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15 October 2004

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

(13 pages by email)

Dear Madam,

RE: PRESENTATION TO ANNUAL GENERAL MEETING

I attach a PowerPoint presentation which is to be delivered to the shareholders present at today's Annual General Meeting which is convened to be held at 1.00 pm.

Yours faithfully



Peter J. Nightingale
Company Secretary

pjn2751

**COMMENTARY FOR A PRESENTATION TO
THE 2004 AGM
15 OCTOBER 2004**

The last 12 months have seen major advances in the development of Biotron's major project – the Virion antiviral platform technology. As a result of these advances the Company is well placed to maximise the benefit of the increased value of this world-class technology.

Slide 2

Biotron's Virion technology has developed from the initial target of HIV-1 to cover a wide range of commercially significant viral diseases. Over the last 12 months Biotron has demonstrated Virion's potential to target Hepatitis C virus, Dengue and West Nile viruses, and the coronavirus family. This latter is a very broad group which includes the viruses responsible for a large proportion of the common cold, SARS as well as several significant diseases for the veterinary industry. Biotron has demonstrated that Virion can target specific proteins in these viruses and can inhibit replication of these viruses. Biotron's Virion technology has potential to treat a wider range of viral diseases, substantially adding even further to its value.

Slide 3

Each of the viral diseases currently targeted by Biotron has a very large potential market. The worldwide antiviral market is over US\$10 billion, and is mainly focused on HIV, Hepatitis B virus and, to a less extent, influenza. At the end of 2003 an estimated 37.8 million people worldwide were living with AIDS, with more than 4.8 million new HIV infections occurring worldwide during 2003. Current anti-AIDS drug therapies primarily target the HIV-1 reverse-transcriptase and protease enzymes. Discovery and development of new anti-HIV-1 drugs that attack different parts of the virus life cycle is essential in the continuing fight against resistance.

Slide 4

The most advanced project with Virion is the anti-HIV program, developing small molecule inhibitors of the Vpu protein of HIV-1, a new drug target in the fight against HIV. Vpu plays important roles in the budding and release of newly formed viruses from infected cells, a process that is crucial for the progression of infection. There is an unmet medical need for therapeutics that target HIV in a particular type of cell known as monocyte/macrophages. Recent studies have shown that these cell types act as pools or reservoirs of virus in HIV-infected individuals, contributing to long-term disease. Existing regimens of HIV therapy are ineffective at attacking HIV-1 in those cells.

Slide 5

Over the past 12 months, Biotron has designed, synthesized and screened more than 160 compounds with the potential to target specific viral proteins, starting from the design of the initial BIT009 compound. This process of iterative design and testing for activity has generated a focused library of compounds with significantly improved anti-Vpu activity compared to BIT009. Central to this process has been Biotron's proprietary rapid screening assay. It takes up to 4 weeks to test a single drug in standard HIV assays, while Biotron's assay only takes overnight and hundreds of compounds can be screened at a time. Six of the most promising lead candidates have been independently tested overseas and shown to be able to inhibit replication of HIV-1 virus. Two of Biotron's virologists are now working in the PC3 HIV-containment laboratories at St Vincent's Hospital, Sydney, further characterizing the antiviral effect of Biotron's compounds.

Slide 6

An ongoing preclinical development program is underway to ensure the compounds' safety and efficacy, leading up to a Phase I/IIa clinical trial in humans. These steps all form part of an ordered drug development program to maximise returns to shareholders in the commercialisation of the Virion Project by way of collaboration with a pharmaceutical company. The Company has completed the first stage of preclinical testing and is advancing into the next stage of this process. The results of the toxicology and pharmacology testing undertaken to date indicate that the lead candidates have good drug-like characteristics. This is essential if a drug is to successfully pass through the rigorous safety testing that is required by regulatory authorities before the compound can be tested in human trials. As a result of recent work, Biotron is one step closer to selection of the lead candidate to progress into late-stage preclinical testing.

Slide 7

With the results of the first stage of preclinical testing in hand, Biotron anticipates selection of a lead to progress into the longer-term animal studies that are required before human trials can start. Discussions are underway with doctors specialising in treatment of HIV as well as clinical trial consultants, regarding the design and location of a Phase I/IIa clinical trial in humans. Consultations with appropriate regulatory authorities are also in progress. The Start grant (\$1.7 million) will expedite the development of an HIV therapeutic through preclinical testing and a Phase I/IIa human trial which will be undertaken prior to partnering with an international pharmaceutical company for further development.

Slide 8

The Virion antiviral technology has expanded over the last year to cover a wide range of economically significant viruses in addition to HIV-1. Outstanding research by our scientists has opened up a potential new therapy for currently untreatable viral diseases including Hepatitis C, SARS and Dengue. Progress on developing therapeutics for these viruses has progressed rapidly over the last year and we anticipate that this rapid progress will continue. One of the benefits of having a true platform technology is that the preclinical and clinical studies undertaken for the HIV technology will facilitate development of therapeutics which can target the other viral diseases currently being researched by the Company. A number of the leads candidates under consideration for HIV also have activity against the other viral targets. This work on other viruses is being facilitated by the successful application for a Biotechnology Innovation Fund (BIF) grant in late 2003.

Slide 9

Over the last 12 months the competitive position of C-Test has been significantly increased by improvements to methods of detection, resulting in decreased variability and increased sensitivity. Together with previous advances in sample processing and algorithm/software development, the C-Test cancer diagnostic test format is well placed to take advantage of recent upsurge in interest in biomarkers for disease diagnosis by the international scientific and medical community.

Slide 10

During 2004/05, the Company looks forward to reaping the benefit of these key advances in Virion to maximise returns to shareholders. The Company has sufficient cash in hand to achieve a commercial outcome for these technologies, but continually exercises rigorous cost control to ensure it has sufficient capital on hand to develop its technologies to a suitable stage for partnering. Cash balance at 31 August 2004 was \$2.4m, with an additional \$1.2m revenues anticipated from the Start and BIF grants.

Biotron

ASX:BIT

AGM

OCTOBER 2004

VIRION – UNIQUE ANTIVIRAL PLATFORM TECHNOLOGY

	HIV - Vpu	Hepatitis C virus (HCV) - p7	Coronavirus family (SARS virus) - E protein	Flavivirus family (Dengue) - M protein
Amiloride series				
New Chemical Series II				
New Chemical Series III				
New Chemical Series IV				



Pre 2002/2003
coverage

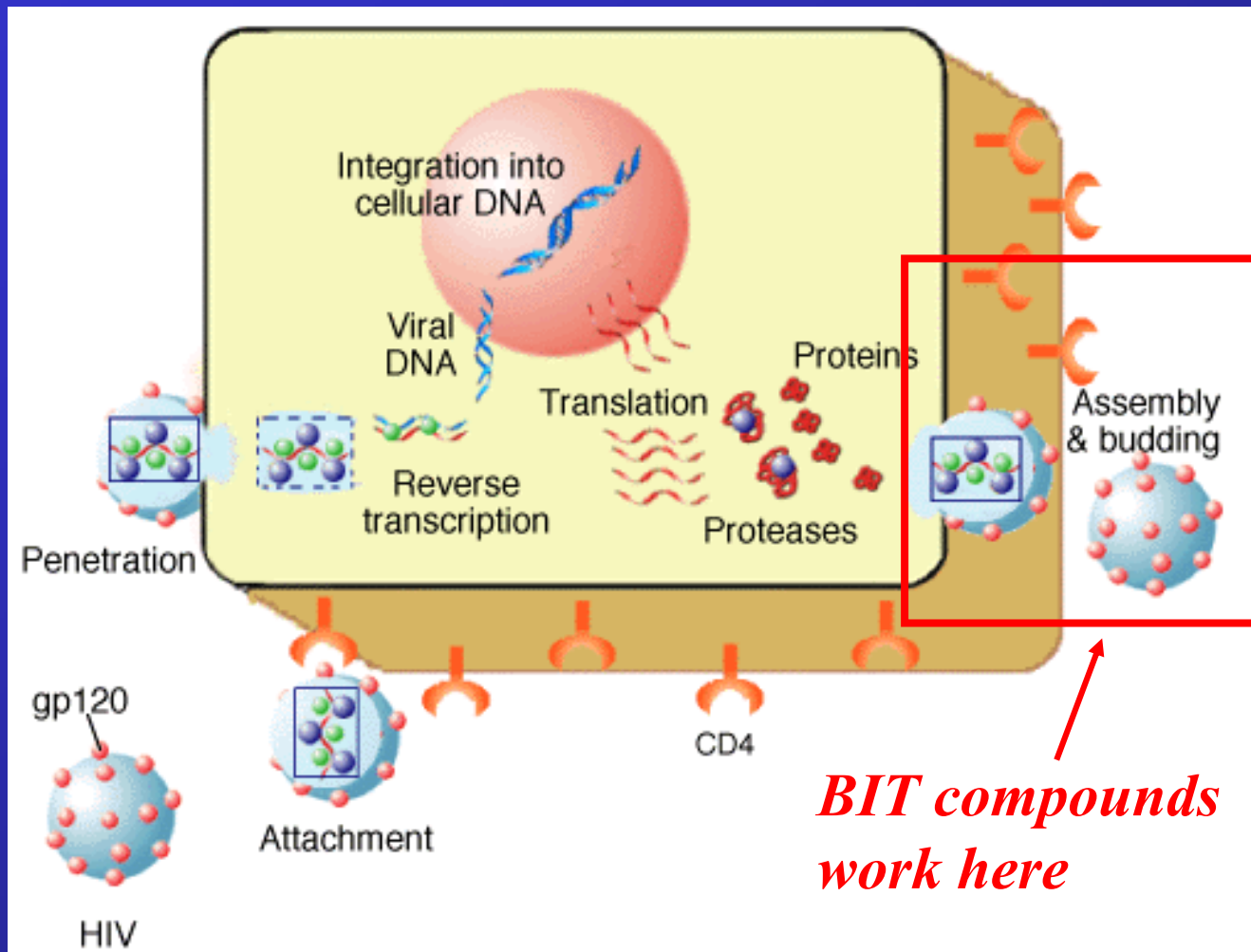


Current coverage

POTENTIAL VIRION MARKET

	HIV	Hepatitis C virus (HCV)	SARS virus (Coronavirus family)	Dengue virus (Flavivirus family)
Number of Cases	37.8m worldwide	~4m in US (2.7m chronic infection); 170m worldwide	~7,600. Other coronaviruses are very common (e.g. common cold)	50m Dengue cases p.a. (15% mortality); >7300 cases West Nile in USA in 2003
Potential Market Size	US market alone was US\$3.3 billion in 2002	Worldwide market ~US\$2.8 billion	Very large	Very large
Notes	New mode of action compared to existing drugs	Existing therapies ineffective and toxic	No effective therapies	No effective therapies

HIV LIFE CYCLE



DEVELOPMENT OF NEW CLASS OF ANTI-HIV DRUGS

- Started with BIT009
- Designed, synthesized and screened library of >160 compounds
- ~40 compounds had improved potency compared to BIT009
- 6 of the best sent overseas for confirmatory tests
- These 6 underwent stage 1 of preclinical testing
 - Good drug-like characteristics

WHERE ARE WE IN THE DRUG DEVELOPMENT PATHWAY?

DISCOVERY



Target selection



Lead generation



Lead optimisation



Candidate selection

PRECLINICAL DEVELOPMENT



Pharmacology &
Exploratory tox.



Preclinical tox.
Pharmacokinetics
Metabolism studies

CLINICAL DEVELOPMENT

Phase I

Phase II

Phase III

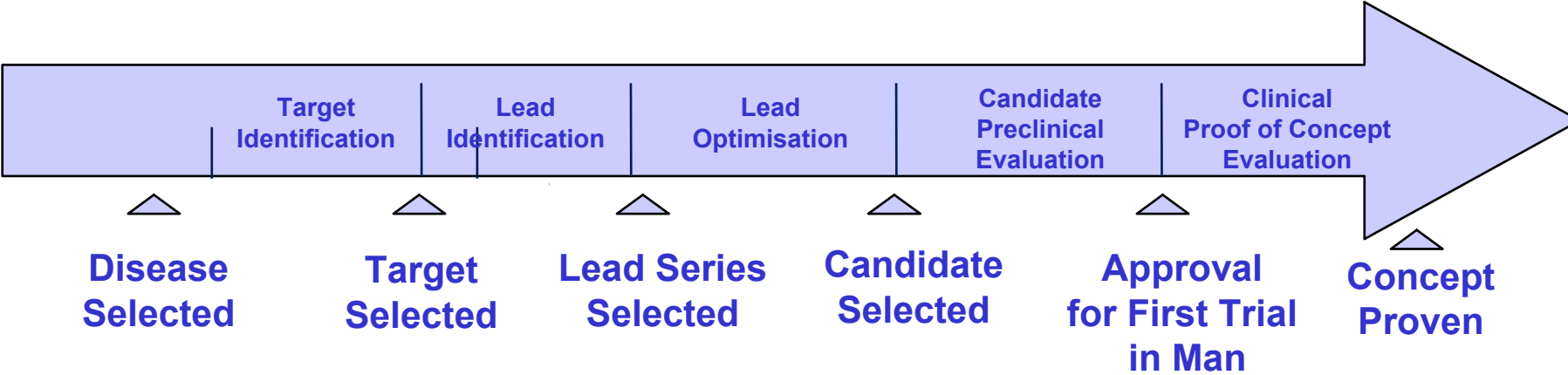
Phase IV

Post-marketing &
surveillance

LATE PRECLINICAL AND CLINICAL DEVELOPMENT OF HIV THERAPEUTIC

- Robust development plan drawn up for next stage of preclinical development
 - Specific, defined milestones to meet before human trials can be started
- Discussions with world-renown HIV clinicians regarding human trial in progress
 - Identifying trial site and trial design
- \$1.7 million Start grant awarded for these activities in early 2004.

Drug Development - Pathway to Proof-of-Concept



HIV-1	_____
Hepatitis C	_____
SARS	_____
Dengue	_____

C-TEST UPDATE

- Major advances in method of detection of target molecules
- Great improvements in sensitivity and decreased variability
- Integrating software into package
- Working with clinicians to demonstrate role in management of disease
- Great deal of interest internationally in use of biomarkers for disease diagnosis

SUMMARY

- \$2.3m cash reserves
- Additional \$1.2m from Start and BIF grants available
- Sufficient resources to fund preclinical and Phase I/IIa clinical development of HIV therapeutic
- Focused on building strong, sustainable base under BIT, maximising returns to shareholders