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

**Positive Acute Inhalation test results for TERMILONE<sup>R</sup>.**

BioProspect Ltd (ASX: BPO) is pleased to announce today that results for the Acute Inhalation Toxicity Study conducted on its termite compound TERMILONE<sup>R</sup> have delivered excellent results, with a “**No Toxicity**” outcome.

The study was conducted according to the OECD Guidelines for the Testing of Chemicals, method 403 (adopted 12 may 1981).

The work was started in late June 2008 in a UK accredited toxicology research facility as part of the company’s regulatory pathway towards achieving registration of Eremophilone Oil as an approved active ingredient with the Australian Pesticides and Veterinary Medicines Authority (APVMA). The oil will be the active ingredient in the TERMILONE<sup>R</sup> product range.

The Acute Inhalation Study was the company’s last mammalian toxicity test milestone required to support the APVMA registration application.

The result concludes an intensive 2 year program to prove the relatively benign toxicity profile of the compound. The data package can now be collated with the excellent efficacy, biochemistry, environmental and manufacturing information in order to proceed with a formal application for an active constituent registration. The company intends to have this completed in September. The expected timing for an actual registration will be between 12 and 18 months post application.

In the mean time the company will now focus on the development of formulations and testing in the field to generate data for End Use Product registrations (EUP’s) and their respective product labels (TERMILONE<sup>R</sup> BT, CS and TT). At the same time the company expects to announce further collaborations in the development of commercial products that contain the highly effective TERMILONE<sup>R</sup> oil.

## **Study Rationale**

The objective of the Acute Inhalation study was to determine the limit doses of TERMILONE<sup>R</sup> (Eremophilone Oil) following a 4-hour inhalation exposure (nose only) to rats with an observation period of 14 days.

The inhalation route of administration was chosen because it is a possible route of human exposure (spraying termite infestations, buildings and preparing formulations at the manufacturing stages).

## **Results Summary**

- No mortalities using a mean aerosol concentration at 5.03 mg/L.
- No effect on body weight
- No clinical abnormalities
- All animals were found to be macroscopically normal.
- The LC<sub>50</sub> of TERMILONE<sup>R</sup> can be considered to be greater than 5.03 mg/L

5.03 mg/L was the maximum dose applied.

**No toxicity was found under the Acute Inhalation testing procedure.**

Yours sincerely

A handwritten signature in black ink, appearing to read "Colin Johnston". The signature is written in a cursive style with a large initial "C".

Colin Johnston  
Company Secretary