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1 July 2003

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

(1 page by email)

Dear Madam

RE: POTENTIAL NEW THERAPY FOR HEPATITIS C

The Directors are pleased to advise that Biotron Limited ('Biotron') researchers have demonstrated that the p7 protein of Hepatitis C virus (HCV) is able to form an ion channel and that this activity can be blocked by specific compounds. This finding opens up a new, novel approach to treatment of this debilitating disease.

A provisional patent application covering this discovery was filed on 27 June 2003.

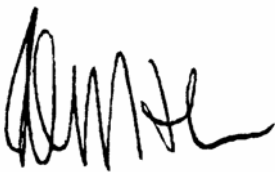
HCV is one of the most significant causes of chronic liver disease with approximately 170 million people worldwide being affected by the disease. This diagnosed patient population is expected to increase significantly and the global market for HCV is projected to grow to almost US\$4 billion by 2007.

These latest results are an extension of the Company's Virion ion channel technology platform, the basis of which is that proteins from viruses, including the HIV-1 virus, form ion channels and that these ion channels can be targeted to inhibit viral replication. As previously reported, Biotron is in preclinical development with BIT009 for treatment of HIV-1.

This research offers a potential new therapy for HCV.

For further information, please contact Dr Michelle Miller, Managing Director, on (+61 2) 61258001.

Yours sincerely



Peter J. Nightingale
Company Secretary

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