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14 January 2004

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

(1 page by email)

Dear Madam,

RE: \$1.7 million Start Grant for Clinical Development of HIV/AIDS Drugs

The Directors are pleased to advise that Biotron Limited ('Biotron') has been offered an R&D Start Grant by the Commonwealth Government's R&D Start Program. The grant will be used for clinical development and testing of Biotron's novel HIV blocking compounds.

Following completion of a written funding agreement in 30 days, Biotron will be granted up to \$1.66 million in dollar-for-dollar funding.

This latest grant is in addition to the previously announced Biotechnology Innovation Fund (BIF) grant the Company was recently awarded for development of novel antiviral drugs that interact with ion channels encoded by other viruses including Hepatitis C virus, SARS coronavirus and Dengue virus. The Start Grant will enable Biotron to accelerate preclinical development and clinical testing of its novel anti-HIV therapy in a Phase I/IIa clinical trial.

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

Yours sincerely



Peter J. Nightingale
Company Secretary

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