

Biota Holdings Limited

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\$20 million return to shareholders-update

Following the issue of the shares to Prolysis Limited, I confirm that the number of shares on issue is 178,950,022. As a consequence, the return to shareholders is 11.18 cents per share.

The Company has also disclosed its intention to acquire the antibacterial assets of MaxThera Inc, which may result in the issue of an additional 120,330 shares. Should completion occur prior to the qualifying date, the total number of shares would increase to 179,070,352 and the return to shareholders would be 11.17 cents per share.

The Company has not received a ruling from the Australian Taxation Office in regard to the taxation treatment of this return to shareholders. The payment will still occur as indicated, with a Record Date of 19 November 2009, with shareholders receiving funds in early December.

When the Tax Office ruling is available, it will be published on the Biota website to enable shareholders to complete their 2010 Tax Return. Shareholders should note that the extent to which the ATO decides this payment constitutes a dividend, the non capital return component of the payment will be taxable as an unfranked dividend.

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 anti-virals.

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

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

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