

TO: CAO

Biotron Limited

A.B.N. 60 086 399 144

Level 8, 261 George Street
Sydney NSW 2000
Tel: (61-2) 9247 8212
Fax: (61-2) 9247 3932
E-mail: pnightingale@biotron.com.au
Website: www.biotron.com.au

30 July 2004

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

Attention: Ms Michelle Shek

(1 page by facsimile - 92417620)

Dear Michelle

RE: SHARE PRICE FLUCTUATION QUERY

I acknowledge receipt of your facsimile dated 30 July 2004 querying the increase in Biotron Limited's share price from 17 cents on 22 July 2004 to 30 cents on 30 July 2004 and an increase in trading volumes.

I advise that the Company is not aware of any information that has not been announced which, if known, it considers could be an explanation for the recent trading in the Company's securities.

I confirm that results of initial toxicity testing of the Company's anti-HIV lead drug candidates are indicative of the druggable potential of the tested compounds and move the Company closer to selection of a lead drug candidate. Bioavailability studies of these compounds are still in progress in preparation of a Phase I/IIa clinical trial in humans.

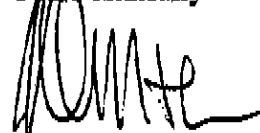
I advise that it is likely that the Company's operating loss before abnormal items and income tax for the year ended 30 June 2004 will be more than 15% less than that for the year ended 30 June 2003. This likely change results from the Company's expenditures during the year, as reported in the Company's Quarterly Expenditure Reports (Appendix 4Cs) and a consistent application of the Company's accounting policies.

I advise that there is no reason to think that the Company may record any material abnormal or extraordinary profit for the financial year ended 30 June 2004.

There is no other explanation that the Company may have for the price change and increase in volume in the securities of the Company.

I confirm that the Company is in compliance with the ASX Listing Rules and, in particular, Listing Rule 3.1.

Yours faithfully



Peter J. Nightingale
Company Secretary

pjn2638

**ASX**

AUSTRALIAN STOCK EXCHANGE

30 July 2004

Peter Nightingale
Company Secretary
Biotron Limited
Level 8
261 George Street
Sydney NSW 2000

By Facsimile: 9247 3932

Dear Peter

Biotron Limited (the "Company")**RE: PRICE QUERY**

We have noted a change in the price of the Company's securities from \$0.17 on 22 July 2004 to \$0.30 today. We have also noted an increase in the volume of trading in the securities over this period.

In light of the price change and increase in volume, please respond to each of the following questions.

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?

In answering this question please comment on the recent announcement of 23 June 2004 regarding the Virion Project toxicity results.

2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

Please note, if the answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you need to consider a trading halt (see below).

3. Is there any reason to think that there may be a change in the operating profit before abnormal items and income tax so that the figure for the financial year ended 30 June 2004 would vary from the previous financial year by more than 15%? If so, please provide details as to the extent of the likely variation.

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Exchange Centre
Level 6, 20 Bridge Street
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DX 10427 Stock Exchange Sydney

4. Is there any reason to think that the Company may record any material abnormal or extraordinary profit for the financial year year ended 30 June 2004? If so, please provide details.
5. Is there any other explanation that the Company may have for the price change and increase in volume in the securities of the Company?
6. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Your response should be sent to me by facsimile on facsimile number (02) 9241 7620. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than half an hour before the start of trading (ie before 9.30 a.m. E.S.T.) on Monday, 2 August 2004.

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a suitable form and separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in listing rule 3.1A.

In responding to this letter you should consult listing rule 3.1 and Guidance Note 8 – Continuous Disclosure: listing rule 3.1.

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in the Company's securities. As set out in listing rule 17.1 and Guidance Note 16 – Trading Halts we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell us each of the following.

- The reasons for the trading halt.
- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.
- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

If you have any queries regarding any of the above, please let me know.

Yours sincerely,



Michelle Shek
Companies Adviser

Direct Line: (02) 9227 0892