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

Positive results for *Bioeffectives*[®] on poultry.

BioProspect Ltd (ASX: BPO) is pleased to announce that a screening trial testing *Bioeffective*[®] A on broiler chickens as a potential feed supplement has returned encouraging results.

The trial was conducted at the University of New England (School of Environmental & Rural Science) in Armidale, NSW.

Based on the results, BioProspect can now proceed with a more detailed evaluation program that is designed to assess a range of Bioeffectives as potential candidates for poultry feed supplements.

Trial Objective

In the trial, the company set out to determine the following information on the use of Bioeffective A in poultry:

- An optimum supplementation rate.
- Palatability and consumption rate.
- Body weight changes in direct comparison with an industry standard feed supplement (zinc bacitracin, a commonly used antibiotic).
- Baseline figure for feed conversion efficiency which measures feed consumed relative to live weight gain.

Trial Rationale

Broiler chickens bred for meat production are fed specific diets to produce meat as efficiently and quickly as possible. From day-old chicks through to slaughter age chickens (30-35 days old), farmers introduce specially designed feeds and supplements that encourage fast growth and suitable meat composition.

It is common to see a low-dose antibiotic like Zinc Bacitracin (ZnB) placed in the diet mix as an 'insurance' against infection and to improve the respective feed conversion of food into meat. This is an important factor for chicken producers taking into account the high cost of feed and production in general.

There is an opportunity to find a suitable replacement for the use of antibiotics in this case.

Increasingly, infectious disease specialists have been critical of the excessive use of antibiotics in animal feeds. The argument is the greater the exposure of pathogens to antibiotic drugs, the greater will be the chance that the pathogens become more resistant to them. Most public attention is focused on prescription practices of medical practitioners in human health. It is now estimated that up to ¼ of the antibiotics dispensed are not targeted at the diagnosed disease; rather they're administered in 'sub-therapeutic' doses in animal feeds to promote weight gain and feed conversion in apparently healthy livestock. The compounds are actively working as insurance mechanisms.

In the past few years, several strains of pathogenic bacteria with resistance to nearly all known antibiotics have emerged. Most of the 'human' antibiotics are also administered to animals. The National Research Council (NRC) and the Institute of Medicine (IOM) in the USA convened an expert panel to explore drug use in livestock, especially growth-promoting and sub-therapeutic applications as a factor behind antibiotic resistance in food borne bacteria.

The trial in this case was designed to identify a Bioeffective A dose rate that can be used in further evaluations to assess its potential as an effective replacement for some of the commonly used synthetic feed supplements and antibiotics.

The Potential for Bioeffective A

Bioeffective A has potential properties that when used in specific situations could assist animals to resist to infection and recover from infection faster. This could be achieved with the knowledge that a natural compound is being used with no drug resistance issues or direct toxicity to the animal or humans that consume that animal.

Trial results

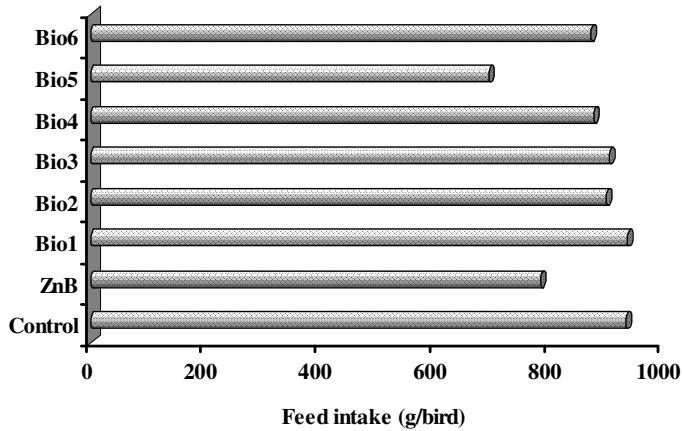
The trial looked at three parameters, feed consumption, live weight gain (LWT) and feed conversion ratio (FCR). The assessment period went over a 25 day period post egg hatch.

6 Bioeffective dose rates were evaluated in conjunction with a control diet (no additives) and a diet that used Zinc bacitracin (ZnB) as the antibiotic. The diets are commercially available from a leading Australian animal feed manufacturer.

Each treatment had 6 replicates using around 300 chickens.

Feed consumption

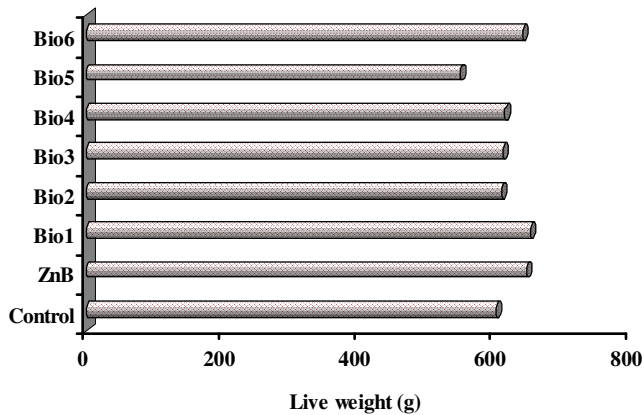
Average consumption/chicken (1-21 days)



The chickens actively consumed feed that contained the Bioeffective indicating that there was no rejection based on taste and texture.

Live weight (LWT)

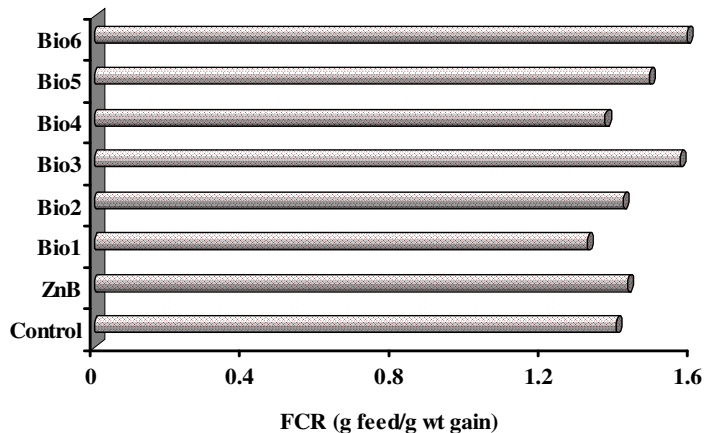
Average LWT gain/chicken (1-21 days)



At 21 days of age, there were no significant differences between the groups, although birds on some of the diets containing Bioeffective A were heavier than the control groups and had similar results to the antibiotic treatment groups.

Feed Conversion Ratio (FCR)

Average FCR/chicken (1-21 days)



The lower the number, the better the conversion rate from feed to chicken body weight; which in turn is a gain for chicken producers. It is measured in grams of feed consumed per gain in LWT. Bioeffective A in treatment '**Bio 1**' performed the best over all of the treatments. In other words, less feed is consumed for an equivalent gain in LWT.

Path Forward

Based on the information from the screening trial the company intends to conduct the following:

- Test Bioeffective A at lower rates over larger numbers of chickens to confirm findings from the screening trial.
- Assess potential effects in direct pathogen controls *In vitro and In vivo*.
- Attempt to establish an Acceptable Daily Intake Level (ADI) to permit further trials in production animals on a larger scale.
- Investigate testing in other types of production animals (pigs and cattle).
- Attract suitable collaborators involved in commercial animal feed production.
- Evaluate a second product called Bioeffective I.

Products with lower toxicity and side-effect characteristics that can perform as well as the synthetically derived compounds that are administered as medicated substances will gain in popularity.

Bioeffectives[®]

Bioeffective[®] A is a galenical complex extracted from the green needles of Scotch Pine (*Pinus silvestris*) and Norwegian Spruce (*Picea abies*) using patented technology owned by Solagran Limited (ASX:SLA). BioProspect is evaluating a number of *Bioeffectives*[®] in the animal health, nutrition and veterinary medicine markets. It holds an exclusive license for the use of *Bioeffectives*[®] in these markets.

For and on behalf of the Board

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