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

LEGAL DISPUTE WITH SOLAGRAN LIMITED (ASX: SLA)

The directors of BioProspect Limited (ASX: BPO) wish to announce that it has withdrawn its court case against Solagran Limited after mediation in Melbourne and Solagran has withdrawn its cross-claim. The parties have agreed that the Development Agreement dated 22 August 2007 has been terminated, and to pursue their business strategies separately.

BioProspect plans to continue seeking approval for its GI-GUARD[®] by the APVMA. It will no longer be based on Solagran's Bioeffective A[®] product and will instead use a different raw material, correctly called Coniferous Chlorophyll-Carotene Paste (CC-CP).

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'.

**COLIN JOHNSTON
Company Secretary**