Biotron Limited
A.B.N. 60 086 399 144

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17 November 2009

ASX Markets Supervision Pty Ltd
20 Bridge Street
SYDNEY NSW 2000

Attention: Sarah Donnelly, Senior Adviser, Issuers (Sydney)

Dear Sarah,

I refer to your letter dated 12 November 2009 and respond to your questions, using your numbering, as follows:

1. The Company's cash expenditure is based on particular research and development programs and, in particular, expenditure during the past year, including the September 2009 quarter, has been focused on the Company's Phase Ib/IIa clinical trial.

   As announced to the ASX on 6 October 2009, the Company has successfully completed its Phase Ib/IIa clinical trial of its anti-HCV drug BIT225. This clinical trial met all of the Company's expectations and the Company's ongoing expenditures will not be at the same level as during the conduct of a clinical trial.

2. As a result of the completion of the Phase Ib/IIa clinical trial, expenditures in the forthcoming quarters will not be as significant as the September 2009 quarter.

   In addition, the Directors are currently considering the most effective form of a capital raising to support the further development or commercialisation of BIT225.

   The Company also remains in close dialogue with a number of pharmaceutical companies and other potential partners who have shown interest in the Company's antiviral programs.

3. The Company's actual revenues and expenses during the September 2009 quarter very closely matched budgeted revenues and expenditures.

4. The Company's actual revenues and expenses are not substantially different to the anticipated revenues and expenses.

5. The Company confirms that it is in compliance with the ASX Listing Rules and, in particular, ASX Listing Rule 3.1.

6. The Company is of the opinion that it remains in compliance with ASX Listing Rule 12.2. As advised, the Company has completed its Phase Ib/IIa trial of BIT225, a first in class, novel antiviral compound. Completion of this trial and proof of efficacy of BIT225 is a major milestone event for the Company. Negotiations are ongoing for the capitalisation of the Company and/or a commercialisation transaction of the Company's antiviral technology. The HCV and HIV antiviral market are multi billion dollar markets.

Yours faithfully

Peter J. Nightingale
Company Secretary

pjn5085

12 November 2009

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Peter Nightingale
Company Secretary
Biotron Limited
Level 2
66 Hunter Street
Sydney NSW 2000

By email

Dear Peter

Biotron Limited (the "Company")

I refer to the Company's Quarterly Report in the form of the Appendix 4C for the period ended 30 September 2009, released to ASX Limited ("ASX") via a Company Announcement on 27 October 2009 (the "Appendix 4C").

ASX notes that the Company has reported the following.

1. Negative net operating cash flows for the quarter of $435,000.

3. Cash at end of quarter of $516,000.

In light of the information contained in the Appendix 4C, please respond to each of the following questions.

1. It is possible to conclude on the basis of the information provided that if the Company were to continue to expend cash at the rate for the quarter indicated by the Appendix 4C, the Company may not have sufficient cash to fund its activities for the next 2 quarters. Is this the case, or are there other factors that should be taken into account in assessing the Company's position?

2. Does the Company expect that in the future it will have negative operating cash flows similar to that reported in the Appendix 4C for the quarter and, if so, what steps has it taken to ensure that it has sufficient funds in order to continue its operations at that rate?

3. To what extent have the Company's actual revenues and expenses in the quarter, as reported in the Appendix 4C, matched the Company's anticipated revenues and expenses for that reporting period?

4. If the Company's actual revenues and expenses are not substantially in accordance with the Company's anticipated revenues and expenses, when did the Company become aware that its revenues and expenses would not substantially match the anticipated revenues and expenses? You may wish to outline any circumstances that may have had an effect on the Company's revenues and expenses.

5. Can the Company confirm that it is in compliance with the listing rules, and in particular, listing rule 3.1?

6. Please comment on the Company's compliance with listing rule 12.2, with reference to the matters discussed in the note to the rule.

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 the rule.

In responding to this letter you should consult listing rule 3.1 and the guidance note titled "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.

This letter and your response will be released to the market. If you have any concerns about your response being released, please contact me immediately. Your response should be sent to me on facsimile number (02) 9241 7620 or by email at sarah.donnelly@asx.com.au 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 (i.e. before 9.30 a.m. A.E.D.T) on Tuesday, 17 November 2009.

If you are unable to respond by the time requested you should consider a request for a trading halt in the Company's securities.

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

Yours sincerely,

(sent electronically without signature)

Sarah Donnelly

Senior Adviser, Issuers (Sydney)