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**The Manager
Company Announcements
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Level 4, 20 Bridge Street
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BioProspect submits natural termite solution for registration

BioProspect Limited (ASX:BPO) announced today the achievement of a major milestone in the development of its natural termite compound *TERMILONE*[®], with an application to the Australian Pesticides and Veterinary Medicines Authority (APVMA) for registration of the active constituent, Eremophilone Oil.

Extracted from the native Australian tree species *Eremophila mitchellii* (False Sandalwood), Eremophilone Oil is being developed by BioProspect as a natural and environmentally safe termite control and timber treatment product under the *TERMILONE*[®] brand.

Chief executive Peter May said the submission of an extensive data package with the APVMA followed extensive testing in conjunction with scientists from the CSIRO/Ensis, Southern Cross University (SCU), the University of Western Sydney (UWS) and other collaborators.

"BioProspect has delivered the data package on schedule by the end of September, thereby meeting project targets aimed at commercialisation of *TERMILONE*[®]. We have been waiting for the official receipt of our submission and allocation of a reference number before making this announcement" Mr May said. The APVMA reference number is 46021.

"Testing has shown *TERMILONE*[®]'s effectiveness in protecting timber from termite attack and the product's activity when used to treat termites in soil, with current data showing a favourable toxicity profile."

Mr May said the data package included information on product chemistry, manufacture and mammalian toxicity, with all tests undertaken by specialist independent organisations using internationally accepted OECD guidelines and CIPAC standards and procedures.

Product chemistry data was generated primarily by the UWS and SCU's Centre of Phytochemistry, while toxicity data was provided by both Australian and overseas specialist facilities to international ethical standards, including acute oral, dermal and inhalation studies. All studies demonstrated the benign nature of *TERMILONE*[®], with no adverse effects shown from exposure to the natural oil compound.

“The APVMA review process is extremely thorough, and is expected to take around 12 to 18 months,” Mr May said.

“However, the stringency of the Australian regulatory process will give us excellent preparation for registration in lucrative overseas markets such as the United States and Japan, which are showing strong demand for products with low toxicity.”

BioProspect will continue tests on *TERMILONE*[®] formulations for timber treatment and termite control aimed at generating further data to support registration for control of subterranean termites. Additional product chemistry data will also be sought to support end use product registrations, as well as data confirming the safety of specific formulations, he said.

“Discussions with potential commercial partners have already commenced, with a manufacturing study planned in the next six months,” Mr May said.

“In Australia alone, industry sources estimate that termites invade more than 650,000 homes each year, creating an annual repair bill of over \$900 million. With the increasing concerns over the effects of termites, there is a growing demand for a naturally derived environmentally safe potential solution such as *TERMILONE*[®] .

Yours sincerely

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

Colin Johnston
Company Secretary