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

BioProspect planning new natural horse treatment after successful safety studies

Australian natural products provider BioProspect Limited (ASX:BPO) today announced the successful completion of two major safety studies on the use of Conifer Green Needle Complex (CGNC, or *Bioeffective*[®] A) in horses as a natural health treatment.

The results pave the way for the development of a new veterinary health product, GIGUARD[™] Oral Paste for Horses, aimed at improving gastro-intestinal care and well being, including potentially as a treatment for equine gastric ulcer syndrome (EGUS).

BioProspect's Chief Operating Officer, Mr Peter May, said the safety studies were a critical part of the Company's development of a range of natural products based on CGNC for the companion animal market.

Initiated in 2009, the trials conducted under the supervision of a specialist veterinary researcher in Sydney involved the testing of two products, a 90 per cent CGNC oral paste (GIGUARD[™] Oral Paste for Horses) and a 7.5 per cent topical gel formulation. More than 30 horses were treated during a five-month period following previous successful trial results from a smaller study in 2008, conducted in the United Arab Emirates.

"The trials were successfully completed on schedule despite the significant complexity of some aspects of the program, particularly with the oral paste product," Mr May said.

"We are very pleased with the results obtained from the studies, which encompassed a wide range of assessment parameters and were based on international standards to ensure the acceptance of the trial data across a wide range of regulatory regimes, including the United States, Europe and Japan."

He said the safety study conducted on GIGUARD[™] Oral Paste for Horses demonstrated that the product was safe to use in horses at the standard daily dose for a period of 90 days. Parameters tested included body weight, blood characteristics, and behavioural effects as well as selected post-mortem and histological analysis.

“BioProspect will now apply to the Australian Pesticides & Veterinary Medicine Authority for registration of GIGUARD™ Oral Paste for Horses as a natural veterinary health product,” he said.

The Therapeutic Goods Administration has already listed CGNC for use in complementary human medicine, thereby significantly reducing the product’s registration requirements.

While the Company will initially be applying for the product’s use in gastro-intestinal care and well being, additional studies are planned to support a more specific claim for control of EGUS, one of the horseracing industry’s most common gastric complaints.

The CGNC 7.5 per cent topical gel was also demonstrated as safe when used twice daily over a 90 day period. Additional efficacy studies are planned to complete the data package to support registration for this product, which will target the significant market for topical wounds, cuts and abrasions and skin conditions in horses.

BioProspect continues to pursue market opportunities in other countries targeting companion animals and especially horses, as well as applications for GIGUARD™ products in food production animals such as poultry, pigs and dairy cattle.

“With the completion of the safety studies and compilation of the regulatory package comprising product chemistry, safety as well as efficacy data, BioProspect has significantly added to the intellectual property associated with the product range based on CGNC,” Mr May said.

“We are now in a much better position to take GIGUARD™ and other animal health products forward into the Australian and international markets. These add to our Re-Gen™ range of skin and healthcare products and natural termite solution *TERMILONE*®, giving BioProspect a range of natural, sustainable products for international commercialisation.”

For and on behalf of the Board



Colin Johnston
Company Secretary

Bioeffective® is a trademark of Solagran Limited