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For Immediate Release

Biota awarded Pandemic Influenza Grant

Melbourne, Australia—20 February 2006.

Biota Holdings Limited (ASX:BTA) today announced that it has been awarded a Commonwealth National Health and Medical Research Council (NHMRC) Grant of \$91,350, to determine the efficiency and resistance profile of Biota's Long Acting Neuraminidase Inhibitor (LANI) against several avian flu strains, including H5N1. The work will be completed by 31 August 2006.

Biota CEO, Peter Cook, said that "the Grant is very important as it will show Biota's compounds are effective against avian flu".

About Biota

Biota is a world-leading antiviral drug discovery company with its headquarters in Melbourne, Australia. Biota was responsible for zanamivir, the first-in-class neuraminidase inhibitor, subsequently launched by GSK as Relenza™ for the treatment and prevention of influenza. Relenza is currently being stockpiled by various governments for defence against avian (bird) flu. Recent Biota research breakthroughs have included a series of candidate drugs aimed at RSV (Respiratory Syncytial Virus, bronchiolitis), subsequently licensed to MedImmune Inc. Biota is also engaged in early stage research targeting hepatitis C virus infection. In addition, Biota has key partnerships with Sankyo; for the development of second generation flu antivirals (called LANI or Long Acting Neuraminidase Inhibitors) and with Thermo Electron; Biota developed the FLU OIA® influenza diagnostics, currently marketed in the US.

™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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