

For immediate release

Melbourne Australia— 20 December 2006

Clarification of Canadian Government order of Relenza

The Company today received advice from GlaxoSmithKline (GSK) in relation to an order, announced to the ASX on 10 November 2006 for the Government of Canada, for Relenza.

GSK has clarified that the total Canadian order is for 700,000 "treatment units" of Relenza, not the previously announced 5.5m courses. GSK has confirmed that the Public Health Agency of Canada has purchased 500,000 courses for the federal pandemic stockpile and that in addition, a further 200,000 courses of Relenza had been purchased for certain provincial governments and other institutional clients.

The Canadian orders for Relenza therefore will provide approximately \$1.2 million royalty to Biota, when delivered by GSK.

This correction relates only to the Canadian order. No comparable advice has been provided by GSK in relation to any other Relenza stockpiling order.

GSK has also indicated that production capacity has been commissioned at its North Carolina plant in the USA, but provided no additional details.

About Biota

Biota is a leading antiviral drug development company based in Melbourne, with key expertise in respiratory diseases, particularly influenza. Biota developed the first-in-class neuraminidase inhibitor, zanamivir, subsequently marketed by GlaxoSmithKline (GSK) as Relenza. Relenza is currently being stockpiled by a number of national governments as a defense against a threatened influenza pandemic. Biota receives royalties from sales of Relenza.

Biota research breakthroughs have included a series of candidate drugs aimed at Respiratory Syncytial Virus (RSV) or bronchiolitis, licensed to MedImmune Inc. and novel nucleoside analogues designed to treat hepatitis C virus (HCV) infections, licensed to Boehringer Ingelheim International GbmH. Biota has Phase I clinical trials underway with its lead compound for Human Rhinovirus (HRV) infections in patients with compromised respiration or immune systems. In addition, Biota has key partnerships with Sankyo; for the development of second generation influenza antivirals (called LANI or Long Acting Neuraminidase Inhibitors) and with Inverness Medical (Thermo Electron); Biota developed the FLU OIA[®] influenza diagnostics, marketed in the US.

[™]Relenza is a registered trademark of the GlaxoSmithKline group of companies.

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*Further information available at www.biota.com.au.

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