

For Immediate Release

US Department of Defense Order - US\$5.2m of Relenza

Melbourne Australia—19 April 2006.

Biota Holdings Limited (ASX:BTA) today advise that the US Department of Defense have awarded GlaxoSmithKline a contract for Relenza. Biota receives a royalty of 7% on all GSK sales of Relenza.

An extract of a News Release from the US Department of Defense, Office of the Assistant Secretary of Defense (Public Affairs) dated 12 April 2006 is as follows:

"GlaxoSmithKline (GSK), Philadelphia, Pa., is being awarded a maximum \$5,248,986 firm fixed price requirements contract for zanamivir inhalation (relenza) packages for Army, Navy, Air Force, and Marine Corps. There were 2 proposals solicited and 2 responded. Date of performance completion is March 31, 2007. The contracting activity is the DSCP, Philadelphia, Pa. (SP0200-06-D-0001)."

The full release is available at: www.dod.mil/contracts.

GlaxoSmithKline has confirmed the order to Biota.

About Biota

Biota is a world-leading antiviral drug discovery company based in Melbourne, with key expertise in viral respiratory diseases, particularly influenza. Biota developed the first-in-class neuraminidase inhibitor drug, zanamivir, (Relenza) and through a partnership with GlaxoSmithKline (GSK) brought it to market. Relenza is currently being stockpiled by various governments for defense against avian influenza.

Work has been underway at Biota for some time to develop a new generation of neuraminidase inhibitors designed to be more active and longer acting than the first generation products.

Biota also collaborated with Inverness Medical to develop the FLU OIA influenza diagnostics range for the rapid detection of influenza, which has been marketed since 1999.

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

®FLU OIA is a registered trademark of Thermo Electron Corporation

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

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