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Ensystem to Evaluate TERMILONE[®] Natural Termiticide

BioProspect Limited ("BioProspect") is pleased to announce that it has entered into an Evaluation Agreement with Ensystem Corporation ("Ensystem") to field test *TERMILONE[®]*, its proprietary natural termiticide.

Under the agreement, Ensystem will carry out at their cost an extensive testing program with *TERMILONE[®]* over the next two years in a number of countries including Australia, USA and Japan. The program will commence in Australia in 2009 aimed at testing *TERMILONE[®]* under commercial conditions in a range of situations and locations. It is envisaged that buildings will be treated with *TERMILONE[®]* in a number of ways including under slab, perimeter trenching and application through reticulation systems. Testing will aim to confirm field efficacy of *TERMILONE[®]* through commercial application equipment and systems and under the range of environmental conditions experienced around Australia. This will complement testing of *TERMILONE[®]* by research collaborators such as the CSIRO and University of Western Sydney and provide additional data to support registration of *TERMILONE[®]* in Australia as well as in other major termite control markets, in particular the USA and Japan.

At the conclusion of a successful program BioProspect and Ensystem will then have the option of entering into a commercial agreement with respect to the supply and distribution of *TERMILONE[®]* to the pest control market in selected countries.

Ensystem is a privately owned company based in North Carolina USA and specializes in the development, manufacture, and supply of quality, environmentally responsible, urban pest management solutions for use by professional pest managers. Ensystem distributes products in all the major pest management markets around the world including USA, Europe, SE Asia, Australia and the Pacific region, China, Japan and the United Arab Emirates.

As a research-based international company Ensystem utilises active ingredient synthesis and product formulation facilities in 14 different facilities; two in the USA, two in Australia, one in

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Thailand, seven in China, one in Germany, and one in Russia. Research facilities are located in North Carolina, USA; and in Victoria and New South Wales in Australia.

David R. Nimocks, III, President of Ensystem, Inc. said that Ensystem's interest in *TERMILONE*[®] is consistent with the company's vision to be the first choice for environmentally responsible, effective, long-term pest management solutions. "Where products require compliance to GreenSmart, Codemark, environmental or other product standards, Ensystem is committed to maintaining and improving upon those requirements. *TERMILONE*[®] fits well with this objective by providing home owners with a termite control treatment based on a totally naturally derived product," Mr Nimocks said.

TERMILONE[®] is based on Eremophilone Oil, extracted from the native Australian tree species *Eremophila mitchellii* (false sandalwood). The product is being developed by BioProspect as a natural and environmentally safe termite control and timber treatment product. BioProspect has recently submitted an application to the APVMA (Australian Pesticides & Veterinary Medicines Authority for registration of Eremophilone Oil in Australia. Toxicity studies undertaken in support of this submission all demonstrated the benign nature of *TERMILONE*[®], with no adverse effects shown from exposure to the natural oil compound.

BioProspect Chief Executive Officer, Peter May said, "We are extremely pleased with the involvement of Ensystem in evaluating *TERMILONE*[®] as a soil applied termiticide. Their investment in this extensive field trail program is a vote of confidence in the product and commercially underpins the significant potential for *TERMILONE*[®] in the global termite control market".

BioProspect is continuing to identify strategic partners for *TERMILONE*[®] including companies involved in timber treatment, the other major target market for the product.



COLIN JOHNSTON
Company Secretary

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