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10 October 2002

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

(1 page by facsimile 1 300 300 021)

Dear Madam,

RE: BIOTRON SUCCESSFUL IN GRANT APPLICATIONS

The Directors are pleased to advise that Biotron Limited ('Biotron'), in conjunction with researchers at the Australian National University ('ANU'), has been awarded two Australian Research Council ('ARC') Linkage Grants. ARC Linkage Grants are competitive grants which support collaborative research projects between university researchers and industry partners.

These grants, which are worth a total of \$414,000, will facilitate the study of interactions between the Vpu protein of HIV-1 and compounds that block Vpu activity in Biotron's Virion Project, and will assist in the design and development of synthetic compounds that act on an ion channel involved in muscle function being researched in the Company's Muscion Project.

Biotron's Virion Project is developing anti-HIV therapeutic drugs that target the Vpu protein of HIV-1, the virus that causes AIDS. As previously advised, Biotron's compound, BIT009, has already been shown to inhibit replication of HIV-1 in infected human cells. BIT009 is in preclinical development with Phase I trials planned for the first half of 2003. The Vpu Linkage Grant will extend the Company's research by determining exactly how BIT009 interacts with Vpu. This information will facilitate the design of additional new antiviral therapeutic drugs.

The second grant will extend Biotron's Muscion project, which is developing novel therapeutics that target the ryanodine receptor as a treatment for heart failure.

Biotron welcomes the opportunity to further develop and strengthen its relationship with researchers at the ANU.

For further information, please contact Dr. Michelle Miller, CEO, on (02) 61258001 or 0412313329.

Yours sincerely

Peter J. Nightingale
Company Secretary

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