



18 NOVEMBER 2004

THE MANAGER

COMPANY ANNOUNCEMENTS

AUSTRALIAN STOCK EXCHANGE

LEVEL 10, 20 BOND STREET

SYDNEY NSW 2000

COMPANY ANNOUNCEMENT

**BIOPROSPECT SIGNS HEADS OF AGREEMENT WITH NEUDORFF
TO COMMERCIALISE QCIDE**

BioProspect Limited (ASX:BPO) said today that it had signed a Heads Of Agreement with W.Neudorff GmbH of Germany in relation to commercialisation of Qcide in Europe.

The Heads of Agreement grants Neudorff the exclusive rights to commercialise Qcide, BioProspect's natural insecticide, for insect control in the consumer market within the European Territory. This Territory consists of 19 countries including Germany, France, and the UK.

To formalise the Heads of Agreement, Neudorff will pay a fee of US \$5,000 to secure the exclusive rights. The Heads of Agreement is conditional on the parties establishing a Product Development Agreement by the 1st July 2005.

The Heads of Agreement contemplates that as part of the Product Development Agreement, Neudorff will commercialise Qcide by achieving regulatory approvals on marketable products within the Territory. On successful commercialisation Neudorff will pay BioProspect a 3.5% royalty on all gross sales of products containing Qcide.

The term of the agreement will be for 20 years with a right of renewal.

Neudorff have been evaluating Qcide for hygiene and industrial pest control since October 2002. BioProspect sees this as a significant step forward in the development of its natural insecticide.

###

About Neudorff

Neudorff is a Germany company established in 1854 and is a market leader in environmental safe and acceptable products in pest control, home garden and organic fertilisers. With 600 employees in the group, this company specialises in the development and manufacture of chemicals and pharmaceuticals.

Neudorff has extensive distribution throughout Europe, including the UK and France and has lead products in the insecticide, snail and slug areas.

About BioProspect

BioProspect specialises in discovery of lead compounds for the pharmaceutical, agrochemical and nutraceutical markets derived from its natural library established through its benefit sharing agreements with the states of Queensland and Western Australia.

About Qcide

Qcide is an oil extracted from the unique species of *Eucalyptus cloeziana* found in Northern Queensland. Qcide has demonstrated efficacy against a range of hygiene pest species and research and evaluations continue in a number of other market sectors.

Further Information:

Mr Selwyn Snell
CEO
BioProspect Limited
Tel +61 7 3229 5755

Media Enquiries:

Ms Diana Taylor
Starlink Media
Tel +61 7 3876 4433