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For Immediate Release

UK GOVERNMENT ORDERS 10.6 MILLION COURSES OF RELENZA

Melbourne, Australia – 30 January 2009

Biota Holdings Limited (ASX: BTA) today announced that GlaxoSmithKline (GSK) has been awarded a significant contract by the UK Department of Health for 10.6 million treatment courses of Relenza™ (zanamivir).

Biota notes that the UK Government's decision to purchase zanamivir is consistent with recommendations published by the European Medicines Agency (EMEA) and the UK's Royal Society and Academy of Medical Sciences. Both separately recommend the diversification of antiviral stockpiles to include zanamivir in addition to Tamiflu® (oseltamivir), especially with the emerging evidence of resistance.

With this new agreement, the UK becomes the second European country, alongside France, to hold a treatment stockpile sufficient to treat 50 per cent of their population.

Whilst financial terms have not been disclosed, Biota estimates that when the contract is completed, it may represent a royalty income of up to $18 million.

A copy of the GSK press release is attached.

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 a series of candidate drugs aimed at treatment of respiratory syncytial virus (RSV) disease, licensed to AstraZeneca and novel nucleoside analogues designed to treat hepatitis C virus (HCV) infections, licensed to Boehringer Ingelheim. 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. Inverness Medical markets Biota's co-developed OIA FLU influenza diagnostics.

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

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PRESS RELEASE

GlaxoSmithKline

Issued: Thursday 29 January 2009, London UK

The UK Government signs influenza pandemic contract with GlaxoSmithKline for Relenza®

- The UK is now one of the world's leading countries in stockpiling antivirals for treating infected individuals in the event of an influenza pandemic

GlaxoSmithKline (GSK) today confirmed that it has entered into an agreement with the UK Government to provide 10.6 million treatment courses of *Relenza*® (zanamivir) for use in an influenza pandemic. The agreement is part of an additional 18 million treatment courses of antivirals that the Government has purchased today.

The UK Department of Health has now doubled its stockpile to cover approximately half the British population; enough to treat all of those who fall ill with pandemic influenza should the clinical attack rate reach the UK Government's worst case planning scenario of 50 per cent. Zanamivir constitutes approximately a third of the UK's current antiviral stockpile.

Simon Jose, General Manager and Senior Vice President, GlaxoSmithKline UK commented that "By doubling the size of the UK antiviral stockpile and diversifying it to include Relenza, the Government is recognising the vital role that antivirals are likely to have in reducing the potentially devastating effects of an influenza pandemic."

The UK Government's decision to purchase zanamivir is consistent with recommendations published by the European Medicines Agency (EMEA)[i] and the UK's Royal Society and Academy of Medical Sciences.[ii] Both separately recommend the diversification of antiviral stockpiles to include zanamivir in addition to Tamiflu® (oseltamivir), especially with the emerging evidence of resistance.

With this new agreement, the UK becomes the second European country, alongside France, to hold a treatment stockpile sufficient to treat 50 per cent of their population.

The World Health Organization (WHO) considers that a new influenza pandemic is inevitable but nobody can predict when and where it will emerge, who it will affect or how severe it will be.[iii]

An influenza pandemic can occur when a new influenza virus subtype emerges and spreads easily among human beings. Because most people will have no immunity to the pandemic virus, infection and illness rates are expected to be higher than during seasonal epidemics of normal influenza.[iii]

As a manufacturer of both antiviral medicines and influenza vaccines, GSK is committed to helping governments and health authorities around the world plan their responses to a global influenza pandemic, both prior to an outbreak and in the event of one being officially declared.

GSK has invested significantly in expanding its global manufacturing and research capabilities in both vaccines and antivirals and also in planning for the continuity of critical business operations and processes in the event of a flu pandemic, in order to safeguard the continued supply of critical medicines.

GlaxoSmithKline – one of the world's leading research-based pharmaceutical and healthcare companies – is committed to improving the quality of human life by enabling people to do more, feel better and live longer. For further information please visit www.gsk.com

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Cautionary statement regarding forward-looking statements
Under the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995, GSK cautions investors that any forward-looking statements or projections made by GSK, including those made in this announcement, are subject to risks and uncertainties that may cause actual results to differ materially from those projected. Factors that may affect GSK' s operations are described under 'Risk Factors' in the 'Business Review' in the company' s Annual Report on Form 20-F for 2007.

References

[i] European Medicines Agency. Updated review of influenza antiviral medicinal products for potential use during a pandemic by the Committee for Medicinal Products for Human Use (CHMP) of the European Medicines Agency (EMEA). London, UK: EMEA; 2007.

[ii] UK Royal Society and the Academy of Medical Sciences. Policy document 36/06. Pandemic influenza: science to policy. London, UK: Royal Society; 2006.

[iii] WHO "Information about pandemic influenza" http://www.euro.who.int/influenza/20080618_20 accessed January 22, 2008

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