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Australian Stock Exchange
Company Announcements Platform
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Via E-lodgement

Dear Sir/Madam

BIOPROSPECT LODGES TERMITE PATENT

Please see attached Press Release regarding AP778, the Company's natural termiticide.

Yours faithfully

TONY KING
Company Secretary

PRESS RELEASE

16 October 2003

BioProspect lodges patent for natural termiticide

BioProspect Limited said on Thursday it had lodged a Patent Co-operation Treaty for its natural termite agrochemical AP778, which has a rapid kill rate while also being environmentally friendly and non-toxic to humans.

Chief Executive Selwyn Snell said AP778, sourced from an Australian native plant, was the second major discovery for BioProspect.

"Our product is unique because it kills termites in three ways and we have lodged a patent covering the use of AP778 as a repellent, an antifeedant and as a direct contact termiticide," he said.

"The market currently has a number of products which are quite toxic and not all that environmentally friendly. Furthermore, some existing products are currently struggling to control termite invasion"

Mr Snell said the agrochemical termiticide market had been searching for a chemical to replace organochlorine insecticides that were withdrawn from the Australian market in 1995 because of their negative environmental effects.

"BioProspect's AP778 is so promising because it has low toxicity to humans and the environment and it is likely to be a natural choice for people to treat their houses themselves, without getting in licensed operators to handle highly toxic chemicals."

Mr Snell said the natural plant extract was discovered by BioProspect's team of field scientists who noticed fence lines that were not affected by termites.

"Everything else had been eaten except the fence posts which had been there for 100 years, so we tested them and discovered this natural termiticide," he said.

"The discovery of AP778 is part of our unique business model; to find these sorts of opportunities through bioprospecting and to use our facilities and scientific know-how to take it to the next stage."

Mr Snell said world-wide sales of termiticide products were extensive, with sales in the US more than US\$1 billion per annum and about \$100 million in Australia.

"We are quite excited by AP778 because termites are a growing problem around the world and there is phenomenal potential for a natural low toxic product such as this."

"We have a track record of discovering natural products and we are now focused on the commercialisation of our portfolio of natural products with AP778 viewed as a key component of this suite of products."

He said BioProspect was currently in negotiations with international agrochemical companies for the licensing rights to AP778.

BACKGROUND

Termites are a major problem around the world as they feed on wood and are responsible for the destruction of buildings, typically houses. It is estimated that termites are responsible for over \$100 million damage per year to Australian households.

Control techniques for termites are generally divided into two types – prevention and treatment.

Tests to date show opportunities for AP778 to be used against termites in the following manner:

- Repellent barrier – applied to the outer surface of, or in the soil surrounding the structure to be protected.
- Wood treatment – sprayed only or impregnated into building material to prevent termite attack
- Direct contact – for house incursions, treatment of termite colonies.

The individual components in the plant extract that contribute to each of these applications have been isolated and their chemical structure determined.

AP778 is unique, through its multi-action effect on termites, unlike existing products on the market.

For further information:

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