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The Manager
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BioProspect Signs Option to Purchase Re-Gen

BioProspect Limited (ASX:BPO) announced today its expansion into the global human healthcare market with plans to acquire Melbourne-based Re-Gen, a specialist provider of products based on a range of natural ingredients, including emu oil.

Under a Heads of Agreement signed with Mr Howard Fox and his company Re-Gen Wellness Products Pty Ltd, BioProspect has obtained an exclusive call option to purchase the company and intellectual property relating to Re-Gen's range of healthcare products. The option is for a period of 90 days.

BioProspect CEO Peter May said Re-Gen's product range was an excellent fit with the company's focus on natural products, including the natural termite solution *TERMILONE*[®] and the *Bioeffectives*[®] range of natural plant extracts for the animal health and nutrition markets.

"Re-Gen has successfully developed a range of natural products, including skincare and therapeutic products, as well as dietary supplements," Mr May said.

"China is an immediate target market as Re-Gen has already gained approvals for seven products from the Chinese Ministry of Health, but we will also be exploring opportunities in other overseas markets and in Australia."

Purified emu oil is an essential ingredient in Re-Gen's products, providing skin penetrating and softening properties as well as therapeutic benefits in treatment of conditions such as muscle and joint pain. The oil also is formulated as a dietary supplement, since it is high in essential fatty acids Omega 3, 6 and 9 and vitamin E.

Emu oil products are approved for use in Australia by the Therapeutic Goods Administration for skin, muscle and joint treatments. In the United States and Europe, such products have

been marketed as dietary supplements and nutritional foods, in addition to topical skincare usage.

Under the agreement, BioProspect will undertake due diligence over a three month period, with the option to purchase all Re-Gen shares and intellectual property within that period.

Re-Gen's Mr Fox said the company had invested significantly in the Chinese market in both product and market development, and would be ramping up its marketing efforts with the benefit of BioProspect's international marketing experience.

"The product approvals we have recently secured in China will enable the initiation of an active marketing program aimed at generating sales in a number of skin and healthcare segments in the Chinese market," Mr Fox said.

"BioProspect's acquisition of Re-Gen would bring additional resources and focus to an exciting export opportunity for a great natural Australian product."

Mr May said his past experience in achieving product registration and market development in overseas markets such as China would prove invaluable in commercialising Re-Gen's range of products.

"BioProspect has developed a clear pathway for commercialisation of *TERMILONE*[®], and with our ongoing development of *Bioeffectives*[®] and the addition of the Re-Gen range we now have a diversified range of natural, environmentally friendly products across the human and animal health markets," he said.

"We are very pleased to have secured this opportunity, which has the potential to generate long-term benefits for shareholders as well as Australian producers and the environment."

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

COLIN JOHNSTON
Company Secretary