

Biota Holdings Limited

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23 December 2010

The Manger
Company Announcement Office
Australian Securities Exchange
Level 45, South Tower, Rialto
525 Collins Street
MELBOURNE VIC 3000

Dear Sir

Securities Trading Policy

In accordance with ASX Listing Rule 12.9, please find attached a copy of Biota Holdings Limited (ASX:BTA) Securities Trading Policy.

Yours faithfully



Damian Lismore
Company Secretary

SECURITIES TRADING POLICY

1. Introduction

Directors and employees are encouraged to be long term holders of Biota shares and the remuneration package of employees is structured to provide the opportunity to acquire Biota shares. As Biota is listed on the Australian Securities Exchange (ASX), this policy is designed to ensure there is proper care when trading occurs by Nominated Parties, as defined in this policy.

This policy applies to anybody who has access to material non-public information regarding the Company and to prevent trading in Company securities by a Nominated Person who has material non-public information.

Queries and questions on this policy should be directed to the Company Secretary, Mr Damian Lismore at d.lismore@biota.com.au or at 03 9915 3721.

2. Definitions

This policy applies to the following parties (defined as "Nominated Parties" for the purpose of this policy):

- Biota employees;
- Contractors and Consultants, working on behalf of Biota; and
- Interested Parties of Biota employees and Contractors and Consultants (in particular spouses, children or associated companies and entities).

At particular times, a subset of these categories may be subject to separate trading requirements. This Key Management Personnel group includes:

- Directors and the Company Secretary of Biota;
- Members of the Executive Committee; and
- Other senior managers who are involved in material events/transactions from time-to-time (eg. Program Managers or Corporate Finance personnel).

"Securities" means shares, options, derivatives or debt instruments.

3. Rules on Trading Biota Securities

- (a) Nominated Parties can participate in general offers of the Company that are an invitation to all shareholders (eg. Dividend Reinvestment or Rights Issues).
- (b) Nominated Parties who have material non-public information cannot trade Biota securities at any time until the day after the public release of the relevant information.
- (c) Nominated Parties are required to seek advance approval in writing from the Company Secretary, prior to trading in Biota securities. An approval once given, lasts for one week, unless revoked by the Company Secretary. The Company Secretary is required to obtain advance written approval from the Chairman, prior to trading in Biota securities. All requests should be in writing, preferably by email.
- (d) Nominated Parties acknowledge that there are restrictions on trading in Biota securities and that the Company will have periods when trading in Biota securities is prohibited.
- (e) The Board considers security trading blackout periods at normal meetings and the Company Secretary is responsible for the implementation of this policy. Decisions by the Board are binding on all Nominated Parties.
- (f) A breach of this policy by an employee or consultant will be regarded as a serious breach and may result in termination of their contract.
- (g) For shares allocated post 1 July 2009:
 - The Company will not vest shares in a security trading black-out period.
 - On vesting of shares, the Company will sell sufficient shares on behalf of each employee to meet taxation liabilities. Employees can opt out of this process at their own discretion.
- (h) For shares allocated pre 1 July 2009 that have met vesting criteria:
 - Employees can exercise options at any time, as the transaction is between the employee and the Company. However, having exercised the options, an employee may be precluded from selling those securities due to a non-trading period.

4. Security Trading Black-Out Periods (Closed or Prohibitive Periods)

The following table summarises the likely trading blackout periods and timeframes:

Reason	Closed or Prohibitive Period
Financial Reports	
(a) Half Year Report	23 December to the day after the relevant ASX Release.
(b) Financial Year Report	23 June to the day after the relevant ASX Release.
Out License of a program	From the date that a Term Sheet is agreed as a basis for preparation of a final contract to the day after the relevant ASX Release.
Results of a Clinical Trial	From date of the opening of clinical trial results to the day after the relevant ASX Release.
Other major commercial events, including a capital raising	From date a decision is taken by Board or Executive Committee to the day after the relevant ASX Release.

5. Margin Lending

The Company does not encourage employees to engage in margin lending practices on Company securities.

Directors and senior Executives are required to advise the Audit & Risk Committee, via the Company Secretary where they have entered arrangements that could result in a forced sale of Company securities. The Audit & Risk Committee reviews this exposure annually.

Under ASX Listing 3.1, where Key Management Personnel have a margin lending or similar funding arrangement over a material number of securities, there will be additional disclosures required.

6. Excluded Trading

The Company excludes the following transactions from the operation of its trading policy:

- Participation in a general offer from the Company to all shareholders (eg. Dividend Reinvestment or Rights Issues);
- The exercise of employee options;
- Transfer of securities to, or from, a spouse or other entity (eg. superannuation fund) where there is no underlying change in ownership; and
- Conversion of a convertible security.

7. Exceptional Circumstances

The Company recognises that situations may arise where a Nominated Party may face an unusual situation that may warrant an exception. Any request will be considered by the Company Secretary and the Chief Executive Officer in the first instance. Should a case for severe financial hardship be then considered appropriate, the Company Secretary will seek approval of the Chairman of the Board of Directors.

The following guidance is provided:

- A tax liability would not normally constitute severe financial hardship, unless the person has no other means of satisfying the liability;
- A tax liability relating to securities received under an employee incentive scheme would not constitute severe financial hardship; and
- A sale or disposal of securities under a court order or enforceable undertaking, or a disposal under some other overriding legal or regulatory requirement may be regarded as exceptional circumstances.