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The Manager
Company Announcements
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BioProspect's *REGEN*[®] business boosted by product and distribution deals

Highlights

- Australian sales of *REGEN*[®] therapeutic products expanded through distribution arrangements with Doward International
- Memorandum of Understanding signed with Chinese, Queensland partners for distribution of *REGEN*[®] products in China
- Acquisition of *L'AZURE*[™] cosmetic range based on natural plant extracts, complementing existing *DEMURE*[®] skincare range
- Product IP strengthened with finalisation of *REGEN*[®] and *DEMURE*[®] trademarks and logos registration in Australia

Australian natural products provider BioProspect Limited (ASX:BPO) today announced a major boost for sales of the natural *REGEN*[®] therapeutic range, with new distribution arrangements secured spanning the domestic and Chinese markets. The agreements add to the acquisition of the natural *L'AZURE*[™] cosmetic range, strengthening the Company's commercialisation push for cash-flow generating products.

Responding to a market shortfall, BioProspect and Melbourne-based Doward International have agreed arrangements for the distribution of *REGEN*[®] therapeutic products in the Australian market. The family-owned company has more than 90 years' experience in the Australian pharmacy and retail sector, supplying a range of quality personal care, bath and body products, giftware and confectionary to the wholesale and retail trade.

BioProspect's Managing Director, Charles Pellegrino, said Doward International's extensive product range of more than 4,000 products and national distribution network made it an excellent partner in the growing Australian therapeutics market.

“This agreement with Doward International will greatly improve market penetration and sales of the *REGEN*[®] range, which we have strengthened with new brands and products, including the flagship *REGEN*[®] Pain Relief Spray,” Mr Pellegrino said.

“Doward International is an ideal distributor for our products, given its strong position in the market, national sales team and quality customer service. We look forward to working closely with them for mutual benefit, responding to the growing demand for natural treatments.”

Recently featured on the Nine Network’s *A Current Affair*, *REGEN*[®] Pain Relief Spray has been developed for use by sufferers of arthritis and muscular and joint pain. It features the unique *Transdermal Solvency*[™], which can achieve rapid and longer term benefits from its active components.

Mr Pellegrino said China’s fast-growing therapeutics market was also a target for BioProspect, and he welcomed the opportunity to expand distribution of the supply of a range of *REGEN*[®] products to the powerhouse Asian economy.

“After extensive due diligence and market research, we are very pleased to announce the signing of a Memorandum of Understanding for the distribution of *REGEN*[®] therapeutic products in China with Dalian, China-based Liaoning Yicheng Grain and Oil Trading Company, together with Queensland-based EasyLife Pharmaceuticals Australia,” he said.

“This agreement will form the basis for negotiations for the supply and sale of selected *REGEN*[®] products, including *REGEN*[®] Emu Oil Capsules. With the support of our new partners and their connections in China, we anticipate increasing sales in the world’s fastest-growing major economy.”

BioProspect has also enhanced its natural skincare product range with the signing of a Deed of Assignment with Nova Vita for the rights to the *L’AZURE*[™] cosmetic range based on natural plant extracts, in return for the issue of 25 million BPO shares.

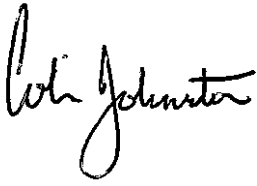
Under the terms of the agreement, BioProspect will be assigned ownership of all intellectual property related to the *L’AZURE*[™] products. This includes formulas, brands and trademarks, and exclusive rights to the supply of *Bioeffectives*[®] from Solagran Limited for use in cosmetics for the specific areas of China, Malaysia and Singapore, with non-exclusive rights to the supply of *Bioeffectives*[®] for use in cosmetics globally.

“The *L’AZURE*[™] range of plant extract-based natural products perfectly complements our current *DEMURE*[®] range of cosmetic products based on emu oil, where we already have 12 core products targeted at local and overseas markets,” Mr Pellegrino said.

In addition, the Company has continued to strengthen its product IP with the full registration of the *REGEN*[®] and *DEMURE*[®] trademarks and associated logos in Australia.

“BioProspect continues to pursue sales opportunities in the therapeutic and cosmetic markets, both in Australia and overseas, for our exciting range of Australian natural products. Combined with our unique *GI-GUARD*[®] and *AGRIPRO*[®] animal health products and natural insecticide *Qcide*[®], the Company has an attractive and diverse product range with excellent prospects for commercial success,” he said.

Yours sincerely,

A handwritten signature in black ink that reads "Colin Johnston". The signature is written in a cursive style with a large initial 'C' and a long, sweeping tail on the 'n'.

COLIN JOHNSTON
Company Secretary