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

(1 page by email)

Dear Madam,

SARS VIRUS TREATMENT TARGET IDENTIFIED

The Directors are pleased to advise that a Biotron Limited ('Biotron') manuscript describing that the E protein of SARS coronavirus forms ion channels has been subjected to vigorous peer-review and published in the prestigious international scientific journal, Virology.

Based on the initial work described in the manuscript, Biotron has:

- o developed a rapid screening assay for the E protein target;
- o screened Biotron's library of rationally-designed small-molecule compounds for activity against the target;
- o identified compounds with good activity against SARS and other viruses within the coronavirus family including viruses that cause an estimated 25% of cases of the common cold as well as significant veterinary viral diseases; and
- o shown these compounds to inhibit replication of the virus by having the compounds independently tested for antiviral activity against the SARS coronavirus.

The results of these studies demonstrate the potential of the SARS E protein as a target for therapeutic intervention to treat this disease. More significantly, the results of this work further validate the Company's anti-viral platform technology which has been shown to be effective against a number of families of viruses including coronaviruses (SARS), flaviviruses (Dengue), HIV and Hepatitis C.

Biotron's coronavirus studies have been supported in part by a Biotechnology Innovation Fund (BIF) grant from the Federal government. This work opens up a new way to treat these currently untreatable diseases.

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

Yours sincerely



Peter J. Nightingale
Company Secretary

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