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

Middle East targeted in new AGRIPRO, GI-GUARD agreements

Highlights

- Middle East markets targeted for *GI-GUARD*[®] natural horse treatments in new Agency Agreement
- Sharjah Equine Hospital to undertake further testing of *GI-GUARD*[®] Oral Paste for horses in United Arab Emirates (UAE)
- Supply Agreement finalised for active ingredients of *AGRIPRO*[®] natural animal health products, including pine needle and other natural plant extracts.

Australian natural products provider BioProspect Limited (ASX:BPO) today announced its expansion into the Middle East, with new agreements signed for the testing, supply of active ingredients and market development of *AGRIPRO*[®] natural animal health products, including *GI-GUARD*[®] Oral Paste for horses.

BioProspect's Managing Director, Charles Pellegrino, said the new agreements would significantly expand BioProspect's presence in the region. The move follows a previous screening trial conducted in 2008 involving horses from Sharjah's Albidayer Stud, which is owned by a member of the UAE royal family.

"BioProspect welcomes these new agreements which will ensure the supply of active ingredients, including pine needle and other natural plant extracts, as well as expanding our presence in the lucrative Middle East horse industry," Mr Pellegrino said.

"In September 2010, BioProspect announced the signing of a Terms Sheet for the supply of pine needle extract. This has now been confirmed in a Supply Agreement for supply of pine needle extract as well as other plant extracts for *AGRIPRO*[®] products."

Based on natural low toxicity pine needle extract, *GI-GUARD*[®] is being developed in horses for gastro-intestinal care and wellbeing, and as an alternative to current synthetic treatments for conditions such as Equine Gastric Ulcer Syndrome (EGUS).

Mr Pellegrino said under the Agency Agreement, market development activities would be undertaken in the Middle East focused on *GI-GUARD*[®] Oral Paste for horses, and in particular, assessing the opportunities in treating performance horses in the region.

A Consultancy Agreement has also been finalised to facilitate field testing of *GI-GUARD*[®] Oral Paste for horses in the UAE. The Sharjah Equine Hospital will provide facilities to undertake periodic endoscopy examinations during the course of the study with Dr. Mieke de Rijck involved in providing technical input into the project.

Meanwhile, the application for registration of *GI-GUARD*[®] as a natural veterinary health product has been accepted through screening by the Australian Pesticides and Veterinary Medicines Authority (APVMA) and has progressed to the review stage.

A product chemistry data package has been submitted to facilitate this process. Safety data is available from earlier studies and once combined with efficacy from the UAE and other studies will complete data requirements for registration of *GI-GUARD*[®] Oral Paste.

Commenting on the latest developments, Mr Pellegrino said: “BioProspect is excited by the strategic collaborations that have been developed that have enabled the Company to confirm both supply and market development support to our projects in the Middle East.

“The opportunities for *AGRIPRO*[®] and *GI-GUARD*[®] natural animal health products in this region are significant. We look forward to commercialising a range of animal health products into the Middle East market and other strategic markets, adding to our exciting product range including the fast-growing *REGEN*[®] range of natural therapeutics.”

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Colin Johnston', written in a cursive style.

COLIN JOHNSTON
Company Secretary