

Dear Shareholder

NOTICE OF ANNUAL GENERAL MEETING

I have pleasure in inviting you to our 2009 Annual General Meeting.

The meeting will be held at The Arts Centre, 100 St Kilda Road, Melbourne, located in the ANZ Pavilion, on Thursday 12 November 2009. The meeting will commence at 10.00am. Light refreshments will be available afterwards.

At the meeting we will present to you Biota's results for the year ended 30 June 2009, and CEO, Peter Cook, will present a review of the Group's operations and future outlook. Please refer to the attached Notice of Meeting for a full list of the items of business and explanatory notes.

We offer and encourage shareholders to take the opportunity to submit questions in advance of the meeting. A form is attached to this Notice of Meeting for this purpose.

If you are unable to attend and vote at the meeting, we encourage you to still participate by lodging the proxy form included with this Notice of Meeting. The proxy form can be:

- (i) Lodged online at www.linkmarketservices.com.au. Select 'Investor' from the top menu, validate your holding details, then select 'Proxy Voting' on the right menu and follow the instructions to lodge your proxy;
- (ii) Returned by hard copy to the Company's share registry, Link Market Services Limited, in the enclosed reply-paid envelope; or
- (iii) Sent by facsimile to +61 2 9287 0309.

To be valid, your proxy must be received no later than 10.00am on Tuesday 10 November 2009.

On behalf of the Directors of Biota, I look forward to your participation in our 2009 Annual General Meeting.

Yours sincerely



Jim Fox
Chairman

NOTICE IS GIVEN that the Annual General Meeting of Biota Holdings Limited (the "Company") will be held on Thursday 12 November 2009 at the Arts Centre, in the ANZ Pavillion, 100 St Kilda Road, Melbourne, at 10.00am.

BUSINESS OF THE MEETING

1. FINANCIAL STATEMENTS AND REPORTS

To receive the Directors' Report, Financial Statements and Independent Audit Report for the financial year ended 30 June 2009.

2. ELECTION OF DIRECTORS

a. To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That Professor Ian Gust, a Director retiring from office by rotation, in accordance with Rule 58.1 of the Constitution, being eligible, is re-elected as a Director of the Company."

b. To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That Mr Richard Hill, who was appointed as a Director by the Board of Biota Holdings Limited since the last Annual General Meeting, in accordance with Rule 47 of the Constitution, being eligible, is elected as a Director of the Company."

c. To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That Dr Jim Fox, who was appointed as a Director by the Board of Biota Holdings Limited since the last Annual General Meeting, in accordance with Rule 47 of the Constitution, being eligible, is elected as a Director of the Company."

3. APPROVAL OF RETURN OF CAPITAL TO SHAREHOLDERS

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That, for the purposes of section 256C of the Corporations Act 2001 and all other purposes, approval is given for the Company to reduce its share capital by paying to each person who is a shareholder of the Company at 7.00pm on 19 November 2009 ("Record Date") the Capital Return Amount (as defined below) per share held by that person on the Record Date."

For the purposes of this resolution, "Capital Return Amount" means \$20 million divided by the number of fully paid ordinary shares in the Company on issue at the Record Date, with such amount expressed in cents rounded to two decimal places.

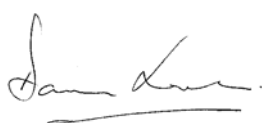
4. ADOPTION OF REMUNERATION REPORT

To adopt the Remuneration Report for the financial year ended 30 June 2009.

(The vote on this item is advisory only).

A proxy form accompanies this Notice of Annual General Meeting.

BY ORDER OF THE BOARD



Damian Lismore
Company Secretary

29 September 2009

For personal use only

ITEM 1: FINANCIAL STATEMENTS AND REPORTS

There will be an opportunity for shareholders at the meeting to ask questions and comment on the Directors' Report, Financial Statements and Independent Audit Report for the financial year ended 30 June 2009. No resolution will be required to be passed on this matter.

ITEM 2: ELECTION OF DIRECTORS

The Board of Directors of the Company currently includes five (5) non-executive Directors.

At least one of the non-executive Directors are required by the Company's Constitution to retire at this meeting. Professor Ian Gust, being the non-executive Director longest in office since last being elected, retires and is now eligible for re-election.

Under the Constitution, Directors appointed by the Board since the last Annual General Meeting hold office until the next Annual General meeting. Accordingly, Mr Hill and Dr Fox offer themselves for election.

Details of Directors seeking election at this meeting are set out below.

PROFESSOR IAN GUST (NON-EXECUTIVE DIRECTOR)

MD, BS, BSc, DipBact(Lond), FRCPA, FRACP, MASM, FTS

Ian Gust was appointed a Director in July 2001. He has had a long and distinguished career in medical research and has received wide international recognition for his contributions to the field of virology.

Ian was the former Director of Research and Development at CSL Limited, a position he held for ten years (1990-2000). During this period he was closely involved in CSL's successful expansion in Australia and internationally. He is currently a Professorial Fellow, Department of Microbiology and Immunology, University of Melbourne, a consultant to the Bill and Melinda Gates Foundation, and a consultant to UNICEF, the World Bank and the World Health Organisation.

Professor Gust is a member of the Remuneration and Nominations Committee.

MR RICHARD HILL (NON-EXECUTIVE DIRECTOR)

BA, LL.B, LL.M

Richard Hill was appointed a Director on 28 November 2008. He was a founding partner of Hill Young & Associates and formerly held a number of senior executive positions in Hong Kong and New York with Wardley Holdings Limited, a wholly owned subsidiary of Hong Kong & Shanghai Banking Corporation. He is an Attorney in New York State, USA.

Mr Hill is a member of the Audit and Risk Committee.

DR JIM FOX (CHAIRMAN, NON-EXECUTIVE DIRECTOR)

BE M.Eng Sci., PhD

Jim Fox joined the Board on 27 February 2009 and was elected Chairman. Dr Fox is a successful businessman with strong financial and commercial skills. He has significant experience in commercialising innovative technologies and growing a global business. He was formerly CEO of Vision Systems, a Melbourne based technology development company, which he led until its takeover by a large US based company, Danaher.

Dr Fox is a member of the Remuneration and Nominations Committee.

ITEM 3: APPROVAL TO RETURN CAPITAL TO SHAREHOLDERS

As announced to the ASX on 13 August 2009 the Company intends to make a return of \$20 million to shareholders, subject to receiving shareholder approval. The proposal follows a review of the cash requirements for the growth of the Company and the improved trading conditions forecast in the near term for the Company.

The amount per share of the payment will depend on the number of shares in the Company on issue on the Record Date (19 November 2009). On the basis of the number of ordinary shares in Biota on issue as at the date of this notice 174,947,264, the payment would amount to approximately 11 cents per share.

For accounting and company law purposes, the payment will be effected by way of an equal reduction of capital. In relation to the taxation treatment of the payment, the Company has sought a Class Ruling for shareholders from the Australian Taxation Office (the "ATO") as to whether the payment, in whole or in part, may be treated as a return of capital. To the extent that the ATO contends that any part of the payment is not a capital return, and considered an unfranked dividend, the Company will be obligated to withhold tax from those shareholders where relevant tax details are not recorded. As at the date of this notice the Company has not received any indication from the ATO as to whether it will issue a Class Ruling as requested by the Company. The Company will make an ASX announcement when the Class Ruling is available and confirm the relevant tax implications.

Details of the resolution

Under Section 256B of the Corporations Act, the Company may only reduce its capital if it:

- Is fair and reasonable to shareholders as a whole;
- Does not materially prejudice the company's ability to pay its creditors; and
- Is approved by shareholders in accordance with section 256C of the Corporations Act.

The proposed resolution seeks the approval of shareholders as required under section 256C. The resolution must be passed as an ordinary resolution, that is, by a simple majority (50%) of votes cast on the resolution.

Is the reduction of capital fair and reasonable to shareholders?

The Directors of the Company consider that the reduction of capital is fair and reasonable to all shareholders of the Company, as it applies to all shareholders equally having regard to the number of shares in the Company held by each of them.

Is there any material prejudice to creditors?

The Directors of the Company believe that the Company has sufficient cash reserves to make the proposed payment to shareholders without materially prejudicing the Company's ability to pay its creditors.

What is the effect of the reduction of capital on the Company?

If the reduction of capital is approved, the issued share capital of the Company will be reduced by approximately \$20 million, which amount will be distributed to shareholders pro rata to the number of fully paid ordinary shares held by each shareholder on the register at the Record Date. This means that the Company's net assets will be reduced by approximately \$20 million.

The Directors of the Company consider that the reduction of capital will not adversely affect the Company's capacity to fund existing businesses and growth opportunities.

The reduction of capital will not affect the number of shares on issue in the Company.

Who will participate in the reduction of capital?

Subject to shareholder approval being obtained, the proposed distribution will be made to the holders of ordinary fully paid shares in the Company, pro rata to the number of ordinary shares held by each ordinary shareholder as at the Record Date. If shareholder approval is obtained, the Record Date will be 19 November 2009.

When will the distribution be made?

The Company will inform the ASX of the outcome of the resolution immediately after the Annual General Meeting has been held. If shareholder approval is obtained, it is the Directors' intention that the Company will make the distribution to ordinary shareholders in early December 2009.

ITEM 4: ADOPTION OF REMUNERATION REPORT

The Company's Remuneration Report is set out in pages 16 to 23 of the Company's 2009 Annual Report. The Remuneration Report:

- Explains the Company's policy and processes for determining the remuneration of its senior executives;
- Discusses the relationship between remuneration policy and the Company's performance; and
- Sets out remuneration details of each Director and each key executive with the greatest authority for the strategic direction and management of the Company.

Shareholders will be given an opportunity to ask questions about or make comments on the Remuneration Report at the Annual General Meeting.

In accordance with the *Corporations Act*, the resolution is advisory only and does not bind the Company or the Directors.

ATTENDING THIS MEETING

Please bring your personalised proxy form with you. This will help facilitate the registration and voting process. If you have returned your proxy form, you are still welcome to attend the meeting.

PROXIES

Please note that:

1. A shareholder of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy;
2. A proxy need not be a shareholder of the Company;
3. A shareholder who is entitled to cast two or more votes may appoint not more than two proxies and may specify the proportion or number of votes each proxy is appointed to exercise; and
4. To be valid the form appointing the proxy and the power of attorney or other authority (if any) under which it is signed (or a certified copy thereof) must be lodged, or received by fax, at least 48 hours prior to the meeting at the following address:

Link Market Services Limited

Locked Bag A14
SYDNEY SOUTH NSW 1235
AUSTRALIA

T: 1300 554 474 (within Australia)
T: +61 2 8280 7111 (outside Australia)
F: +61 2 9287 0309

UNDIRECTED PROXIES


Where permitted, the Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING ENTITLEMENT

The Company has determined, in accordance with the *Corporations Act* that for the purposes of voting at the meeting or adjourned meeting, shares will be taken to be held by those persons in the Company's Register of Members as at 7.00pm (Australia Eastern Standard Time) on 10 November 2009. Transactions registered after that time will be disregarded in determining shareholders entitled to attend and vote at this meeting.


LODGE YOUR VOTE

 **By mail:**
Biota Holdings Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

 **By fax:** +61 2 9287 0309

 **ONLINE** www.linkmarketservices.com.au

All enquiries to:

 **Telephone:** 1300 554 474
Overseas: +61 2 8280 7111



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SECURITYHOLDER VOTING FORM

I/We being a member(s) of Biota Holdings Limited and entitled to attend and vote hereby appoint:

STEP 1 APPOINT A PROXY

the Chairman
of the Meeting
(mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy

or failing the person/body corporate named, or if no person/body corporate is named, the Chairman of the Meeting, as my/our proxy and to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at 10:00am on Thursday, 12 November 2009, at The Arts Centre, ANZ Pavillion, 100 St Kilda Road, Melbourne and at any adjournment or postponement of the meeting.

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the meeting.

Please read the voting instructions overleaf before marking any boxes with an

STEP 2 VOTING DIRECTIONS

Resolutions

2 Election of Directors:

(a) To re-elect Professor Ian Gust as a Director

For	Against	Abstain*
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

(b) To elect Mr Richard Hill as a Director

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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(c) To elect Dr Jim Fox as a Director

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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Other Business:

3 Approval of return of capital to shareholders

For	Against	Abstain*
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

4 Adoption of Remuneration Report (non binding, advisory vote)

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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 * If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3 SIGNATURE OF SECURITYHOLDERS - THIS MUST BE COMPLETED

Securityholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Securityholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Securityholder 3 (Individual)

Director

This form should be signed by the securityholder. If a joint holding, either securityholder may sign. If signed by the securityholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

BTA PRX901



HOW TO COMPLETE THIS PROXY FORM

Your Name and Address

This is your name and address as it appears on the company's security register. If this information is incorrect, please make the correction on the form. Securityholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your securities using this form.**

Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in Step 1. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a securityholder of the company. A proxy may be an individual or a body corporate.

Votes on Items of Business - Proxy Appointment

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.


Appointment of a Second Proxy


You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's security registry or you may copy this form and return them both together.

Lodgement of a Proxy Form

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by 10:00am on Tuesday, 10 November 2009, being not later than 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.


Proxy Forms may be lodged using the reply paid envelope or:

 **by mail:**
Biota Holdings Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia

 **by fax:**
+61 2 9287 0309

 **online:** **ONLINE** www.linkmarketservices.com.au

lodging it online at Link's website (www.linkmarketservices.com.au) in accordance with the instructions given there (you will be taken to have signed your Proxy Form if you lodge it in accordance with the instructions given on the website);

 **by hand:**
delivering it to Link Market Services Limited, Level 12, 680 George Street, Sydney NSW 2000.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- return both forms together.

Signing Instructions

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either securityholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

Corporate Representatives

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the company's security registry.

If you would like to attend and vote at the Annual General Meeting, please bring this form with you.
This will assist in registering your attendance.