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3 September 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 DENGUE

The Directors are pleased to advise that Biotron Limited ('Biotron') researchers have discovered that the M protein of dengue virus forms an ion channel and that this activity can be blocked by specific Biotron compounds.

A provisional patent application covering these compounds and their use as a method of treatment has been filed by the Company.

Biotron is the first to report that the M protein of dengue virus is able to form an ion channel.

Dengue belongs to the group of viruses that also cause yellow fever, Murray Valley encephalitis and Japanese encephalitis. The World Health Organisation estimates that 50 million cases of dengue infection occur each year. The disease causes severe debilitating joint and muscle pain, and there is no effective treatment currently available. A proportion of sufferers develop the more serious dengue hemorrhagic fever, which has a 15% fatality rate.

This latest finding by the Company's researchers is a further extension of the Company's Virion Project technology which has shown that certain chemical compounds, developed by the Company, are able to inhibit ion channel activity of a number of different viruses. The Company has now identified compounds which inhibit ion channel activity associated with the Vpu protein of HIV-1, the p7 protein of Hepatitis C, the E protein of SARS virus and the M protein of dengue virus.

This latest finding considerably strengthens Biotron's intellectual property position over these compounds and their use to treat specific viral infections.

For further information please contact Dr Michelle Miller, Managing Director on (+61 2) 6125 8001.

Yours sincerely



Peter J. Nightingale
Company Secretary

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