UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

[X] QUARTERLY REPORT UNDER SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE QUARTERLY PERIOD ENDED: JUNE 30, 1999

OR

[ ] TRANSITION REPORT UNDER SECTION 13 OR 15 (d) OF THE EXCHANGE ACT
FOR THE TRANSITION PERIOD FROM _______TO________

COMMISSION FILE NUMBER: 0-26520

NEOPROBE CORPORATION
(Exact name of registrant as specified in its charter)

DELAWARE	31-1080091
(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification no.)

425 METRO PLACE NORTH, SUITE 300, DUBLIN, OHIO 43017
(Address of Principal Executive Offices)

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE: 614.793.7500

Indicate by check whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No
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23,047,644 SHARES OF COMMON STOCK, PAR VALUE $.001 PER SHARE
(Number of shares of issuer's common equity outstanding as of the close of business on August 11, 1999)

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

NEOPROBE CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

<TABLE>
<CAPTION>

ASSETS	JUNE 30, 1999	DECEMBER 31, 1998
<S>	<C>	<C>

Current assets:		
Cash and cash equivalents	$ 2,967,067	$ 3,054,936
Available-for-sale securities	-	448,563
Accounts receivable, net	1,725,346	2,069,633
Inventory	1,492,499	1,578,912
Prepaid expenses	391,636	720,420
Other current assets	41,833	147,008
Total current assets	6,618,381	8,019,472
Investment in affiliates	1,500,000	1,500,000
Property and equipment	3,077,052	3,073,931
Less accumulated depreciation and amortization	1,793,046	1,654,661
	1,284,006	1,419,270
Intangible assets, net	779,453	773,863
Other assets	800	281,594
Total assets	$ 10,182,640	$ 11,994,199

</TABLE>

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NEOPROBE CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS, CONTINUED

<TABLE>
<CAPTION>

LIABILITIES AND STOCKHOLDERS' EQUITY	JUNE 30, 1999	DECEMBER 31, 1998
<S>	<C>	<C>
Current liabilities:		
Line of credit	$ 1,000,000	$ 1,000,000
Notes payable to finance company	81,868	242,163
Capital lease obligations, current	101,018	99,539
Accounts payable	2,151,564	2,857,717
Accrued liabilities	1,836,342	2,813,321
Total current liabilities	5,170,792	7,012,740
Capital lease obligations	104,934	155,816
Total liabilities	5,275,726	7,168,556

Commitments and contingencies

Redeemable convertible preferred stock:

Series B; $.001 par value; 63,000 shares and 0 shares authorized at June 30, 1999 and December 31, 1998, respectively; 30,000 shares and 0 shares issued and outstanding at June 30, 1999 and December 31, 1998, respectively	1,852,025	-
Stockholders' equity:		
Preferred stock; $.001 par value; 5,000,000 shares authorized at June 30, 1999 and December 31, 1998; none issued and outstanding (500,000 shares designated as Series A, $.001 par value, at June 30, 1999 and and December 31, 1998; none outstanding)	-	-
Common stock; $.001 par value; 50,000,000 shares authorized; 23,032,910 shares issued and outstanding at June 30, 1999; 22,887,910 shares issued and outstanding at December 31, 1998	23,033	22,888
Additional paid-in capital	121,241,613	120,272,899
Accumulated deficit	(118,133,473)	(115,395,283)
Accumulated other comprehensive loss	(76,284)	(74,861)
Total stockholders' equity	3,054,889	4,825,643
Total liabilities and stockholders' equity	$ 10,182,640	$ 11,994,199

</TABLE>

See accompanying notes to consolidated financial statements

NEOPROBE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

<TABLE>
<CAPTION>

	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	1999	1998	1999	1998
<S>	<C>	<C>	<C>	<C>
Net sales	$ 1,914,650	$ 1,255,033	$ 3,825,621	$ 2,118,924
Cost of goods sold	657,270	340,584	1,276,923	565,057
Gross profit	1,257,380	914,449	2,548,698	1,553,867
Operating expenses:				
Research and development	351,961	3,172,738	814,296	7,926,727
Marketing and selling	1,134,620	1,122,537	2,257,422	2,218,514
General and administrative	810,999	1,325,814	1,816,225	2,751,654
Losses related to subsidiaries in liquidation	388,406	678,851	475,231	1,330,320
Total operating expenses	2,685,986	6,299,940	5,363,174	14,227,215
Loss from operations	(1,428,606)	(5,385,491)	(2,814,476)	(12,673,348)
Other income (expense):				
Interest income	21,331	195,365	47,990	449,456
Interest expense	(26,419)	(41,473)	(42,945)	(52,096)
Other	251	(29,457)	71,241	(48,680)
Total other income (expense)	(4,837)	124,435	76,286	348,680

Net loss	(1,433,443)	(5,261,056)	(2,738,190)	(12,324,668)
Conversion discount on preferred stock	-	-	1,795,775	-
Preferred stock dividend requirements	37,500	-	56,250	-
Loss attributable to common stockholders	$ (1,470,943)	$ (5,261,056)	$ (4,590,215)	$ (12,324,668)
Loss per common share (basic and diluted)	$ (0.06)	$ (0.23)	$ (0.20)	$ (0.54)
Weighted average shares outstanding during the period (basic and diluted)	22,972,910	22,824,342	22,960,700	22,793,243

</TABLE>

See accompanying notes to consolidated financial statements

NEOPROBE CORPORATION
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS

<TABLE>
<CAPTION>

	SIX MONTHS ENDED JUNE 30, 1999	1998
<S>	<C>	<C>
Net cash used in operating activities	$ (3,089,235)	$ (14,559,929)
Cash flows from investing activities:		
Purchases of available-for-sale securities	-	(1,738,512)
Proceeds from sales of available-for-sale securities	443,729	2,121,775
Maturities of available-for-sale securities	4,467	9,300,000
Purchases of property and equipment	(58,259)	(1,641,658)
Proceeds from sales of property and equipment	23,440	-
Patent costs	(17,767)	(314,102)
Net cash provided by investing activities	395,610	7,727,503
Cash flows from financing activities:		
Proceeds from issuance of common stock, net	145	196,298
Proceeds from issuance of redeemable convertible preferred stock, net	2,820,739	-
Proceeds from line of credit	-	700,000
Payments under line of credit	-	(275,750)
Payments under notes payable	(160,295)	(134,053)
Payments under capital leases	(49,403)	(80,836)
Proceeds from long-term debt	-	2,532,012
Net cash provided by financing activities	2,611,186	2,937,671

Effect of exchange rate changes on cash	(5,430)	(7,392)
Net decrease in cash and cash equivalents	(87,869)	(3,902,147)
Cash and cash equivalents at beginning of period	3,054,936	9,921,025
Cash and cash equivalents at end of period	$ 2,967,067	$ 6,018,878

</TABLE>

See accompanying notes to the consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PRESENTATION:

The information presented for June 30, 1999 and 1998, and for the periods then ended is unaudited, but includes all adjustments (which consist only of normal recurring adjustments) which the management of Neoprobe Corporation (the "Company") believes to be necessary for the fair presentation of results for the periods presented. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to the rules and regulations of the Securities and Exchange Commission. The results for the interim period are not necessarily indicative of results to be expected for the year. The financial statements should be read in conjunction with the Company's audited financial statements for the year ended December 31, 1998, which were included as part of the Company's Annual Report on Form 10-K, as amended. Certain 1998 amounts have been reclassified to conform with the 1999 presentation.

2. COMPREHENSIVE INCOME (LOSS): Other comprehensive income (loss) consists of the following:

<TABLE>
<CAPTION>

<S>	THREE MONTHS ENDED JUNE 30, 1999 <C>	THREE MONTHS ENDED JUNE 30, 1998 <C>	SIX MONTHS ENDED JUNE 30, 1999 <C>	SIX MONTHS ENDED JUNE 30, 1998 <C>
Net loss	$1,433,443	$5,261,056	$2,738,190	$12,324,668
Foreign currency translation adjustment	440	(2,397)	1,204	10,022
Unrealized (gains) losses on securities	-	(8,202)	219	(11,432)
Other comprehensive loss	$1,433,883	$5,250,457	$2,739,613	$12,323,258

</TABLE>

3. INVENTORY:

The components of inventory are as follows:

<TABLE>
<CAPTION>

	JUNE 30, 1999	DECEMBER 31, 1998

<S>	<C>	<C>
Materials and component parts	$ 275,073	$ 277,505
Finished goods	1,217,426	1,301,407
	$1,492,499	$ 1,578,912

</TABLE>

4. EQUITY:

a. PRIVATE PLACEMENT: On February 16, 1999, the Company executed a Preferred Stock and Warrant Purchase Agreement (the "Purchase Agreement") to complete the private placement of 30,000 shares of 5% Series B Convertible preferred stock (the "Series B") for gross proceeds of $3 million ($2.8 million, net of transaction costs). The Series B have a $100 per share stated value and are convertible into common stock of the Company. In connection with the private placement, the Company also

issued 2.9 million shares of warrants to purchase common stock of the Company at an initial exercise price of $1.03 per share.

The Company is required to pay a cumulative 5% annual dividend on the Series B. Dividends accrue daily and are payable on each six-month and one-year anniversary of the initial closing. Neoprobe has the option of paying these dividends in cash or in shares of common stock. On any day the common stock trades below $0.55 per share, the annual dividend rate will be 10%. The dividends are recorded as incremental yield to the preferred stockholders in the Company's loss per share calculation and are included in the carrying value of the Series B at June 30, 1999.

Generally, each share of the Series B may be converted, at the option of the owner, into the number of shares of common stock calculated by dividing the sum of $100 and any unpaid dividends on the share of Series B by the conversion price. The initial conversion price of the Series B sold is $1.03 per share of common stock. If, on February 16, 2000, the market value of common stock is less than $1.03, the conversion price will be reset to the market value of a share of common stock on February 16, 2000, but not less than $0.515. If the market value of common stock is less than $1.03, the conversion price will be the average of the three lowest closing bid prices for a share of common stock during the previous 10 trading days. The Company may refuse to convert a share of Series B that the Company sold if its conversion price is less than $0.55. However, if the conversion price of a share is less than $0.55 for more than 60 trading days in any 12-month period, then the Company must either convert a share at the share's conversion price or pay the owner cash based on the highest closing price for common stock during the period from the date of the owner's conversion request until the payment. The conversion price may also be adjusted to prevent dilution of the economic interests of the owners of Series B in the event certain other equity transactions are consummated by the Company. The exercise price of the warrants is also subject to adjustment based on terms defined in the Agreement, subject to a floor price of $0.62 per share.

Holders of the Series B have certain liquidation preferences over other stockholders under certain provisions as defined in the Purchase Agreement and have the right to cast the same number of votes as if the owner had converted on the record date.

Under certain conditions, the Company may be obligated to redeem outstanding shares of Series B for $120 per share. Conditions under which redemption may be required include: failure to meet

filing deadlines for a registration statement for common stock into which the Series B may be converted, a material breach of the Purchase Agreement, delisting from the NASDAQ Stock Market, a material qualification of the audit opinion on the consolidated financial statements, or the liquidation or merger of the Company or the sale of substantially all of the Company's assets.

The Company obtained a waiver from the holders of the Series B of the redemption requirements associated with the issuance by the Company's auditors of a going concern opinion on the Company's consolidated financial statements for the year ended December 31, 1998. However, on July 28, 1999, the NASDAQ Stock Market, Inc. delisted the Company's common stock from the NASDAQ National Market System ("NASDAQ NMS"). Management believes that as a result of events which occurred subsequent to June 30, 1999, the holders of the Series B Preferred Stock (the "Series B holders") have the option to request

redemption of the Series B. If the Series B holders decide to request redemption, the Purchase Agreement would appear to require that the Company pay the Series B holders approximately $3.6 million.

Pursuant to the private placement, the Company signed a financial advisory agreement with the placement agent providing the agent with the right to purchase 1,500 shares of Series B convertible into common stock, initially at $1.03 per share, and warrants to purchase 145,631 shares of common stock of the Company initially exercisable at $1.03 per share. Both the Series B and the warrants issuable under the financial advisory agreement are subject to repricing features similar to the outstanding Series B and related warrants. In addition, the Company agreed to pay the agent a monthly financial advisory fee and success fees based on certain investment transactions consummated during the 24-month term of the agreement, if any.

The Series B and the related warrants issued were recorded at the amount of gross proceeds less the costs of the financing based upon their relative fair values. The preferred stock, due to its redemption provisions, is classified as mezzanine financing above the stockholders' equity section on the balance sheet. The calculated conversion price at February 16, 1999, the first available conversion date, was $1.03 per share. In accordance with the FASB's Emerging Issues Task Force Topic D-60, the difference between this conversion price and the closing market price of $1.81 on February 16, 1999, not to exceed the amount allocated to the preferred stock, was reflected as incremental yield to the preferred stockholders in the Company's loss per common share calculation for the quarter ended March 31, 1999. Additional amounts will be accreted to the preferred stock, up to redemption value, in the event that an event of redemption is assessed as probable on the balance sheet date. If required to redeem the Series B, the Company would record a charge of approximately $1.8 million (or approximately $0.08 per share). Management of the Company does not believe an event was probable as of June 30, 1999 to require the accretion of additional amounts up to the redemption value (See Note 7(a).).

b. STOCK OPTIONS: During the first quarter of 1999, the Board granted options to employees and certain directors of the Company under the 1996 Stock Incentive Plan (the "Plan") for 412,500 shares of common stock, exercisable at $1.25 per share, vesting over three to four years. During the second quarter of 1999, the Board of Directors granted 105,000 options to non-employee directors under the Plan, exercisable at $0.72 per share, in lieu of waived cash compensation. As of June 30, 1999, the Company has 1.4 million options outstanding under two stock option plans. Of the outstanding options, 599,000 options have vested as of June 30, 1999, at an average exercise price of $6.56 per share.

5. SEGMENTS AND SUBSIDIARIES INFORMATION:

Prior to the changes in the Company's business plan made starting in early 1998 and continuing through June 30, 1999, the Company's business was operated based on product development initiatives started under the Company's prior business plan. These strategic initiatives originally included development and commercialization of: hand-held gamma detection instruments currently used primarily in the application of Intraoperative Lymphatic Mapping ("ILM"), diagnostic radiopharmaceutical products to be used in the Company's proprietary RIGS(R) (radioimmunoguided surgery) process, and Activated Cellular Therapy ("ACT"). The Company's current business plan focuses primarily on the hand-held gamma detection

instruments while efforts are carried out to find partners or licensing parties to fund RIGS and ACT research and development.

The Company's United States operations included activities for 1998 and prior years that benefited all three strategic initiatives. The suspended RIGS initiative included the operations of the Company's two subsidiaries, Neoprobe Europe AB ("Neoprobe Europe") and Neoprobe Israel. Neoprobe Europe was acquired in 1993 primarily to perform a portion of the manufacturing process of the monoclonal antibody used in the first RIGS product to be used for colorectal cancer, RIGScan CR49. Neoprobe Israel was founded to radiolabel RIGScan CR49. Neoprobe Europe and Neoprobe Israel also both performed limited research and development activities related to the Company's RIGS process on behalf of the Company. Under SFAS No. 131, neither subsidiary has been considered a segment. Both Neoprobe Europe and Neoprobe Israel have been accounted for under the liquidation method of accounting as of December 31, 1998. The results of the operations of Neoprobe Europe and Neoprobe Israel for 1998, as well as the effects of adjustment of their related assets in conformity with the liquidation basis of accounting, have been reclassified from prior year presentations to be presented as losses relating to subsidiaries in liquidation in the consolidated statements of operations. Accordingly, the consolidated balance sheet at June 30, 1999, includes $96,000 in current assets of Neoprobe Israel at their net realizable value and $893,000 in liabilities at the amounts expected to settle the obligations due.

The information in the following table is derived directly from the segments' internal financial reporting used for corporate management purposes. The expenses attributable to corporate activity, including amortization and interest, and other general and administrative costs are not allocated to the individual segments.

Three months ended June 30, 1999 and 1998

<TABLE>
<CAPTION>

($ AMOUNTS IN THOUSANDS)	THREE MONTHS ENDED JUNE 30, 1999				
	RIGS	ILM	ACT	UNALLOCATED	TOTAL
<S>	<C>	<C>	<C>	<C>	<C>
Revenue					
U.S. customers	$ -	$ 1,557	$ -	$ -	$ 1,557
International customers	-	358	-	-	358
Research and development expenses	-	352	-	-	352
Marketing and selling expenses	-	1,135	-	-	1,135
General and administrative expenses	-	-	-	811	811
Losses related to subsidiaries in liquidation	388	-	-	-	388
Other income	-	-	-	(5)	(5)

THREE MONTHS ENDED JUNE 30, 1998

	RIGS	ILM	ACT	UNALLOCATED	TOTAL
	----	---	---	-----------	-----
Revenue					
U.S. customers	$ -	$ 1,255	$ -	$ -	$ 1,255
International customers	-	-	-	-	-
Research and development expenses	2,427	243	503	-	3,173
Marketing and selling expenses	-	1,123	-	-	1,123
General and administrative expenses	-	-	-	1,326	1,326
Losses related to subsidiaries in liquidation	679	-	-	-	679
Other income	-	-	-	124	124

</TABLE>

Six months ended June 30, 1999 and 1998

<TABLE>
<CAPTION>
($ AMOUNTS IN THOUSANDS) SIX MONTHS ENDED JUNE 30, 1999

	RIGS	ILM	ACT	UNALLOCATED	TOTAL
	----	---	---	-----------	-----
<S>	<C>	<C>	<C>	<C>	<C>
Revenue					
U.S. customers	$ -	$2,878	$ -	$ -	$2,878
International customers	-	948	-	-	948
Research and development expenses	-	814	-	-	814
Marketing and selling expenses	-	2,257	-	-	2,257
General and administrative expenses	-	-	-	1,816	1,816
Losses related to subsidiaries in liquidation	475	-	-	-	475
Other income	-	-	-	76	76

SIX MONTHS ENDED JUNE 30, 1998

	RIGS	ILM	ACT	UNALLOCATED	TOTAL
	----	---	---	-----------	-----
Revenue					
U.S. customers	$ -	$1,960	$ -	$ -	$1,960
International customers	-	159	-	-	159
Research and development expenses	5,018	2,020	889	-	7,927
Marketing and selling expenses	-	-	-	2,219	2,219
General and administrative expenses	-	-	-	2,752	2,752
Losses related to subsidiaries in liquidation	1,330	-	-	-	1,330
Other income	-	-	-	349	349

</TABLE>

6. AGREEMENTS:

In April 1998, the Company executed a non-exclusive Sales and Marketing Agreement with Ethicon Endo-Surgery, Inc. ("EES"), a Johnson & Johnson company, to market and promote certain of the Company's line of hand-held gamma detection instruments. On January 29, 1999, the Company provided EES with notice of the Company's intent to terminate the Agreement effective March 1, 1999.

Effective February 1, 1999, the Company executed a Sales and Marketing Agreement with KOL BioMedical Instruments, Inc. ("KOL") to market the Company's current and future gamma guided surgery products in the U.S. In exchange for marketing and selling the products and providing customer training, KOL will receive commissions on net sales of applicable products and milestone payments on the achievement of certain levels of product sales. The term of the agreement is indefinite with provisions for both parties to terminate with a minimum of six months notice under certain conditions such as non-performance or without cause. However, if terminated by the Company without cause or because of a change of control of the Company, KOL is entitled to receive a termination fee of 15% based on monthly net sales for a maximum of twenty-four months, and the Company is required to buy back,

at a discount, demonstration units purchased by KOL during the nine-month period preceding termination.

7. CONTINGENCIES:

a. POTENTIAL REDEMPTION OF SERIES B: On July 28, 1999, the NASDAQ Stock Market, Inc. delisted the Company's common stock from the NASDAQ NMS. Management believes that as a result of events which occurred subsequent to June 30, 1999, the holders of the Series B have the option to request redemption of the Series B. If the Series B holders decide to request redemption, the Purchase Agreement appears to require that the Company pay the Series B holders approximately $3.6 million.

Management of the Company has approached the holders of the Series B in an attempt to restructure the Series B transaction.

Management of the Company does not believe an event was probable as of June 30, 1999 to require the accretion of additional amounts above the currently recorded book value of the Series B of $1.8 million. Based on events subsequent to June 30, 1999, including management's attempt to restructure the Series B transaction, management believes that the Company is likely to either redeem, convert or restructure the Series B in such a fashion that would result in the Company recording a charge of up to $1.8 million (or approximately $0.08 per share)to bring the recorded book value of the Series B up to a potential settlement value. However, there can be no assurances that the Company will be able to restructure the Series B transaction at terms acceptable to the Company or at all. Management's believes the best estimate of the potential settlement value to be an amount consistent with the $3.6 million redemption value stipulated in the Purchase Agreement.

b. NEOPROBE ISRAEL: Pursuant to the Company's decision to liquidate Neoprobe Israel, management of the Company believes Neoprobe Israel may be subject to claims from the State of Israel, a bank, and various vendors (collectively, the "Creditors"). The Company continues to negotiate with the aforementioned parties and continues to believe its only contractual obligation related to Neoprobe Israel relates to the limited amount guarantee which is fully secured through restricted cash and investments. However, it is possible that the Creditors would seek to pursue claims against the Company related to potential defaults on the part of Neoprobe Israel under a judicial doctrine generally referred to as "piercing the corporate veil." In the event the Creditors were successful in making a claim under this judicial doctrine, the Company may be required to pay liabilities of Neoprobe Israel of approximately $6 million. Payment of such an amount would deplete the Company's cash, and the Company might not be able to continue operations. Management believes, based on advice from counsel, that it is unlikely that parties would prevail if such claims were brought against the Company. As such, no provision for such a contingent loss has been recorded at June 30, 1999.

8. LIQUIDITY:

The Company has experienced significant operating losses in each year since inception, and has an accumulated deficit of approximately $118 million as of June 30, 1999. Over the past twelve to eighteen months, the Company has made significant changes to its business plan as a result of unfavorable feedback from regulatory authorities regarding marketing applications for RIGScan CR49. The Company's previous business plan involved the expenditure of significant amounts of funds to finance research and development for the Company's RIGS and ACT initiatives. These expenditures severely depleted the Company's cash position. As of June 30, 1999, the Company had cash and cash equivalents of $2.9 million. Of this amount, approximately $1.0 million is pledged as security associated with the Company's revolving line of credit, and $1.0 million is restricted related to the debt outstanding under the financing program for the construction of Neoprobe Israel's

radiolabeling facility. At June 30, 1999, the Company had access to approximately $900,000 in unrestricted funds to finance its operating activities for the remainder of 1999.

Management of the Company expects, based on the execution of a letter of intent (the "LOI") signed with a major multi-national corporation to distribute the Company's line of gamma guided surgery products (See Note 9.), that the Company's liquidity position will be significantly improved and the Company will be able to achieve its previously stated goal of quarterly profitability by the fourth quarter of 1999. However, there can be no assurance that the Company will be able to satisfactorily complete a definitive agreement on terms consistent with the LOI, on a timely basis, or at all, or if completed that the definitive agreement will result in profitable operations. The Company has also significantly reduced operating expenses under the current business plan as compared to the previous plan which was heavily focused on radiopharmaceutical research and development activities. The Company is actively pursuing other sources of improving its projected liquidity position. Potential sources of capital include, but are not limited to, the sale of non-strategic assets. However, there can be no assurances that the Company will be able to obtain additional capital on a timely basis, in the amounts required, at terms acceptable to the Company, or at all.

9. SUBSEQUENT EVENT:

On August 10, 1999, the Company executed a non-binding letter of intent (the "LOI") with a major multi-national corporation (the "Counterparty") to market and distribute the Company's line of gamma guided surgical products into certain global markets. The Company hopes to complete a definitive agreement within 60 days of the execution of the LOI. If a definitive agreement is reached on terms consistent with the LOI, the Company will receive an upfront payment and the Counterparty will be required to purchase minimum quantities of the Company's products over the anticipated multi-year term of the agreement. However, a definitive agreement is contingent upon the Counterparty's due diligence. There can be no assurance that the Company will be able to satisfactorily complete a definitive agreement on terms consistent with the LOI, on a timely basis, or at all, or if completed that the definitive agreement will affect the Company's financial position and results of operations as positively as anticipated.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The statements contained in this Management Discussion and Analysis of Financial Condition and Results of Operations and other parts of this Report that are not purely historical or which might be considered an opinion or projection concerning the Company or its business, whether express or implied, are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements may include statements regarding the Company's expectations, intentions, plans or strategies regarding the future which involve risks and uncertainties. All forward-looking statements included in this document are based on information available to the Company on the date hereof, and the Company assumes no obligation to update any such forward looking statements. It is important to note that the Company's actual results in 1999 and future periods may differ significantly from the prospects discussed in the forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, limited revenues, continuing net losses, accumulated deficit, future capital needs, uncertainty of capital funding, competition, limited marketing experience, limited manufacturing experience, dependence on principal product line, uncertainty of market acceptance, patents, proprietary technology and trade secrets, government regulation, risk of technological obsolescence, limited third party reimbursement, product liability, need to manage a changing business, possible volatility of stock, anti-takeover provisions, dependence on key personnel, and no dividends.

LIQUIDITY AND CAPITAL RESOURCES

Operating Activities. Through June 30, 1999, the Company's activities have resulted in an accumulated deficit of $118 million. Substantially all of the Company's efforts and resources to-date have been devoted to research and clinical development of innovative systems for the intraoperative diagnosis and treatment of cancers. These efforts were principally related to the Company's proprietary RIGS system; however, efforts since 1997 also included activities related to development of ILM-related products. Over the past eighteen months, the Company has significantly reduced operating expenses under the current business plan as compared to the previous plan which was heavily focused on radiopharmaceutical research and development activities. To-date, the Company's activities have been financed primarily through the public and private sale of equity securities.

During the first half of 1999, the Company has continued to reduce operating expenses in order to support the Company's goals of achieving operating profitability. During the first half of 1999, inventory and receivable levels remained relatively consistent with the end of 1998 based primarily on the consistent level of sales achieved over the last three quarters. Should the Company be successful in consummating a definitive agreement with a strategic partner for the global

distribution of its gamma guided surgery products, the Company expects inventory and receivables levels to decline over time as the strategic relationship progresses.

Investing Activities. The Company's investing activities during the first half of 1999 involved primarily the sale of certain available-for-sale securities to fund operations. The Company engaged in similar activities in 1998. However, in the first half of 1998, the Company made significant capital expenditures on construction at Neoprobe Israel. Neoprobe Israel was founded by the Company and Rotem Industries Ltd. ("Rotem") in 1994 to construct and operate a radiolabeling facility near Dimona, Israel. Rotem, the private arm of the Israeli atomic energy authority, currently has a 5% equity interest in Neoprobe Israel and has the right to acquire an additional 4% under certain conditions related to the completion of the facility. Based on the status of the Company's marketing applications in the U.S. and Europe, and the Company's inability to find a development partner for its RIGS products, the Company decided during 1998 to suspend construction and validation activities at Neoprobe Israel. Following suspension of RIGS development activities at Neoprobe Israel and unsuccessful attempts to market the facility, the Company initiated actions during the fourth quarter of 1998 to liquidate Neoprobe Israel. The Company, therefore, adopted the liquidation basis of accounting for Neoprobe Israel as of December 31, 1998. As the Company may relinquish ownership of the facility to the bank if a suitable buyer cannot be found on a timely basis, the Company has written down the value of the fixed assets of the facility and reduced the recorded balance of the related debt to zero on the basis that the bank would assume ownership of the facility under the collateralization terms of the debt agreement. Accordingly, the consolidated balance sheet at June 30, 1999 includes $96,000 in current assets of Neoprobe Israel at their net realizable value and $893,000 in liabilities at the amounts expected to settle the obligations due.

Financing Activities. On February 16, 1999, the Company completed the private placement of $3.0 million of convertible preferred stock (i.e., the Series B). Under certain conditions, the Company may be obligated to redeem outstanding shares of Series B for $120 per share or a total of $3.6 million. Conditions under which redemption may be required include: failure to meet filing deadlines for a registration statement for common stock into which the Series B may be converted, a material breach of the purchase agreement, delisting from the NASDAQ Stock Market, a material qualification of the audit opinion on the consolidated financial statements, or the liquidation or merger of the Company or the sale of substantially all of the assets of the Company.

The Company obtained a waiver from the holders of the Series B of the redemption requirements associated with the issuance by the Company's auditors of a going concern opinion on the Company's consolidated financial statements for the year ended December 31, 1998. However, on July 28, 1999, the NASDAQ Stock Market, Inc. delisted the Company's common stock from the NASDAQ NMS. As a result of

events which occurred subsequent to June 30, 1999, the holders of the Series B have the option to request redemption of the Series B. If the Series B holders decide to request redemption, the Company would be required to pay the Series B holders approximately $3.6 million. As of June 30, 1999, the Company does not have adequate funds to repay the redemption amount, if requested. Management of the Company has approached the holders of the Series B in an attempt to restructure the Series B transaction. Management of the Company does not believe an event was probable as of June 30, 1999 to require the accretion of additional amounts above the currently recorded book value of the Series B of $1.8 million. Based on events subsequent to June 30, 1999, including management's attempt to restructure the Series B transaction, management believes that the Company is likely to either redeem, convert or restructure the Series B in such a fashion that would result in the Company recording a charge of approximately $1.8 million (or approximately $0.08 per share) to bring the recorded book value of the Series B up to a potential settlement value.

Management's believes the best estimate of the potential settlement value to be an amount consistent with the $3.6 million redemption value stipulated in the Purchase Agreement.

Operational Outlook. The Company's only approved products are instruments and related products used in gamma guided surgery. The Company does not currently have a RIGS drug or ACT product approved for commercial sale in any major market. On August 10, 1999, the Company executed a non-binding letter of intent (the "LOI") with a major multi-national corporation (the "Counterparty") to market and distribute the Company's line of gamma guided surgical products into certain global markets. The Company hopes to complete of a definitive agreement within 60 days of the execution of the LOI. If a definitive agreement is reached on terms consistent with the LOI, the Company will receive an upfront payment and the Counterparty will be required to purchase minimum quantities of the Company's products over the anticipated multi-year term of the agreement. However, there can be no assurance that the Company will be able to satisfactorily complete a definitive agreement on terms consistent with the LOI, on a timely basis, or at all, or if completed that the definitive agreement will affect the Company's financial position and results of operations as positively as anticipated.

Based on the Company's current business plan that focuses Company resources on ILM through its relationship with the Counterparty, the Company currently anticipates sales activities may begin to generate positive cash flow from operations during the fourth quarter of 1999. However, there can be no assurance that the Company will be able to satisfactorily complete a definitive agreement on terms consistent with the LOI, on a timely basis, or at all, or if completed that the definitive agreement will affect the Company's financial position and results of operations as positively as anticipated.

As of June 30, 1999, the Company had cash and cash equivalents of $2.9 million. Of this amount, approximately $1.0 million is pledged as security associated with the Company's revolving line of credit and $1.0 million is restricted related to the debt outstanding under the financing program for the construction of Neoprobe Israel's radiolabeling facility. At June 30, 1999, the Company had access to approximately $900,000 in unrestricted funds to finance its operating activities for the remainder of 1999. The Company expects to continue to experience cost savings during the remainder 1999 as a result of modifications to its business plan during 1998 regarding RIGS and ACT. The Company is also attempting to sell approximately $1.5 million in non-strategic assets. However, there can be no assurance that these assets will be sold during 1999, on terms acceptable to the Company, or at all. If the Company does not receive adequate funds from the aforementioned sources, it may need to further modify its business plan and seek other financing alternatives. Such alternatives may include asset dispositions that could force the Company to further change its business plan.

At December 31, 1998, the Company had U.S. net operating tax loss carryforwards of approximately $95.5 million to offset future taxable income through 2018. Additionally, the Company has U.S. tax credit carryforwards of approximately $3.3 million available to reduce future income tax liability through 2018. Under Sections 382 and 383 of the Internal Revenue Code of 1986, as amended, use of prior tax loss and credit carryforwards is limited after an ownership change. As a result of ownership changes as defined by Sections 382 and 383, which have occurred at various points in the Company's history, management believes

utilization of the Company's tax loss carryforwards and tax credit carryforwards may be limited. The Company's international subsidiaries also have net operating operating tax loss carryforwards in their respective foreign jurisdictions. However, as the Company is in the process of liquidating its interests in both foreign subsidiaries as of December 31, 1998, the Company does not anticipate that the foreign loss carryforwards will ever be utilized.

Impact of Recent Accounting Pronouncements. In June 1998, the Financial Accounting Standard Board issued Statement of Financial Accounting Standards ("SFAS") No. 133, Accounting for Derivative Instruments and Hedging Activities. SFAS No. 133 was originally required to be adopted in years beginning after June 15, 1999; however SFAS No. 137 deferred the effective date to fiscal quarters beginning after June 15, 2000. The Company expects to adopt SFAS No. 133 effective July 1, 2000. The Statement will require companies to recognize all derivatives on the balance sheet at fair value. Derivatives that are not hedges must be adjusted to fair value through income. If

a derivative is a hedge, depending on the nature of the hedge, changes in the fair value of the derivative will either be offset against the change in fair value of the hedge asset, liability or firm commitment through earnings, or recognized in other comprehensive income until the hedge item is recognized in earnings. The ineffective portion of a derivative's change in fair value will be immediately recognized in earnings. The Company does not anticipate that the adoption of this Statement will have a significant effect on its results of operations or financial position.

Y2K. As many computer systems and other equipment with embedded chips or processors (collectively, "Business Systems") use only two digits to represent the year, they may be unable to process accurately certain data before, during or after the year 2000. As a result, business and governmental entities are at risk for possible miscalculations or system failures causing disruptions in their business operations. This is commonly known as the Year 2000 ("Y2K") issue. The Y2K issue can arise at any point in the Company's supply, manufacturing, distribution, and financial chains. The Company is in the process of implementing an assessment and readiness plan with the objective of having all its significant internal Business Systems functioning properly with respect to the Y2K issue before January 1, 2000, and minimizing the possible disruptions to the Company's business which could result from the Y2K problem.

As part of its readiness plan, the Company has conducted a company-wide assessment of its Business Systems to identify elements that are not Y2K compliant. Based on the results of the assessment, the Company continues to believe that the majority of its critical Business Systems, most of which have been purchased and installed in recent years, are Y2K compliant. The Company's internal Business Systems do not have internally generated programmed software coding to correct, as substantially all of the software utilized by the Company has been recently purchased or licensed from external vendors. The Company intends to complete ongoing comprehensive testing of its Business Systems during the third quarter of 1999.

Those Business Systems that are not presently Y2K compliant are anticipated to be replaced, upgraded or modified in the normal replacement cycle prior to 2000. The Company estimates the total cost to the Company of completing any required modifications, upgrades, or replacements of its internal systems to be approximately $20,000, the majority of which has been incurred as of June 30, 1999. The Company does not believe the costs incurred to-date or remaining anticipated costs associated with its Y2K readiness plan have had or will have a material adverse effect on the Company's business. This estimate is being monitored and will be revised, as additional information becomes available.

The Company also continues communications with third parties whose Business Systems functionality could impact the Company. These communications will facilitate coordination of Y2K solutions and will permit the Company to determine the extent of which it may be vulnerable to failures of third parties to address their own Y2K issues. Because the manufacturing and distribution of the Company's products are almost entirely outsourced to other entities, the failure of these third parties to achieve Y2K compliance could have a material impact on the Company's business, financial position, results of operations and

cash flows. The Company has attempted, where possible, to establish contractual requirements or request certification or other assurances regarding Y2K compliance by such third parties. However, the Company has limited control over the actions of these third parties on which the Company directly or indirectly places reliance. There can be no guarantee that such systems that are not now Y2K compliant will be timely converted to Y2K compliance.

The Company has also assessed the potential Y2K related exposure it may have with respect to gamma detection instrumentation which it has delivered to customers. The Company does not believe products it has distributed, to date or that may be distributed in the future, face any significant Y2K problems which will affect their functionality or utility by the customer. The Company provides assurances of the Y2K compliance of its products to customers at the time of sale.

The Company is in the process of developing a contingency plan with respect to the Y2K issue and intends to complete such a plan during the third quarter 1999 as part of its ongoing Y2K compliance effort.

The foregoing assessment of the impact of the Y2K problem on the Company is based on management's best estimates at the present time and could change substantially. The assessment is based on numerous assumptions as to future events. There can be no guarantee that these estimates will prove accurate, and actual results could differ from those estimates if these assumptions prove inaccurate.

RESULTS OF OPERATIONS

Since inception, the Company has dedicated substantially all of its resources to research and development of its RIGS technology for the intraoperative diagnosis and treatment of cancer. Until the appropriate regulatory approvals are received, the Company is limited in its ability to generate revenue from these sources.

Research and development expenses during the first half of 1999 were $814,000, or 15% of operating expenses. Marketing and selling expenses were $2.3 million, or 42% of operating expenses, and general and administrative expenses were $1.8 million, or 34% of operating expenses. Overall, operating expenses for the first half of 1999 decreased $8.9 million or 62% over the same period in 1998. The Company anticipates that total operating expenses for the remainder of 1999 will also decrease from 1998 levels. The Company expects research and development and general and administrative expenses to decrease from 1998 levels as a result of the modifications to the business plan adopted during 1998. Marketing expenses, as a percentage of sales, decreased to 59% of sales for the first half of 1999 from 105% of sales for the same period in 1998. The Company expects marketing and selling expenses for the remainder of 1999 to increase from 1998 levels although such expenses are expected to continue to decrease as a percentage of sales.

Three months ended June 30, 1999 and 1998

Revenues and Margins. Net sales increased $660,000 or 53% to $1.9 million during the second quarter of 1999 from $1.3 million during the same period in 1998. Sales during both periods were comprised almost entirely of sales of the Company's hand-held gamma detection instruments. Instrument sales increased as a result of the introduction during the fourth quarter of 1998 of the neo2000(TM) system and the continuing growth of the lymphatic mapping technique. Gross margins decreased to 66% of net sales in the second quarter of 1999 from 73% during the same period in 1998 due to a higher proportion of sales made in 1999 under various distributor arrangements which were not in place in 1998.

Research and Development Expenses. Research and development expenses decreased $2.8 million or 89% to $352,000 during the second quarter of 1999 from $3.2 million during the same period in 1998. Over $2.4 million of the decrease can be primarily attributed to changes to the Company's business plan implemented during 1998 which suspended substantially all research and development

activities related to the Company's RIGS and ACT initiatives. Expenses during the second quarter of 1999 did include a non-cash write-off of approximately $218,000 in capitalized pre-production written off as a result of recent accounting recommendations issued by the EITF.

Marketing and Selling Expenses. Marketing and selling expenses were consistent between the periods increasing only $12,000 or 1% during the second quarter of 1999 compared to the same period in 1998. However, marketing expenses, as a percentage of sales, decreased to 59% of sales for the second quarter of 1999 from 89% of sales for the same period in 1998. These results reflect lower internal marketing expense levels during the second quarter of 1999 as compared to the same period in 1998 offset by increases in marketing partner commissions over the same periods.

General and Administrative Expenses. General and administrative expenses decreased $515,000 or 39% to $811,000 during the second quarter of 1999 from $1.3 million during the same period in 1998. The decrease was primarily a result reductions in headcount and other overhead costs such as space costs, taxes and insurance.

Other Income. Other income decreased $129,000 or 104% to a loss of $5,000 during the second quarter of 1999 compared to other income of $124,000 during the same period in 1998. Other loss during the second quarter of 1999 consisted primarily of net interest expense in excess of interest income, while other income during the second half of 1998 consisted primarily of interest income. The Company's interest income declined due to overall average levels of investments during the second quarter of 1999 as compared to the same period of 1998.

Losses related to subsidiaries in liquidation. The costs decreased $290,000 or 43% to $388,000 during the second quarter of 1999 from $679,000 during the same period in 1998. During 1999, the charges relate to interest and other overhead costs incurred during the wind-down process. Costs in 1998 represent the reclassified costs of operating the Company's two international subsidiaries prior to the decision to shutdown and liquidate the two companies.

Six months ended June 30, 1999 and 1998

Revenues and Margins. Net sales increased $1.7 million or 81% to $3.8 million during the first half of 1999 from $2.1 million during the same period in 1998. Sales during both periods were comprised almost entirely of sales of the Company's hand-held gamma detection instruments. Instrument sales increased as a result of the introduction during the fourth quarter of 1998 of the neo2000(TM) system and the continuing growth of the lymphatic mapping technique. Gross margins decreased to 67% of net sales in the first half of 1999 from 73% during the same period in 1998 due to a higher proportion of sales made in 1999 under various distributor arrangements which were not in place in 1998.

Research and Development Expenses. Research and development expenses decreased $7.1 million or 90% to $814,000 during the first half of 1999 from $7.9 million during the same period in 1998. Approximately $5.9 million of the decrease is primarily a result of changes to the Company's business plan implemented during 1998 which suspended substantially all research and development activities related to the Company's RIGS and ACT initiatives. An additional $1.2 million of the decrease is due to expenses incurred during the first half of 1998 related to the neo2000 system and related devices which were commercially launched during the fourth quarter of 1998. Expenses during the first half of 1999 did include a non-cash write-off of approximately $218,000 in capitalized pre-production written off as a result of recent accounting recommendations issued by the EITF.

Marketing and Selling Expenses. Marketing and selling expenses increased $39,000 or 2% during the first half of 1999 compared to the same period in 1998. However, marketing expenses, as a percentage of sales, decreased to 59% of sales for the first half of 1999 from 105% of sales for the same period in 1998. These

results reflect lower internal marketing expense levels during the first half of 1999 as compared to the same period in 1998 offset by increases in marketing partner commissions over the same periods.

General and Administrative Expenses. General and administrative expenses decreased $935,000 or 34% to $1.8 million during the first half of 1999 from $2.8 million during the same period in 1998. The decrease was primarily a result reductions in headcount and other overhead costs such as space costs, taxes and insurance.

Other Income. Other income decreased $272,000 or 78% to $76,000 during the first half of 1999 from $349,000 during the same period in 1998. Other income during the first half of 1999 consisted primarily of gains from settlement of liabilities at less than their face value, while other income during the first half of 1998 consisted primarily of interest income. The Company's interest income declined due to overall average levels of investments during the first half of 1999 as compared to the same period of 1998.

Losses related to subsidiaries in liquidation. The costs decreased $855,000 or 64% to $475,000 from $1.3 million during the same period in 1998. During 1999, the charges relate to interest and other overhead costs incurred during the wind-down process. Costs in 1998 represent the reclassified costs of operating the Company's two international subsidiaries prior to the decision to shutdown and liquidate the two companies.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company does not currently use derivative financial instruments, such as interest rate swaps, to manage its exposure to changes in interest rates for its debt instruments or investment securities. As of June 30, 1999 and December 31, 1998, the Company had, excluding convertible preferred stock, outstanding debt securities of $1.3 million and $1.5 million respectively. These debt securities consisted primarily of a variable rate line of credit and fixed rate financing instruments, with average interest rates of 7.5% and 7% at June 30, 1999, respectively. At June 30, 1999 and December 31, 1998, the fair market values of these debt instruments approximated their carrying values. A hypothetical 100-basis point change in interest rates would not have a material effect on cash flows, income or market values.

The Company has maintained investment portfolios of available-for-sale corporate and U.S. government debt securities purchased with proceeds from the Company's public and private placements of equity securities. At December 31, 1998, the Company held $449,000 of these available-for-sale securities; however, all such securities were sold during the six months ended June 30, 1999.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

None.

ITEM 2. CHANGES IN SECURITIES AND USE OF PROCEEDS.

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

On February 16, 1999, the Registrant entered into a Preferred Stock and Warrant Purchase Agreement ("Preferred Stock Agreement") with The Aries Master Fund, a Cayman Island exempted company, and The Aries Domestic Fund, L.P. (collectively "Aries") under which the Registrant sold 30,000 shares of Series B

Preferred Stock and Warrants to purchase 2,912,621 shares of Common Stock to Aries for $3,000,000. A Certificate of Designations of Series B Preferred Stock ("Certificate") of the Registrant dated February 16, 1999 is the legal instrument that states the terms of the Series B Preferred Stock.

While the Registrant does not believe that any event has occurred necessitating disclosures under this Item 3, certain events have occurred, or are likely to occur, which may be deemed defaults under the Preferred Stock Agreement and the Certificate as discussed in more detail in Management's Discussion and Analysis contained in Part I of this Form 10-Q.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

An annual meeting of the stockholders of the Registrant was held on May 19, 1999, adjourned and reconvened on June 17, 1999. The matters voted upon at the annual meeting and the final results of the votes are set forth below.

(i) Michael P. Moore was elected a director to serve for a term of three years; 22,212,109 shares were voted for his election and 267,472 shares withheld authority.

(ii) The issuance of securities which are convertible into, or which are exercisable for, shares of Common Stock representing more than 20% of the Registrant's outstanding common Stock was approved; 7,429,782 shares were voted for approval, 469,306 shares were voted against approval, 111,266 shares abstained, and 14,469,227 shares were not voted.

(iii) An insufficient number of votes were cast for the approval of alternative proposals to amend the Registrant's Restated Certificate of Incorporation to combine shares of Common Stock in order to give such approval; 10,042,019 shares were voted for approval, 321,515 shares were voted against approval, 103,621 shares abstained, and 12,062,247 shares were not voted.

ITEM 5. OTHER INFORMATION.

None.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K.

(a) LIST OF EXHIBITS

3. ARTICLES OF INCORPORATION AND BY-LAWS

Exhibit 3.1

Complete Restated Certificate of Incorporation of Neoprobe Corporation, as corrected February 18, 1994 and as amended June 27, 1994, July 25, 1995, June 3, 1996 and March 17, 1999 (incorporated by reference to Exhibit 3.1 to Amendment Number 1 to the Registrant's Annual Report on Form 10-K for the year ending December 31, 1998 (Commission File No. 0-26520; (the "1998 Form 10-K/A")).

Exhibit 3.2

Amended and Restated By-Laws dated July 21, 1993 as amended July 18, 1995 and May 30, 1996 (incorporated by reference to Exhibit 99.4 to the Registrant's Current Report on Form 8-K dated June 20, 1996; Commission File No. 0-26520).

4. INSTRUMENTS DEFINING THE RIGHTS OF SECURITY HOLDERS, INCLUDING INDENTURES

Exhibit 4.1

See Articles FOUR, FIVE, SIX and SEVEN of the Restated Certificate of Incorporation of the Registrant (see Exhibit 3.1).

Exhibit 4.2

See Articles II and VI and Section 2 of Article III and Section 4 of Article VII of the Amended and Restated By-Laws of the Registrant (see Exhibit 3.2).

Exhibit 4.3

Rights Agreement dated as of July 18, 1995 between the Registrant and Continental Stock Transfer & Trust Company (incorporated by reference to Exhibit 1 of the registration statement on Form 8-A; Commission File No. 0-26520).

Exhibit 4.4

Amendment Number 1 to the Rights Agreement between the Registrant and Continental Stock Transfer and Trust Company dated February 16, 1999 (incorporated by reference to Exhibit 4.4 of the 1998 Form 10-K/A).

10. MATERIAL CONTRACTS

Exhibit 10.2.50

Restricted Stock Agreement dated April 30, 1999 between the Registrant and David C. Bupp. This Agreement is one of three substantially identical agreements and is accompanied by a schedule identifying the other agreements omitted and setting forth the material details in which such agreements differ from the one that is filed herewith.

Page 25 in the manually signed original.

11. STATEMENT REGARDING COMPUTATION OF PER SHARE EARNINGS

Exhibit 11.1

Computation of Net Loss Per Share.

Page 30 in the manually signed original.

27. FINANCIAL DATE SCHEDULE

Exhibit 27.1

Financial Data Schedule (submitted electronically for SEC information only).

(b) REPORTS ON FORM 8-K.

No current report on Form 8-K was filed by the Registrant during the second quarter of fiscal 1999.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

NEOPROBE CORPORATION
(the "Registrant")
Dated: August 14, 1999

By: /s/ David C. Bupp

David C. Bupp,
President and Chief Executive Officer
(duly authorized officer; principal
executive officer)

By: /s/ Brent Larson

Brent Larson
Vice President, Finance and Administration
(principal financial and accounting
officer)

INDEX

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Computation of Net Loss Per Share.

Exhibit 27.1

Financial Data Schedule (submitted electronically for SEC information only).

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

NEOPROBE CORPORATION

FORM 10-Q QUARTERLY REPORT

FOR THE FISCAL QUARTER ENDED:

JUNE 30, 1999

EXHIBITS

Exhibit 10.2.50

SCHEDULE IDENTIFYING OMITTED DOCUMENTS

The only particulars in which the attached agreement differs frm the omitted agreements is the name of the officer who is a party to the agreements and the number of restricted shares subject to the agreements.

<TABLE>
<CAPTION>

Name	Number of Restricted Shares
<S>	<C>
Matthew F. Bowman	20,000
Brent L. Larson	10,000

</TABLE>

NEOPROBE CORPORATION
SUITE 400
425 METRO PLACE NORTH
DUBLIN, OHIO 43017-1367

April 30, 1999

David C. Bupp
5747 Rushwood Drive
Dublin, Ohio 43017-8817

Congratulations. You have been granted a right to purchase Restricted Stock under Neoprobe's 1996 Stock Incentive Plan (the "Plan") on the following terms:

1. PURCHASE AND SALE. On the terms and subject to the conditions set forth in this Agreement, you hereby subscribe for and agree to purchase 35,000 shares of Common Stock (the "Restricted Stock") for and in consideration of a payment by you to Neoprobe of $0.001 per share.

2. TRANSFER RESTRICTIONS. The fair market value of Common Stock is demonstrated by the closing price on the Nasdaq National Market of such securities on the business day before the date first set forth above which was $0.75 per share. In consideration of the difference between the purchase price of the Restricted Stock set forth in paragraph 1 above and its fair market value without the restrictions and risk of forfeiture set forth herein, you agree that, unless and until any of the Restricted Stock vests and becomes transferable as provided in paragraph 4 below, you will neither transfer, sell, assign nor pledge any of the Restricted Stock. Any certificate representing any Restricted Stock issued hereunder will bear the following legend in larger or other contrasting type or color: "The transfer of these securities is restricted by, and such securities are subject to a risk of forfeiture, under a Restricted Stock Purchase Agreement between the registered owner hereof and the Issuer dated April 30, 1999."

3. FORFEITURE. You will forfeit any portion of the Restricted Stock purchased under this Agreement that has not vested and become transferable on the earliest of: (a) the expiration of 10 years from the date of this Agreement, or (b) (except as otherwise provided in the last sentence of this paragraph 3) immediately upon the termination of your employment by Neoprobe under the Employment Agreement, whether for cause or without cause, or because of your death or disability, or by your resignation. If such a forfeiture occurs, all of your right, title and interest in and to any shares of Restricted Stock which

have not previously vested and became transferable will be terminated, the certificates representing the forfeited shares will be canceled or transferred free and clear of all restrictions to Neoprobe's treasury and we will pay you $0.001 per share for each share of Restricted Stock so forfeited. Notwithstanding clause (b) of this paragraph 3 no forfeiture will occur upon the termination of your employment by Neoprobe under the Employment Agreement without cause, or because of your death or disability, if at the time of such termination Neoprobe is engaged in active negotiations that could reasonably be expected to result in a change in control.

4. VESTING PROVISIONS. Any Restricted Stock that has not previously been forfeited under

Section 3 above will vest and become transferable if and when a Change in Control (as defined below in Section 5) of Neoprobe occurs or upon the termination of your employment by Neoprobe under the Employment Agreement without cause, or because of your death or disability, if at the time of such termination Neoprobe is engaged in active negotiations that could reasonably be expected to result in a Change in Control; provided the Committee certifies such occurrence in its minutes or another writing promptly thereafter. Notwithstanding any provision of this Agreement or any provision of the Plan, including, but not limited to, the last sentence of Section 7.1 thereof and Section 8.3 thereof, the provisions of which are hereby waived by you, the Committee may, if it determines in its sole discretion that your actions in connection with any Change in Control which results in the vesting of any shares of Restricted Stock hereunder were not in accordance with your duties to Neoprobe and its stockholders as a director, officer or employee of Neoprobe or your actions did not fully support the determinations of the Board of Directors of Neoprobe in connection therewith, reduce the number of shares of Restricted Stock which vest under this Agreement or eliminate such vesting entirely. When any portion of the Restricted Stock vests and becomes transferable, Neoprobe will, subject to the provision of Section 6 below, promptly deliver a certificate (free of all adverse claims and transfer) representing the number of shares constituting the vested and transferable portion of the Restricted Stock to you at your address given above and such shares will no longer be deemed to be Restricted Stock subject to the terms and conditions of this Agreement.

5. CHANGE IN CONTROL. For the purpose of this Agreement, a Change in Control of Neoprobe has occurred when: (a) any person (defined for the purposes of this Section 3 to mean any person within the meaning of Section 13(d) of the Securities Exchange Act of 1934 (the "Exchange Act")), other than Neoprobe or an employee benefit plan created by its Board of Directors for the benefit of its employees, either directly or indirectly, acquires beneficial ownership (determined under Rule 13d-3 of the Regulations promulgated by the Securities and Exchange Commission under Section 13(d) of the Exchange Act) of securities issued by Neoprobe having thirty percent (30%) or more of the voting power of all the voting securities issued by Neoprobe in the election of Directors at the next meeting of the holders of voting securities to be held for such purpose; (b) a majority of the Directors elected at any meeting of the holders of voting securities of Neoprobe are persons who were not nominated for such election by the Board of Directors or a duly constituted committee of the Board of Directors having authority in such matters; (c) the stockholders of Neoprobe approve a merger or consolidation of Neoprobe with another person, other than a merger or consolidation in which the holders of Neoprobe's voting securities issued and outstanding immediately before such merger or consolidation continue to hold voting securities in the surviving or resulting corporation (in the same relative proportions to each other as existed before such event) comprising eighty percent (80%) or more of the voting power for all purposes of the surviving or resulting corporation; or (d) the stockholders of Neoprobe approve a transfer of substantially all of the assets of Neoprobe to another person other than a transfer to a transferee, eighty percent (80%) or more of the voting power of which is owned or controlled by Neoprobe or by the holders of Neoprobe's voting securities issued and outstanding immediately before such transfer in the same relative proportions to each other as existed before such event.

6. RIGHTS; STOCK DIVIDENDS. Except for the restrictions on transfer set forth in Section 2 and the possibility of forfeiture set forth in Section 3, upon the issuance of a certificate representing shares of Restricted Stock, you

will have all other rights in such shares, including the right to vote such shares and receive dividends other than dividends on or distributions of shares of any class of stock issued by Neoprobe which dividends or distributions will be delivered to Neoprobe under the same restrictions on transfer and possibility of forfeitures as the shares of

Restricted Stock from which they derive.

7. TAXATION. Both you and we intend that the transactions provided for in this Agreement will be governed by the provisions of Section 83(a) of the Internal Revenue Code of 1986. You will have taxable income upon the vesting of Restricted Stock. At that time, you must pay to Neoprobe an amount equal to the required federal, state, and local tax withholding less any withholding otherwise made from your salary or bonus. You must satisfy any relevant withholding requirements before Neoprobe issues certificates representing vested shares of Restricted Stock to you.

8. EMPLOYMENT AGREEMENT. This Agreement is not an employment agreement and nothing contained herein gives you any right to continue to be employed by or provide services to Neoprobe or affects the right of Neoprobe to terminate your employment or other relationship with you.

9. PLAN CONTROLS. This Agreement is a Restricted Stock Purchase Agreement (as such term is defined in the Plan) under Article 7 of the Plan. The terms of this Agreement are subject to, and controlled by, the terms of the Plan, as it is now in effect or may be amended from time to time hereafter, which are incorporated herein as if they were set forth in full. Except as otherwise expressly set forth herein, any words or phrases defined in the Plan have the same meanings in this Agreement. Neoprobe will provide you with a copy of the Plan promptly upon your written or oral request made to its principal financial officer.

10. ARBITRATION. Any dispute or controversy arising under or in connection with this Agreement will be settled exclusively by arbitration in Columbus, Ohio, in accordance with the nonunion employment arbitration rules of the American Arbitration Association ("AAA") then in effect. If specific nonunion employment dispute rules are not in effect, then AAA commercial arbitration rules will govern the dispute. If the amount claimed exceeds $100,000, the arbitration will be before a panel of three arbitrators. Judgment may be entered on the arbitrator's award in any court having jurisdiction. Neoprobe will indemnify you against, and hold you harmless from, any attorney's fees, court costs and other expenses incurred by you in connection with the preparation, commencement, prosecution, defense or enforcement of any arbitration, award, confirmation or judgment in order to assert or defend any right or obtain any payment hereunder after the occurrence of a Change in Control of Neoprobe or under this sentence; without regard to the success of you or your attorney in any such arbitration or proceeding.

11. MISCELLANEOUS. This Agreement sets forth the entire agreement of the parties with respect to the subject matter hereof and it supersedes and discharges all prior agreements (written or oral) and negotiations and all contemporaneous oral agreements concerning such subject matter. This Agreement may not be amended or terminated except by a writing signed by the party against whom any such amendment or termination is sought. If any one or more provisions of this Agreement are found to be illegal or unenforceable in any respect, the validity and enforceability of the remaining provisions hereof will not in any way be affected or impaired thereby. This Agreement will be governed by the laws of the State of Delaware.

Please acknowledge your acceptance of this Agreement by signing the enclosed copy in the space provided below and returning it promptly to Neoprobe.

NEOPROBE CORPORATION

By: /s/ Julius R. Krevans

Julius R. Krevans, Chairman of the Board

Accepted and Agreed to as of
the date first set forth above:

/s/ David C. Bupp

- ----------------------------------

David C. Bupp

Exhibit 11.1

NEOPROBE CORPORATION AND SUBSIDIARIES

COMPUTATION OF NET LOSS PER SHARE

<TABLE>
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	Three Months Ended June 30,		Six Months Ended June 30,	
	1999	1998	1999	1998
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Loss attributable to common stockholders	($ 1,470,943)	($ 5,261,056)	($ 4,590,215)	($12,324,668)
Weighted average number of shares outstanding:				
Weighted average common shares outstanding beginning of period	22,967,910	22,807,055	22,887,910	22,763,430
Weighted average common shares issued during period	5,000	17,287	72,790	29,813
Weighted average number of shares outstanding used in computing basic net loss per share	22,972,910	22,824,342	22,960,700	22,793,243
Weighted average number of shares used in computing diluted net loss per share	22,972,910	22,824,342	22,960,700	22,793,243
Earnings (Net Loss) Per Share:				
Basic	($ 0.06)	($ 0.23)	($ 0.20)	($ 0.54)
Diluted	($ 0.06)	($ 0.23)	($ 0.20)	($ 0.54)

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