

Biota Holdings Limited

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Dear Shareholder

NOTICE OF ANNUAL GENERAL MEETING

I have pleasure in inviting you to our 2007 Annual General Meeting.

The meeting will be held in the Arts Centre, 100 St Kilda Road, located in the ANZ Pavilion, on Wednesday 24 October 2007. The meeting will commence at 10.00am with light refreshments available afterwards.

At the meeting we will present to you Biota's results for the year ended 30 June 2007, and CEO, Peter Cook, will present a review of the Group's operations and future outlook. Please refer to the attached Notice of Meeting for a full listing of the items of business and explanatory notes.

We offer and encourage shareholders to take the opportunity to submit questions in advance of the meeting. A form is attached to this Notice of Meeting for this purpose.

If you are unable to attend and vote at the meeting, we encourage you to still participate by lodging the proxy form included with this Notice of Meeting. The proxy form can be:

- (i) lodged online at www.linkmarketservices.com.au and select 'Proxy Voting' on the left menu;
- (ii) returned by hard copy to the Company's share registry, Link Market Services Limited, in the enclosed reply-paid envelope; or
- (iii) sent by facsimile to +61 2 9287 0309.

To be valid, your proxy must be received no later than 10.00am Monday 22 October 2007.

On behalf of the Directors of Biota, I look forward to your participation in our 2007 Annual General Meeting.

Yours sincerely



John Grant
Chairman

12 September 2007



NOTICE OF MEETING

NOTICE IS GIVEN that the Annual General Meeting of Biota Holdings Limited (the "Company") will be held on Wednesday 24 October 2007 in the ANZ Pavilion, Arts Centre, 100 St Kilda Road, Melbourne, at 10.00am.

BUSINESS OF THE MEETING

1. FINANCIAL STATEMENTS AND REPORTS

To receive the Directors' Report, Financial Statements and Independent Audit Report for the Financial Year ended 30 June 2007.

2. ELECTION OF DIRECTORS

a. To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That Mr John Grant, a Director retiring from office by rotation, in accordance with Rule 58.1 of the Constitution, being eligible, is re-elected as a Director of the Company."

b. To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That Prof Ian Gust, a Director retiring from office by rotation, in accordance with Rule 58.1 of the Constitution, being eligible, is re-elected as a Director of the Company."

3. APPROVAL OF OPTIONS GRANT TO MANAGING DIRECTOR

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That the grant of 121,258 options under the Biota Holdings Limited Employee Option Plan, to Chief Executive Officer and Managing Director, Mr Peter Cook, in the manner set out in the explanatory notes to this Notice of Meeting be approved for all purposes, including for the purpose of ASX Listing Rule 10.14."

4. ADOPTION OF REMUNERATION REPORT

To adopt the Remuneration Report for the Financial Year ended 30 June 2007.

(The vote on this item is advisory only.)

A proxy form accompanies this Notice of Annual General Meeting.

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read "Damian Lismore". The signature is written in a cursive style and is positioned above a horizontal line.

Damian Lismore
Company Secretary

12 September 2007

EXPLANATORY NOTES

ITEM 1: FINANCIAL STATEMENTS AND REPORTS

There will be an opportunity for shareholders at the meeting to ask questions and comment on the Directors' Report, Financial Statements and Independent Audit Report for the financial year ended 30 June 2007. No resolution will be required to be passed on this matter.

ITEM 2: ELECTION OF DIRECTORS

The Board of Directors of the Company currently includes five (5) non-executive Directors.

Not less than one third (1/3) of the other Directors are required by the Company's Constitution to retire at this meeting. Mr John Grant and Professor Ian Gust, being the Director's longest in office since last being elected, retire and are now eligible for re-election. Both Mr Grant and Professor Gust have been instrumental in repositioning Biota and all other directors support their nomination for re-election.

Details of Directors' seeking election or re-election are set out below.

JOHN R GRANT (CHAIRMAN, NON-EXECUTIVE DIRECTOR)

CA, MBA

John Grant joined the Board in August 2001 and was elected Chairman. He is an experienced chairman and director in public, private and government entities. He has a depth of experience in investment and strategy development in technology based businesses gained through his career in venture capital, investment banking, management consulting and public accounting. In 2004 he chaired the Commonwealth of Australia Investment Review of Health and Medical research.

John was the joint founder in 1984 with Hambros Bank of Hambro-Grantham Limited, a venture capital firm of which he was CEO and Executive Chairman until 2001. Previously he was CEO and Managing Director of International Pacific Corporation Limited, now Rothschild Australia Limited. He is currently Chairman of Bioplatforms Australia Limited and a Director of Research Australia Limited.

IAN D GUST, AO (NON-EXECUTIVE DIRECTOR)

MD, BS, BSc, DipBact(Lond), FRCPA, FRACP, MASM, FTS

Ian Gust was appointed a Director in July 2001. He has had a long and distinguished career in medical research and has received wide international recognition for his contributions to the field of virology.

Ian was the former Director of Research and Development at CSL Limited, a position he held for ten years (1990-2000). During this period he was closely involved in CSL's successful expansion in Australia and internationally. He is currently a Professorial Fellow, Department of Microbiology and Immunology, University of Melbourne, a consultant to the Bill and Melinda Gates Foundation, and a consultant to UNICEF, the World Bank and the World Health Organisation.

ITEM 3: APPROVAL OF GRANT OF OPTIONS TO MANAGING DIRECTOR

The Company's Remuneration Report is set out on pages 26 to 39 of the Company's 2007 Annual Report and pages 14 to 22 of the 2007 Company's Concise Annual Report. The Remuneration Report explains the Company's policy and processes for determining the remuneration of its senior executives, including Managing Director, Mr Peter Cook. As explained in the Remuneration Report, Mr Cook receives performance linked remuneration which includes short-term and long-term components. Under the long-term component of Mr Cook's performance linked remuneration, Mr Cook may receive options over ordinary shares in Biota Holdings Limited under the Biota Employee Option Plan.

The Remuneration Committee formally establishes Key Performance Indicators (KPIs) for the Group. The Managing Director's incentives are largely based on these corporate KPIs. The value of the long term component is calculated, reviewed by the Remuneration Committee and used to secure options over unissued ordinary shares, at an issue price equal to the Company's share price on 30 June 2007 (ie \$1.86). Each option converts to an ordinary share, at no additional cost, with 50% exercisable on each of the first two anniversaries (ie 30 June 2008 and 30 June 2009).

EXPLANATORY NOTES

In respect of Mr Cook's performance during the 2007 financial year, and under the long-term component of Mr Cook's performance linked remuneration, it is proposed that options of the nature described above be granted to Mr Cook.

The Board has approved the issue of 121,258 options to Mr Cook, subject to approval by shareholders at the 2007 Annual General Meeting. Should shareholders not approve this resolution an alternative means of providing Mr Cook with his bonus entitlement would need to be determined.

Under ASX Listing Rules, approval is sought from shareholders.

DISCLOSURE REQUIRED BY THE ASX LISTING RULES

ASX Listing Rules 10.14 and 10.15 require this Notice of Meeting to include the following information in relation to the proposed award to Mr Cook of options over ordinary shares in Biota Holdings Limited under the Biota Employee Option Plan:

- 121,258 options only are proposed to be granted to Mr Cook;
- there is no cost to Mr Cook for the grant or exercise of the options proposed to be granted to him;
- no other Directors or associates of Directors have been granted options under the Biota Employee Option Plan; and
- the options will be issued as soon as practicable after the date of the meeting.

VOTING

In accordance with the ASX Listing Rules, the Company will disregard votes cast on item 3 by:

- Mr Peter Cook; and
- any of his associates,

unless the vote is cast:

- as proxy for a person entitled to vote in accordance with a direction on the proxy form; or
- by a person chairing the meeting as proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

ITEM 4: ADOPTION OF REMUNERATION REPORT

The Company's Remuneration Report is set out in pages 26 to 39 of the Company's 2007 Annual Report and pages 14 to 22 of the Concise Annual Report. The Remuneration Report:

- explains the Company's policy and processes for determining the remuneration of its senior executives;
- discusses the relationship between remuneration policy and the Company's performance; and
- sets out remuneration details of each of the Directors and each of the key executives with the greatest authority for the strategic direction and management of the Company.

Shareholders will be given an opportunity to ask questions about or make comments on the Remuneration Report at the AGM.

In accordance with the *Corporations Act*, the resolution is advisory only and does not bind the Company or the Directors.



EXPLANATORY NOTES

ATTENDING THIS MEETING

Please bring your personalised proxy form with you. This will help facilitate the registration and voting process. If you have returned your proxy form, you are still welcome to attend the meeting.

PROXIES

Please note that:

1. A shareholder of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy;
2. A proxy need not be a shareholder of the Company;
3. A shareholder who is entitled to cast two or more votes may appoint not more than two proxies and may specify the proportion or number of votes each proxy is appointed to exercise; and
4. To be valid the form appointing the proxy and the power of attorney or other authority (if any) under which it is signed (or a certified copy thereof) must be lodged, or received by fax, at least 48 hours prior to the meeting at the following address:

Link Market Services Limited

Locked Bag A14
SYDNEY SOUTH NSW 1235
AUSTRALIA

T: 1300 554 474 (within Australia)
T: +61 2 8280 7111 (outside Australia)
F: +61 2 9287 0309

VOTING ENTITLEMENT

The Company has determined, in accordance with the Corporations Act that for the purposes of voting at the meeting or adjourned meeting, shares will be taken to be held by those persons in the Company's Register of Members as at 7.00pm (Australia Eastern Standard Time) on 22 October 2007. Transactions registered after that time will be disregarded in determining shareholders entitled to attend and vote at this meeting.

