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7 December 2004

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

(1 page by email)

Dear Madam,

POSITIVE TEST RESULTS FOR ANTI-HIV COMPOUND

The Directors are pleased to advise that initial pharmacokinetic and chemical stability studies of one of Biotron's anti-HIV compounds have been successfully completed as another step in the Company's on-going ordered drug development program and to ensure that the Company's best anti-HIV compound is selected for use in the proposed Phase I/IIa clinical trial in humans.

Pharmacokinetic studies are designed to study the metabolism and action of drugs, with particular emphasis on the time required for the drug's absorption, duration of action, distribution in the body and excretion. Chemical stability studies are performed to generate information regarding physicochemical properties of the drug.

In summary, these studies have further advanced the Company's anti-HIV compound to ensure the compound's safety and efficacy during the proposed Phase I/IIa clinical trial in humans.

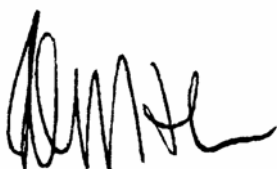
Undertaken in rats, the pharmacokinetics studies showed that the compound had good bioavailability following both oral and intravenous dosing, with between 30% and 60% of the administered dose being absorbed. Bioavailability is defined as the rate and extent that the active drug is absorbed from a dosage form and becomes available in the systemic circulation. The observed bioavailability level indicates that the compound may be a suitable candidate for the Company's human trial.

In parallel with the pharmacokinetic studies, results from the chemical stability studies demonstrated that the compound had good stability in various solvents and, again, indicates that the compound may be a suitable candidate for the Company's human trial.

Characterisation of the safety and efficacy of the Company's lead compounds against the HIV-1 virus continues to progress. The Company has previously demonstrated that several of the Company's compounds work against acutely infected human cells in vitro. Recent results have demonstrated that several of the Company's compounds have good activity against the more problematic chronically-infected human cells in vitro, indicating their potential to work against established HIV infection in vivo.

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

Yours sincerely



Peter J. Nightingale
Company Secretary

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