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Manager of Company Announcements  
Australian Stock Exchange Limited  
Level 4, 20 Bridge Street  
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### **By E-Lodgement**

#### **BioProspect secures an exclusive licence to develop and commercialise naturally derived Bioeffectives for international animal health and nutrition markets.**

Managing Director Warwick Dowse said the signing of a formal licensing agreement yesterday with Melbourne-based Solagran opened the door to the development and commercialisation of a range of natural products on an international scale.

"Our objective is to position Bioeffectives<sup>R</sup> as natural supplements and viable alternatives to existing medicated synthetic compounds that are used in the animal nutrition and health markets. At the same time we will reveal that there are no detrimental effects throughout the entire food chain. Our work will make sure that the animal's health as well as the growing demand from consumers is taken into account at every step of the development program".

"We will initially be concentrating on Bioeffective<sup>R</sup> A, which has an immediate application potential in animal feeds as an alternative to commonly used antibiotics, growth promotants and nutritional supplements (Medicated Feed Additives). The global market in this sector is estimated to be a US\$2.3 billion a year market."

He said the company will commence screening studies in Australia shortly to assess animal feed applications in the poultry and pork industries in the first phase, with a potential to assess the beef, dairy cattle and companion animal sectors at a later stage.

"Bioeffective<sup>R</sup> A has already achieved Therapeutic Goods Administration (TGA) clearance in Australia, giving the company a major advantage in regulatory assessment," Mr Dowse said.

The Bioeffectives<sup>R</sup> range has seen success in Russia with the natural medicine Ropren<sup>R</sup> (active ingredient Bioeffective<sup>R</sup> R which is derived from Bioeffective<sup>R</sup> A) recently approved for use in the treatment of liver disease in humans.

Screening studies on the Bioeffectives<sup>R</sup> range made available under the agreement are planned to be conducted in late 2007 and from that, the company can expand into more detailed feed additive, nutrition and health studies in Australia, Russia, Europe and the USA.

## About Bioeffectives<sup>R</sup>

Sourced from coniferous tree needles, Bioeffectives<sup>R</sup> are complex plant extracts with unique anti-bacterial, anti-viral and anti-oxidant characteristics. The resulting natural and non-toxic product range has applications in improving stock feed conversion efficiency, stress reduction, and disease and infection control.

## Termite control product shows strong results

BioProspect is also continuing to progress with its natural termite control and deterrent compound TERMILONE<sup>R</sup>, with preliminary formulation bioassays conducted by The University of Western Sydney showing strong performance against termites.

Further bioassays with the assistance of Ensis/CSIRO will be conducted in late August and early September, while environmental toxicity testing will begin under the leadership of Southern Cross University's Dr. Amanda Reichelt-Brushett.

By the end of this year we should have 3 specific formulations to work on in 2008. They will be known as TERMILONE<sup>R</sup> CS, working as a Contact Spray, TERMILONE<sup>R</sup> TT, working as a Timber Treatment and TERMILONE<sup>R</sup> BT, working as a Barrier Treatment. The objective is to get the compound used in as many applications as possible to maximise market penetration.

TERMILONE<sup>R</sup> has been developed from oil extracted from native Australian tree species *Eremophila mitchellii* (False Sandalwood).

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