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**The Manager
Company Announcements
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Screening Trials Return Positive Results for *Bioeffectives*^R

BioProspect Ltd (ASX: BPO) is pleased to announce that a screening trial testing *Bioeffectives*[®] on Arabian horses to reduce the effects of EGUS (Equine Gastric Ulcer Syndrome) has revealed encouraging results.¹

The trial was conducted under veterinary supervision from the Sharjah Equine Hospital with a group of Arabian horses located at the Albidayer Stud in Sharjah, one of the emirates within the United Arab Emirates (U.A.E)

The stud is owned by Sheikh Mohammed Bin Saud Al Qasimi, a prominent U.A.E royal family member and an internationally recognised breeder of highly valuable Arabian bloodstock lines.

The screening of *Bioeffective*[®] A was undertaken to ascertain any immediate effect on horses that have positively identified ulcers in their stomachs using endoscopic equipment. The ulcers were graded at the start, during and completion of the trial in accordance with known protocols and guidelines. Based on the encouraging results, BioProspect will now look at further evaluation on a larger scale to test the product as a feed supplement and direct drench candidate.

What is EGUS?

EGUS is one of the horse industry's most common gastric complaints. It is a broad term used to describe a wide array of clinical and behavioral symptoms that arise from the development of ulcers in a horse's stomach. There is a prevalence of EGUS in horses used in many competitive activities such as dressage, racing and show jumping. Gastric ulceration affects a large number of horses and it is quite common to see figures of up to 90 per cent incidence in race horses, particularly for horses that are housed on a continual basis.

The cause of EGUS is thought to be a combination of diet, stress related activity and behaviour. The actual ulcers are formed following the continual production of stomach acids that are not controlled by regular intakes of food and respective saliva production. Horses under training and stress-related activities also have a propensity to produce more stomach acids.

The net effect for owners and managers of horses with the condition is that it leads to poor performance and behavioral problems. It is sometimes difficult to diagnose externally, which in turn can make it difficult to treat.

Screening Procedure

Summary

Horses were selected based on the stable manager's experience in terms of identifying horses with suspected gastrointestinal problems. Based on this the horses were moved to the equine hospital for ulcer identification using an endoscope with photographic capability.

A vet examined each horse and provided a grading based on the extent and nature of the ulcerated stomach lining. Under this system Grade I indicates minor lesions and Grade IV indicates a serious condition requiring immediate treatment to stop bleeding and discomfort. This is normally carried out using medicated drugs with dietary and exercise management changes. Some of the treatments can react with other medications like anti-inflammatory drugs which are commonly used in horses under training, eventing or racing and this can lead to poor gastrointestinal repair results.

Bioeffective[®]A was administered over a three month period with endoscopic examinations taken on four occasions throughout the trial. Photographic records were taken on three occasions. The horses were exercised and fed in accordance with their normal program and no other medications for gastrointestinal conditions were administered over the screening period.

Results

All horses displayed a positive reaction in terms of reducing the grading levels over the treatment period. In one case (Grey Arabian 4 year old filly) the ulcers were down-graded from Grade III to Grade I during the *Bioeffective* treatment period. Some before and after photos for this particular horse treated with *Bioeffective*[®]A are shown in *Table 1*. The horse received a 'no grading' at the conclusion of the treatment period.

The screening revealed that the horses willingly took the *Bioeffective*[®]A drench and appeared to actually like the taste. There were no adverse or anaphylactic reactions to the product.


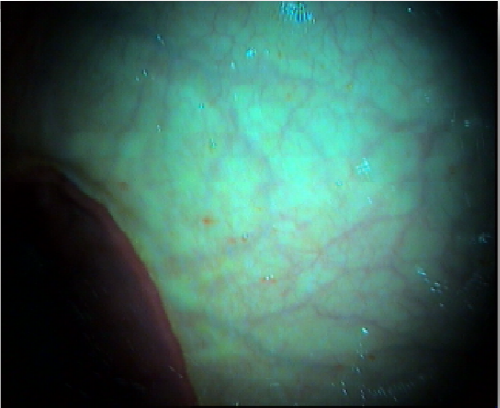


Path Forward

Based on the positive screening results in Sharjah, BioProspect will now investigate potential collaborators to test defined *Bioeffective*[®]A dose rates and formulations over larger groups and types of horses under veterinary supervision.

Regulatory requirements for potentially new animal nutrition products like *Bioeffective*[®]A used on companion animals like horses are less stringent compared with production animals like cattle and sheep as their meat and milk ends up in human foods.

BioProspect anticipates growing demand for natural compounds such as *Bioeffectives*[®] that have minimal impact on animals and can be proven to be as effective as synthetic products currently used.

Table 1: Grey Arabian Filly (4 years old)

Before Treatment (18/02/2008) Grade III	After Treatment (27/04/2008) Grade I
	
	
<ul style="list-style-type: none"> • Multiple hyperaemic lesions • Cardia surrounded by hyperaemic spots • Ulcerative lesions above margo plicatus • Hyperkeratosis • EGUS Grade III 	<ul style="list-style-type: none"> • Two small ulcers along margo plicatus with an extended area of healing visible next to the cardia • Some areas of inflammation • EGUS Grade I

Bioeffectives[®]

Bioeffective[®] A is a galenical complex extracted from the green needles of Scotch Pine (*Pinus silvestris*) and Norwegian Spruce (*Picea abies*) using patented technology owned by Solagran Limited (ASX:SLA). BioProspect is evaluating a number of *Bioeffectives*[®] in the animal health, nutrition and veterinary medicine markets. It holds an exclusive license for the use of *Bioeffectives*[®] in these markets.

BioProspect wishes to thank the staff at the Albidayer Stud for their support during the screening study.

For and on behalf of the Board

A handwritten signature in black ink, appearing to read "Colin Johnston". The signature is written in a cursive style with a large initial 'C'.

Colin Johnston
Company Secretary

¹ *Bioeffectives*[®] and *Bioeffective*[®] A are registered trademarks of Solagran Limited (ASX: SLA).