Rule 424 (b)(3) Prospectus
Registration No. 33-73622

PROSPECTUS

[NEOPROBE LOGO]

123,160 SHARES OF COMMON STOCK

This Prospectus relates to 123,160 shares of common stock, par value $.001 per share ("Common Stock") of Neoprobe Corporation ("Neoprobe" or the "Company") issuable upon exercise of certain warrants (the "Warrants") to purchase one share of Common Stock. See "Warrants." The Common Stock is listed on the NASDAQ National Market System (the "NASDAQ-NMS") under the symbol "NEOP."

THESE SECURITIES INVOLVE A HIGH DEGREE OF RISK. SEE "RISK FACTORS", PAGE 3.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION NOR HAS THE COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

<TABLE>
<CAPTION>

	PRICE TO PUBLIC	UNDERWRITING DISCOUNTS AND COMMISSIONS	PROCEEDS TO THE COMPANY (1)
<S>	<C>	<C>	<C>
51,110 shares of Common Stock (2)	$3.32	- 0 -	$169,685.20
65,384 shares of Common Stock (3)	$3.86	- 0 -	$252,382.24
6,666 shares of Common Stock (4)	$3.00	- 0 -	$19,998.00
Total minimum (5)		- 0 -	
Total maximum (6)		- 0 -	$442,065.44

<FN>

(1) Before deducting expenses payable by the Company, estimated at $5,000.
(2) Issuable upon exercise of Class A Warrants, see "Warrants."
(3) Issuable upon exercise of Class B Warrants, see "Warrants."
(4) Issuable upon exercise of Warrant 001, see "Warrants."
(5) This assumes that none of the Warrants is exercised.
(6) This assumes that all of the Warrants are exercised.
</TABLE>

The date of this Prospectus is February 21, 1997

AVAILABLE INFORMATION

The Company is subject to the informational requirements of the Securities Exchange Act of 1934, and in accordance therewith files reports, proxy statements and other information with the Securities and Exchange Commission (the "Commission"). Copies of such reports, proxy statements and other information may be inspected and copied at the public reference facilities maintained by the Commission at Room 1024, 450 Fifth Street, N.W., Washington, D.C. 20549, and at the following Regional Offices of the Commission: 500 West Madison Street, Suite 1400, Chicago, Illinois 60661-2511; and 7 World Trade Center, Suite 1300, New York, New York 10048. Copies of such material may be obtained at prescribed rates from the Public Reference Section of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549. The Company files electronically reports, proxy statements and other information with the Commission through the Commission's EDGAR system. The Commission maintains a World Wide Web site on the Internet that contains reports, proxy and information statements and other information regarding the Company and other issuers that file electronically through the Commission's EDGAR system. The Internet address of such site (its Uniform Resource Locator or URL) is http://www.sec.gov.

The Company will furnish without charge to each person, including any beneficial owner, to whom this Prospectus is delivered, upon written or oral request, a copy of any or all of the documents incorporated herein, other than exhibits to such documents (unless such exhibits are specifically incorporated by reference into such documents). See "Incorporation of Certain Documents by Reference." Requests should be directed to Neoprobe Corporation, 425 Metro Place North, Suite 400, Dublin, Ohio 43017; Attention: John Schroepfer, Vice President--Finance and Administration; Telephone (614) 793-7500.

ADDITIONAL INFORMATION

The Company has filed with the Commission a registration statement under the Securities Act of 1933 with respect to the Common Stock. This Prospectus does not contain all of the information set forth in the registration statement and the exhibits thereto. For further information regarding the Company and these securities, reference is made to such registration statement, including all amendments thereto and the schedules and exhibits filed as part thereof. Statements contained herein concerning provisions of documents are necessarily summaries of the documents, and each statement is qualified in its entirety by reference to the copy of the applicable document filed with the Commission. The Company's executive offices are located at 425 Metro Place North, Suite 400, Dublin, Ohio 43017. Its telephone number is (614) 793-7500.

NO DEALER, SALESMAN OR ANY OTHER PERSON IS AUTHORIZED TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATIONS IN CONNECTION WITH THIS OFFERING OTHER THAN THOSE CONTAINED IN THIS PROSPECTUS AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY SECURITY OTHER THAN THE SECURITIES OFFERED BY THIS PROSPECTUS, OR AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY SECURITIES BY ANYONE IN ANY JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION IS NOT AUTHORIZED OR IS UNLAWFUL. THE DELIVERY OF THIS PROSPECTUS SHALL NOT, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THE INFORMATION HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE OF THE PROSPECTUS.

TRADEMARKS

Neoprobe is the owner of United States and foreign registered trademarks "Neoprobe(R)," "RIGS(R)" and "RIGScan(R)." "Radioimmunoguided Surgery(TM)," "RIGSystem(TM)," "ILM(TM)" and "RIGS/ACT(TM)" are commercially used trademarks of Neoprobe.

RISK FACTORS

The securities offered hereby involve a high degree of risk. Each prospective investor should carefully consider the following risk factors inherent in and affecting the business of the Company, together with the other information in this Prospectus, before making an investment decision. The discussion in this Prospectus contains forward-looking statements that involve risks and uncertainties. The Company's actual results may differ significantly from the results discussed in the forward-looking statements.

EARLY STAGE OF DEVELOPMENT; NO COMMERCIALIZED PRODUCTS

The Company is still in the development stage and has not received approval to market any of its products, except in the Republic of Korea. To date, the Company has completed a Phase III clinical trial with the Company's lead product, RIGScan CR49, for the surgical detection of metastatic and recurrent colorectal cancer in both the United States and Europe. The Company filed marketing applications for this product with regulatory agencies in Europe in May 1996 and with the United States Food & Drug Administration ("FDA") in December, 1996. Enrollment of patients in a separate Phase III clinical study for primary colorectal cancer has been completed in the United States and in Europe. Substantial clinical trials of the Company's other products must be completed before submissions can be made to appropriate regulatory authorities. Such analysis and trials require substantial financial and management resources and could require more time than is currently estimated. There can be no assurance that the Company will be able to conclude successfully the clinical tests or development of any of its proposed products within the Company's expected time frame and budget, if at all, or that the Company's products will prove to be safe and effective in clinical trials. There also can be no assurance that the Company will be able to obtain governmental approval for the commercial marketing and sale of any of its proposed products. If the Company is unable to conclude successfully the clinical tests or if the RIGS system does not prove to be safe and effective, or if the Company does not obtain governmental approval or is otherwise unable to commercialize the RIGS system successfully, the Company's business, financial condition and results of operations will be materially adversely affected and could result in the cessation of the Company's business.

LIMITED REVENUES; CONTINUING NET LOSSES; ACCUMULATED DEFICIT

The Company's limited history of operations, the nature of its business and the governmental approval process make the prediction of future operating results difficult and highly unreliable. The Company's business, therefore, must be evaluated in light of the risks, expenses, delays and complications normally encountered by development-stage companies in the highly competitive, highly regulated biomedical industry, which is characterized by a high rate of failure. Since its inception in 1983, the Company has been primarily engaged in research and development of the RIGS technology. The Company has experienced significant operating losses in each year since inception, and had an accumulated deficit of approximately $57.3 million as of September 30, 1996. For the years ended December 31, 1993, 1994 and 1995, the Company's net losses were $8.0 million, $10.6 million, and $10.8 million, respectively. The Company expects operating losses to increase as research and development and clinical trial efforts expand. The Company's ability to achieve profitable operations is dependent upon obtaining regulatory approval of its products and making the transition to a revenue generating company. There can be no assurance that the Company will ever achieve a profitable level of operations.

DEPENDENCE UPON PRINCIPAL PRODUCT LINE; UNCERTAINTY OF MARKET ACCEPTANCE

The Company's future success is dependent upon obtaining regulatory approvals to market, and achieving market acceptance of, the Company's proposed RIGS products, which represent the Company's principal proposed product line. There can be no assurance that the Company will receive approval from the appropriate regulatory body to market any of its RIGS products. Moreover, achieving market acceptance for the RIGS products, if approved, will require significant efforts and expenditures to create awareness and demand for the RIGS products by surgeons, nuclear medicine departments of hospitals, oncologists

and, possibly, cancer patients. Widespread use of the Company's RIGS products would require the training of numerous physicians, and the time required to complete such training could result in a delay or dampening of market

acceptance. There can be no assurance that the Company's initial proposed commercial products, RIGS products for colorectal cancer, or any other proposed products will become standard surgical procedure or even generally accepted medical practice, or that the Company will achieve any market penetration. In addition, purchase decisions are greatly influenced by health care administrators who are subject to increasing pressures to reduce costs. Healthcare administrators must determine that the Company's products are cost-effective alternatives to current means of tumor detection. The failure to obtain governmental approvals or achieve significant market acceptance for such products would have a materially adverse effect on the Company's business, financial condition and results of operations.

GOVERNMENT REGULATION

The Company's biologic products will require a regulatory license to market by the FDA and by comparable agencies in foreign countries. In addition, various federal, state and foreign statutes also govern or influence the manufacture, safety, labeling, storage, record keeping and marketing of such products. The process of obtaining regulatory licenses and approvals is costly, time consuming and prone to unexpected delay. The Company has encountered and may continue to encounter delays in the completion of testing for certain proposed products. Future delays could result from, among other things, a longer than expected review process and possible additional analysis and reconciliation of any perceived differences between data generated in Phase I/II and Phase II clinical trials and data generated in Phase III clinical trials, slower than expected patient enrollment rates, difficulties in analyzing data from clinical trials or in validating manufacturing processes and changes in regulatory requirements. In addition, although certain members of management and significant employees and consultants have had substantial experience in conducting and supervising clinical trials for pharmaceutical and biomedical products, the Company has not previously submitted a Biologic License Application ("BLA") to the FDA or a dossier to European regulatory agencies for approval of a license to market its products. There can be no assurance that clinical data collected in the Company's pivotal Phase III trials will be sufficient to support approval of licenses for the Company's products or that the FDA or European regulatory agencies will not require additional information and data, including additional clinical studies, or refuse to file the application for substantive review. Failure to obtain these licenses and to commence commercial marketing on a timely basis could jeopardize the Company's rights under certain of its current or contemplated contractual arrangements for the supply of necessary components of its RIGS system products and would have a material adverse effect on the Company's business, financial condition and results of operations. Moreover, foreign and domestic approvals, if granted, may include significant limitations on uses of the products. Further, even if such regulatory approval is obtained, use of the Company's products could reveal side effects that, if serious, could result in suspension of existing licenses and delays in obtaining licenses in other jurisdictions. A marketed product, manufacturer and manufacturing facilities are subject to continual review and periodic inspections, and later discovery of previously unknown problems with a product, manufacturer or facility may result in restrictions on such product or manufacturer, including withdrawal of the product from the market. Noncompliance with applicable governmental requirements can result in import detentions, fines, civil penalties, injunctions, suspensions or loss of regulatory approvals, recall or seizure of the Company's products, operating restrictions, government refusal to approve product export applications, or to allow the Company to enter into supply contracts, and criminal prosecution. Additional governmental regulation may be established which could prevent or delay regulatory approval of the Company's products. Any delays or failure to receive required approvals or limiting conditions on approvals could materially adversely affect the Company's business, operating results and financial condition.

In addition to regulations enforced by the FDA, the manufacture, distribution and use of Neoprobe's products are also subject to regulation by the Nuclear Regulatory Commission, the Department of Transportation and other federal, state, and local government authorities. Neoprobe and/or its manufacturer of the radiolabeled antibodies must obtain a specific license from the Nuclear Regulatory Commission to manufacture and distribute radiolabeled antibodies as well as comply with all applicable regulations. Neoprobe

must also comply with Department of Transportation regulations on the labeling and packaging requirements for shipment of radiolabeled antibodies to licensed clinics, and must comply with federal, state and local governmental laws regarding the disposal of radioactive waste. There can be no assurance that the Company will be able to obtain all necessary licenses and permits and be able to comply with all applicable laws. The failure to obtain such licenses and permits or to comply with applicable laws would have a materially adverse effect on the Company's business, financial condition and results of operations.

NO ASSURANCE OF CONTINUED RIGHTS TO TARGETING AGENTS; ROYALTY PAYMENTS

Targeting agents, such as monoclonal antibodies or peptides which are able to bind specifically to tumor antigens or receptors, are essential to the Company's technology and the Company's ultimate success. The targeting agents used by the Company in its research and clinical studies and as components of its proposed RIGS products are the patented or proprietary technology of others. The Company must purchase the rights to those targeting agents or must obtain rights to use them through license agreements with their owners. There can be no assurance that such arrangements will continue or that they will continue on terms acceptable to the Company. Furthermore, license agreements typically impose obligations to diligently develop commercial products and to pay royalties on those products. Failure to perform such obligations may lead to the termination of such license agreements. Loss of the Company's rights to targeting agents for any reason (including, in the case where the Company is a sublicensee of the targeting agents, a breach by a sublicensor under its agreement with the owner of a targeting agent) or the inability to obtain necessary rights on acceptable terms could have a material adverse effect on the Company's business, financial condition and results of operations. Moreover, there can be no assurance that improved targeting agents will not be developed by other entities for which the Company will be required to seek satisfactory additional license arrangements. If such licenses cannot be readily obtained, the Company could encounter delays in product market introductions or could find that the development, manufacture or sale of products requiring such licenses could be foreclosed, which could have a material adverse impact on the Company's business, operating results and financial condition. Upon commercialization of the Company's products, the Company will be required to make royalty payments pursuant to its existing and contemplated license agreements which could adversely impact the Company's operating results.

PATENTS, PROPRIETARY TECHNOLOGY AND TRADE SECRETS

The Company's success depends, in part, on its ability to secure patent protection and maintain trade secret protection, and on its ability to operate without infringing on the patents of third parties. The Company has received 10 United States patents, including U.S. Patent No. 4,782,840 which relates to the RIGS system surgical method, and holds one additional patent jointly with The Ohio State University Research Foundation ("OSURF"). The Company has filed applications for certain additional United States and foreign patents. There can be no assurance, however, that the patents for which the Company has applied will be issued to the Company. Moreover, the Company believes that some of the technology it develops will not be patentable in certain foreign markets. There can be no assurance that any of the Company's patents or patent applications will not be challenged, invalidated, or circumvented in the future. In addition, there can be no assurance that competitors, many of which have substantially more resources than the Company and have made substantial investments in competing technologies, will not seek to apply for and obtain patents that will prevent, limit, or interfere with the Company's ability to make, use, or sell its products either in the United States or internationally. Furthermore, the patent positions of biotechnology firms, including the Company, are highly uncertain and involve complex legal and factual questions. To date, a consistent and predictable application of United States patent laws regarding the grant and interpretation of patent claims in the area of biotechnology has not evolved. Due to these uncertainties, the probability of challenges, invalidations and circumventions is higher than in more legally stable fields.

Patent applications in the United States are maintained in secrecy until patents issue, and patent applications in foreign countries are maintained in secrecy for a period after filing. Publications of discoveries in the scientific or patent literature tends to lag behind actual discoveries and the filing of related patent

applications. Patents issued and patent applications filed relating to medical devices are numerous and there can be no assurance that current and potential customers and other third parties have not filed or will not file in the future applications for, or have not received or in the future will not receive, patents or obtain additional proprietary rights relating to products or processes used or proposed to be used by the Company.

The Company's U.S. Patent No. 4,782,840 includes claims to surgical procedures having a number of steps, including, for example, the step of administering an effective amount of an antibody specific for cancer tissue, labeled with a radioactive isotope. The claims also include the step of delaying surgery for a time interval following the administration step to permit the radiolabeled antibody to concentrate preferentially in any cancer tissue that is present and for the unbound radiolabeled antibody in the blood pool to be cleared to a blood pool background level, so as to increase the ratio of radiation from cancer tissue to background radiation. There can be no assurance that potential competitors will not promote surgical procedures that do not include one or more of the steps recited in the claims of U.S. Patent No. 4,782,840, including the aforementioned steps.

The Company also relies upon trade secrets, technical know-how, and continuing technological innovation to develop and maintain its competitive position. The Company typically requires its employees, consultants, and advisors to execute confidentiality and assignment of inventions agreements in connection with their employment, consulting, or advisory relationships with the Company. There can be no assurance, however, that these agreements will not be breached or that the Company will have adequate remedies for any breach. Further, there also can be no assurance that others will not gain access to the Company's trade secret information or independently develop or acquire the same or equivalent trade secret information. Certain of the research activities relating to the development of antibody technology that may be components of the Company's proposed RIGS system technology products were conducted by agencies of the United States government. When the United States government participates in research activities, it retains certain rights that include the right to use the technologies for governmental purposes under a royalty-free license, as well as rights to use and disclose technical data and computer software that could preclude the Company from asserting trade secret rights in that data and software.

The Company has not been notified by any third party that the Company's products and procedures infringe any valid, enforceable claim of any patent owned by others. Any such claim, however, whether with or without merit, could be time-consuming and expensive to respond to and could divert the Company's technical and management personnel. The Company may be involved in litigation to defend against claims of infringement by the Company, to enforce patents issued to the Company, or to protect trade secrets of the Company. If any relevant claims of third-party patents are upheld as valid and enforceable in any litigation or administrative proceeding, the Company could be prevented from practicing the subject matter claimed in such patents, or would be required to obtain licenses from such patent owners, or to redesign its products and processes to avoid infringement. There can be no assurance that the Company will be able to obtain acceptable licenses or rights, if at all, to other patents which the Company deems necessary for its operations. Accordingly, an adverse determination in a judicial or administrative proceeding or failure to obtain necessary licenses could prevent the Company from manufacturing and selling its products, which would have a material adverse effect on the Company's business, financial condition, and results of operations. The Company intends to vigorously protect and defend its intellectual property. Costly and time-consuming litigation brought by the Company may be necessary to enforce patents issued to the Company, to protect trade secrets or know-how owned by the Company, or to determine the enforceability, scope, and validity of the proprietary rights of others.

LIMITED THIRD PARTY REIMBURSEMENT

The Company's products will be marketed to hospitals and other users that bill various third party payers, including government programs, such as federal Medicare and state Medicaid, and private insurance plans, for the health care services provided to their patients. Third party payers carefully review and are increasingly challenging the prices charged for medical products and services.

intends to establish the prices for its products according to criteria believed to be acceptable to third party payers, there can be no assurance that such payers will not deny reimbursement on the basis that the Company's products are not in accordance with established payer policies regarding cost-effective treatment methods, or on some other basis. There can be no assurance that the Company would be able to provide economic and medical data to overcome any third party payer objections.

In foreign markets, reimbursement is obtained from a variety of sources, including governmental authorities, private health insurance plans, and labor unions. In most foreign countries, there are also private insurance systems that may offer payments for alternative therapies. Although not as prevalent as in the United States, health maintenance organizations are emerging in certain European countries. The Company may need to seek international reimbursement approvals, although there can be no assurance that any such approvals will be obtained in a timely manner or at all. Failure to receive international reimbursement approvals could have an adverse effect on market acceptance of the Company's products in the international markets in which such approvals are sought.

There can be no assurance as to either United States or foreign markets that third-party reimbursement and coverage or newly approved products will be available or adequate, that current reimbursement policies of third-party payers will not be decreased in the future or that future legislation, regulation, or reimbursement policies of third-party payers will not otherwise adversely affect the demand for the Company's products or its ability to sell its products on a profitable basis. If third-party payer coverage or reimbursement is unavailable or inadequate, the Company's business, financial condition, and results of operations could be materially adversely affected.

COMPETITION

The biotechnology industry is characterized by intense competition. Many companies, research institutes and universities are working in a number of pharmaceutical or biotechnology disciplines similar to the Company's field of interest. In addition, many companies are engaged in the development of or currently offer products which may be or are competitive with the Company's proposed products. Most of these entities have substantially greater financial, technical, manufacturing, marketing, distribution or other resources than the Company. Competing tumor detection technologies include computed tomography ("CT"), magnetic resonance imaging ("MRI") and, more recently immunoscintigraphy. The Company may compete against a number of these companies including Cytogen Corp., Immunomedics Inc. and NeoRx Corp. One or more of these or other companies could also design and develop products that compete directly with the Company's products, in which case the Company would face intense competition. Such competition could have a material adverse effect on the Company's business, financial condition and results of operations. The Company is aware that other research and testing is being conducted in Western Europe in connection with the use of radiolabeled targeting agents and radiation-detection probes. There can be no assurance that one or more of these or other companies will not develop technologies that are more effective or less costly than the Company's products, or that would otherwise render the Company's products and technology non-competitive or obsolete. Such technologies would have a material adverse effect on the Company's business, financial condition and results of operations.

Any product developed by the Company that gains regulatory approval will have to compete for market acceptance and market share. An important factor in such competition may be the timing of market introduction of competitive products. Accordingly, the relative speed with which the Company can develop products, complete clinical testing and regulatory approval processes, gain reimbursement acceptance and supply commercial quantities of the product to the market is expected to be an important competitive factor. In addition, the Company believes that the primary competitive factors in the market for tumor detection products are safety, efficacy, ease of delivery, reliability, innovation and price. The Company also believes that physician relationships and customer support are important competitive factors. There can be no assurance

that the Company can achieve or maintain a competitive position or that the Company's intraoperative detection products for the treatment of cancer will be introduced or marketed in

a timely fashion or that any such products will achieve significant market acceptance. In such event, the Company's business, operating results and financial condition could be materially adversely affected.

RISK OF TECHNOLOGICAL OBSOLESCENCE

The medical device industry is characterized by rapid and significant technological change. There can be no assurance that third parties will not succeed in developing or marketing technologies and products that are more effective than those developed or marketed by the Company or that would render the Company's technology and products obsolete or noncompetitive. Additionally, new surgical procedures and medications could be developed that replace or reduce the importance of current procedures that use the Company's products. Accordingly, the Company's success will depend in part on its ability to respond quickly to medical and technological changes through the development and introduction of new products. Product development involves a high degree of risk and there can be no assurance that the Company's new product development efforts will result in any commercially successful products. In such event, the Company's business, operating results and financial condition could be materially adversely affected.

LIMITED MANUFACTURING CAPACITY AND EXPERIENCE

To date, the Company's manufacturing activities have consisted primarily of manufacturing limited quantities of products. In order to achieve financially self-sustaining operations, the Company must manufacture or have others manufacture its RIGS products, including targeting agents, in commercial quantities at an acceptable cost. If the Company scales up manufacturing its products, there can be no assurance that the Company will not encounter difficulties such as problems involving product yields, quality control and assurance, supplies of components, and shortages of qualified personnel. Moreover, in order to assemble, complete, package and distribute its RIGS products in commercial quantities, the Company will have to maintain a current Good Manufacturing Practices ("GMP") facility to manufacture its products or engage independent contractors to manufacture such products. The GMP facility will have to adhere to GMP regulations and to guidelines enforced by the FDA and other regulatory agencies through their facilities inspection programs. If such an inspection by the FDA or another regulatory agency results in a requirement for additional modifications to the facility, the Company's ability to manufacture its products could be adversely affected. There can be no assurance that the Company will be able to engage independent contractors or develop and maintain a GMP facility at a cost acceptable to the Company.

The Company uses or relies on certain components and services used in its devices that are provided by sole source suppliers. Although the Company has identified primary and alternative vendors, the qualification of additional or replacement vendors for certain components or services is a lengthy process. Any significant supply interruption would have a material adverse effect on the Company's ability to manufacture its products and, therefore, a material adverse effect on its business, financial condition, and results of operations.

The Company expects to manufacture its products based on forecasted product orders. Lead times for materials and components ordered by the Company vary significantly, and depend on factors such as the business practices of the specific supplier, contract terms, and general demand for a component at a given time. Certain components used in the Company's products have long lead times. As a result, there is a risk of excess or inadequate inventory if orders do not match forecasts.

POSSIBLE VOLATILITY OF STOCK PRICE

The market price of the shares of Common Stock of the Company, like that of the securities of many other biotechnology companies, has been and is likely to continue to be highly volatile. For example, the closing price for shares of the Company's Common Stock for the last two years has been as high as $22 and as low

as $1.50. Factors such as the results of preclinical and clinical trials by the Company or its competitors, other evidence of the safety and efficacy of the Company's or competitors' products, announcements of technological innovations or new commercial products by the Company or its competitors,

changes in securities analysts' estimates or recommendations, governmental regulation, developments in patent or other proprietary rights of the Company or its competitors, and fluctuations in the Company's operating results may have a significant effect on the market price of the Common Stock. In addition, the stock market has experienced and continues to experience extreme price and volume fluctuations which have affected the market price of many biotechnology companies and which have often been unrelated to the operating performance of these companies. These broad market fluctuations, as well as general economic and political conditions, may adversely affect the market price of the Common Stock. The Company has more than 22.5 million shares of Common Stock outstanding, almost all of which are freely tradeable.

FUTURE CAPITAL NEEDS; UNCERTAINTY OF CAPITAL FUNDING

To date, the Company's capital requirements have been significant. The Company has depended on the proceeds of sales of its securities and other financing vehicles to continue clinical testing of its proposed products and to fund its working capital requirements. The Company believes that the funds it has on hand will satisfy its cash needs through the end of 1998. Obtaining approvals to market is costly and time consuming and the Company may require significant funds in addition to its current cash resources to sustain its operations and to obtain regulatory approval to commercialize any of its proposed products. No assurance can be given that the necessary additional financing will be available to the Company on acceptable terms, if at all, or that would not result in further dilution to the holders of the Company's equity securities. The Company's ability to raise additional financing may be dependent on many factors beyond the Company's control, including the state of capital markets, the development or prospects for development of competitive technology by others, and the rate of progress of the Company's clinical trials. If additional funding is unavailable to the Company when needed, the Company will be required to curtail significantly one or more of its research and development programs and the Company's business and financial condition will be materially adversely affected.

PRODUCT LIABILITY

The testing, marketing and sale of the Company's proposed products could expose the Company to liability claims. The Company currently has $10 million of liability insurance, which the Company believes is adequate for its current activities. There can be no assurance, however, that the Company will be able to continue to obtain insurance at a reasonable cost, if at all, or that such insurance will be sufficient to cover any liabilities resulting from any product liability claims or that the Company will have funds available to pay any claims over the limits of its insurance. Either an underinsured or an uninsured claim could have a material adverse effect on the Company's business, operating results and financial condition.

DEPENDENCE ON KEY PERSONNEL; ABILITY TO ATTRACT NEW PERSONNEL; POSSIBLE CONFLICTS OF INTEREST

John L. Ridihalgh and David C. Bupp are key employees of the Company and the loss of the services of either one of them could substantially delay the achievement of the Company's goals. The Company carries "key man" life insurance with a death benefit of $1 million on each of them. The Company has entered into employment agreements with each of these individuals pursuant to which, among other things, these individuals have agreed not to compete with the Company for specified periods. The Company's success is dependent on its ability to attract and retain additional technical and management personnel with expertise in several technical and scientific disciplines and experience in the regulatory approval process. The competition for qualified personnel in the biomedical industry is intense and, accordingly, there can be no assurance that the Company will be successful in hiring or retaining the requisite personnel. In addition, the Company will rely on certain of its non-employee directors and members of its Scientific Advisory Board to assist the Company in formulating and pursuing

its research and commercialization strategy. These directors and members of the Scientific Advisory Board are and will be employed by entities other than the Company and may serve as directors of or have a commitment to or consulting or advisory contracts with other entities, including potential competitors of the Company. Although the Company has confidentiality agreements with these directors and with each member of its Scientific

Advisory Board, conflicts of interest may arise between those persons and the Company, which conflicts may not necessarily be resolved in favor of the Company.

CURRENT PROSPECTUS REQUIRED TO EXERCISE WARRANTS

Holders of the Warrants will have the right to exercise the Warrants for the purchase of shares of Common Stock only if a current prospectus relating to such shares is then in effect under the Security Act of 1933. Although the Company intends to maintain such a current prospectus, there is no assurance that it will be able to do so. The Warrants may be deprived of any value if the current prospectus covering the shares underlying the Warrants is not kept effective.

NEED TO MANAGE A CHANGING BUSINESS

In order to compete effectively against current and future competitors, complete clinical trials in progress, prepare additional products for clinical trials, and develop future products, the Company believes that it must continue to expand its operations, particularly in the areas of research and development, manufacturing and marketing. If the Company were to experience significant growth in the future, such growth would likely result in new and increased responsibilities for management personnel and place significant strain upon the Company's management, operating and financial systems and resources. To accommodate such growth and compete effectively, the Company must continue to implement and improve information systems, procedures and controls, and to expand, train, motivate, and manage its work force. The Company's future success will depend to a significant extent on the ability of its current and future management personnel to operate effectively. There can be no assurance that the Company's personnel, systems, procedures and controls will be adequate to support the Company's future operations. Any failure to implement and improve the Company's operational, financial, and management systems or to expand, train, motivate or manage employees could have a material adverse effect on the Company's business, financial condition and results of operations.

NO DIVIDENDS

The Company has never paid dividends on its Common Stock. The Company intends to retain any future earnings to finance its growth. Accordingly, any potential investor who anticipates the need for current dividends from its investment should not purchase any of the Common Stock offered hereby.

ANTI-TAKEOVER PROVISIONS; BLANK CHECK PREFERRED STOCK

The Company has adopted a Stockholder Rights Plan. Certain provisions of the Stockholder Rights Plan and certain of the Company's charter provisions and applicable corporate laws could be used to hinder or delay a takeover bid for the Company. Such provisions may inhibit takeover bids and decrease the chance of stockholders realizing a premium over market price for their Common Stock as a result of a takeover. The Company's Certificate of Incorporation authorizes the issuance of "blank check" preferred stock with such designations, rights, preferences and restrictions as may be determined from time to time by the Board of Directors, 500,000 shares of which have been designated as Series A Junior Participating Preferred Stock and reserved for issuance pursuant to the Company's Stockholder Rights Plan. If the Company issues Preferred Stock, the issuance could be used to thwart a takeover bid and may have a dilutive effect upon the Company's common stockholders, including the purchasers of the securities offered hereby. See "Description of Securities."

USE OF PROCEEDS

The net proceeds to the Company from the exercise of the Warrants would be $442,065, if all of the Warrants were exercised. There can be no assurance that

any of the Warrants will be exercised. The Company intends to use any proceeds to finance research and development expenditures for its products and for general working capital purposes. Proceeds not immediately required for the purposes described above

will be invested in U.S. government securities, certificates of deposit or similar short-term, interest-bearing investments.

The allocation of the net proceeds from the exercise of the Warrants and the Company's other capital resources among its various product development programs and other projects is based on certain assumptions, including the expected progress of the Company's clinical trials and FDA approval of its RIGScan CR49 product, and is subject to change at the Company's discretion. The foregoing represents the Company's best estimate of its allocation of the net proceeds of the exercise of the Warrants based on the current state of its business operations and current business plan and current economic and industry conditions, and such estimate is subject to a reapportionment of proceeds among categories listed above or a reapportionment to new categories. The amount and timing of expenditures will vary depending on a number of factors, including the progress of development of the Company's products, the availability of other funding from third parties, governmental regulation, technological advances and changing competitive conditions, and determinations with respect to the commercial potential of the Company's products. In particular, proceeds allocated to research and development may be reallocated depending on the progress of the research efforts and the presently unknowable results of scientific investigations. Pending such uses, the net proceeds of this offering will be invested in interest-bearing deposit accounts, certificates of deposit or similar short-term, investment-grade financial instruments.

Based on its current business plan, the Company anticipates that its cash resources on hand will be adequate to satisfy its capital and operating requirements through the end of 1998. In light of the uncertainties associated with obtaining FDA approval of the Company's RIGScan CR49 product and other products, among other things, there can be no assurance that the Company's resources (including the proceeds of the exercise of the Warrants) will satisfy the Company's funding requirements during the FDA review period. There can be no assurance that any additional financing, if required, will be obtainable at the times, in the amounts, or on terms that meet the Company's needs or are acceptable to the Company. See "Risk Factors -- Future Capital Needs; Uncertainty of Capital Funding," and "-- Government Regulation."

WARRANTS

The shares of Common Stock saleable hereunder are issuable upon the exercise of the following transferable Warrants issued by the Company:

<TABLE>
<CAPTION>

Title	Number of Warrants	Current Exercise Price	Date of Issue	Expiration Date
<S>	<C>	<C>	<C>	<C>
001	6,666 (a)	$3.00 (a)	2/11/91	12/31/99 (b)
Class A	51,110 (c)	$3.32 (c)	2/28/92	2/28/97
Class B	65,384 (c)	$3.86 (c)	2/28/92	2/28/99

<FN>

(a) Subject to adjustment for splits and combinations of Common Stock.

(b) Expires two years after the Company makes a public offering of shares on Form S-1 at $24.00 per share with proceeds of at least $10,000,000 if later.

(c) Subject to proportionate adjustment for splits and combinations of Common Stock and for certain issuances thereof at less than the then current market or exercise price.

</TABLE>

DESCRIPTION OF SECURITIES

Neoprobe is authorized to issue 50,000,000 shares of Common Stock, par value $.001 per share, 22,586,527 shares of which were outstanding as of December 31, 1996 and 5,000,000 shares of Preferred Stock, par value $.001 per share, none of which is outstanding. The following brief description of the capital stock of Neoprobe is qualified in its entirety by reference to Neoprobe's Certificate of Incorporation, a copy of which is on file with the Commission.

COMMON STOCK

All outstanding shares of Common Stock are, and the shares of Common Stock issuable upon the exercise of the Warrants will be, upon receipt of payment therefor and delivery thereof, duly authorized, validly issued, fully paid and nonassessable. Each share of Common Stock entitles the holder thereof to one vote on all matters submitted to a vote of the stockholders including the election of directors. Since the holders of Common Stock do not have cumulative voting rights, the holders of a simple majority of the outstanding shares have the power to elect all of the directors to be elected at a given meeting and the holders of the remaining shares by themselves would not be able to elect any directors at that meeting. See "Risk Factors -- Anti-Takeover Provisions; Blank Check Preferred Stock." The holders of Common Stock do not have preemptive, redemption or conversion rights. Holders of Common Stock are entitled to receive ratably such dividends as may be declared by the Board of Directors, from time to time, out of funds legally available therefor. See "Risk Factors -- No Dividends." If Neoprobe is liquidated, dissolved, or wound up, holders of the Common Stock have the right to receive a ratable portion of the assets remaining after the payment of creditors and the holders of the shares of any class or series of Preferred Stock to the extent that the then existing terms of the Preferred Stock grant them priority over the holders of shares of Common Stock.

PREFERRED STOCK

The Company's Certificate of Incorporation authorizes the issuance of "blank check" Preferred Stock in one or more classes or series with such designations, rights, preferences and restrictions as may be determined from time to time by the Board of Directors, 500,000 shares of which have been designated as Series A Junior Participating Preferred Stock ("Series A Preferred Stock") and reserved for issuance pursuant to the stockholder rights plan described below. As of the date hereof, there are no shares of Preferred Stock outstanding. The Board of Directors may, without prior stockholder approval, issue Preferred Stock with dividend, liquidation, conversion, voting or other rights which could adversely affect the relative voting power or other rights of the holders of Common Stock. Preferred Stock could be used, under certain circumstances, as a method of discouraging, delaying, or preventing a change in control of Neoprobe. Although Neoprobe has no present intention of issuing any shares of Preferred Stock, there can be no assurance that it will not do so in the future. If Neoprobe issues Preferred Stock, such issuance may have a dilutive effect upon the common stockholders, including the purchasers of the securities offered hereby. See "Risk Factors -- Anti-Takeover Provisions; Blank Check Preferred Stock."

STOCKHOLDER RIGHTS PLAN

Adoption of the Stockholder Rights Plan. On July 18, 1995, the Board of Directors adopted a stockholder rights plan for the Company. The purpose of the stockholder rights plan is to protect the interests of the Company's stockholders if the Company is confronted with coercive or unfair takeover tactics by encouraging third parties interested in acquiring the Company to negotiate with the Board of Directors.

The stockholder rights plan is a plan by which the Company has distributed rights ("Rights") to purchase (at the rate of one Right per share of Common Stock) one hundredth of a share of Series A Preferred Stock at an exercise price of $35 per Right. The Rights are attached to the Common Stock and are not exercisable until after 15 percent of the Common Stock has been acquired or tendered for. At that point, they would be separately traded and exercisable. Upon certain events, including a third party crossing the

15 percent threshold, the Rights would "flip-in" (but not the Rights of such substantial stockholder) and become Rights to acquire, upon payment of the exercise price, Common Stock (or, in certain circumstances, other consideration) with a value of twice the exercise price of the Right. If a third party were to take certain action to acquire the Company, such as a merger, the Rights would "flip-over" and entitle the holder to acquire stock of the acquiring person with a value of twice the exercise price. The Rights are redeemable by the Company at any time before they become exercisable for $.01 per Right and expire on August 28, 2005. The number of Rights per share of Common Stock will be adjusted in the future to reflect future splits and combinations of, and Common Stock dividends on, the Common Stock. The exercise price of the Rights will be adjusted to reflect changes in the Series A Preferred Stock.

Series A Preferred Stock. The Series A Preferred Stock purchasable upon exercise of the Rights will be redeemable at a price equal to 100 times the current per share market price of the Common Stock at the time of redemption, together with accrued but unpaid dividends. Each share of Series A Preferred Stock will have a minimum preferential quarterly dividend of $.05 per share and will be entitled to an aggregate dividend of 100 times the dividend declared on the Common Stock. In the event of liquidation, the holders of the Series A Preferred Stock will receive a preferred liquidation payment equal to $.10 per share and, after the Common Stock has received a proportionate distribution, will share in the remaining assets on a proportionate basis with the Common Stock. If dividends on Series A Preferred Stock are in arrears in an amount equal to six quarterly dividend payments, all holders of Preferred Stock of the Company (including holders of Series A Preferred Stock) with dividends in arrears equal to such amount, voting as a class, would have the right to elect two directors of the Company. Series A Preferred Stock would rank senior to the Company's Common Stock, but junior to any other outstanding class of Preferred Stock of the Company as to both the payment of dividends and the distribution of assets. Each share of Series A Preferred Stock will have 100 votes on all matters submitted to the stockholders. In the event of any merger, consolidation or other transaction in which Common Stock is exchanged, each share of Series A Preferred Stock will be entitled to receive 100 times the amount received per share of Common Stock. It was the intention of the Company that each share of Series A Preferred Stock approximate 100 shares of Common Stock as they existed on the date the Rights were distributed (August 28, 1995); therefore, the redemption price, dividend, liquidation price and voting rights have been, and will in the future be, adjusted to reflect splits and combinations of, and Common Stock dividends on, the Common Stock.

Anti-Takeover Effects. The Company's stockholder rights plan is designed to deter coercive takeover tactics and otherwise to encourage persons interested in acquiring the Company to negotiate with the Board of Directors. The stockholder rights plan will confront a potential acquirer of the Company with the possibility that the Company's stockholders will be able to substantially dilute the acquirer's equity interest by exercising Rights to buy additional stock in the Company or, in certain cases, stock in the acquirer, at a substantial discount and may have the effect of deterring third parties from making takeover bids for control of the Company or may be used to hinder or delay a takeover bid thereby decreasing the chance of the stockholders of the Company realizing a premium over market price for their shares of Common Stock as a result of such bids. See "Risk Factors -- Anti-Takeover Provisions; Blank Check Preferred Stock." The Board of Directors may redeem the Rights at a nominal consideration if it considers the proposed acquisition of the Company to be in the best interests of the Company and its stockholders. Accordingly, the stockholder rights plan should not interfere with any merger or other business combination which has been approved by the Board of Directors. Any plan or arrangement which effectively requires an acquiring company to negotiate with the Company's management may be characterized as increasing such management's ability to maintain its position with the Company, including the approval of a transaction which provides less value to the stockholders while providing benefits to management.

CERTAIN CHARTER PROVISIONS AND LAWS

In addition to the stockholder rights plan and the Preferred Stock provisions described above, certain features of the Company's Certificate of Incorporation and By-laws and the General Corporation Law of the State of Delaware ("GCL"), which are further described below, may have the effect of

deterring third parties from making takeover bids for control of the Company or may be used to hinder or delay a takeover

bid thereby decreasing the chance of the stockholders of the Company realizing a premium over market price for their shares of Common Stock as a result of such bids.

Limitations on Stockholder Actions. The Certificate of Incorporation provides that stockholder action may only be taken at a meeting of the stockholders. Thus a holder of a majority of the voting power could not take action to replace the Board of Directors, or any class thereof, without a meeting of the stockholders nor could such a holder amend the By-laws without presenting the amendment to a meeting of the stockholders. Furthermore, under the provisions of the Certificate of Incorporation and By-laws of the Company, special meetings of the stockholders may only be called by the Board. Therefore, a stockholder, even one who holds a majority of the voting power, may neither replace sitting Board members nor amend the By-laws before the next annual meeting of stockholders.

Advance Notice Provisions. The Company's By-laws provide for an advance notice procedure for the nomination, other than by the Board, of candidates for election as directors as well as for other stockholder proposals to be considered at annual meetings of stockholders. In general, notice of intent to nominate a director or raise matters at meetings must be received by the Company not less than 120 days before the first anniversary of the mailing of the Company's proxy statement for the previous year's annual meeting, and must contain certain information concerning the person to be nominated or the matters to be brought before the meeting and concerning the stockholder submitting the proposal.

Delaware Law. The Company is subject to Section 203 of the GCL, which provides that a corporation may not engage in any business combination with an "interested stockholder" during the three years after he becomes an interested stockholder unless the corporation's board of directors approved in advance either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder; the interested stockholder owned at least 85 percent of the voting stock of the corporation outstanding at the time the transaction commenced; or the business combination is approved by the corporation's board of directors and the affirmative vote of at least two-thirds of the outstanding voting stock which is not owned by the interested stockholder. An interested stockholder is anyone who owns 15 percent or more of the outstanding voting stock of the corporation, or is an affiliate or associate of the corporation and was the owner of 15 percent or more of the outstanding voting stock of the corporation at any time within the previous three years; and the affiliates and associates of any such person. Under certain circumstances, Section 203 of the GCL makes it more difficult for an "interested stockholder" to effect various business combinations with a corporation for a three-year period, although the stockholders of a corporation may elect to exclude a corporation from the section's restrictions.

Classified Board. The Certificate of Incorporation and By-laws of the Company divide the Board into three classes with staggered three year terms. There are currently nine directors, three in each class. At each annual meeting of stockholders, the terms of one class of directors will expire and the newly nominated directors of that class will be elected for a term of three years. The Board will be able to determine the total number of directors constituting the full Board and the number of directors in each class, but the total number of directors may not exceed 17 nor may the number of directors in any class exceed six. Subject to these rules, the classes of directors need not have equal numbers of members. No reduction in the total number of directors or in the number of directors in a given class will have the effect of removing a director from office or reducing the term of any then sitting director. Stockholders may only remove directors for cause. If the Board increases the number of directors in a class, it will be able to fill the vacancies created for the full remaining term of a director in that class even though the term may extend beyond the next annual meeting. The directors will also be able to fill any other vacancies for the full remaining term of the director whose death, resignation or removal caused the vacancy.

A person who has a majority of the voting power at a given meeting will not in any one year be able to replace a majority of the directors since only one class of the directors will stand for election in any one year. As a result, at least two annual meeting elections will be required to change the majority of the directors by the requisite vote of stockholders. The purpose of classifying the Board is to provide for a continuing body, even in the face of a person who accumulates a sufficient amount of voting power, whether by

ownership or proxy or a combination, to have a majority of the voting power at a given meeting and who may seek to take control of the Company without paying a fair premium for control to all the holders of Common Stock. This will allow the Board time to negotiate with such a person and to protect the interests of the other stockholders who may constitute a majority of the shares not actually owned by such person. However, it may also have the effect of deterring third parties from making takeover bids for control of the Company or may be used to hinder or delay a takeover bid thereby decreasing the chance of the stockholders of the Company realizing a premium over market price for their shares of Common Stock as a result of such bids. See "Risk Factors -- Anti-Takeover Provisions; Blank Check Preferred Stock."

TRANSFER AGENT; RIGHTS AGENT

The transfer agent for the Common Stock and the rights agent for the stockholder rights plan is Continental Stock Transfer & Trust Company, 2 Broadway, New York, New York 10004; telephone (212) 509-4000.

INDEMNIFICATION

Section 145 of the General Corporation Law of the State of Delaware ("Section 145") provides that directors and officers of Delaware corporations may, under certain circumstances, be indemnified against expenses (including attorneys' fees) and other liabilities actually and reasonably incurred by them as a result of any suit brought against them in their capacity as a director or officer, if they acted in good faith and in a manner they reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, if they had no reasonable cause to believe their conduct was unlawful. Section 145 also provides that directors and officers may also be indemnified against expenses (including attorneys' fees) incurred by them in connection with a derivative suit if they acted in good faith and in a manner they reasonably believed to be in or not opposed to the best interests of the corporation, except that no indemnification may be made without court approval if such person was adjudged liable to the corporation.

Article V of the Company's By-laws has provisions requiring the Company to indemnify its officers, directors, employees and agents which are in substantially the same language as Section 145.

Article Nine, section (b), of the Company's Certificate of Incorporation further provides that no director will be personally liable to the Company or its stockholders for monetary damages or for any breach of fiduciary duty except for breach of the director's duty of loyalty to the Company or its stockholders, for acts or omissions not in good faith or involving intentional misconduct or a knowing violation of law, pursuant to Section 174 of the Delaware General Corporation Law (which imposes liability in connection with the payment of certain unlawful dividends, stock purchases or redemptions), or any amendment or successor provision thereto, or for any transaction from which the director derived an improper personal benefit.

Insofar as indemnification for liabilities arising under the Act may be permitted to directors, officers and controlling persons of the Company pursuant to the foregoing provisions, or otherwise, the Company has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable.

EXPERTS

The audited financial statements incorporated in this Prospectus have been so incorporated in reliance on the report of Coopers & Lybrand L.L.P., as

independent accountants, for the periods indicated in their report, given on the authority of such firm as experts in auditing and accounting.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The following documents filed with the Commission by the Company are incorporated in this Prospectus by reference:

1. The Company's Annual Report on Form 10-KSB for the fiscal year ended December 31, 1995 (Commission File Number 0-26520);

2. The Company's Quarterly Reports and amendments thereto on Form 10-QSB and Form 10-QSB/A for the fiscal quarters ended March 31, 1996, June 30, 1996, and September 30, 1996 (Commission File No. 0-26520);

3. The description of the Company's Common Stock, par value $.001 per share, contained in the Company's Registration Statement on Form 8-A, as amended by Amendment No. 6 (Commission File Number 0-26520);

4. The description of Rights to Purchase Series A Junior Participating Preferred Stock contained in the Company's Registration Statement on Form 8-A (Commission File No. 0-26520); and

5. All documents subsequently filed by the Company pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, prior to the termination of the offering of the securities hereunder.

Any statement contained in a document incorporated or deemed to be incorporated by reference in this Prospectus shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained in this Prospectus or in any other subsequently filed document which also is or is deemed to be incorporated by reference in this Prospectus modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.