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Preliminary assessment of *TERMILONE*[®] Active Constituent Registration Application Complete

BioProspect Limited (ASX:BPO) announced today its natural termite solution *TERMILONE*[®] had cleared an initial regulatory hurdle, with the Australian Pesticides and Veterinary Medicines Authority (APVMA) completing its preliminary assessment of the active constituent, Eremophilone Oil. It will now be given a full evaluation under Category CAT 16, which has a statutory review period of eight months.

BioProspect's Chief Executive Officer, Peter May, said the category was reserved for low toxicity products, with limited toxicological assessment of the active constituent required.

"*TERMILONE*[®] has been developed from the native Australian tree species *Eremophila mitchellii* (False Sandalwood) as a natural and environmentally safe termite control and timber treatment product. The decision by the APVMA is an excellent outcome as it means a reduced statutory review period compared to the 13 months for products requiring additional toxicological assessment, along with lower registration costs," Mr May said.

"Registration of the active constituent is the first stage in a process that will involve the registration of end use products for use as timber treatments and soil applied termiticides."

Mr May said the APVMA review process was extremely thorough, and given the possible need for additional data, would likely be completed in around 12 months. Registration in Australia is expected to ease registration in the key termite control markets of the United States and Japan, with *TERMILONE*[®] already being evaluated by US research company Ensystex Corporation for use in international markets as a soil applied termiticide.

"In the meantime, BioProspect will undertake tests with formulations aimed at generating further data to support registration for control of destructive subterranean termites," Mr May said.

The Company is continuing to work with its scientific collaborators on *TERMILONE*[®], with the CSIRO's Forest Biosciences Bioproduct Assessment Group recently establishing a field

trial in Darwin to assess the product's performance as a timber treatment against two of the major termite pest species in Australia, *Coptotermes acinaciformis* and *Mastotermes darwiniensis*. The trial is due for completion in late 2009.

In addition, recent variations to research collaboration agreements with Southern Cross University and the University of Western Sydney (UWS), have refocused programs to assess both the manufacture of Eremophilone Oil and the efficacy of *TERMILONE*[®] when used as a liquid termiticide.

Southern Cross University is working with BioProspect on a manufacturing study to confirm the equipment and processing requirements for efficient oil extraction. Despite some delays due to recent heavy rains and flooding in northern New South Wales, timber collection from western Queensland has progressed, and commercial scale oil extraction is set for the coming months.

The UWS research is focused on assessing the performance and cost effectiveness of *TERMILONE*[®] when used as a contact insecticide and/or barrier treatment to prevent penetration of treated soil. Various laboratory bioassay techniques are being used to establish the minimum effective concentrations of *TERMILONE*[®] formulations when applied to soil, as well as the residual activity of treatments in various substrates.

"This information is essential in understanding the mode of action of the product, and to support label recommendations of *TERMILONE*[®] formulations for registration," Mr May said.

BioProspect is focused on capturing some of the growing demand for environmentally friendly, safe and natural products, and has now developed a pipeline of products across a range of potential markets.

"The Company is continuing its due diligence on the purchase of Re-Gen, a supplier and marketer of natural health and skin care products, while also developing natural Bioeffectives[®] for the animal health and nutrition markets," Mr May said.

"BioProspect's key competencies in developing natural products for a range of Australian and international markets remain at the centre of a strategy aimed at commercialisation of intellectual property, as well as the sale of products based on natural, environmentally safe and user friendly products."

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

COLIN JOHNSTON
Company Secretary