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24 November 2004

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

(6 pages by email)

Dear Madam,

**Biotron Share Purchase Plan**

Further to the Company's announcement dated 22 November 2004, I attach details of the Biotron Share Purchase Plan as despatched to shareholders today.

For further information, please contact Peter J. Nightingale, Company Secretary, on (61-2) 9247 8212.

Yours sincerely,



Peter J. Nightingale  
Company Secretary

pjn2809

22 November 2004

Dear Shareholder

### **Biotron Share Purchase Plan**

As announced to the Australian Stock Exchange (ASX) on 22 November 2004, the Board of Directors of Biotron Limited ('Biotron' or 'the Company') is pleased to provide eligible shareholders with the opportunity to participate in the capital raising initiatives of Biotron through a Share Purchase Plan ('SPP').

The Directors encourage all eligible shareholders to consider taking advantage of this opportunity to acquire Biotron shares without brokerage or other transaction costs and at a discount of approximately 20% to current market share price.

#### **Introduction**

The last 12 months have seen major advances in the development of Biotron's major project – the Virion antiviral platform technology. The Virion technology has developed from the initial target of HIV-1 to cover a wide range of commercially significant viral diseases, including Hepatitis C virus (HCV) and Dengue virus. The technology has potential to treat a wider range of viral diseases, substantially adding even further to its value. Each of the viral diseases currently targeted by Virion 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 lesser 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. As a result of recent work expanding the Virion platform technology to cover other viral diseases in addition to HIV, Biotron is well placed to maximise the benefit of the increased value of this world-class technology.

The Virion technology's anti-HIV therapeutic program has progressed rapidly in recent months, with favourable results from early preclinical studies supporting progression into longer-term animal studies that are required before human trials can start. The initiation of these studies is a major milestone for Biotron, and in part, this SPP will directly support these late-stage preclinical studies.

Due to judicious financial control, Biotron has had no need to raise additional capital since raising \$12 million at IPO in January 2001. The Company has successfully leveraged shareholder funds by accessing non-equity capital in the form of grants from the Australian Federal Government (Start and Biotechnology Innovation Fund) and the ACT Government (Knowledge Fund).

The Directors believe that it is prudent at this time to raise additional capital to complete the required preclinical studies for its HIV therapeutic and progress it into the first stage of clinical testing in humans.

The Directors also believe it appropriate to offer existing eligible shareholders the opportunity to participate in this exciting time of the Company's development by way of the SPP.

#### **Purpose of the Capital Fund Raising**

Funds raised in this SPP will be used to support ongoing operational costs, including preclinical costs associated with development of the Company's anti-HIV therapeutic, and further development of the Company's Virion platform technology for other viral diseases - initiatives that will add short and medium term value to the Company's technologies.

### ***Anti-HIV Therapeutic***

As announced in recent months, Biotron's anti-HIV therapeutic has successfully completed preliminary toxicology and pharmacokinetic studies, and is now ready for the last stage of preclinical development. This is the last stage prior to commencing human clinical trials.

Funds raised in this SPP will be used to support these preclinical studies and move the technology closer to clinical trials.

### ***Development of Virion for other Viral Diseases***

Twelve months ago Biotron was awarded a BIF grant to facilitate proof-of-concept studies for viruses other than HIV. Biotron has now:

- Demonstrated that specific viral proteins have associated ion channel activity in vitro.
- Screened Biotron's library of rationally-designed small-molecule compounds for activity against these targets.
- Identified compounds with good activity against these targets, which include HCV, Dengue and 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.
- Shown these compounds to inhibit replication of the viruses.

The studies to date have demonstrated the potential of these viral proteins as targets for therapeutic intervention to treat these diseases. More significantly, the results of this work have demonstrated the wide utility of Biotron's anti-viral platform technology.

Funds raised in this SPP will be used to further advance this viral program, in particular in selection of lead candidates to move ahead into more detailed antiviral studies.

### **Eligible Shareholders**

The right to participate in the SPP is available to holders of fully paid ordinary shares on the record date of 22 November 2004 and whose registered address is in Australia or New Zealand. Unfortunately, it is not practical for the SPP to be offered to our shareholders with a registered address in other countries.

Under the SPP, eligible shareholders are entitled to purchase up to \$4,998 in additional shares at \$0.21, representing a discount of approximately 20% to the weighted average share price for the five business days preceding 22 November 2004. All eligible shareholders now have the opportunity to subscribe for additional shares at the same price without paying any brokerage or other transaction costs.

### **How to Participate in the SPP**

Participation in the SPP by eligible shareholders is entirely optional. If you are in any doubt about your participation in the SPP, then you should contact a professional adviser.

The offer is non-renounceable, which means that you cannot transfer your right to purchase shares under the SPP to another person or entity.

The maximum amount of \$4,998 will apply even if you receive more than one offer from the Company.

### **Issue Price of Shares**

The issue price of fully paid ordinary shares under the SPP is \$0.21. This price has been set at a discount of approximately 20% to the weighted average market price of Biotron ordinary shares calculated over the five business days preceding the record date of 22 November 2004.

The market price of the Company's shares will fluctuate during this offer, but this will not affect the issue price of ordinary shares under the SPP. This means that the market price of Biotron shares at the time shares are allotted under the SPP may be either higher or lower than the subscription price.

## Maximum Raising

The maximum number of ordinary shares that may be issued under the SPP is 19,216,725 and the maximum amount that may be raised under the SPP is approximately \$4 million. If the Company receives acceptances for more than the maximum, it will reduce the number of shares allotted to each shareholder on a pro-rata basis.

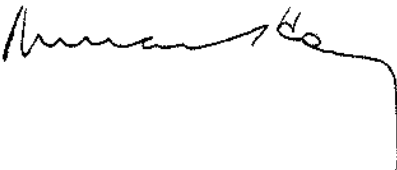
## Application Instructions

This offer will close at 5:00 pm (AEST) on 22 December 2004. Further details of the SPP are set out in the terms and conditions on the reverse of the Application Form, which is enclosed. If you wish to participate in the SPP, please read these terms and conditions, and return the application form and payment prior to the closing date of 22 December 2004.

The Directors encourage you to read these terms and conditions carefully and in their entirety. You should seek your own financial advice in relation to this offer and your participation in the SPP.

For further information, please contact Peter J. Nightingale, Company Secretary, on (61-2) 9247 8212.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Michael J. Hoy', with a long horizontal stroke and a vertical line extending downwards from the end.

Michael J. Hoy  
Chairman

pjn2804

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[Shareholder Name & Address]

[Shareholder Bar Code]

**THIS SAMPLE FORM IS FOR INFORMATION ONLY  
VALID APPLICATION FORMS ONLY AVAILABLE FROM COMPUTERSHARE**

Record Date: 22 November 2004

**SHARE PURCHASE PLAN APPLICATION FORM  
OFFER CLOSSES 22 DECEMBER 2004**

This is an offer to eligible registered holders in Biotron Limited (Biotron) to subscribe for additional shares under the terms and conditions of the Share Purchase Plan (SPP) as set out on the other side of this application form.

Shares issued under this offer are priced at **\$0.21 per share** and shareholders may subscribe to one of the following three offers by ticking the appropriate box below:

Offer A <input type="checkbox"/>	Offer B <input type="checkbox"/>	Offer C <input type="checkbox"/>
23,800	10,000	5,000
\$4,998	\$2,100	\$1,050

Record the details of your cheque below with the relevant payment amount.

Drawer	Bank	Branch	\$ Amount

**Please note:**

- Payments may only be made by cheque or bank draft in Australian dollars and drawn on an Australian branch of an Australian financial institution.
- Your cheque should be made payable to "Biotron Limited" and crossed "Not Negotiable".
- Cash payments will not be accepted.
- Should the exact amount not be tendered, Biotron reserves the right to return your Application Form and money.

Please provide the following details in case we need to contact you in regards to your application.

Contact Name	Telephone Number 1	Telephone Number 2
	( )	( )

By returning this Application Form and your cheque to our office, you:

- agree to be bound by the terms and conditions of the SPP and the Company's Constitution; and
- certify and confirm that the subscription price for the shares subject of this offer, together with the subscription price of all other shares issued to me as a registered holder (or, where a beneficiary is noted on the register, to that beneficiary) under the SPP does not exceed \$5,000.

Your Application Form and cheque should be returned, **no later than 5.00pm (AEST) on 22 December 2004**, addressed to:

Biotron Limited  
Level 8  
261 George Street  
Sydney NSW 2000

You should allow sufficient time for this to occur.

## Biotron Share Purchase Plan Offer Terms and Conditions

Biotron Limited ("Biotron") is giving eligible shareholders the opportunity to subscribe for ordinary shares in Biotron through a Share Purchase Plan ("SPP"). Participation in the SPP is optional and subject to the following terms and conditions.

### Who is eligible to apply under this offer?

You are eligible to subscribe for ordinary shares under this SPP if you were a registered holder of fully paid ordinary shares of Biotron at the close of business on the Record Date of 22 November 2004, with a registered address in either Australia or New Zealand.

The offer under the SPP is non-renounceable, which means that you cannot transfer your right to purchase shares under the offer to anyone else.

### How much can you invest?

Eligible shareholders may choose to apply for one of the following offers:

	Number of Shares	Payment Amount
<b>Offer A:</b>	23,800 shares	\$4,998.00
<b>Offer B:</b>	10,000 shares	\$2,100.00
<b>Offer C:</b>	5,000 shares	\$1,050.00

No brokerage or other transaction costs are payable by participants in the SPP.

### How to pay for the shares

You may pay for shares under the SPP only in accordance with the instructions on the other side of this page.

If your payment is not for the exact amount for one of the four offers, Biotron reserves the right to return your Application Form and cheque or bank draft and not issue any additional Biotron shares to you.

### When does the offer close?

The Closing Date is 22 December 2004. Applications received after 5.00pm (AEST) on 22 December 2004 will not be accepted.

### How was the issue price determined?

The issue price for each share under the SPP is \$0.21, which represents a discount of approximately 20% to the weighted average market price of Biotron shares for the five business days on which sales of shares occurred preceding 22 November 2004, the date the price was set.

The market price of Biotron shares may rise or fall. This means that the issue price of \$0.21 under the SPP may exceed the market price at the time of allotment of shares under the SPP. Accordingly, you should consult your stockbroker or professional adviser in relation to this offer and your participation under the SPP. Any change in the market price of Biotron shares will not affect the issue price of \$0.21.

### Why is your investment limited to \$5,000?

The SPP must comply with the Australian Securities & Investments Commission Class Order [CO 02/831] ("the Class Order"), which limits the participation of each eligible shareholder to \$5,000 worth of ordinary shares. This limit applies to all eligible shareholders even if you receive more than one offer from Biotron (for example, because you are a joint holder of shares or because you hold more than one shareholding under separate share accounts). Biotron reserves the right to reject any application for shares where it believes that an eligible holder has not complied with this requirement.

Where a trustee or nominee is noted on the Biotron share register as holding shares on behalf of another person (beneficiary), the trustee or nominee may, in respect of each such beneficiary, apply under the SPP for shares with a subscription price of up to \$5,000. For the purposes of this acceptance, the beneficiary is deemed to be the registered holder of the relevant shares.

### Allotment of Shares

The shares will be allotted as soon as practicable after the offer closes. Shareholding statements will be issued in respect of shares allotted to you under the SPP. You should await confirmation before trading in any shares you have applied for under this offer.

Shares allotted under the SPP will rank equally in all respects with all other fully paid ordinary shares in Biotron on the date of issue.

Biotron will, promptly after allotment of shares under the SPP, make application for the shares to be listed for quotation on the official list of the Australian Stock Exchange Limited and all other stock exchanges on which Biotron shares are listed.

### Refunds if the SPP is oversubscribed

If the total number of shares applied for by shareholders under the SPP exceeds 19,216,725 shares, then the number of shares allotted to each accepting shareholder will be reduced on a pro-rata basis, subject to rounding the adjusted number of shares at the Company's discretion.

Application moneys to be refunded will be posted to shareholders as soon as practical after the Closing Date. Interest will not be paid on money refunded.

### Change of offer

The SPP may be modified or terminated by Biotron any time. Biotron will advise the Australian Stock Exchange of any modification or termination.

Without limiting the above, Biotron may resolve to allot to any person fewer shares than that person applied for under the SPP if the allotment of those shares would contravene any law or Listing Rules of the Australian Stock Exchange.

### Dispute resolution

If any dispute arises in connection with the SPP, Biotron may settle it in any manner it thinks fit. It can do that generally, or in relation to any particular participant, application or share. Biotron's decision will be final and binding.

Biotron reserves the right to waive strict compliance with any provision of the SPP's terms and conditions. The power of Biotron in these circumstances may be exercised by the Company's Directors or any delegate of the Directors in accordance with the Corporations Act 2001 and the Company's Constitution.

### How can you make further inquiries?

If you have any questions in respect of the SPP, please contact Peter J. Nightingale, Company Secretary, on (61-2) 9247 8212.