

Biota Holdings Limited

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For Immediate Release

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Biota to return \$20 million to shareholders

Biota Holdings Limited (ASX: BTA) today announced that it intends to make a return of \$20 million to shareholders. The return follows a recent and extensive review of the cash requirements for the growth of the business and the improved trading conditions forecast in the near term for the company.

The record date for the payment will be 19 November 2009, subject to receiving shareholder approval if needed, at the forthcoming Annual General Meeting on 12 November 2009. Shareholders would receive payment in early December 2009.

Biota and its advisor, Deloitte, have sought a Class Ruling for shareholders from the Australian Taxation Office (ATO) in relation to whether the taxation treatment associated with this payment, in whole or in part, may be treated as a return of capital. To the extent that the ATO contends that any part of the payment is not a capital return, and considered an unfranked dividend, Biota will be obligated to withhold tax from those shareholders where relevant tax details are not recorded. Biota will make a subsequent ASX announcement when the Class Ruling is available and confirm the relevant taxation implications.

Based on the current number of shares on issue, the cash payment is estimated to equate to approximately 11 cents per share.

Biota's full year results, including a summary of its plans for growth, will be announced on 19 August 2009 and in subsequent presentations.

About Biota

Biota is a leading anti-infective drug development company based in Melbourne Australia, with key expertise in respiratory diseases, particularly influenza. Biota developed the first-in-class neuraminidase inhibitor, zanamivir, subsequently marketed by GlaxoSmithKline as Relenza™.

Biota research breakthroughs have included novel nucleoside analogues designed to treat hepatitis C virus (HCV) infections, licensed to Boehringer Ingelheim and a series of candidate drugs aimed at treatment of respiratory syncytial virus (RSV) disease. Biota has clinical trials underway with its lead compound for human rhinovirus (HRV) infection in patients with compromised respiration or immune systems. In addition, Biota has a key partnership with Daiichi-Sankyo for the development of second generation influenza antivirals.

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

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

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