

Biota Holdings Limited

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21 March 2012

Ms Alexandra Pigdon
Adviser
Listings (Melbourne)
ASX Compliance Pty Ltd
Level 4 North Tower
525 Collins Street
Melbourne VIC 3000

Dear Ms Pigdon

RESPONSE TO ASX PRICE QUERY

We refer to your letter of 20 March 2012. We provide the following response to your queries.

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?

The Company has previously disclosed to the market that it is in pursuit of a corporate transaction involving a potential listing in North America. Work is continuing to progress on this objective, although there is no certainty as to timetable or outcome. The Company will provide the market with a further update in due course.

The Company has previously informed the market that the Phase IIb clinical study of HRV antiviral BTA798 in asthmatic subjects has completed recruitment (see ASX release on 15 February 2012). The Company has previously advised the market that disclosure of the results of the study should occur by early April. At this juncture that remains the Company's timeframe.

On 13 March 2012, BioCryst Pharmaceuticals, Inc (BioCryst) in its public Securities and Exchange Commission (SEC) filing indicated that it would seek to correct an apparent error by the United States Patent and Trademark Office (USPTO) in its granting of a patent to Biota covering certain Hepatitis C antivirals to which BioCryst claim priority. The matter appears to be an issue between BioCryst and USPTO however Biota confirms the granting of the patent by the USPTO in February 2012. Please note that Biota does not advise on the status of individual patent filings.

In addition to the matters above, recent publicity suggests that Japan has had a late severe influenza season. The Company earns royalties from sales of its influenza products, Relenza and Inavir in Japan. Such outbreaks have in the past triggered speculative interest in Biota shares.

Other than as noted above, the Company is not aware of any information that could be an explanation for the recent trading in securities of the Company.

- 2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?**

Not applicable.

- 3. Is there any reason to think that there may be a change in the Company's operating result before abnormal items and income tax so that the figure for the full year ended 30 June 2012 would vary from the previous corresponding period by more than 15%? If so, please provide details as to the extent of the likely variation.**

Biota released its Interim Report on 15 February 2012 and the operating result varied from the previous Half Year by more than 15% as income in any period is heavily dependent on royalties earned on sales and of two influenza drugs, Relenza and Inavir marketed by GlaxoSmithKline (GSK) and Daiichi Sankyo respectively.

GSK and Daiichi Sankyo advise Biota of their indicative sales and royalties on a quarterly basis with the next advice expected in late April for the three months to 31 March 2012. In line with prior practice, Biota will make an ASX announcement at that time.

- 4. Is there any reason to think that the Company may record any material abnormal or extraordinary item for the financial year ended 30 June 2012? If so, please provide details.**

No.

- 5. Is there any other explanation that the Company may have for the price change in the securities of the Company?**

Refer to the response to question 1.

- 6. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.**

We so confirm.

Yours sincerely



Damian Lismore
CFO & Company Secretary



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20 March 2012

Damian Lismore
Company Secretary
Biota Holdings Limited
Melbourne

By email only

Dear Mr Lismore

Biota Holdings Limited (the "Company")

RE: PRICE QUERY

We have noted a change in the price of the Company's securities from \$0.785 at the close of trade on 16 March 2012 to an intra day high of \$0.93 as at the time of writing today. We have also noted an increase in the volume of trading in the securities over this period.

In light of the price change and increase in volume, please respond to each of the following questions.

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?

Please note that as recent trading in the Company's securities could indicate that information has ceased to be confidential, the Company is unable to rely on the exceptions to listing rule 3.1 contained in listing rule 3.1A when answering this question.

2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

Please note, if the answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you need to consider a trading halt (see below).

3. Is there any reason to think that there may be a change in the operating result before abnormal items and income tax so that the figure for the full year ended 30 June 2012 would vary from the previous corresponding period by more than 15%? If so, please provide details as to the extent of the likely variation.
4. Is there any reason to think that the Company may record any material abnormal or extraordinary items for the full year ended 30 June 2012? If so, please provide details.

5. Is there any other explanation that the Company may have for the price change and increase in volume in the securities of the Company?
6. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Your response should be sent to me by return e-mail. It should not be sent to the Market Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than 9.30am Wednesday 21 March 2012.

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a suitable form and separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in listing rule 3.1A.

In responding to this letter you should consult listing rule 3.1 and Guidance Note 8 – Continuous Disclosure: listing rule 3.1.

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in the Company's securities. As set out in listing rule 17.1 and Guidance Note 16 – Trading Halts we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell us each of the following.

- The reasons for the trading halt.
- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.
- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

If you have any queries regarding any of the above, please let me know.

Yours sincerely

[Sent electronically without signature]

Alexandra Pigdon

Adviser

Listings (Melbourne)