



Solagran Limited

Solagran Limited
ACN 002 592 396
Level 11
492 St Kilda Road
Melbourne 3004
Victoria
Australia
Tel 61 3 9820 2699
Fax 61 3 9820 3155

29 May, 2007

**Company Announcement
Completion of BioProspect Due Diligence**

The Directors of Solagran Limited are pleased to announce that BioProspect Limited has advised the Company that it has completed due diligence on information relating to its proposed exclusive licence for the use of Solagran's *Bioeffectives*® in the global animal health, animal nutrition and agricultural markets.

BioProspect's due diligence focused on evidence of efficacy under animal feed trial and direct application conditions; toxicology in humans and animals; manufacturing systems; and intellectual property and patent protection.

BioProspect has informed Solagran that it is satisfied with the information provided by Solagran. It will now start to prepare a development program for Australia and international markets. It will hold a General Meeting of Shareholders in Brisbane in June to seek approval for the agreement with Solagran.

BioProspect has indicated that it will initially concentrate on *Bioeffective*® A which has immediate application potential in animal feeds to act as a replacement for commonly used antibiotics, growth promotants and nutritional supplements.

BioProspect will initially utilise research institutions and facilities in Australia to replicate and build on the data supplied from Russian research institutions developed over a period of more than 50 years. BioProspect believes that this data provides it with a significant advantage in terms of trial protocol and methodology to show that *Bioeffectives*® can be used as alternatives to commonly used medicated performance enhancing substances in animal feed and animal health markets.

The Board believes that over time, Solagran's relationship with BioProspect will create significant commercial opportunities for both companies.

Peter Stedwell
Company Secretary
On behalf of the Board of Directors
Solagran Limited