise that Biotron Limited ('Biotron') researchers have discovered that the E protein of Severe Acute Respiratory Syndrome (SARS) virus forms an ion channel and that this activity can be blocked by specific compounds. The finding opens up a new approach to treatment of this disease.

A provisional patent application covering this discovery was filed on 25 July 2003.

SARS is a respiratory syndrome caused by a recently identified coronavirus. The World Health Organisation reports that the syndrome has a death rate of almost 10%, and it is believed that the virus is unlikely to be eradicated but will cause seasonal outbreaks of the disease.

Biotron is the first to report that the E protein of coronaviruses is able to form an ion channel. These latest results are an extension of the Company's Virion ion channel technology platform, the basis of which is that proteins from viruses, including the HIV-1 and Hepatitis C viruses, form ion channels and that these ion channels can be targeted to inhibit viral replication. As previously reported, Biotron is in preclinical development with BIT009 for treatment of HIV-1.

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

Yours sincerely



Peter J. Nightingale
Company Secretary

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