



**The Manager
Company Announcements
Australian Stock Exchange
Level 4, 20 Bridge Street
Sydney, NSW 2000**

27 November 2006

BioProspect progresses with natural termite product development.

BioProspect Limited (ASX: BPO) today advises that the company has entered into an agreement with Ensis (an unincorporated joint venture between CSIRO FFP Pty Ltd and Scion Australasia Limited involved in forest industries research) to develop a number of formulations that will impregnate Eremophilone (AP 778 in the form of a natural oil) into commercial timber products.

The project with Ensis will start immediately to develop formulations at varying concentrations in *Pinus radiata* (Pine is the world's largest source of plantation timber) in the first stage. It is aimed to have candidate formulations prepared by late December 2006.

The ability to develop an appropriate formulation for a timber product resistant to termites is an important step in the progression towards a possible commercial product based on the use of a naturally derived and environmentally safe compound.

Recent trial results from Narrandera N.S.W have indicated minimum volumes that the natural oil should be impregnated into commercial timber in order to achieve termite repellancy.

The timber samples will then undergo bioassay and analytical assessment to determine the best candidate to carry through to termite efficacy trials, biochemical testing, environmental and mammalian toxicity evaluations in the field that will generate data for registration in Australia.

Further formulation work focusing 2 other commercial termite products containing Eremophilone will begin shortly.

For any further information, please contact the company's General Manager Warwick Dowse

A handwritten signature in black ink, appearing to read "Colin Johnston", written in a cursive style.

Colin Johnston
Company Secretary