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11 May 2005

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

(1 page by email)

Dear Madam

### **C-TEST PROJECT DEVELOPMENTS**

The Directors are pleased to advise that Biotron Limited ('Biotron' or 'the Company') has been awarded a \$200,000 grant under the ACT Government's Knowledge Fund to facilitate the further development and commercialisation of the Company's C-Test Project's diagnostic tests for cancer, initially focussing on prostate cancer.

The C-Test Project has been focused on analysis of a particular class of molecules, known as oligosaccharides or carbohydrates, which act as biomarkers in blood samples from prostate cancer patients. Requiring only a very small droplet of blood plasma, samples are analysed using mathematical algorithms developed specifically for this project. These algorithms detect 'peaks' in the data, with each peak representing an individual biomarker that is specific for prostate cancer. Biotron researchers have identified several peaks which have a high degree of specificity for prostate cancer.

Funds from this grant will be used to determine the structure of these new cancer biomarkers. This information is essential to progress the test and obtain the necessary regulatory approvals.

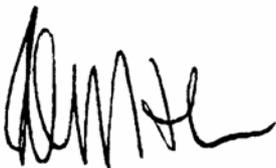
The Company is aiming to develop a commercial test for prostate cancer that has a higher degree of accuracy than the currently used standard Prostate Specific Antigen ('PSA') test. The lack of specificity in the PSA test means that many men with elevated PSA levels, but with no underlying cancer, are undergoing unnecessary, expensive and invasive biopsies. There is a real need for a simple blood test which can accurately determine which patients should undergo follow-up tests and treatment for this disease. Results of the Company's prostate cancer diagnostic tests to date indicate that the Company's diagnostic test has significantly higher rates of correct classification of samples as cancer or non-cancer compared to existing tests.

Additional studies are underway to confirm the prostate results with a larger sample set and to extend the studies to other cancer types, initially colorectal cancer.

Analysis of biomarkers in the blood for diagnosis of diseases such as cancer is receiving increasing attention in the scientific and medical field and the Company is well placed to take advantage of significant interest being shown in its C-Test Project by potential international partners.

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

Yours sincerely



Peter J. Nightingale  
Company Secretary