



Suite 7A, Level 3
320 Adelaide Street
Brisbane QLD 4000
Ph 07 3229 5755
Fax 07 3229 4655

1st May 2007

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

BIOPROSPECT ANNOUNCES DERMAL TOXICITY TEST RESULTS FOR TERMILONE^R

BioProspect Ltd (ASX: BPO) announced today that mammalian toxicity results for a Repeat Dose 28-day Dermal Toxicity Study conducted on its termite compound TERMILONE^R have delivered excellent results, with a “**No Toxicity**” outcome.

The study was conducted according to the OECD Guidelines for the Testing of Chemicals, No. 410.

The work was started in late February 2008 at an Australian accredited toxicology research facility as part of the company’s regulatory pathway towards achieving registration of Eremophilone Oil as an approved active ingredient with the Australian Pesticides and Veterinary Medicines Authority (APVMA). The oil will be the active ingredient in the TERMILONE^R product range.

Study Rationale

A repeat dose dermal test is designed to emulate the absorption and resulting toxicity of a compound through dermal exposure over an extended period of time. A detailed assessment of a chemical or compound absorbed into the body via the dermal route is important for products used in the domestic pesticide and timber treatment industry. The company and the regulators sought to determine if there would be any adverse effect to people using the product as well as builders, home owners and their pets that may come into contact with TERMILONE^R when it is used as a termite control or deterrence product.

The objective of the study was to evaluate the potential toxicity of Eremophilone Oil (AP 778) used in TERMILONE^R products at one dose level of 1000 mg/kg following dermal administration over 28 days.

The dose level was chosen based on a dose range finding study conducted by the toxicologist prior to the full study.

Results Summary

- No mortalities
- No effect on body weight
- No clinical abnormalities
- No erythema or oedema
- No differences in histopathology and gross necropsy in comparison with the control groups (Small differences were seen in organ weights, which are not considered to be of any clinical significance).

Under the conditions of this study Eremophilone Oil (AP 778) used in TERMILONE^R products produced No Toxicity.

This is an excellent result and the company will now proceed with the last mammalian toxicity study, Acute Inhalation. This will take approximately 3 months and a positive result of a negative toxicity rating will allow for a full regulatory submission for the active ingredient by September 2008 placing the project ahead of schedule.

In the mean time, the company will continue working with collaborators in the development of commercial products that contain the Eremophilone Oil as part of the TERMILONE^R product range.

Discussions are advanced with potential commercial partners and the company will inform the market when formal development and commercial agreements are in place.

Yours sincerely



Colin Johnston
Company Secretary