

15<sup>th</sup> April 2008

**BIOGANIX PLC  
 Trading Update**

Bioganix plc ('Bioganix' or 'the Group'), the AIM listed waste management services group, is pleased to announce that the contractual dispute between Bioganix and a major customer ("the Customer"), as reported in the trading statement of 21<sup>st</sup> January 2008 has now been satisfactorily resolved.

The matter was due to be dealt with by arbitration but after an approach by the Customer, a settlement agreement has now been concluded between Bioganix and the Customer in advance of the arbitration hearing. A Consent Order has been signed to stay the arbitration proceedings.

Under the terms of the settlement agreement, the Customer will make an immediate payment of £100,000 followed by 12 monthly instalments of £10,000 each. In addition, the Customer has signed an agreement whereby the Customer will process material supplied by Bioganix over the next two and a half years, in one of the Customer's facilities, for a reduced gate fee. The value of this arrangement to Bioganix over the period of this agreement is anticipated to be approximately £840,000. The total value of the settlement agreement to Bioganix is therefore expected to be approximately £1,060,000 over the next two and half years. All of the figures stated in this paragraph exclude VAT which will be added at the prevailing rate.

The Customer has also entered into a further agreement, the terms of which are that the Customer will continue to deliver certain gate fee material to the Bioganix Parham plant under similar terms to those that were in place under the previous contractual arrangements. This new agreement will remain in force until August 2011 and will result in Bioganix receiving a minimum of 26,000 tonnes of material from the Customer.

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