UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) July 3, 2007

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

Delaware	0-26520	31-1080091
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)
425 Metro Place North, Suite 300, Columbus, Ohio		43017
(Address of principal executive offices)		(Zip Code)

Registrant's telephone number, including area code (614) 793-7500

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01. Entry into a Material Definitive Agreement.

On July 3, 2007, Neoprobe Corporation (the "Company") completed a convertible note financing in the amount of $1,000,000. Pursuant to the terms of the 10% Convertible Note Purchase Agreement, dated July 3, 2007, between the Company and David C. Bupp, the Company's President and Chief Executive Officer, Cynthia B. Gochoco and Walter H. Bupp (the "Note Purchase Agreement"), the Company issued to Messrs. Bupp and Ms. Gochoco, as joint tenants with right of survivorship (the "Investors"), a 10% Convertible Note Due July 8, 2008, in the principal sum of $1,000,000 (the "Note"). Simple interest will accrue on the unpaid principal sum of the Note at the rate of 10% per annum, and shall be payable in arrears on the last day of each calendar quarter in cash, provided that from and after an event of default the rate of interest shall increase to 12% per annum until the Company has cured the event of default. At any time following July 30, 2007, the principal sum of the Note (or any portion thereof equal to or greater than $100,000), plus any accrued and unpaid interest, may be converted into shares of the Company's common stock at a price of $0.31 per share (the "Conversion Price"). The Conversion Price represents 125% of the average closing price of the Company's common stock on the over-the-counter market for the five consecutive trading days immediately preceding July 3, 2007.

As part of this transaction, the Company also issued a five-year warrant to purchase 500,000 shares of its common stock at an exercise price of $0.31 per share to the Investors (the "Warrant"). Additionally, pursuant to the terms of the Registration Rights Agreement, dated July 3, 2007, between the Company and the Investors (the "Registration Rights Agreement"), subject to the satisfaction of certain conditions or upon the occurrence of certain events, the Company has agreed to file a registration statement with the Securities and Exchange Commission registering shares underlying the Note and Warrant.

The foregoing description of the terms of the Note Purchase Agreement, the Note, the Warrant and the Registration Rights Agreement is qualified in its entirety by reference to the full text of the Note Purchase Agreement, the Note, the Warrant and the Registration Rights Agreement, copies of which are attached hereto as Exhibits 10.1, 10.2, 10.3, and 10.4 respectively, and each of which is incorporated herein in its entirety by reference.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The contents of Item 1.01 are incorporated by reference into this item.

Item 3.02. Unregistered Sale of Equity Securities.

The contents of Item 1.01 are incorporated by reference into this item.

Item 8.01. Other Events.

On July 9, 2007, the Company issued a press release announcing that it had raised $1,000,000 through the issuance of a 10% Convertible Note Due July 8, 2008, to David C. Bupp, the Company's President and Chief Executive Officer, Cynthia B. Gochoco and Walter H. Bupp, as joint tenants with right of survivorship. A copy of the press release announcing the convertible note financing is attached hereto as Exhibit 99.1 and is incorporated herein in its entirety by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Exhibit Description
10.1	10% Convertible Note Purchase Agreement, dated July 3, 2007, between Neoprobe Corporation and David C. Bupp, Cynthia B. Gochoco and Walter H. Bupp, as joint tenants with right of survivorship.
10.2	Neoprobe Corporation 10% Convertible Promissory Note Due July 8, 2008, executed in favor of David C. Bupp, Cynthia B. Gochoco and Walter H. Bupp, as joint tenants with right of survivorship.
10.3	Warrant to Purchase Common Stock of Neoprobe Corporation issued to David C. Bupp, Cynthia B. Gochoco and Walter H. Bupp, as joint tenants with right of survivorship.
10.4	Registration Rights Agreement, dated July 3, 2007, by and among Neoprobe Corporation and David C. Bupp, Cynthia B. Gochoco and Walter H. Bupp, as joint tenants with right of survivorship.
99.1	Neoprobe Corporation press release dated July 9, 2007, entitled “Neoprobe CEO Increases Investment in Company.”

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Neoprobe Corporation

Date: July 9, 2007

By: /s/ Brent L. Larson

Brent L. Larson, Vice President Finance and
Chief Financial Officer

THE SECURITIES WHICH ARE THE SUBJECT OF THIS AGREEMENT HAVE NOT BEEN REGISTERED WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES ADMINISTRATOR OF ANY STATE PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER REGULATION D PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"). THIS AGREEMENT SHALL NOT CONSTITUTE AN OFFER TO SELL NOR A SOLICITATION OF AN OFFER TO BUY THE SECURITIES IN ANY JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION WOULD BE UNLAWFUL. THE SECURITIES ARE "RESTRICTED SECURITIES" UNDER RULE 144 PROMULGATED PURSUANT TO THE SECURITIES ACT, AND MAY NOT BE RESOLD OR TRANSFERRED EXCEPT AS PERMITTED UNDER THE ACT PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM.

10% CONVERTIBLE NOTE PURCHASE AGREEMENT

NEOPROBE CORPORATION

THIS AGREEMENT is made this 3rd day of July, 2007, between NEOPROBE CORPORATION (the "Company"), incorporated under the laws of the State of Delaware, with its principal office at 425 Metro Place North, Suite 300, Dublin, OH 43017 and David C. Bupp, residing at 9095 Moors Place North, Dublin, Ohio 43017, Cynthia B. Gochoco, residing at 1550 Chapel Drive, York, Pennsylvania 17404, and Walter H. Bupp, residing at 2038 Wyntre Brook Drive, York, Pennsylvania 17403, as joint tenants with right of survivorship (each a "Purchaser," and collectively the "Purchasers").

In consideration of the mutual covenants contained in this Agreement, the Company and the Purchasers agree as follows:

Section 1. Certain Definitions. For purposes of this Agreement:

"Act" has the meaning specified in the legend appearing on the first page.

"Agreement" means this 10% Convertible Note Purchase Agreement including all Exhibits and Attachments hereto, as the same may be amended, modified or supplemented from time to time in accordance with the terms hereof.

"Average Closing Price" has the meaning specified in Section 9.6(b).

"Average Market Price" means 125% of the average Closing Price of the Common Stock for the five (5) consecutive Trading Days immediately preceding the Closing Date.

"Business Day" means any day on which banks in the City of Columbus, Ohio are open for business.

"Closing" means the completion of the purchase and sale of the Note and Warrant on the Closing Date.

"Closing Date" means the date of the Closing.

"Closing Price" means for each Trading Day, the last transaction price as reported on the principal national securities exchange on which the Common Stock is listed or admitted for quotation, or if the Common Stock is not listed or quoted on an exchange, the closing bid price for the Common Stock on such day in the over-the-counter market as reported by Bloomberg, the National Quotation Bureau or NASDAQ.

"Common Stock" means the Common Stock of the Company, $.001 par value.

"Conversion Amount" has the meaning specified in Section 9.1.

"Conversion Date" has the meaning specified in Section 9.2.

"Conversion Notice" has the meaning specified in Section 9.2

"Conversion Price" has the meaning specified in Section 9.1

"Conversion Shares" has the meaning specified in Section 9.1.

"Event of Default" has the meaning specified in Section 7.1.

"Exchange Act" has the meaning specified in Section 3.5.

"Holder" means the Purchasers and any transferee of the Note in a transfer permitted under Section 8.2.

"Maturity Date" has the meaning specified in Section 2.1.

"Note" means the 10% Convertible Note of the Company, due July 8, 2008, in the Principal Sum that is issued pursuant to this Agreement (including any notes issued in substitution therefor), as the same may be amended, modified or supplemented from time to time in accordance with the terms thereof.

"Person" shall mean any individual, corporation, partnership, limited liability company, trust, incorporated or unincorporated organization, joint venture, joint stock company, or a government or any agency or political subdivision thereof or other entity of any kind.

"Principal Sum" has the meaning specified in Section 2.1.

"Reports" has the meaning specified in Section 3.6.

"Registration Rights Agreement" has the meaning specified in Section 2.4.

"SEC" has the meaning specified in Section 3.7.

"Securities Act" has the meaning specified in the legend on the first page of this Agreement.

"Senior Indebtedness" means all liabilities and obligations of the Company to Biomedical Value Fund, L.P., Biomedical Offshore Value Fund, Ltd. and David C. Bupp under the Series A Convertible Promissory Notes Due January 7, 2009, in the aggregate original principal amount of $8,100,000, as amended, modified or supplemented from time to time.

"Special Committee" has the meaning specified in Section 4.9.

"Trading Day" means any day on which transactions are effected on the New York Stock Exchange, the American Stock Exchange, or the NASDAQ Stock Market.

"Transaction Documents" has the meaning specified in Section 2.1.

"Warrant" or "Warrants" means the Warrant purchased from the Company on the Closing Date and any subsequent Warrant or Warrants issued in exchange or replacement thereof pursuant to the terms of the original Warrant.

"Warrant Shares" means shares of Common Stock issuable on exercise of the Warrant.

Section 2. Authorization and Sale of Note.

2.1 Authorization. Subject to the terms and conditions of this Agreement, the Company has authorized the execution and delivery to Purchasers of (a) this Agreement, (b) the Note in the principal amount of $1,000,000 (the "Principal Sum"), with a maturity date on July 8, 2008 (the "Maturity Date"), (c) the Warrant, (d) the Registration Rights Agreement, and (e) all other agreements, documents, instruments and certificates to be delivered by the Company under the foregoing (the "Transaction Documents"). The Company promises to pay to the Holder the Principal Sum plus any accrued and unpaid interest in cash on the Maturity Date. Simple interest shall accrue on the unpaid Principal Sum at the rate of 10% per annum from the Closing Date, and shall be payable in arrears on the last day of each calendar quarter in cash, provided that from and after an Event of Default the rate of interest shall increase to 12% per annum until the Event of Default is cured. The form of the Note is annexed hereto as Exhibit A. The Company, if not then in default hereunder, shall have the right to prepay at any time and from time to time before the Maturity Date any amount or amounts due under the Note, subject to the terms of Section 9.3 of this Agreement. Any partial prepayment shall be in the minimum amount of $100,000 or any integral multiple thereof.

2.2 Agreement to Sell and Purchase the Note. Subject to the terms and conditions of this Agreement, the Company will issue and sell the Note to Purchasers and Purchasers will purchase the Note from the Company, at the Closing provided for in Section 2.5, at the purchase price of 100% of the Principal Sum.

2.3 Warrant Issuable Upon Closing. A s additional consideration for the purchase of the Note, at the Closing the Company will issue to Purchasers a warrant to purchase a total of 500,000 shares of the Company's Common Stock, pursuant to the terms of a separate Warrant, the form of which is attached hereto as Exhibit B (the "Warrant"). The Warrant shall have an exercise price equal to the Average Market Price.

2.4 Registration Rights. At the Closing, the Company will enter into a Registration Rights Agreement with Purchasers in the form attached hereto as Exhibit C, providing for the filing of a registration statement under the Act with respect to resales of the Warrant Shares and Conversion Shares.

2.5 Time and Place of Closing. The Closing shall be held at the offices of Porter, Wright, Morris & Arthur, 41 South High Street, Columbus, Ohio 43215 on or before July 6, 2007.

2.6 Payment and Delivery. At the Closing, the following shall occur:

(a) The Company shall deliver or cause to be delivered to Purchaser

(i) an original Note and Warrant, substantially in the form set forth in Exhibits A and B hereto, each bearing the original signatures of a duly authorized officer of the Company;

(ii) a Registration Rights Agreement in the form set forth in Exhibit C each bearing the original signatures of a duly authorized officer of the Company;

(iii) a certificate, dated the Closing of the Secretary of the Company certifying (x) that complete and accurate copies of the resolutions of the board of directors of the Company approving the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby are attached thereto, (y) that such resolutions are in full force and effect and have not been amended or repealed and (z) the names and titles of the officers of the Company who have executed the documents, certificates and instruments delivered at the Closing and their signatures; and

(iv) a copy of the Certificate of Incorporation of the Company (certified by the Secretary of State of the State of Delaware).

(b) Purchasers shall cause payment to be made to the Company in immediately available U.S. funds of the Principal Sum.

2.7 Usury. All agreements which either now are or which shall become agreements between the Company and Purchasers are hereby limited so that in no contingency or event whatsoever shall the total liability for payments in the nature of interest, additional interest and other charges exceed the applicable limits imposed by any applicable usury laws. If any payments in the nature of interest, additional interest and other charges made under this Agreement or the Note are held to be in excess of the limits imposed by any applicable usury laws, it is agreed that any such amount held to be in excess shall be considered payment of principal hereunder, and the indebtedness evidenced hereby shall be reduced by such amount so that the total liability for payments in the nature of interest, additional interest and other charges shall not exceed the applicable limits imposed by any applicable usury laws, in compliance with the desires of the Company and Purchasers. This provision shall never be superseded or waived and shall control every other provision of the Transaction Documents and all agreements between the Company and Purchasers, or their successors and assigns.

Section 3. General Representations and Warranties of the Company. The Company hereby represents and warrants to Purchasers that the following are true and correct as of the date hereof and as of the Closing Date.

3.1 Organization; Qualification. The Company is a corporation duly organized and validly existing under the laws of the State of Delaware and is in good standing under such laws. The Company has all requisite corporate power and authority to own, lease and operate its properties and assets, and to carry on its business as presently conducted. The Company is qualified to do business as a foreign corporation in each jurisdiction in which the ownership of its property or the nature of its business requires such qualification, except where failure to so qualify would not have a material adverse effect on the condition (financial or otherwise) or on the earnings, business affairs, properties or assets of the Company.

3.2 Capitalization. The Company has authorized 150,000,000 shares of Common Stock, of which 62,869,731 are currently issued and outstanding, and 22,858,182 are currently reserved for issuance under outstanding warrants and options. The Company also has authorized 5,000,000 shares of preferred stock, $.001 par value, of which no shares are issued or outstanding. All issued and outstanding shares of Common Stock have been duly authorized and validly issued and are fully paid and nonassessable and no outstanding shares of Common Stock are subject to, or have been issued in violation of, preemptive or similar rights. As of the Closing Date, the Company covenants that it will from its authorized but unissued shares of Common Stock reserve a sufficient number of shares of Common Stock for issuance upon conversion of the Note and exercise of the Warrant. The Company is not subject to any obligation (contingent or otherwise) to repurchase or otherwise acquire or retire any shares of its Common Stock or any warrants, options or other rights to acquire its Common Stock. Except as disclosed in the Reports and excluding outstanding options to employees and directors, and except for the securities issuable under this Agreement, the Note and the Warrant, there are no contracts relating to the issuance, sale or transfer of any equity securities, phantom stock or appreciation rights, profit participation, or other securities (whether or not convertible) of the Company, including options, warrants, puts, or calls.

3.3 Authorization. The Company has all requisite corporate right, power and authority to execute and deliver the Transaction Documents and to consummate the transactions contemplated thereby. All corporate action on the part of the Company, its directors and stockholders necessary for the authorization, execution, delivery and performance of the Transaction Documents by the Company has been taken. Each Transaction Document has been duly executed and delivered by the Company and constitutes a legal, valid and binding obligation of the Company enforceable in accordance with its terms, subject to laws of general application relating to bankruptcy, insolvency and the relief of debtors and rules of law governing specific performance, injunctive relief or other equitable remedies, and to limitations of public policy as they may apply to the indemnification provisions set forth in the Registration Rights Agreement. Upon their issuance and delivery (a) pursuant to the Warrant, the Warrant Shares, and (b) pursuant to the Note, the Conversion Shares, will be validly issued, fully paid and nonassessable and will be free of any liens or encumbrances except for those imposed by or on behalf of Purchasers, their creditors or agents.

3.4 No Conflict. The execution and delivery of each Transaction Document does not, and the consummation of the transactions contemplated thereby will not, conflict with, or result in any violation of, or default (with or without notice or lapse of time, or both), or give rise to a right of termination, cancellation or acceleration of any obligation or to a loss of a material benefit, under, any provision of the certificate of incorporation, and any amendments thereto, bylaws and any amendments thereto of the Company or any material mortgage, indenture, lease or other agreement or instrument, permit, concession, franchise, license, judgment, order, decree statute, law, ordinance, rule or regulation applicable to the Company, its properties or assets.

3.5 Accuracy of Reports and Information. The Company is in compliance, to the extent applicable, with all reporting obligations under Section 12(g) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), except where the failure to so comply would not have a material adverse effect on the condition (financial or otherwise) or on the earnings, business affairs, properties or assets of the Company. The Company has registered its Common Stock pursuant to Section 12 of the Exchange Act and the Common Stock is admitted for quotation on the OTC Bulletin Board.

3.6 Absence of Undisclosed Liabilities. The Company has no material liabilities or obligations, absolute or contingent (individually or in the aggregate), except as disclosed in the reports filed by the Company under Section 13 of the Exchange Act in the twelve month period prior to the Closing Date (collectively, the "Reports"), as incurred in the ordinary course of business after the date of the Reports, and obligations to Purchasers incurred under the Transaction Documents.

3.7 Governmental Consent, etc. No consent, approval or authorization of or designation, declaration or filing with any governmental authority on the part of the Company is required in connection with the valid execution and delivery of this Agreement or any other Transaction Document, or the offer, sale or issuance of the Note or Warrant, or the consummation of any other transaction contemplated hereby or thereby, except the filing with the United States Securities and Exchange Commission ("SEC") of a registration statement for the purpose of registering under the Securities Act resales by Purchasers of the Conversion Shares and Warrant Shares as provided in the Registration Rights Agreement.

3.8 Litigation. Except as disclosed in the Reports, there is no action, proceeding or investigation pending, or to the Company's knowledge threatened, against the Company which might result, either individually or in the aggregate, in any material adverse change in the business, prospects, conditions, affairs or operations of the Company. The Company is not a party to or subject to the provisions of any order, writ, injunction, judgment or decree of any court or government agency or instrumentality. There is no action, suit, proceeding or investigation by the Company currently pending or which the Company currently intends to initiate which will materially affect the Company.

3.9 Title to Assets. Except as disclosed in the Reports, the Company has good and marketable title to all properties and material assets described in the Reports as owned by it, free and clear of any pledge, lien, security interest, encumbrance, claim or equitable interest other than such as are not material to the business of the Company.

3.10 Required Governmental Permits. The Company is in possession of and operating in material compliance with all authorizations, licenses, certificates, consents, orders and permits from state, federal and other regulatory authorities which are material to the conduct of its business, all of which are valid and in full force and effect.

3.11 Other Outstanding Securities. Except as disclosed in the Reports and excluding outstanding options to employees and directors, and except for the securities issuable under this Agreement, the Note and the Warrant, there are no other outstanding debt or equity securities of the Company presently convertible into or exercisable for shares of Common Stock.

Section 4. Representations, Warranties and Covenants of Purchasers. Each of the Purchasers represents and warrants to, and covenants with, the Company that the following are true and correct as of the date hereof and as of the Closing Date.

4.1 Authority. Such Purchaser has all requisite right, power, authority and capacity to execute and deliver this Agreement and to consummate the transactions contemplated hereby. This Agreement has been duly executed and delivered by such Purchaser and constitutes the legal, valid and binding obligation of such Purchaser, enforceable in accordance with its terms, subject to laws of general application relating to bankruptcy, insolvency and the relief of debtors and rules of law governing specific performance, injunctive relief or other equitable remedies, and to limitations of public policy as they may apply to the indemnification provisions set forth in the Registration Rights Agreement.

4.2 Investment Experience. Such Purchaser is an "accredited investor" as defined in Rule 501(a) under the Act, and resides in the state described as his or her state of residence in the first paragraph of this Agreement. Such Purchaser acknowledges that David C. Bupp ("Mr. Bupp"), the chief executive officer and a director of the Company, has acted as such Purchaser's representative and advisor in connection with the purchase of the Note and Warrant, that Mr. Bupp is aware of the Company's business affairs and financial condition, has had access to and has acquired sufficient information about the Company, including the Reports, and has communicated that information to such Purchaser, so as to allow such Purchaser to reach an informed and knowledgeable decision to acquire the Note and Warrant. Such Purchaser independently has such business and financial experience as is required to give him or her the capacity to protect his or her own interests in connection with the purchase of the Note and Warrant.

4.3 Investment Intent. Without limiting the ability to resell the Conversion Shares and Warrant Shares pursuant to an effective registration statement, or upon any exemption from registration that may be legally available, such Purchaser represents that he or she is purchasing the Note and Warrant, and will acquire the Conversion Shares and Warrant Shares, for such Purchaser's own account as principal for investment purposes, and not with a view to a distribution. Such Purchaser understands that the acquisition of the Note and Warrant has not been registered under the Act or registered or qualified under any state securities law in reliance on specific exemptions therefrom, which exemptions may depend upon, among other things, the bona fide nature of such Purchaser's investment intent as expressed herein. Such Purchaser will not, directly or indirectly, offer, sell, pledge, transfer or otherwise dispose of (or solicit any offers to buy, purchaser or otherwise acquire or take a pledge of) any of the Note, Warrant, Conversion Shares or Warrant Shares, except in compliance with the Act and any applicable state securities laws, and the rules and regulations promulgated thereunder.

4.4 Registration or Exemption Requirements. Such Purchaser further acknowledges and understands that the Note, Warrant, Conversion Shares and Warrant Shares may not be resold or otherwise transferred except in a transaction registered under the Act and any applicable state securities laws or unless an exemption from such registration is available. Such Purchaser understands that the Note and Warrant, as well as any certificate for the Conversion Shares or Warrant Shares, will be imprinted with a legend that prohibits the transfer of such securities unless (a) it is registered or such registration is not required pursuant to an exemption therefrom, and (b) if the transfer is pursuant to an exemption from registration other than Rule 144 under the Act and an opinion of counsel reasonably satisfactory to the Company is obtained to the effect that the transaction is so exempt.

4.5 No Legal, Tax or Investment Advice. Such Purchaser understands that nothing in this Agreement or any other materials presented to Purchasers in connection with the purchase and sale of the Note and Warrant constitutes legal, tax or investment advice from the Company, or on its behalf by any director, officer, employee, agent or representative of the Company. Such Purchaser has consulted such legal, tax and investment advisors as such Purchaser, in his or her sole discretion, has deemed necessary or appropriate in connection with the purchase of the Note and the Warrant.

4.6 Purchaser Review. Such Purchaser hereby represents and warrants that he or she has carefully examined the Reports, and the financial statements contained therein. Such Purchaser acknowledges that the Company has made available to him or her all documents and information that such Purchaser has requested relating to the Company and has been provided answers to all of his or her questions concerning the Company, the Note and the Warrant.

4.7 Certain Risks. Such Purchaser recognizes that the purchase of the Note and Warrant, and if issued, the Conversion Shares and Warrant Shares, involves a high degree of risk in that:

(a) an investment in the Company is highly speculative and only investors who can afford the loss of their entire investment should consider investing in the Company and the Note, Warrant, Conversion Shares and Warrant Shares;

(b) such Purchaser may not be able to liquidate this investment;

(c) transferability of the Note, Warrant, Conversion Shares and Warrant Shares is extremely limited;

(d) such Purchaser could sustain the loss of his or her entire investment in the Note, Warrant Conversion Shares and Warrant Shares;

(e) no return on investment, whether through distributions, appreciation, transferability or otherwise, and no performance by, through or of the Company, has been promised, assured, represented or warranted by the Company, or by any director, officer, employee, agent or representative thereof; and

(f) while the Common Stock is presently quoted on the OTC Bulletin Board and while such Purchaser is the beneficiary of certain registration rights provided herein: (i) the issuance of the Note, Warrant, and Warrant Shares are not registered under applicable federal or state securities laws, and thus may not be sold, conveyed, assigned or transferred unless such transaction is registered under such laws or unless an exemption from registration is available under such laws, as more fully described below; and (i) the Note and Warrant are not quoted, traded or listed for trading or admitted for quotation on any organized market or quotation system, and there is therefore no present public or other market for such Note or Warrant, and (iii) there can be no assurance that the Common Stock will continue to be quoted, traded or listed for trading or authorized for quotation on the OTC Bulletin Board or on any other organized market or quotation system.

4.8 No Registration, Review or Approval. Such Purchaser acknowledges and understands that the limited private offering and sale of the Note and Warrant pursuant to this Agreement, and the offering and sale of the Conversion Shares and Warrant Shares, have not been reviewed or approved by the SEC or by any state securities commission, authority or agency, and is not registered under the Act or under the securities or "blue sky" laws, rules or regulations of any state. Purchaser acknowledges, understands and agrees that the Note, Warrant, and Warrant Shares are being offered and sold hereunder pursuant to (a) a private placement exemption to the registration provisions of the Act pursuant to Section 3(b) or Section 4(2) of such Act and Regulation D promulgated under such Act, and (b) a similar exemption to the registration provisions of applicable state securities laws.

4.9 Disclosure by Purchaser. Such Purchaser represents and warrants that all material facts as to Mr. Bupp's relationship or interest in the transactions contemplated by this Agreement have been disclosed to the special committee of the Board of Directors (the "Special Committee") that negotiated the terms of this Agreement with Purchasers, and that Mr. Bupp has disclosed to the Special Committee and to the Board of Directors all contracts, negotiations, events, corporate developments, results of operations and other facts of which he has knowledge that a reasonable person would consider likely to have a material effect, whether positive or adverse, on the business, assets, liabilities, operations, prospects, and condition (financial or otherwise) of the Company, including without limitation all acquisition and financing proposals from third parties and the substance of any discussions relating thereto in which he participated.

4.10 Purchaser's Knowledge of Breach. Such Purchaser is not aware of any facts or circumstances that would be sufficient, in the absence of other facts or circumstances not currently known to such Purchaser, to constitute a breach of any of the representations and warranties of the Company contained in this Agreement or in any of the Transaction Documents. Such Purchaser shall be deemed to have waived in full any breach of any of the Company's representations and warranties of which any Purchaser has knowledge at the Closing.

Section 5. Conditions to Purchaser's Obligation to Purchase. The Company understands that Purchasers' obligation to purchase the Note and Warrant is conditioned upon the truth and accuracy of the representations and warranties of the Company in Section 3 as of the Closing Date, and:

(a) Execution and delivery by the Company of the original Note and Warrant to Purchaser; and

(b) Execution and delivery by the Company of the Registration Rights Agreement, in the form of Exhibit C.

Section 6. Conditions to Company's Obligation to Sell. Purchasers understand that the Company's obligation to sell the Note and Warrant is conditioned upon the truth and accuracy of the representations and warranties of Purchasers in Section 4 as of the Closing Date, and:

(a) Delivery by Purchasers to the Company of good funds as payment in full for the purchase of the Note and Warrant; and

(b) Execution and delivery by Purchasers of the Registration Rights Agreement, in the form of Exhibit C.

Section 7. Default.

7.1 Events of Default. An "Event of Default" shall exist if any of the following conditions or events shall occur and be continuing:

(a) the Company defaults in the payment of any principal on the Note when the same becomes due and payable, whether at maturity or at a date fixed for prepayment or by declaration or otherwise; or

(b) the Company defaults in the payment of any interest on the Note for more than five Business Days after the same becomes due and payable; or

(c) the Company defaults in the performance of or compliance with any term contained herein (other than those referred to in paragraphs (a) and (b) of this Section 7.1) and such default is not remedied within 30 days after the Company receives written notice of such default from any Holder (any such written notice to be identified as a "notice of default" and to refer specifically to this paragraph (c) of Section 7.1); or

(d) one or more defaults under any bond, debenture, note or other evidence of indebtedness of the Company owed to any Person other than Purchaser, or under any indenture or other instrument under which any such evidence of indebtedness has been issued or by which it is governed, or under any lease of any asset, in any case in which the aggregate amount of all such defaults are in excess of $100,000.00, and the expiration of the applicable period of grace, if any, specified in such evidence of indebtedness, indenture, other instrument or lease; or

(e) any representation or warranty made in writing by or on behalf of the Company or by any officer of the Company in this Agreement or in any writing furnished in connection with the transactions contemplated hereby proves to have been false or incorrect in any material respect on the date as of which made, and no Purchaser had knowledge at the Closing that such representation or warranty was false or incorrect; or

(f) the rendering against the Company of one or more final judgments, decrees or orders for the payment of money which in the aggregate exceed $100,000.00 and the continuance of such judgments, decrees or orders unsatisfied and in effect for any period of 30 consecutive days without a stay of execution; or

(g) the Company (i) is generally not paying, or admits in writing its inability to pay, its debts as they become due, (ii) files, or consents by answer or otherwise to the filing against it of, a petition for relief or reorganization or arrangement or any other petition in bankruptcy, for liquidation or to take advantage of any bankruptcy, insolvency, reorganization, moratorium or other similar law of any jurisdiction, (iii) makes an assignment for the benefit of its creditors, (iv) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its property, (v) is adjudicated as insolvent or to be liquidated, or (vi) takes corporate action for the purpose of any of the foregoing; or

(h) a court or governmental authority of competent jurisdiction enters an order appointing, without consent by the Company, a custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its property, or constituting an order for relief or approving a petition for relief or reorganization or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy or insolvency law of any jurisdiction, or ordering the dissolution, winding-up or liquidation of the Company, or any such petition shall be filed against the Company and such petition shall not be dismissed within 60 days; or

(i) an event of default shall occur under any other Transaction Document; or

(j) the sale, exchange, or other disposition (in a single transaction or a series of related transactions) of all or substantially all of the assets of the Company that is subject to Section 271(a) of the Delaware General Corporation Law, without the consent of the Holder; or

(k) a merger or consolidation of the Company without the consent of the Holder, other than a merger or consolidation in which the voting equity securities of the Company immediately prior to the merger or consolidation continue to represent (either by remaining outstanding or being converted into securities of the surviving entity) more than fifty percent (50%) of the combined voting power of the Company or surviving entity immediately after the merger or consolidation with another entity.

7.2. Acceleration and Remedies.

(a) If any Event of Default has occurred and is continuing, the Holder may at any time at its option, by notice or notices to the Company, declare the Note to be immediately due and payable.

(b) Upon the Note becoming due and payable under this Section 7.2, the Note will forthwith mature, and the entire unpaid Principal Sum, plus all accrued and unpaid interest thereon, shall all be immediately due and payable, in each and every case without presentment, demand, protest or further notice, all of which are hereby waived.

(c) If any Event of Default has occurred and is continuing, and irrespective of whether the Note has been declared immediately due and payable under paragraph (a) of this Section 7.2, the Holder may proceed to protect and enforce its rights by an action at law, suit in equity or other appropriate proceeding, whether for the specific performance of any agreement contained herein or in the Note, or for an injunction against a violation of any of the terms hereof or thereof, or in aid of the exercise of any power granted hereby or thereby or by law or otherwise.

8. Registration; Exchange; Substitution of Note.

8.1. Registration of Note. The Company shall keep at its principal executive office a register for the registration and registration of transfers of the Note. The name and address of each Holder, each transfer of the Note and the name and address of each transferee shall be registered in such register. Prior to due presentment for registration of transfer, the Person in whose name the Note shall be registered shall be deemed and treated as the owner and holder thereof for all purposes hereof, and the Company shall not be affected by any notice or knowledge to the contrary.

8.2. Transfer and Exchange of Note. Upon surrender of the Note at the principal executive office of the Company for registration of transfer or exchange (and in the case of a surrender for registration of transfer, duly endorsed or accompanied by a written instrument of transfer duly executed by the registered Holder or the Holder's attorney duly authorized in writing and accompanied by the address for notices of each transferee of such Note or part thereof), the Company shall execute and deliver, at the Company's expense (except as provided below), a new Note (as requested by the Holder thereof) in exchange therefor, in an aggregate principal amount equal to the unpaid principal amount of the surrendered Note. Each such new Note shall be payable to such Person as such Holder may request and shall be substantially in the form of Exhibit A. Each such new Note shall be dated and bear interest from the date to which interest shall have been paid on the surrendered Note or dated the date of the surrendered Note if no interest shall have been paid thereon. The Company shall not be required to register or otherwise recognize any transfer that purports to be for less than the entire unpaid principal amount of the Note. Any transferee, by its acceptance of a Note registered in its name (or the name of its nominee), shall be required to make in writing the representations set forth in Sections 4.2 through 4.8, and shall be bound by the provisions of this Agreement to the same extent as if the transferee were originally a party to this Agreement. Notwithstanding any provision of this Agreement to the contrary, the Company may refuse to register the transfer of the Note to any Person that is not an "accredited investor" as defined in Rule 501 of Regulation D.

8.3. Replacement of Note. Upon receipt by the Company of evidence reasonably satisfactory to it of the ownership of and the loss, theft, destruction or mutilation of any Note, and (a) in the case of loss, theft or destruction, of indemnity reasonably satisfactory to it or (b) in the case of mutilation, upon surrender and cancellation thereof, then in either case, the Company at its own expense shall execute and deliver, in lieu thereof, a new Note, dated and bearing interest from the date to which interest shall have been paid on such lost, stolen, destroyed or mutilated Note or dated the date of such lost, stolen, destroyed or mutilated Note if no interest shall have been paid thereon.

Section 9. Conversion of Note to Common Stock.

9.1 Optional Conversion. At the option of the Holder, at any time following July 30, 2007 and prior to the Maturity Date, the Principal Sum then outstanding (or any portion thereof equal to or greater than $100,000), plus accrued and unpaid interest (the "Conversion Amount"), may be converted, either in whole or in part, into shares of Common Stock (the "Conversion Shares") (calculated as to each such conversion to the nearest whole share), at any time, and from time to time at a price per share (the "Conversion Price") equal to the Average Market Price. The number of Conversion Shares due upon conversion shall be determined by dividing the Conversion Amount by the Conversion Price.

9.2 Exercise of Conversion Privilege. The conversion right provided in Section 9.1 may be exercised by the Holder by delivering to the Company an executed and completed notice of conversion in the form of Exhibit D to this Agreement (the "Conversion Notice"), accompanied by the Note. Each date on which a Conversion Notice is delivered to the Company in accordance with the provisions of this Section 9.2 shall constitute a "Conversion Date." As promptly as practicable after the receipt of the Conversion Notice as aforesaid, but in any event not more than five Business Days after the Company's receipt of such Conversion Notice, the Company shall, at its sole cost and expense (i) issue the Conversion Shares (together with any other securities or property to which the Holder is entitled upon such exercise) in accordance with the provisions of Section 9.1 in such denominations as the Holder may request, each registered in the name of the Holder or such other name as may be designated by the Holder, and (ii) cause to be mailed for delivery by overnight courier to the Holder (x) a certificate or certificate(s) representing the number of Conversion Shares to which the Holder is entitled by virtue of such conversion, (y) cash, as provided in Section 9.3, in respect of any fraction of a share issuable upon such conversion, and (z) if less than all of the outstanding Principal Sum shall have been converted, a new Note in the remaining unconverted Principal Sum, identical in form to the Note, duly executed by an officer of the Company. The Conversion Notice shall constitute a contract between the Holder and the Company, whereby the Holder shall be deemed to subscribe for the number of Conversion Shares which it will be entitled to receive upon such conversion and, in payment and satisfaction of such subscription (and for any cash adjustment or new Note to which it is entitled pursuant to Section 9.3), to surrender the Note and to release the Company from all liability under the Note.

9.4 Fractional Shares. No fractional Conversion Shares or scrip representing fractional Conversion Shares shall be issued upon conversion of the Conversion Amount. Instead of any fractional Conversion Shares which otherwise would be issuable upon conversion of the Conversion Amount, the Company shall pay a cash adjustment in respect of such fraction in an amount equal to the same fraction times the Conversion Price.

9.5 Certain Events. In case at any time prior to the conversion or payment of all of the principal of the Note, the Company:

(a) declares any cash dividend (or authorizes any other distribution) on its Common Stock;

(b) authorizes the granting to the holders of its Common Stock of rights to subscribe for or purchase any shares of its capital stock or assets, other than a dividend payable solely in shares of Common Stock;

(c) authorizes a reclassification, split or combination of the Common Stock, or a consolidation or merger to which the Company is a party or a sale or transfer of all or substantially all the assets of the Company that is subject to Section 271(a) of the Delaware General Corporation Law; or

(d) authorizes a voluntary or involuntary dissolution, liquidation or winding up of the Company;

then, in any one or more of said cases, the Company shall give, by certified or registered mail, postage prepaid, addressed to the Holder at the address of such Holder as shown on the books of the Company, (i) at least 30 days' prior written notice of the date on which the books of the Company shall close or a record shall be taken for such dividend, distribution or subscription rights or for determining rights to vote in respect of any such dissolution, liquidation or winding-up; (ii) at least 10 days' prior written notice of the date on which the books of the Company shall close or a record shall be taken for determining rights to vote in respect of any such reorganization, reclassification, consolidation, merger or sale, and (iii) in the case of any such reorganization, reclassification, consolidation; merger, sale, dissolution, liquidation or winding-up, at least 30 days' written notice of the date when the same shall take place. Any notice given in accordance with clause (i) above shall also specify, in the case of any such dividend, distribution or option rights, the date on which the holders of Common Stock shall be entitled thereto. Any notice given in accordance with clause (iii) above shall also specify the date on which the holders of Common Stock shall be entitled to exchange their Common Stock for securities or other property deliverable upon such reorganization, reclassification, consolidation, merger, sale, dissolution, liquidation or winding-up, as the case may be. Anything herein to the contrary notwithstanding, the Holder may give a notice of conversion of all or a portion of the Note as contemplated in Section 9.1, which may be conditioned upon the actual occurrence of the event which is the subject of the notice, it being the intention of Company and Holder that Holder shall be entitled to obtain the benefits of such conversion if such event actually occurs, but shall be entitled to retain this Note in full at its option if such event does not occur for any reason, and the Company agrees to take all such action, including issuing a new Note in order to assure to the Holder the benefits contemplated by this Section 9.5.

9.6 Adjustment of Conversion Price. The Conversion Price shall be adjusted from time to time in the following manner upon the occurrence of the following events:

(a) *Dividend, Subdivision, Combination or Reclassification of Common Stock.* If the Company shall, at any time or from time to time, (A) declare a dividend on the Common Stock payable in shares of its capital stock (including Common Stock), (B) subdivide the outstanding Common Stock into a larger number of shares of Common Stock, (C) combine the outstanding Common Stock into a smaller number of shares of its Common Stock, or (D) issue any shares of its capital stock in a reclassification of the Common Stock (including any such reclassification in connection with a consolidation or merger in which the Company is the continuing corporation), then in each such case, the Conversion Price in effect at the time of the record date for such dividend or of the effective date of such subdivision, combination or reclassification shall be adjusted so that the Holder upon conversion after such date shall be entitled to receive the aggregate number and kind of shares of capital stock which, if this Note had been converted immediately prior to such date, such holder would have owned upon such conversion and been entitled to receive by virtue of such dividend, subdivision, combination or reclassification. Any such adjustment shall become effective immediately after the record date of such dividend or the effective date of such subdivision, combination or reclassification. Such adjustment shall be made successively whenever any event listed above shall occur. If a dividend is declared and such dividend is not paid, the Conversion Price shall again be adjusted to be the Conversion Price, in effect immediately prior to such record date (giving effect to all adjustments that otherwise would be required to be made pursuant to this Section 9.6 from and after such record date).

(b) *Certain Distributions*. If the Company shall, at any time or from time to time, fix a record date for the distribution to all holders of Common Stock (including any such distribution made in connection with a consolidation or merger in which the Company is the continuing corporation) of evidences of indebtedness, assets or other property (other than regularly scheduled cash dividends or cash distributions payable out of consolidated earnings or earned surplus or dividends payable in capital stock for which adjustment is made under Section 9.6(a)) or subscription rights, options or warrants, upon conversion of the Note after that corporate event, the Holder will be entitled to receive the securities or assets the Holder would have received if the Holder had converted the Note immediately before the first such corporate event and not disposed of the securities or assets received as a result of the or any subsequent corporate event.

(c) *Issuance of Common Stock Below Conversion Price*.

(i) If the Company shall, at any time and from time to time, after the date hereof, directly or indirectly, sell or issue shares of Common Stock (regardless of whether originally issued or from the Company's treasury), or rights, options, warrants or convertible or exchangeable securities containing the right to subscribe for or purchase shares of Common Stock) at a price per share of Common Stock (determined, in the case of rights, options, warrants or convertible or exchangeable securities (collectively, "Securities"), by dividing (x) the total consideration received or receivable by the Company in consideration of the sale or issuance of such Securities, plus the total consideration payable to the Company upon exercise or conversion or exchange thereof, by (y) the total number of shares of Common Stock covered by such Securities) which is lower than the Conversion Price in effect immediately prior to such sale or issuance, then, subject to Section 9.6(c)(ii), the Conversion Price shall be reduced to a price determined by multiplying the Conversion Price in effect immediately prior thereto by a fraction, the numerator of which shall be the sum of the number of shares of Common Stock outstanding immediately prior to such sale or issuance plus the number of shares of Common Stock which the aggregate consideration received (in the case of Securities, determined as provided below) for such sale or issuance would purchase at the Conversion Price in effect immediately prior to such sale or issuance and the denominator of which shall be the total number of shares of Common Stock outstanding immediately after such sale or issuance. Such adjustment shall be made successively whenever such sale or issuance is made. For the purposes of such adjustments, the shares of Common Stock which the holder of any such Securities shall be entitled to subscribe for or purchase shall be deemed to be issued and outstanding as of the date of such sale or issuance of such Securities and the consideration "received" by the Company therefor shall be deemed to be the consideration actually received or receivable by the Company (plus any underwriting discounts or commissions in connection therewith) for such Securities, plus the consideration stated in such Securities to be payable to the Company for the shares of Common Stock covered thereby. If the Company shall sell or issue shares of Common Stock for a consideration consisting, in whole or in part, of property other than cash or its equivalent, then in determining the "price per share of Common Stock" and the "consideration" received or receivable by or payable to the Company for purposes of the first sentence and the immediately preceding sentence of this Section 9.6(c)(i), the fair value of such property shall be determined in good faith by the Board of Directors of the Company. Except as provided below, the determination of whether any adjustment is required under this Section 9.6(c)(i) by reason of the sale or issuance of Securities and the amount of such adjustment, if any, shall be made only at the time of such issuance or sale and not at any subsequent time.

(ii) No adjustment shall be made to the Conversion Price pursuant to Section 9.6(c)(i) in connection with the (A) issuance of shares in any of the transactions described in Section 9.6(a), 9.6(b), or 9.6(e) hereof; (B) issuance of shares upon exercise of the Warrants; (C) issuance of shares upon conversion of the Notes; (D) issuance of shares of Common Stock upon the exercise of options or the grant of options provided that such options were or are issued pursuant to stock option plans approved by the stockholders of the Company; (E) issuance of shares of Common Stock or rights, options, warrants or convertible or exchangeable securities containing the right to subscribe for or purchase shares of Common Stock as part of a unit in connection with an arm's length institutional debt financing, (F) issuance of shares of Common Stock upon the exercise or conversion of rights, options, warrants or convertible or exchangeable securities containing the right to subscribe for or purchase shares of Common Stock outstanding on the Effective Date; (G) issuance of shares of Common Stock or rights, options, warrants or convertible or exchangeable securities containing the right to subscribe for or purchase shares of Common Stock in connection with licenses, assignments or other transfers of intellectual property of the Company or Subsidiaries, or rights therein, in connection with cooperative research and development agreements, strategic alliances, or agreements providing for the manufacturing, distribution or sale of products or services of the Company or Subsidiaries; (H) issuance of shares of Common Stock pursuant to the Common Stock Purchase Agreement, dated December 1, 2006, between the Company and Fusion Capital Fund II, LLC, and (I) contributions of Common Stock to the Company's 401(k) Plan.

(iii) In the event of any change in the number of shares of Common Stock deliverable or any change in the consideration payable to the Company upon exercise, conversion or exchange of any Securities (including, without limitation, by operation of the anti-dilution provisions of such Securities other than those anti-dilution provisions contained within the Securities that are substantially similar to the provisions of Section 9.6(a) hereof), any adjustment to the Conversion Price which was made upon the issuance of such Securities, and any subsequent adjustments based thereon, shall be recomputed to reflect such change, except as provided below, no further adjustment shall be made for the actual issuance of Common Stock or any payment of such consideration upon the exercise, conversion or exchange of any such Securities. The Company shall make all necessary adjustments (including successive adjustments if required) to the Conversion Price in accordance with Section 9.6. Upon the expiration or termination of the right to exercise, convert or exchange any Securities, any adjustment to the Conversion Price which was made upon the issuance of such Securities, and any subsequent adjustments based thereon, shall be recomputed to reflect the issuance of only the number of shares of Common Stock actually issued upon the exercise, conversion or exchange of such Securities and the actual consideration received therefor (as determined in this Section 9.6).

(d) *De Minimis Adjustments*. No adjustment shall be made under this Section 9.6 if the amount of such adjustment would result in a change in the Conversion Price of less than one percent (1%), but in such case any adjustment that would otherwise be required to be made shall be carried forward and shall be made at the time of and together with the next subsequent adjustment, which together with any adjustment so carried forward, would result in a change of at least one percent (1%). Notwithstanding the provisions of the first sentence of this Section 9.6(d), any adjustment postponed pursuant to this Section 9.6(d) shall be made no later than the earlier of the Maturity Date or the date on which the Note is converted.

(e) *Reorganization, Reclassification, Merger and Sale of Assets.* If there occurs any capital reorganization or any reclassification of the Common Stock of the Company, the consolidation or merger of the Company with or into another Person (other than a merger or consolidation of the Company in which the Company is the continuing corporation and which does not result in any reclassification or change of outstanding shares of its Common Stock) or the sale or conveyance of all or substantially all of the assets of the Company to another Person, then the Holder will thereafter be entitled to receive, upon the conversion of this Note in accordance with the terms hereof, the same kind and amounts of securities (including shares of stock) or other assets, or both, which were issuable or distributable to the holders of outstanding Common Stock of the Company upon such reorganization, reclassification, consolidation, merger, sale or conveyance, in respect of that number of shares of Common Stock then deliverable upon the conversion of this Note if this Note had been exercised immediately prior to such reorganization, reclassification, consolidation, merger, sale or conveyance; and, in any such case, appropriate adjustments (as determined in good faith by the Board of Directors of the Company) shall be made to assure that the provisions hereof (including, without limitation, provisions with respect to changes in, and other adjustments of, the Conversion Price) shall thereafter be applicable, as nearly as reasonably may be practicable, in relation to any securities or other assets thereafter deliverable upon conversion of this Note.

(f) *Certificate as to Adjustments*. Whenever the Conversion Price shall be adjusted pursuant to the provisions hereof, the Company shall promptly give written notice thereof to the Holder, in accordance with Section 11, in the form of a certificate signed by the Chairman of the Board, President or one of the Vice Presidents of the Company, and by the Chief Financial Officer, Treasurer or one of the Assistant Treasurers of the Company, stating the adjusted Conversion Price, and setting forth in reasonable detail the method of calculation and the facts requiring such adjustment and upon which such calculation is based. Each adjustment shall remain in effect until a subsequent adjustment is required.

9.7 Other Provisions Relating to Rights of The Holder. If all or any part of the Note is duly converted, the Holder will for all purposes be deemed to become the holder of record of the Conversion Shares as to which the Note is converted, and the certificate for such shares will be dated on the date the Note (or any successor Note) is surrendered for conversion, except if such date is not a Business Day, the Holder will be deemed to become the record holder of the Conversion Shares, and the certificate will be dated, on the next succeeding Business Day. The Holder will not be entitled to any rights as a holder of the Conversion Shares, including the right to vote and to receive dividends, until the Holder becomes or is deemed to become the holder of such shares pursuant to the terms hereof. The issuance of certificates for shares of Common Stock upon the conversion of the Note shall be made without charge to the Holder for any issue tax in respect thereof, provided, however, that the Company shall not be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of any certificate in a name other than that of the then Holder of the Note being exercised.

Section 10. Covenants.

10.1 Reservation of Shares. The Company shall at all times reserve and keep available out of its authorized capital stock, solely for the purpose of issuance or delivery upon conversion of the Notes and exercise of the Warrants, the maximum number of shares of capital stock that may be issuable or deliverable upon such conversion or exercise, as the case may be. Such shares of capital stock shall, when issued or delivered in accordance with the Notes and the Warrants, as the case may be, be duly and validly issued and fully paid and non-assessable. The Company shall issue such capital stock in accordance with the provisions of the Notes and the Warrants, as the case may be, and shall otherwise comply, in each case, with the terms thereof. The Company covenants that it will take all reasonable action as may be necessary to assure that such Common Stock may be issued as provided herein without violation of any applicable law or regulation, or of any requirements of any domestic securities exchange or automated quotation system upon which the Common Stock may be listed, or any agreement to which the Company may be a party.

10.2 Limitation on Indebtedness. Without the prior written consent of the Holder, the Company shall not issue, assume or otherwise incur any indebtedness for borrowed money, other than:

(a) indebtedness created under this Agreement;

(b) indebtedness to banks or other financial institutions under working capital facilities not to exceed $500,000 in the aggregate;

(c) the Senior Indebtedness; or

(d) indebtedness incurred to finance the acquisition of equipment or other personal property by purchase or lease.

Section 11. Notices. All notices and communications provided for hereunder shall be in writing and sent (a) by fax if the sender on the same day sends a confirming copy of such notice by a recognized overnight delivery service (charges prepaid), or (b) by registered or certified mail with return receipt requested (postage prepaid), or (c) by a recognized overnight delivery service (with charges prepaid). Any such notice must be sent:

(a) if to the Company, to

Neoprobe Corporation
425 Metro Place North, Suite 300
Dublin, Ohio 43017
Attn: Chief Financial Officer
(fax) (614) 793-9376

copy to:

William J. Kelly, Jr.
Porter, Wright, Morris & Arthur
41 South High Street, Suite 2800
Columbus, Ohio 43215

or to such other Person at such other place as the Company shall designate to Purchaser in writing;

(b) if to the Purchasers, to

David C. Bupp
9095 Moors Place North
Dublin, Ohio 43017

copy to:

Kenneth J. Warren, Esq.
5134 Blazer Parkway
Dublin, Ohio 43017

or at such other address as a majority in interest of Purchasers shall designate to the Company in writing; or

(c) if to any transferee or transferees of Purchasers, at such address or addresses as shall have been furnished to the Company at the time of the transfer or transfers, or at such other address or addresses as may have been furnished by such transferee or transferees to the Company in writing.

Section 12. Miscellaneous.

12.1 Entire Agreement. This Agreement, including all Exhibits and Attachments embody the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersedes all prior oral or written agreements and understandings relating to the subject matter hereof. No statement, representation, warranty, covenant or agreement of any kind not expressly set forth in this Agreement shall affect, or be used to interpret, change or restrict, the express terms and provisions of this Agreement.

12.2 Amendments. This Agreement may not be modified or amended except pursuant to an instrument in writing signed by the Company and by Purchaser.

12.3 Headings. The headings of the various sections of this Agreement have been inserted for convenience of reference only and shall not be deemed to be part of this Agreement.

12.4 Severability. In case any provision contained in this Agreement should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

12.5 Governing Law/Jurisdiction. This Agreement will be construed and enforced in accordance with and governed by the laws of the State of Ohio, without reference to principles of conflicts of law, except to the extent that the Delaware General Corporation Law shall govern. Each party hereby agrees that if the other party to this Agreement obtains a judgment against it in such a proceeding, the party which obtained such judgment may enforce same by summary judgment in the courts of any country having jurisdiction over the party against whom such judgment was obtained, and each party hereby waives any defenses available to it under local law and agrees to the enforcement of such a judgment. Each party to this Agreement irrevocably consents to the service of process in any such proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, to such party at its address set provided for notices under Section 11. Nothing herein shall affect the right of any party to serve process in any other manner permitted by law.

12.6 Disputes. Any controversy, claim or dispute arising out of or relating to this Agreement or the breach, termination, enforceability or validity of this Agreement, including the determination of the scope or applicability of the agreement to arbitrate set forth in this Section 10.6 shall be determined exclusively by binding arbitration in the City of Columbus, Ohio. The arbitration shall be governed by the rules and procedures of the American Arbitration Association (the "AAA") under its Commercial Arbitration Rules and its Supplementary Procedures for Large, Complex Disputes; provided that Persons eligible to be selected as arbitrators shall be limited to attorneys-at-law each of whom (i) is on the AAA's Large, Complex Case Panel or a Center for Public Resources ("CPR") Panel of Distinguished Neutrals, or has professional credentials comparable to those of the attorneys listed on such AAA and CPR Panels and (ii) has actively practiced law (in private or corporate practice or as a member of the judiciary) for at least 15 years in the State of Ohio concentrating in either general commercial litigation or general corporate and commercial matters. Any arbitration proceeding shall be before one arbitrator mutually agreed to by the parties to such proceeding (who shall have the credentials set forth above) or, if the parties are unable to agree to the arbitrator within 15 business days of the initiation of the arbitration proceedings, then by the AAA. No provision of, nor the exercise of any rights under, this Section 12.6 shall limit the right of any party to request and obtain from a court of competent jurisdiction in the State of Ohio, County of Franklin (which shall have exclusive jurisdiction for purposes of this Section 12.6) before, during or after the pendency of any arbitration, provisional or ancillary remedies and relief including injunctive or mandatory relief or the appointment of a receiver. The institution and maintenance of an action or judicial proceeding for, or pursuit of, provisional or ancillary remedies shall not constitute a waiver of the right of any party, even if it is the plaintiff, to submit the dispute to arbitration if such party would otherwise have such right. Each of the parties hereby submits unconditionally to the exclusive jurisdiction of the state and federal courts located in the County of Franklin, State of Ohio for purposes of this provision, waives objection to the venue of any proceeding in any such court or that any such court provides an inconvenient forum and consents to the service of process upon it in connection with any proceeding instituted under this Section 10.6 in the same manner as provided for the giving of notice under this Agreement. Judgment upon the award rendered may be entered in any court having jurisdiction. The parties hereby expressly consent to the nonexclusive jurisdiction of the state and federal courts situated in the County of Franklin, State of Ohio for this purpose and waive objection to the venue of any proceeding in such court or that such court provides an inconvenient forum. The arbitrator shall have the power to award recovery of all costs (including attorneys' fees, administrative fees, arbitrators' fees and court costs) to the prevailing party. The arbitrator shall not have power, by award or otherwise, to vary any of the provisions of this Agreement.

12.7 Recovery of Attorneys' Fees. In any action arising under this Agreement, the Note, the Warrant, or the Registration Rights Agreement then the prevailing party shall be entitled to recovery of its legal fees and expenses incurred in connection therewith, to the extent such legal fees and expenses have not been awarded by an arbitrator.

12.8 Counterparts/Facsimile. This Agreement may be executed in two or more counterparts, each of which shall constitute an original, but all of which, when taken together, shall constitute but one instrument, and shall become effective when one or more counterparts have been signed by each party hereto and delivered to the other party. In lieu of the original, a facsimile transmission or copy of the original shall be as effective and enforceable as the original.

12.9 Publicity. Neither Purchaser nor the Company shall issue any press releases or otherwise make any public statement with respect to the transactions contemplated by this Agreement without the prior written consent of the other, except as may be required by applicable law or regulation.

12.10 Survival. The representations and warranties in this Agreement shall survive Closing.

12.11 Expenses. Each of the parties shall bear its own legal and other expenses in connection with the negotiation and closing of the transactions contemplated hereby, except that the Company will reimburse Purchasers for $25,000.00 in legal and investment advisory fees and expenses incurred by Purchasers hereunder.

12.12 No Strict Construction. The parties hereto have participated jointly in the negotiation and drafting of this Agreement and the other Transaction Documents. In the event an ambiguity or question of intent or interpretation arises under any provision of this Agreement or any Transaction Document, this Agreement or such other Transaction Document shall be construed as if drafted jointly by the parties thereto, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement or any other Transaction Document.

12.13 Power of Attorney. With respect to any Purchaser executing and delivering this Agreement pursuant to a power of attorney, the attorney in fact so appointed by such Purchaser represents and warrants that as of the date hereof and on the Closing Date: (a) he is the attorney in fact designated by such power of attorney; (b) the principal is not deceased, and has not revoked or partially or fully terminated or suspended the power of attorney; (c) there is currently no petition to determine incapacity or appoint a guardian for the principal; and (d) the power of attorney is in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their duly authorized representatives the day and year first above written.

[Signatures on following pages]

NEOPROBE CORPORATION

By /s/ Brent L. Larson

Brent L. Larson, Vice President of Finance

Signature page to Note Purchase Agreement

PURCHASERS

/s/ David C. Bupp

David C. Bupp

/s/ Cynthia B. Gochoco

Cynthia B. Gochoco

/s/ Walter H. Bupp

Walter H. Bupp, by David C. Bupp, his attorney in fact, under power of attorney dated April 22, 2005

Signature page to Note Purchase Agreement

THIS NOTE HAS NOT BEEN REGISTERED WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES ADMINISTRATOR OF ANY STATE PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER REGULATION D PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"). THIS NOTE IS SUBJECT TO THE TERMS OF A NOTE PURCHASE AGREEMENT DATED AS OF JUNE 29, 2007 AND MAY NOT BE TRANSFERRED OR SOLD EXCEPT AS PROVIDED THEREIN AND AS PERMITTED UNDER THE ACT PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM.

NEOPROBE CORPORATION

10% CONVERTIBLE NOTE DUE JULY 8, 2008

$1,000,000.00 July 3, 2007

FOR VALUE RECEIVED, the undersigned, NEOPROBE CORPORATION (herein called the "**Company**"), a corporation organized and existing under the laws of the State of Delaware hereby promises to pay to David C. Bupp, Cynthia B. Gochoco, and Walter H. Bupp, as joint tenants with right of survivorship, or their registered assigns, the principal sum of $1,000,000.00 on July 8, 2008, with interest (computed on the basis of a 360-day year of twelve 30-day months) on the unpaid balance thereof at the rate of 10.0% per annum from the date hereof, payable quarterly in arrears, on the last day of each calendar quarter, commencing with the calendar quarter next succeeding the date hereof, until the principal hereof shall have become due and payable.

Payments of principal of, and interest on this Note are to be made in lawful money of the United States of America at the address of the holder of this Note provided for receipt of notices under the Note Purchase Agreement referred to below or, at the option of the holder of this Note, in immediately available funds at any bank or other financial institution capable of receiving immediately available funds designated by the holder of this Note.

This Note has been issued pursuant, and is subject, to an 10% Convertible Note Purchase Agreement, dated as of July 3, 2007, as the same may be amended, modified or supplemented from time to time in accordance with the terms thereof, between the Company and the Purchaser named therein (the "Note Purchase Agreement") and is entitled to the benefits thereof. Each holder of this Note will be deemed, by its acceptance hereof, (a) to have agreed to all of the terms of the Note Purchase Agreement and other agreements referenced therein, and (b) to have made the representations and warranties set forth in Sections 4.2 through 4.8 of the Note Purchase Agreement.

This Note may be prepaid at any time prior to maturity in whole or in part without premium or penalty, upon ten (10) days prior written notice to the Holder.

If an Event of Default, as defined in the Note Purchase Agreement, occurs and is continuing, the principal of this Note may be declared or otherwise become due and payable in the manner, at the price and with the effect provided in the Note Purchase Agreement.

This Note is convertible into shares of Common Stock of the Company, on the terms and subject to the conditions set forth in the Note Purchase Agreement.

This Note will be construed and enforced in accordance with and governed by the laws of the State of Ohio, without reference to principles of conflicts of law. Any controversy, claim or dispute arising out of or relating to this Note or the breach, termination, enforceability or validity of this Note, including the determination of the scope or applicability of the agreement to arbitrate set forth in this paragraph shall be determined exclusively by binding arbitration in the City of Columbus, Ohio. The arbitration shall be governed by the rules and procedures of the American Arbitration Association (the "AAA") under its Commercial Arbitration Rules and its Supplementary Procedures for Large, Complex Disputes; provided that persons eligible to be selected as arbitrators shall be limited to attorneys-at-law each of whom (a) is on the AAA's Large, Complex Case Panel or a Center for Public Resources ("CPR") Panel of Distinguished Neutrals, or has professional credentials comparable to those of the attorneys listed on such AAA and CPR Panels, and (b) has actively practiced law (in private or corporate practice or as a member of the judiciary) for at least 15 years in the State of Ohio concentrating in either general commercial litigation or general corporate and commercial matters. Any arbitration proceeding shall be before one arbitrator mutually agreed to by the parties to such proceeding (who shall have the credentials set forth above) or, if the parties are unable to agree to the arbitrator within 15 business days of the initiation of the arbitration proceedings, then by the AAA. No provision of, nor the exercise of any rights under, this paragraph shall limit the right of any party to request and obtain from a court of competent jurisdiction in the State of Ohio, County of Franklin (which shall have exclusive jurisdiction for purposes of this paragraph) before, during or after the pendency of any arbitration, provisional or ancillary remedies and relief including injunctive or mandatory relief or the appointment of a receiver. The institution and maintenance of an action or judicial proceeding for, or pursuit of, provisional or ancillary remedies shall not constitute a waiver of the right of any party, even if it is the plaintiff, to submit the dispute to arbitration if such party would otherwise have such right. Each of the parties hereby submits unconditionally to the exclusive jurisdiction of the state and federal courts located in the County of Franklin, State of Ohio for purposes of this provision, waives objection to the venue of any proceeding in any such court or that any such court provides an inconvenient forum and consents to the service of process upon it in connection with any proceeding instituted under this paragraph in the same manner as provided for the giving of notice under the Note Purchase Agreement. Judgment upon the award rendered may be entered in any court having jurisdiction. The parties hereby expressly consent to the nonexclusive jurisdiction of the state and federal courts situated in the County of Franklin, State of Ohio for this purpose and waive objection to the venue of any proceeding in such court or that such court provides an inconvenient forum. The arbitrator shall have the power to award recovery of all costs (including attorneys' fees, administrative fees, arbitrators' fees and court costs) to the prevailing party. The arbitrator shall not have power, by award or otherwise, to vary any of the provisions of this Note.

NEOPROBE CORPORATION

By /s/ Brent L. Larson

Brent L. Larson,
Vice President of Finance

THIS WARRANT AND THE SECURITIES ISSUABLE UPON EXERCISE OF THIS WARRANT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") OR ANY STATE SECURITIES LAWS, AND MAY NOT BE SOLD, OFFERED FOR SALE, ASSIGNED, TRANSFERRED OR OTHERWISE DISPOSED OF, UNLESS REGISTERED PURSUANT TO THE PROVISIONS OF THE SECURITIES ACT OR AN OPINION OF COUNSEL IS OBTAINED STATING THAT SUCH DISPOSITION IS IN COMPLIANCE WITH AN AVAILABLE EXEMPTION FROM SUCH REGISTRATION.

SERIES WV07 **WARRANT TO PURCHASE**
NO. 001 **500,000 SHARES OF COMMON STOCK**

WARRANT TO PURCHASE
COMMON STOCK
OF
NEOPROBE CORPORATION

This certifies that, for value received, David C. Bupp, Cynthia B. Gochoco, and Walter H. Bupp, as joint tenants with right of survivorship, or their registered permitted assigns (collectively, the "**Holder**"), is entitled to purchase from NEOPROBE CORPORATION, (the "**Company**"), a corporation organized and existing under the laws of the State of Delaware, subject to the terms and conditions set forth below, at any time on before 5:00 P.M., Eastern time, on the Expiration Date (as defined below), the number of fully paid and nonassessable shares of common stock, $0.001 par value, of the Company ("**Common Stock**") stated above at the Purchase Price (as defined below). The Purchase Price and the number of shares purchasable hereunder are subject to adjustment as provided below. This Warrant is issued pursuant to the terms of a 10% Convertible Note Purchase Agreement dated as of July 3, 2007, as the same may be amended, modified or supplemented pursuant to the terms thereof (the "**Purchase Agreement**"), and is subject to the terms thereof.

ARTICLE I

DEFINITIONS

Section 1.1. (a) The term "Business Day" as used in this Warrant means a day other than a Saturday, Sunday or other day on which national banking associations whose principal offices are located in the State of Ohio are authorized by law to remain closed.

(b) The term "Expiration Date" as used in this Warrant means the date of expiration of the sixty (60) month period immediately after the Exercise Date (as defined in Section 2.1 hereof) or, if that day is not a Business Day, as defined above, at or before 5:00 P.M. Eastern time on the next following Business Day.

(c) The term "Purchase Price" as used in this Warrant shall mean thirty-one cents ($0.31), as may be adjusted pursuant to the terms of Article III hereof.

(d) The term "Warrant" as used in this Warrant means this Warrant and Warrants of like tenor to purchase up to the amount of Warrant Shares (as defined below), indicated on the first page of the Warrant.

(e) The term "Warrant Shares" as used in this Warrant means the shares of Common Stock issuable upon exercise of the Warrant.

ARTICLE II

DURATION AND EXERCISE OF WARRANT

Section 2.1. This Warrant may be exercised at any time after 9:00 A.M., Eastern time, on July 3, 2007 (the "**Exercise Date**") and before 5:00 P.M., Eastern time, on the Expiration Date.

Section 2.2. (a) The Holder may exercise this Warrant in whole or in part (but not in denominations of fewer than 5,000 Warrant Shares except upon an exercise of the Warrant with respect to the remaining balance of Warrant Shares purchasable hereunder at the time of exercise) by surrender of this Warrant, with the Purchase Form (attached hereto) duly executed, to the Company at its corporate office, together with the applicable Purchase Price of each Warrant Share being purchased in lawful money of the United States, or by certified check or official bank check payable in United States dollars to the order of the Company, subject to compliance with all the other conditions set forth in this Warrant.

(b) Upon receipt of this Warrant with the Purchase Form duly executed and accompanied by payment of the aggregate Purchase Price for the shares of Common Stock for which this Warrant is being exercised, the Company shall cause to be issued certificates for the total number of whole shares (as provided in Section 3.2) of Common Stock for which this Warrant is being exercised in such denominations as the Holder may request, each registered in the name of the Holder or such other name as may be designated by the Holder, and thereafter the Company will promptly deliver, at its sole cost and expense, those certificates to the Holder, together with any other securities or property to which the Holder is entitled upon such exercise.

(c) If the Holder exercises this Warrant with respect to fewer than all the shares of Common Stock that may be purchased by exercise of this Warrant, the Company will execute a new Warrant for the balance of the shares of Common Stock that may be purchased by exercise of this Warrant and deliver that new Warrant to the Holder.

ARTICLE III

ADJUSTMENT OF PURCHASE PRICE, NUMBER OF SHARES OR NUMBER OF WARRANTS

Section 3.1. The Purchase Price, the number and type of securities issuable on exercise of this Warrant and the number of Warrants outstanding are subject to adjustment from time to time as follows:

(a) If the Company issues any shares of its Common Stock as a dividend on its Common Stock, the Purchase Price then in effect will be proportionately reduced at the opening of business on the day following the date fixed for the determination of stockholders entitled to receive the dividend or other distribution. For example, if the Company distributes one share of Common Stock as a dividend on each outstanding share of Common Stock the Purchase Price would be reduced by 50%. If the Company issues as a dividend on its Common Stock any securities which are convertible into, or exchangeable for, shares of its Common Stock, such dividend will be treated as a dividend of the Common Stock into which the securities may be converted, or for which they may be exchanged, and the Purchase Price shall be proportionately reduced.

(b) If the outstanding shares of Common Stock are subdivided into a greater number of shares of Common Stock, then the Purchase Price will be proportionately reduced at the opening of business on the day following the day when the subdivision becomes effective, and if the outstanding shares of the Common Stock are combined into a smaller number of shares of Common Stock, the Purchase Price will be proportionately increased at the opening of business on the day following the day when the combination becomes effective.

(c) If by reason of a merger, consolidation, reclassification or similar corporate event, the holders of the Common Stock receive securities or assets other than Common Stock, upon exercise of this Warrant after that corporate event, the Holder of this Warrant will be entitled to receive the securities or assets the Holder would have received if the Holder had exercised this Warrant immediately before the first such corporate event and not disposed of the securities or assets received as a result of that or any subsequent corporate event.

(d) Issuance of Common Stock Below Purchase Price.

(i) If the Company shall, at any time and from time to time, after the date hereof, directly or indirectly, sell or issue shares of Common Stock (regardless of whether originally issued or from the Company's treasury), or rights, options, warrants or convertible or exchangeable securities containing the right to subscribe for or purchase shares of Common Stock) at a price per share of Common Stock (determined, in the case of rights, options, warrants or convertible or exchangeable securities (collectively, "Securities"), by dividing (x) the total consideration received or receivable by the Company in consideration of the sale or issuance of such Securities, plus the total consideration payable to the Company upon exercise or conversion or exchange thereof, by (y) the total number of shares of Common Stock covered by such Securities) which is lower than the Purchase Price in effect immediately prior to such sale or issuance, then, subject to Section 3.1(d)(ii), the Purchase Price shall be reduced to a price determined by multiplying the Purchase Price in effect immediately prior thereto by a fraction, the numerator of which shall be the sum of the number of shares of Common Stock outstanding immediately prior to such sale or issuance plus the number of shares of Common Stock which the aggregate consideration received (in the case of Securities, determined as provided below) for such sale or issuance would purchase at the Purchase Price in effect immediately prior to such sale or issuance and the denominator of which shall be the total number of shares of Common Stock outstanding immediately after such sale or issuance. Such adjustment shall be made successively whenever such sale or issuance is made. For the purposes of such adjustments, the shares of Common Stock which the holder of any such Securities shall be entitled to subscribe for or purchase shall be deemed to be issued and outstanding as of the date of such sale or issuance of such Securities and the consideration "received" by the Company therefor shall be deemed to be the consideration actually received or receivable by the Company (plus any underwriting discounts or commissions in connection therewith) for such Securities, plus the consideration stated in such Securities to be payable to the Company for the shares of Common Stock covered thereby. If the Company shall sell or issue shares of Common Stock for a consideration consisting, in whole or in part, of property other than cash or its equivalent, then in determining the "price per share of Common Stock" and the "consideration" received or receivable by or payable to the Company for purposes of the first sentence and the immediately preceding sentence of this Section 3.1(d)(i), the fair value of such property shall be determined in good faith by the Board of Directors of the Company. Except as provided below, the determination of whether any adjustment is required under this Section 3.1(d)(i) by reason of the sale or issuance of Securities and the amount of such adjustment, if any, shall be made only at the time of such issuance or sale and not at any subsequent time.

(ii) No adjustment shall be made to the Purchase Price pursuant to Section 3.1(d)(i) in connection with the (A) issuance of shares in any of the transactions described in Section 3.1(a), 3.1(b) , or 3.1(c) hereof; (B) issuance of shares upon exercise of the Warrants; (C) issuance of shares upon conversion of the Notes; (D) issuance of shares of Common Stock upon the exercise of options or the grant of options provided that such options were or are issued pursuant to stock option plans approved by the stockholders of the Company; (E) issuance of shares of Common Stock or rights, options, warrants or convertible or exchangeable securities containing the right to subscribe for or purchase shares of Common Stock as part of a unit in connection with an arm's length institutional debt financing, (F) issuance of shares of Common Stock upon the exercise or conversion of rights, options, warrants or convertible or exchangeable securities containing the right to subscribe for or purchase shares of Common Stock outstanding on the Effective Date; (G) issuance of shares of Common Stock or rights, options, warrants or convertible or exchangeable securities containing the right to subscribe for or purchase shares of Common Stock in connection with licenses, assignments or other transfers of intellectual property of the Company or Subsidiaries, or rights therein, in connection with cooperative research and development agreements, strategic alliances, or agreements providing for the manufacturing, distribution or sale of products or services of the Company or Subsidiaries; (H) issuance of shares of Common Stock pursuant to the Common Stock Purchase Agreement, dated December 1, 2006, between the Company and Fusion Capital Fund II, LLC, and (I) contributions of Common Stock to the Company's 401(k) Plan.

(iii) In the event of any change in the number of shares of Common Stock deliverable or any change in the consideration payable to the Company upon exercise, conversion or exchange of any Securities (including, without limitation, by operation of the anti-dilution provisions of such Securities other than those anti-dilution provisions contained within the Securities that are substantially similar to the provisions of Section 3.1(a), 3.1(b), or 3.1(c) hereof), any adjustment to the Purchase Price which was made upon the issuance of such Securities, and any subsequent adjustments based thereon, shall be recomputed to reflect such change, except as provided below, no further adjustment shall be made for the actual issuance of Common Stock or any payment of such consideration upon the exercise, conversion or exchange of any such Securities. The Company shall make all necessary adjustments (including successive adjustments if required) to the Purchase Price in accordance with Section 3.1. Upon the expiration or termination of the right to exercise, convert or exchange any Securities, any adjustment to the Purchase Price which was made upon the issuance of such Securities, and any subsequent adjustments based thereon, shall be recomputed to reflect the issuance of only the number of shares of Common Stock actually issued upon the exercise, conversion or exchange of such Securities and the actual consideration received therefor (as determined in this Section 3.1).

Section 3.2. Upon each adjustment of the applicable Purchase Price pursuant to Section 3.1 hereof, this Warrant will, after the adjustment, evidence the right to purchase, at the adjusted Purchase Price, the number of shares (calculated to the nearest hundredth) obtained by (i) multiplying the number of shares issuable on exercise of this Warrant immediately prior to the adjustment by the Purchase Price in effect immediately prior to the adjustment and (ii) dividing the resulting product by the Purchase Price in effect immediately after the adjustment. However, the Company will not be required to issue a fractional share or to make any payment in lieu of issuing a fractional share.

Section 3.3. Whenever the Purchase Price or the number of shares or type of securities issuable on exercise of this Warrant is adjusted as provided in this Article III, the Company will compute the adjusted Purchase Price and the adjusted number of Warrant Shares and will prepare a certificate signed by its President or any Vice President, and by its Treasurer or Secretary setting forth the effective date of the adjustment, the adjusted Purchase Price and the adjusted number of Warrant Shares and showing in reasonable detail the facts upon which the adjustments were based and mail a copy of that certificate to the Holder by first class mail, postage prepaid, addressed to the registered Holder of this Warrant at the address of such Holder as shown on the books of the Company.

Section 3.4. If at any time when this Warrant is outstanding the Company:

(a) declares any cash dividend (or authorizes any other distribution) on its Common Stock;

(b) authorizes the granting to the holders of its Common Stock of rights to subscribe for or purchase any shares of its capital stock or assets, other than a dividend payable solely in shares of Common Stock;

(c) authorizes a reclassification, split or combination of the Common Stock, or a consolidation or merger to which the Company is a party or a sale or transfer of all or substantially all the assets of the Company that is subject to Section 271(a) of the Delaware General Corporation Law; or

(d) authorizes a voluntary or involuntary dissolution, liquidation or winding up of the Company;

then, in any one or more of said cases, the Company shall give, by certified or registered mail, postage prepaid, addressed to the registered Holder of this Warrant at the address of such Holder as shown on the books of the Company, (i) at least 30 days' prior written notice of the date on which the books of the Company shall close or a record shall be taken for such dividend, distribution or subscription rights or for determining rights to vote in respect of any such dissolution, liquidation or winding-up; (ii) at least 10 days' prior written notice of the date on which the books of the Company shall close or a record shall be taken for determining rights to vote in respect of any such reorganization, reclassification, consolidation, merger or sale, and (iii) in the case of any such reorganization, reclassification, consolidation; merger, sale, dissolution, liquidation or winding-up, at least 30 days' written notice of the date when the same shall take place. Any notice given in accordance with clause (i) above shall also specify, in the case of any such dividend, distribution or option rights, the date on which the holders of Common Stock shall be entitled thereto. Any notice given in accordance with clause (iii) above shall also specify the date on which the holders of Common Stock shall be entitled to exchange their Common Stock for securities or other property deliverable upon such reorganization, reclassification, consolidation, merger, sale, dissolution, liquidation or winding-up, as the case may be.

Section 3.5. The form of this Warrant need not be changed because of any change in the Purchase Price or in the number of Warrant Shares, and Warrants issued after that change may continue to describe the Purchase Price and the number of Warrant Shares which were described in this Warrant as initially issued.

ARTICLE IV

OTHER PROVISIONS RELATING TO RIGHTS OF WARRANT HOLDER

Section 4.1. If this Warrant is duly exercised, the Holder will for all purposes be deemed to become the holder of record of the Warrant Shares as to which this Warrant is exercised, and the certificate for such shares will be dated, on the date this Warrant is surrendered for exercise and the Purchase Price paid in accordance with Section 2.2 hereof, except that if such date is not a Business Day, the Holder will be deemed to become the record holder of the Warrant Shares, and the certificate will be dated, on the next succeeding Business Day. The Holder will not be entitled to any rights as a holder of the Warrant Shares, including the right to vote and to receive dividends, until the Holder becomes or is deemed to become the holder of such shares pursuant to the terms hereof.

Section 4.2. (a) The Company covenants and agrees that it will at all times reserve and keep available for the exercise of this Warrant a sufficient number of authorized but unissued shares of Common Stock to permit the exercise in full of this Warrant.

(b) The Company covenants that all shares of Common Stock issued upon exercise of this Warrant and against payment of the Purchase Price will be duly authorized, validly issued, fully paid and nonassessable and free from all pre-emptive rights of any stockholder and free of all taxes, liens and charges with respect to the issue thereof. The Company covenants that it will take all reasonable action as may be necessary to assure that such Common Stock may be issued as provided herein without violation of any applicable law or regulation, or of any requirements of any domestic securities exchange or automated quotation system upon which the Common Stock may be listed, or any agreement to which the Company may be a party.

Section 4.3. Notices to the Holder relating to this Warrant will be effective on the earliest of actual receipt or the third business day after mailing by first class mail (which shall be certified or registered, return receipt requested), postage prepaid, addressed to the Warrant Holder at the address shown on the books of the Company.

Section 4.4. The issuance of certificates for shares of Common Stock upon the exercise of the Warrant shall be made without charge to the Holder for any issue tax in respect thereof; provided, however, that the Company shall not be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of any certificate in a name other than that of the then Holder of the Warrant being exercised.

ARTICLE V

TREATMENT OF WARRANT HOLDER

Prior to presentation of this Warrant for registration of transfer, the Company may treat the Holder for all purposes as the owner of this Warrant and the Company will not be affected by any notice to the contrary.

ARTICLE VI

COMBINATION, EXCHANGE AND TRANSFER OF WARRANTS

Section 6.1. Any transfer permitted under this Warrant will be made by surrender of this Warrant to the Company at its principal office with the Form of Assignment (attached hereto) duly executed. In such event the Company will, without charge, execute and deliver a new Warrant to and in the name of the assignee named in the instrument of assignment and this Warrant will promptly be canceled.

Section 6.2. This Warrant may be divided or combined with other Warrants which carry the same rights upon presentation of them at the principal office of the Company together with a written notice signed by the Holder, specifying the names and denominations in which new Warrants are to be issued.

Section 6.3. Upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant, and, in the case of loss, theft or destruction, of reasonably satisfactory indemnification, or, in the case of mutilation, upon surrender of the mutilated Warrant, the Company will execute and deliver a new Warrant bearing the same terms and date as the lost, stolen or destroyed Warrant, which will thereupon become void.

ARTICLE VII

OTHER MATTERS

Section 7.1. (a) This Warrant and any Warrant Shares may not be sold, transferred, pledged, hypothecated or otherwise disposed of except as follows: (i) to a person who, in the reasonable opinion of counsel to the Company, is a person to whom this Warrant or the Warrant Shares may legally be transferred without registration and without the delivery of a current prospectus under the Securities Act of 1933 (the "**Securities Act**") with respect thereto, and then only against receipt of an agreement of such person to comply with the provisions of this Section 7.1(a) with respect to any resale or other disposition of such securities; or (ii) to any person upon delivery of a prospectus then meeting the requirements of the Securities Act relating to such securities and the offering thereof for such sale or disposition, and thereafter to all successive assignees.

(b) Unless the Warrant Shares have been registered under the Securities Act, upon exercise of any of the Warrant and the issuance of any of the Warrant Shares, all certificates representing Warrant Shares shall bear on the face thereof substantially the following legend:

> THE SALE OR OTHER DISPOSITION OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND MAY NOT BE SOLD, OFFERED FOR SALE, ASSIGNED, TRANSFERRED OR OTHERWISE DISPOSED OF, UNLESS REGISTERED PURSUANT TO THE PROVISIONS OF THAT ACT OR UNLESS AN OPINION OF COUNSEL TO THE ISSUER IS OBTAINED STATING THAT SUCH DISPOSITION IS IN COMPLIANCE WITH AN AVAILABLE EXEMPTION FROM SUCH REGISTRATION.

(c) The Holder shall have no right to require the Company to register the Warrant Shares under the Securities Act or any state securities law, except to the extent provided in the Registration Rights Agreement of even date herewith.

Section 7.2. All the covenants and provisions of this Warrant by or for the benefit of the Company will bind and inure to the benefit of its successors and assigns.

Section 7.3. All notices and other communications under this Warrant must be in writing. Any notice or communication to the Company will be effective upon the earlier of actual receipt or the third business day after mailing by first class mail (which shall be certified or registered, return receipt requested), postage prepaid, addressed (until another address is designated by the Company) as follows:

Neoprobe Corporation
425 Metro Place North, Suite 300
Dublin, OH 43017
Attn: Chief Financial Officer
(tele) (614) 793-7500
(fax) (614) 793-7522

Any notice or demand authorized by this Warrant to be given or made by the Company to the Holder must be given in accordance with Section 4.3.

Section 7.4. The Delaware General Corporation Law shall govern all issues concerning the relative rights of the Company and its stockholders. All other questions concerning the construction, validity, enforcement and interpretation of this Warrant shall be governed by the internal laws of the State of Ohio, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of Ohio or any other jurisdictions) that would cause the application of the laws of any jurisdiction other than the State of Ohio. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof to such party at the address for such notices to it under this Warrant and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. If any provision of this Warrant shall be invalid or unenforceable in any jurisdiction, such invalidity or unenforceability shall not affect the validity or enforceability of the remainder of this Warrant in that jurisdiction or the validity or enforceability of any provision of this Warrant in any other jurisdiction.

Section 7.5. Nothing in this Warrant will give any person, corporation or other entity other than the Company and the Holder any right or claim under this Warrant, and all agreements in this Warrant will be for the sole benefit of the Company, the Holder, and their respective successors and permitted assigns.

Section 7.6. The Article headings in this Warrant are for convenience only, are not part of this Warrant and will not affect the interpretation of its terms.

Section 7.7. Any controversy, claim or dispute arising out of or relating to this Warrant or the breach, termination, enforceability or validity of this Warrant, including the determination of the scope or applicability of the agreement to arbitrate set forth in this Section 7.7 shall be determined exclusively by binding arbitration in the City of Columbus, Ohio. The arbitration shall be governed by the rules and procedures of the American Arbitration Association (the "AAA") under its Commercial Arbitration Rules and its Supplementary Procedures for Large, Complex Disputes; provided that persons eligible to be selected as arbitrators shall be limited to attorneys-at-law each of whom (a) is on the AAA's Large, Complex Case Panel or a Center for Public Resources ("CPR") Panel of Distinguished Neutrals, or has professional credentials comparable to those of the attorneys listed on such AAA and CPR Panels, and (b) has actively practiced law (in private or corporate practice or as a member of the judiciary) for at least 15 years in the State of Ohio concentrating in either general commercial litigation or general corporate and commercial matters. Any arbitration proceeding shall be before one arbitrator mutually agreed to by the parties to such proceeding (who shall have the credentials set forth above) or, if the parties are unable to agree to the arbitrator within 15 business days of the initiation of the arbitration proceedings, then by the AAA. No provision of, nor the exercise of any rights under, this Section 7.7 shall limit the right of any party to request and obtain from a court of competent jurisdiction in the State of Ohio, County of Franklin (which shall have exclusive jurisdiction for purposes of this Section 7.7) before, during or after the pendency of any arbitration, provisional or ancillary remedies and relief including injunctive or mandatory relief or the appointment of a receiver. The institution and maintenance of an action or judicial proceeding for, or pursuit of, provisional or ancillary remedies shall not constitute a waiver of the right of any party, even if it is the plaintiff, to submit the dispute to arbitration if such party would otherwise have such right. Each of the parties hereby submits unconditionally to the exclusive jurisdiction of the state and federal courts located in the County of Franklin, State of Ohio for purposes of this provision, waives objection to the venue of any proceeding in any such court or that any such court provides an inconvenient forum and consents to the service of process upon it in connection with any proceeding instituted under this Section 7.7 in the same manner as provided for the giving of notice under this Warrant. Judgment upon the award rendered may be entered in any court having jurisdiction. The parties hereby expressly consent to the nonexclusive jurisdiction of the state and federal courts situated in the County of Franklin, State of Ohio for this purpose and waive objection to the venue of any proceeding in such court or that such court provides an inconvenient forum. The arbitrator shall have the power to award recovery of all costs (including attorneys' fees, administrative fees, arbitrators' fees and court costs) to the prevailing party. The arbitrator shall not have power, by award or otherwise, to vary any of the provisions of this Warrant.

IN WITNESS WHEREOF, this Warrant has been duly executed by the Company as of July 3, 2007.

NEOPROBE CORPORATION.

By: /s/ Brent L. Larson

Brent L. Larson
Vice President-Finance and Chief
Financial Officer

PURCHASE FORM

To Be Executed By The Warrant Holder

To Exercise The Warrant In Whole Or In Part:

To: NEOPROBE CORPORATION

The undersigned (_____)
Please insert Tax ID Number or other
identifying number of Holder

hereby irrevocably elects to exercise the right of purchase represented by the within Warrant for, and to purchase thereunder, _____ shares of Common Stock of Neoprobe Corporation in the amount of $_____ The undersigned requests that certificates for those shares of Common Stock be issued as follows:

Name: _____

Address: _____

Deliver to: _____

Address: _____

Denominations: _____

and that, if the number of shares of Common Stock is not all the shares of Common Stock purchasable by exercise of the Warrant, that a new Warrant for the balance of the shares of Common Stock purchasable under the within Warrant be registered in the name of, and delivered to, the undersigned at the address stated below:

Address: _____

Date: _____

Signature: _____

FORM OF ASSIGNMENT

(To Be Executed Only Upon a Permitted Assignment)

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto _____ the all of the undersigned's right, title and interest in the within Warrant.

Signature _____

Signature Guaranteed:

_____

Exhibit 10.4

REGISTRATION RIGHTS AGREEMENT

THIS REGISTRATION RIGHTS AGREEMENT (" Agreement") is made July 3, 2007, by and among Neoprobe Corporation, a Delaware corporation (the "Company"), David C. Bupp, residing at 9095 Moors Place North, Dublin, Ohio 43017, Cynthia B. Gochoco, residing at 1550 Chapel Drive, York, Pennsylvania 17404, and Walter H. Bupp, residing at 2038 Wyntre Brook Drive, York, Pennsylvania 17403, as joint tenants with right of survivorship (each an "Investor" and collectively "Investors").

Recitals

A. The Company and the Investors are parties to the 10% Convertible Note Purchase Agreement, dated July 3, 2007 (the "Purchase Agreement"), whereby Investors have purchased the Company's 10% Convertible Note, due July 8, 2008 (the "Note"), and a warrant to purchase a total of 500,000 shares of the Company's Common Stock (the "Warrant").

B. In order to induce the Company to enter into the Purchase Agreement and to induce Investors to purchase the Note and Warrant pursuant to the Purchase Agreement, Investors and the Company hereby agree that this Agreement shall govern the rights of Investors or any permitted assignee to cause the Company to register Common Stock issuable to Investors on conversion of the Note (the "Conversion Shares") and upon exercise of the Warrant ("Warrant Shares").

Statement of Agreement

In consideration of the mutual covenants contained herein and the consummation of the sale and purchase of the Note and Warrant pursuant to the Purchase Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

1. Definitions. For purposes of this Agreement:

(a) "Commission" shall mean the Securities and Exchange Commission, or any other federal agency at the time administering the Securities Act

(b) "Common Stock" means (a) the Company's common stock, $.001 par value, as authorized on the date of this Agreement, and (b) any other securities into which or for which any of the securities described in (a) may be converted or exchanged pursuant to a plan of recapitalization, reorganization, merger, sale of assets or otherwise.

(c) "Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

(d) "Holder" means any holder of outstanding Registrable Securities or anyone who holds outstanding Registrable Securities to whom the registration rights conferred by this Agreement have been transferred in compliance with this Agreement.

(e) "Initiating Holders" means, collectively, Holders of at least fifty-one percent (51%) of the Registrable Securities then outstanding.

(f) "Person" means any individual, corporation, partnership, trust, limited liability company, association or other entity.

(g) "Register," "registered" and "registration" means a registration effected by preparing and filing a registration statement in compliance with the Securities Act, and the declaration or ordering of the effectiveness of such registration statement, and compliance with applicable state securities laws of such states in which Holders notify the Company of their intention to offer Registrable Securities.

(h) "Registrable Securities" means all of the following (i) any and all Conversion Shares and Warrant Shares; (ii) stock issued in respect of stock referred to in clause (i) of this paragraph in any reorganization; or (iii) stock issued in respect of the stock referred to in clauses (i) or (ii) or this paragraph as a result of a stock split, stock dividend, recapitalization or combination. Notwithstanding the foregoing, Registrable Securities shall not include otherwise Registrable Securities (x) sold by a Person in a transaction in which his rights under this Agreement are not properly assigned; or (y) (A) sold to or through a broker or dealer or underwriter in a public distribution or a public securities transaction that is either registered under the Securities Act or is exempt from registration, or (B) sold in a transaction exempt from the registration and prospectus delivery requirements of the Securities Act under Section 4(1) thereof so that all transfer restrictions, and restrictive legends with respect thereto, if any, are removed upon the consummation of such sale, or (C) the registration rights associated with such securities have been terminated pursuant to Section 13 of this Agreement.

(i) "Rule 144" means Rule 144 promulgated by the Commission under the Securities Act.

(j) "Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

2. Demand Registration.

(a) If the Company shall receive from Initiating Holders a written request that the Company effect any registration with respect to all or at least 50% in the aggregate of the issued and outstanding Registrable Securities held by Initiating Holders, the Company shall:

(i) promptly give written notice of the proposed registration to all other Holders; and

(ii) as soon as practicable use its reasonable best efforts to register (including, without limitation, the execution of an undertaking to file post-effective amendments and any other governmental requirements) all Registrable Securities which the Holders request to be registered; *provided, however,* that the Company shall not be obligated to file a registration statement pursuant to this Section 2:

(A) prior to September 31, 2007;

(B) within 120 days following the effective date of any registered offering of the Company's securities to the general public in which the Holders of Registrable Securities shall have been able effectively to register all Registrable Securities as to which registration shall have been requested;

(C) in any registration having an aggregate offering price (before deduction of underwriting discounts and expenses of sale) of less than $1,000,000; or

(D) after the Company has effected one such registration pursuant to this Section 2 and such registration has been declared or ordered effective, and the full number of Registrable Securities for which registration has been requested have been included in the registration.

Subject to the foregoing clauses (A) through (D), the Company shall file a registration statement covering the Registrable Securities so requested to be registered as soon as practicable, but in any event within ninety (90) days after receipt of the request or requests of the Initiating Holders and shall use reasonable best efforts to have such registration statement promptly declared effective by the Commission; *provided, however,* that if the Company shall furnish to such Holders a certificate signed by the Chairman of the Board of Directors of the Company stating that in the good faith judgment of the Board of Directors, with advice of counsel, it would be seriously detrimental to the Company and its stockholders for such registration statement to be filed within such ninety-day (90-day) period and it is therefore essential to defer the filing of such registration statement, the Company shall have an additional period of not more than ninety (90) days after the expiration of the initial ninety-day (90-day) period within which to file such registration statement; provided, that during such time the Company may not file a registration statement for securities to be issued and sold for its own or anyone else's account; and *further provided*, that during such deferment, the Initiating Holders may elect not to pursue such registration request, in which event, upon giving notice to the Company of such decision prior to the declaration of effectiveness of any such registration statement, the Initiating Holders shall not be deemed to have availed themselves of the demand registration right herein provided for.

(b) If the Initiating Holders intend to distribute the Registrable Securities covered by their request by means of an underwriting, they shall so advise the Company as a part of their request. In such event, the Company shall include such information in the written notice referred to in Section 2(a)(i). In either such event, if so requested in writing by the Company, the Initiating Holders shall negotiate with an underwriter selected by the Company with regard to the underwriting of such requested registration; *provided, however,* that if a majority in interest of the Initiating Holders have not agreed with such underwriter as to the terms and conditions of such underwriting within twenty (20) days following commencement of such negotiations, a majority in interest of the Initiating Holders may select an underwriter of their choice. The right of any Holder to registration pursuant to Section 2 shall be conditioned upon such Holder's participation in such underwriting. The Company shall (together with all Holders proposing to distribute their securities through such underwriting) enter into an underwriting agreement in customary form with the underwriter or underwriters selected for such underwriting. Notwithstanding any other provision of this Section 2, if the managing underwriter advises the Initiating Holders in writing that marketing factors require a limitation of the number of shares to be underwritten, the Company shall so advise all Holders, and the number of shares of Registrable Securities that may be included in the registration and underwriting shall be allocated among all Holders thereof in proportion, as nearly as practicable, to the respective amounts of Registrable Securities held by such Holders; *provided, however,* that securities to be included in such registration statement as a result of piggyback registration rights as well as any securities to be offered by the Company, its officers and employees shall be excluded from the registration statement prior to the exclusion of any Registrable Securities held by the Holders. If any Holder disapproves of the terms of the underwriting, such Holder may elect to withdraw therefrom by written notice to the Company, the managing underwriter and the Initiating Holders. If, by the withdrawal of such Registrable Securities, a greater number of Registrable Securities held by other Holders may be included in such registration (up to the limit imposed by the underwriters) the Company shall offer to all Holders who have included Registrable Securities in the registration the right to include additional Registrable Securities in the same proportion used in determining the limitation as set forth above. Any Registrable Securities which are excluded from the underwriting by reason of the underwriter's marketing limitation or withdrawn from such underwriting shall be withdrawn from such registration.

3. Piggyback Registration.

(a) If at any time or from time to time, the Company shall determine to register any of its securities, for its own account or the account of any of its stockholders, other than a registration pursuant to Section 2 or Section 4, a registration relating solely to employee benefit plans, a registration relating solely to an SEC Rule 145 transaction, a transaction relating solely to the sale of debt or convertible debt instruments, or a post-effective amendment to any registration statement that became effective prior to the date of the Purchase Agreement, or a new registration statement that relates to the same securities that were the subject of such previously effective registration statement, the Company will:

(i) give to each Holder written notice thereof as soon as practicable prior to filing the registration statement; and

(ii) include in such registration and in any underwriting involved therein, all the Registrable Securities specified in a written request or requests, made within fifteen (15) days after receipt of such written notice from the Company, by any Holder or Holders, except as set forth in subsection (b) below.

(b) If the registration is for a registered public offering involving an underwriting, the Company shall so advise the Holders as a part of the written notice given pursuant to Section 3(a)(i). In such event, the right of any Holder to registration pursuant to Section 3 shall be conditioned upon such Holder's participation in such underwriting. All Holders proposing to distribute their securities through such underwriting shall (together with the Company and the other holders distributing their securities through such underwriting) enter into an underwriting agreement in customary form with the underwriter or underwriters selected for such underwriting by the Company. Notwithstanding any other provision of this Section 3, if the managing underwriter determines that marketing factors require a limitation of the number of shares to be underwritten, the managing underwriter may limit the number of Registrable Securities to be included in the registration and underwriting, or may exclude Registrable Securities entirely from such registration if the registration is the first registered offering for the sale of the Company's securities to the general public (provided that there is first excluded from such registration and underwriting all shares held by officers, directors or employees of the Company or any subsidiary, any holder thereof not having any such contractual incidental registration rights and any holder having contractual, incidental registration rights subordinate and junior to the rights of the Holders of Registrable Securities). The Company shall so advise all Holders and the other holders distributing their securities through such underwriting pursuant to piggyback registration rights similar to this Section 3, and the number of shares of Registrable Securities and other securities that may be included in the registration and underwriting shall be allocated among all Holders and other holders (subject to the limitations set forth above) in proportion, as nearly as practicable, to the respective amounts of Registrable Securities held by such Holders and other securities held by other holders at the time of filing the registration statement. If any Holder disapproves of the terms of any such underwriting, such Holder may elect to withdraw therefrom by written notice to the Company and the managing underwriter. If, by the withdrawal of such Registrable Securities, a greater number of Registrable Securities held by other Holders may be included in such registration (up to the limit imposed by the underwriters), the Company shall offer to all Holders who have included Registrable Securities in the registration the right to include additional Registrable Securities. Any Registrable Securities excluded or withdrawn from such underwriting shall be withdrawn from such registration.

4. Form S-3.

(a) From and after such time as Form S-3 is available to the Company for the registration of secondary offerings for the account of any person other than the issuer, Holders shall have the right at any time to request registrations on Form S-3 (or any similar form), provided that such requests shall be in writing and shall state the number of shares of Registrable Securities to be disposed of and the intended method of disposition of shares by such Holders. As soon as practicable, the Company will file such registration statement and use its reasonable best efforts to have such registration statement declared effective, *provided, however,* that the Company shall not be obligated to effect such registration:

(i) within ninety (90) days of the effective date of any registration referred to in Sections 2 and 3 above;

(ii) unless the Holder or Holders requesting registration propose to dispose of shares of Registrable Securities at an aggregate price to the public (before deduction of underwriting discounts and expenses of sale) of at least $250,000.

(iii) if the Company shall furnish to the Holders a certificate signed by the Chairman of the Board of Directors of the Company stating that in the good faith and reasonable judgment of the Board of Directors of the Company, with advice of counsel, it would be seriously detrimental to the Company and its stockholders for such Form S- 3 registration to be effected at such time, in which event the Company shall have the right to defer the filing of the Form S-3 registration statement for a period of not more than sixty (60) days after receipt of the request of the Holder or Holders under this Section 2.3; provided, that such right to delay a request shall be exercised by the Company not more than once in any twelve (12) month period; or

(iv) if the Company has been required to file two registration statements pursuant to this Section 4 within the twelve-month period preceding the request.

(b) The Company shall give written notice to all Holders of Registrable Securities of the receipt of a request for registration pursuant to this Section 4 and shall provide a reasonable opportunity for other Holders to participate in the registration; *provided*, *however*, that if the registration is for an underwritten offering, the following terms shall apply to all participants in such offering: The right of any Holder to registration pursuant to Section 4 shall be conditioned upon such Holder's participation in such underwriting. All Holders proposing to distribute their securities through such underwriting shall (together with the Company and the other Holders distributing their securities through such underwriting) enter into an underwriting agreement in customary form with the underwriter or underwriters selected for such underwriting by the Company. Notwithstanding any other provision of this Section 4, if the managing underwriter determines that marketing factors require a limitation of the number of shares to be underwritten, the managing underwriter may limit the number of Registrable Securities to be included in the registration and underwriting. The Company shall so advise all Holders of Registrable Securities which would otherwise be registered and underwritten pursuant hereto, and the number of shares of Registrable Securities that may be included in the registration and underwriting shall be allocated among the Holders in proportion, as nearly as practicable, to the respective amounts of securities requested by such Holders to be included in such registration. If any Holder disapproves of the terms of any such underwriting, he may elect to withdraw therefrom by written notice to the Company and the underwriter. If, by the withdrawal of such Registrable Securities, a greater number of Registrable Securities held by other Holders may be included in such registration (up to the limit imposed by the underwriters), the Company shall offer to all Holders who have included Registrable Securities in the registration the right to include additional Registrable Securities in the same proportion used in determining the limitation as set forth above. Any Registrable Securities excluded or withdrawn from such underwriting shall be withdrawn from such registration. Subject to the foregoing, the Company will use its reasonable best efforts to effect promptly the registration of all shares of Registrable Securities on Form S-3 to the extent requested by the Holder or Holders thereof for purposes of disposition.

5. Expenses of Registration. In addition to the fees and expenses contemplated by Section 6 hereof, all expenses incurred in connection with one registration pursuant to Section 2 hereof and all registrations pursuant to Sections 3 and 4 hereof, including without limitation all Securities and Exchange Commission and National Association of Securities Dealers, Inc. registration, filing and qualification fees and expenses, "blue-sky" fees and expenses, printing expenses, transfer agent fees and expenses, and fees and disbursements of counsel for the Company and a single counsel for all Holders, and expenses of any special audits of the Company's financial statements incidental to or required by such registration, shall be borne by the Company, except that the Company shall not be required to pay underwriters' fees, discounts or commissions relating to Registrable Securities or fees of a separate legal counsel of a Holder other than the counsel described above.

6. Registration Procedures. In the case of each registration effected by the Company pursuant to this Agreement, the Company will keep each Holder participating therein advised in writing as to the initiation of each registration and as to the completion thereof. At its expense the Company will:

(a) keep such registration pursuant to Sections 2, 3 and 4 continuously effective for periods of one hundred twenty (120), ninety (90) and ninety (90) days, respectively, or, in each case, such reasonable period necessary to permit the Holder or Holders to complete the distribution described in the registration statement relating thereto, whichever first occurs, *provided, however,* that in any registration pursuant to Section 3 the registration as to the Registrable Securities included therein shall remain effective for the period of effectiveness of the registration statement if greater than 90 days;

(b) promptly prepare and file with the Commission such amendments and supplements to such registration statement and the prospectus used in connection therewith as may be necessary to comply with the provisions of the Securities Act, and to keep such registration statement effective for that period of time specified in Section 6(a) above;

(c) permit the Holder or Holders to review and comment upon the registration statement and all amendments and supplements thereto at least two Business Days prior to their filing with the Commission;

(d) furnish the Holder or Holders (i) promptly after the same is prepared and filed with the Commission, at least one copy of the registration statement and any amendment(s) thereto, including financial statements and schedules, and all exhibits, and (ii) upon the effectiveness of any registration statement, one copy of the prospectus included in such registration statement and all amendments and supplements thereto (or such other number of copies as the Holder or Holders may reasonably request);

(e) furnish such number of prospectuses and other documents incident thereto as a Holder from time to time may reasonably request;

(f) use reasonable best efforts to obtain the withdrawal of any order suspending the effectiveness of a registration statement, or the lifting of any suspension of the qualification of any of the Registrable Securities for sale in any jurisdiction, at the earliest possible moment;

(g) register or qualify such Registrable Securities for offer and sale under the securities or blue sky laws of such jurisdictions as any Holder or underwriter reasonably requires, and keep such registration or qualification effective during the period set forth in Section 6(a) above; *provided; however,* that the Company shall not be obligated to qualify to do business in any jurisdiction where it is not then so qualified or to take any action which would subject it to the service of process in suits other than those arising out of the offer or sale of the securities covered by the registration statement in any jurisdiction where it is not then so subject

(h) cause all Registrable Securities covered by such registrations to be listed on each securities exchange, on which similar securities issued by the Company are then listed or, if no such listing exists, use reasonable best efforts to list all Registrable Securities on one of the New York Stock Exchange, the American Stock Exchange or the Nasdaq Stock Market;

(i) cause its accountants to issue to the underwriter, if any, or the Holders, if there is no underwriter, comfort letters and updates thereof, in customary form and covering matters of the type customarily covered in such letters with respect to underwritten offerings;

(j) enter into such customary agreements (including underwriting agreements in customary form) and take all such other actions as the holders of a majority of the Registrable Securities being sold or the underwriters, if any, reasonably, request in order to expedite or facilitate the disposition of such Registrable Securities (including, without limitation, effecting a stock split or a combination of shares);

(k) make available for inspection by any seller of Registrable Securities, any underwriter participating in any disposition pursuant to such registration statement, and any attorney, accountant or other agent retained by any such seller or underwriter, all financial and other records, pertinent corporate documents and properties of the Company, and cause the Company's officers, directors, employees and independent accountants to supply all information reasonably requested by any such seller, underwriter, attorney, accountant or agent in connection with such registration statement;

(l) if the offering is underwritten, at the request of any Holder of Registrable Securities to furnish on the date that Registrable Securities are delivered to the underwriters for sale pursuant to such registration: (i) an opinion dated such date of counsel representing the Company for the purposes of such registration, addressed to the underwriters and to such Holder, stating that such registration statement has become effective under the Securities Act and that (A) to the best knowledge of such counsel, no stop order suspending the effectiveness thereof has been issued and no proceedings for that purpose have been instituted or are pending or contemplated under the Securities Act, (B) the registration statement, the related prospectus and each amendment or supplement thereof comply as to form in all material respects with the requirements of the Securities Act (except that such counsel need not express any opinion as to financial statements or other financial data contained therein), and (C) to such other effects as reasonably may be requested by counsel for the underwriters or by such Holder or its counsel; and (ii) a letter dated such date from the independent public accountants retained by the Company, addressed to the underwriters and to such seller, stating that they are independent public accountants within the meaning of the Securities Act and that, in the opinion of such accountants, the financial statements of the Company included in the registration statement or the prospectus, or any amendment or supplement thereof, comply as to form in all material respects with the applicable accounting requirements of the Securities Act, and such letter shall additionally cover such other financial matters (including information as to the period ending no more than five business days prior to the date of such letter) with respect to such registration as such underwriters or such seller reasonably may request;

(m) notify each Holder, at any time a prospectus covered by such registration statement is required to be delivered under the Securities Act, of the happening of any event of which it has knowledge as a result of which the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing;

(n) use its reasonable efforts to insure the obtaining of all necessary approvals from the National Association of Securities Dealers, Inc.; and

(o) otherwise use its reasonable efforts to comply with all applicable rules and regulations of the Commission.

7. Indemnification.

(a) In the event of a registration of any of the Registrable Securities under the Securities Act pursuant to Sections 2, 3 or 4, the Company will indemnify and hold harmless each Holder of such Registrable Securities (including their officers, directors, affiliates, members, partners and managers) thereunder, each underwriter of such Registrable Securities thereunder and each other Person, if any, who controls such Holder or underwriter within the meaning of the Securities Act, against any losses, claims, damages or liabilities, joint or several, to which such Holder, underwriter or controlling person may become subject under the Securities Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in any registration statement under which such Registrable Securities were registered under the Securities Act or any filing with any state securities commission or agency, any preliminary or amended prospectus or final prospectus contained therein, or any amendment or supplement thereof, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, or any violation by the Company of any rule or regulation promulgated under the Securities Act or any state securities law or regulation applicable to the Company and relating to action or inaction required of the Company in connection with any such registration, and will reimburse each such Holder, each of its officers, directors and partners, and each person controlling such Holder, each such underwriter and each person who controls any such underwriter, for any reasonable legal and any other expenses incurred in connection with investigating, defending or settling any such claim, loss, damage, liability or action, provided that the Company will not be liable in any such case to the extent that any such claim, loss, damage or liability arises out of or is based on any untrue statement or omission based upon written information furnished to the Company by an instrument duly executed by such Holder or underwriter specifically for use therein.

(b) Each Holder will, if Registrable Securities held by or issuable to such Holder are included in the securities as to which such registration is being effected, indemnify and hold harmless the Company, each of its directors and officers, each underwriter, if any, of the Company's securities covered by such a registration statement, each person who controls the Company and each underwriter within the meaning of the Securities Act, and each other such Holder, each of its officers, directors, affiliates, members, partners and managers, and each person controlling such Holder, against all claims, losses, expenses, damages and liabilities (or actions in respect thereof) arising out of or based on any untrue statement (or alleged untrue statement) of a material fact contained in any such registration statement, prospectus, offering circular or other document, or any omission (or alleged omission) to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and will reimburse the Company, such Holders, such directors, officers, partners, persons or underwriters for any reasonable legal or any other expenses incurred in connection with investigating, defending or settling any such claim, loss, damage, liability or action, in each case to the extent, but only to the extent, that such untrue statement (or alleged untrue statement) or omission (or alleged omission) is made in such registration statement, prospectus, offering circular or other document in reliance upon and in conformity with written information furnished to the Company by an instrument duly executed by such Holder specifically for use therein; provided, however, the total amount for which any Holder, its officers, directors, affiliates, members, partners and managers, and any person controlling such Holder, shall be liable under this Section 7(b) shall not in any event exceed the aggregate proceeds received by such Holder from the sale of Registrable Securities sold by such Holder in such registration.

(c) Each party entitled to indemnification under this Section 7 (the "Indemnified Party") shall give notice to the party required to provide indemnification (the "Indemnifying Party") promptly after such Indemnified Party has actual knowledge of any claims as to which indemnity may be sought, and shall permit the Indemnifying Party to assume the defense of any such claim or any litigation resulting therefrom, provided that counsel for the Indemnifying Party, who shall conduct the defense of such claim or litigation, shall be approved by the Indemnified Party (whose approval shall not be unreasonably withheld), and the Indemnified Party may participate in such defense at such party's expense, and provided further that the failure of any Indemnified Party to give notice as provided herein shall not relieve the Indemnifying Party of its obligations hereunder, but such failure shall so relieve the Indemnifying Party to the extent that such failure materially prejudices the Indemnifying Party's ability to defend such claim or litigation. No Indemnifying Party, in the defense of any such claim or litigation, shall, except with the consent of each Indemnified Party, consent to entry of any judgment or enter into any settlement which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnified Party of a release from all liability in respect of such claim or litigation.

(d) Notwithstanding anything else herein to the contrary, the foregoing indemnity agreements of the Company and the selling Holders are subject to the condition that, insofar as they relate to any damages arising from any untrue statement or alleged untrue statement of a material fact contained in, or omission or alleged omission of a material fact from, a preliminary prospectus (or necessary to make the statements therein not misleading) that has been corrected in the form of prospectus included in the registration statement at the time it becomes effective, or any amendment or supplement thereto filed with the Commission pursuant to Rule 424(b) under the Securities Act, such indemnity agreement shall not inure to the benefit of any Person if a copy of such prospectus was furnished to the Indemnified Party and such Indemnified Party failed to deliver, at or before the confirmation of the sale of the shares registered in such offering, a copy of such prospectus to the Person asserting the loss, liability, claim, or damage in any case in which such delivery was required by the Securities Act.

(e) Notwithstanding the foregoing, to the extent that the provisions on indemnification contained in the underwriting agreements entered into among the selling Holders, the Company and the underwriters in connection with the underwritten public offering are in conflict with the foregoing provisions, the provisions in the underwriting agreement shall be controlling as to the Registrable Securities included in the public offering.

(f) If the indemnification provided for in this Section 7 is held by a court of competent jurisdiction to be unavailable to an Indemnified Party with respect to any loss, liability, claim, damage or expense referred to therein, to provide for just and equitable contribution to joint liability under the Securities Act, the Indemnifying Party, in lieu of indemnifying such Indemnified Party thereunder, shall contribute to the amount paid or payable by such Indemnified Party as a result of such loss, liability, claim, damage or expense in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party on the one hand and of the indemnified party on the other hand in connection with the statements or omissions which resulted in such loss, liability, claim, damage or expense as well as any other relevant equitable considerations. The relevant fault of the Indemnifying Party and the Indemnified Party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission to state a material fact relates to information supplied by the Indemnifying Party or by the Indemnified Party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. Notwithstanding the foregoing, the amount any Holder shall be obligated to contribute pursuant to this Section 7(f) shall be limited to an amount equal to the proceeds to such Holder of the Registrable Securities sold pursuant to the registration statement which gives rise to such obligation to contribute (less the aggregate amount of any damages which the Holder has otherwise been required to pay in respect of such loss, claim, damage, liability or action or any substantially similar loss, claim, damage, liability or action arising from the sale of such Registrable Securities). No person or entity guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) will be entitled to contribution from any person or entity that was not guilty of such fraudulent misrepresentation.

(g) The indemnification provided by this Section 7 shall be a continuing right to indemnification and shall survive the registration and sale of any securities by any Person entitled to indemnification hereunder and the expiration or termination of this Agreement.

8. Lock Up Agreement. In consideration for the Company agreeing to its obligations under this Agreement, each Holder agrees in connection with any registration of the Company's securities (whether or not such Holder is participating in such registration) upon the request of the Company and the underwriters managing any underwritten offering of the Company's securities, not to sell, make any short sale of, loan, grant any option for the purchase of, or otherwise dispose of any Registrable Securities (other than those included in the registration) without the prior written consent of the Company or such underwriters, as the case may be, for such period of time (not to exceed 90 days) from the effective date of such registration as the Company and the underwriters may specify, so long as all Holders, Persons participating in such registration (other than as to shares that are included in the registration statement), stockholders holding more than one percent (1%) of the outstanding Common Stock and all officers and directors of the Company are bound by a comparable obligation. The underwriters in connection with such registration are intended third-party beneficiaries of this Section 8 and shall have the right, power, and authority to enforce the provisions hereof as though they were a party hereto.

9. Information From Holder: Suspension of Sales. The Holder or Holders of Registrable Securities included in any registration shall promptly furnish to the Company such information regarding such Holder or Holders and the distribution proposed by such Holder or Holders as the Company may reasonably request in writing and as shall be required in connection with any registration referred to herein. Each Holder shall suspend further sales pursuant to any registration statement upon receipt of a notice from the Company pursuant to Section 6(m) hereof, and the Company determines that it is necessary or advisable to amend or supplement the prospectus. The Company may suspend not more than twice in any twelve (12) months for not more than thirty (30) days

10. Rule 144 Reporting. With a view to making available to Holders of Registrable Securities the benefits of Rule 144, until the later of the date on which the Warrants have been fully exercised or have expired or the payment in full of the Note, the Company agrees to: (a) make and keep public information available, as those terms are understood and defined in Rule 144; (b) use its reasonable best efforts to file with the Commission in a timely manner all reports and other documents required of the Company under the Securities Act and the Exchange Act; and (c) furnish to each Holder of Registrable Securities upon request a written statement by the Company as to its compliance with the reporting requirements of Rule 144, the Securities Act, and the Exchange Act.

11. Transfer of Registration Rights. The rights under this Agreement may be assigned (but only with all related obligations) by a Holder to any permitted transferee of the Note or the Warrant. The terms and conditions of this Agreement inure to the benefit of and are binding upon the respective successors and permitted assignees of the parties. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and permitted assignees any rights, remedies, obligations or liabilities under or by reason of this Agreement, except as expressly provided herein.

12. Termination of Registration Rights. The right of any Holder to request registration or inclusion of Registrable Securities in any registration pursuant to Sections 2, 3 or 4 shall terminate when all of such Holder's Registrable Securities could be sold without restriction under SEC Rule 144(k).

13. Miscellaneous.

(a) *Successors and Assigns*. The terms and conditions of this Agreement inure to the benefit of and are binding upon the respective successors and permitted assignees of the parties. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and permitted assignees any rights, remedies, obligations or liabilities under or by reason of this Agreement, except as expressly provided herein. A Person is deemed to be a holder of Registrable Securities whenever such Person owns or is deemed to own of record such Registrable Securities. If the Company receives conflicting instructions, notices or elections from two or more Persons with respect to the same Registrable Securities, the Company shall act upon the basis of instructions, notice or election received from the registered owner of such Registrable Securities

(b) *Governing Law*. The corporate laws of the State of Delaware shall govern all issues concerning the relative rights of the Company and its stockholders. All other questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be governed by the internal laws of the State of Ohio, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of Ohio or any other jurisdictions) that would cause the application of the laws of any jurisdiction other than the State of Ohio. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof to such party at the address for such notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. If any provision of this Agreement shall be invalid or unenforceable in any jurisdiction, such invalidity or unenforceability shall not affect the validity or enforceability of the remainder of this Agreement in that jurisdiction or the validity or enforceability of any provision of this Agreement in any other jurisdiction.

(c) *Counterparts; Facsimile.* This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This Agreement may also be executed and delivered by facsimile signature and in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

(d) *Titles and Subtitles*. The titles and subtitles used in this Agreement are for convenience only and are not to be considered in construing or interpreting this Agreement.

(e) *Notices*. All notices and communications provided for hereunder shall be in writing and sent (i) by fax if the sender on the same day sends a confirming copy of such notice by a recognized overnight delivery service (charges prepaid), or (ii) by registered or certified mail with return receipt requested (postage prepaid), or (iii) by a recognized overnight delivery service (with charges prepaid). Any such notice must be sent:

(A) if to the Company, to

Neoprobe Corporation
425 Metro Place North, Suite 300
Dublin, Ohio 43017
Attn: Chief Financial Officer
(fax) (614) 793-9376

copy to:

William J. Kelly, Jr.
Porter, Wright, Morris & Arthur
41 South High Street, Suite 2800
Columbus, Ohio 43215

or to such other Person at such other place as the Company shall designate to Investors in writing;

(B) if to Investors, to

David C. Bupp
9095 Moors Place North
Dublin, Ohio 43017

copy to:

Kenneth J. Warren, Esq.
5134 Blazer Parkway
Dublin, Ohio 43017

or at such other address as Investors shall designate to the Company in writing; or

(C) if to any permitted transferee or transferees of Investors, at such address or addresses as shall have been furnished to the Company at the time of the transfer or transfers, or at such other address or addresses as may have been furnished by such transferee or transferees to the Company in writing.

(f) *Amendments and Waivers*. Any term of this Agreement may be amended and the observance of any term of this Agreement may be waived (either generally or in a particular instance, and either retroactively or prospectively) only with the written consent of the Company and the holders of a majority of the Registrable Securities then outstanding; and provided further that any provision hereof may be waived by any waiving party on such party's own behalf, without the consent of any other party. Any amendment, termination, or waiver effected in accordance with this Section 13(f) shall be binding on all parties hereto, regardless of whether any such party has consented thereto. No waivers of or exceptions to any term, condition, or provision of this Agreement, in any one or more instances, shall be deemed to be or construed as a further or continuing waiver of any such term, condition, or provision.

(g) *Severability*. In case any one or more of the provisions contained in this Agreement is for any reason held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Agreement, and such invalid, illegal, or unenforceable provision shall be reformed and construed so that it will be valid, legal, and enforceable to the maximum extent permitted by law.

(i) *Entire Agreement*. This Agreement, together with the Purchase Agreement, the Note and the Warrant, constitutes the full and entire understanding and agreement among the parties with respect to the subject matter hereof, and any other written or oral agreement relating to the subject matter hereof existing between the parties is expressly canceled.

(j) *Dispute Resolution.* Any controversy, claim or dispute arising out of or relating to this Agreement or the breach, termination, enforceability or validity of this Agreement, including the determination of the scope or applicability of the agreement to arbitrate set forth in this Section 13(j) shall be determined exclusively by binding arbitration in the City of Columbus, Ohio. The arbitration shall be governed by the rules and procedures of the American Arbitration Association (the "AAA") under its Commercial Arbitration Rules and its Supplementary Procedures for Large, Complex Disputes; provided that persons eligible to be selected as arbitrators shall be limited to attorneys-at-law each of whom (i) is on the AAA's Large, Complex Case Panel or a Center for Public Resources ("CPR") Panel of Distinguished Neutrals, or has professional credentials comparable to those of the attorneys listed on such AAA and CPR Panels and (ii) has actively practiced law (in private or corporate practice or as a member of the judiciary) for at least 15 years in the State of Ohio concentrating in either general commercial litigation or general corporate and commercial matters. Any arbitration proceeding shall be before one arbitrator mutually agreed to by the parties to such proceeding (who shall have the credentials set forth above) or, if the parties are unable to agree to the arbitrator within 15 business days of the initiation of the arbitration proceedings, then by the AAA. No provision of, nor the exercise of any rights under, this Section 13(j) shall limit the right of any party to request and obtain from a court of competent jurisdiction in the State of Ohio, County of Franklin (which shall have exclusive jurisdiction for purposes of this Section 13(j)) before, during or after the pendency of any arbitration, provisional or ancillary remedies and relief including injunctive or mandatory relief or the appointment of a receiver. The institution and maintenance of an action or judicial proceeding for, or pursuit of, provisional or ancillary remedies shall not constitute a waiver of the right of any party, even if it is the plaintiff, to submit the dispute to arbitration if such party would otherwise have such right. Each of the parties hereby submits unconditionally to the exclusive jurisdiction of the state and federal courts located in the County of Franklin, State of Ohio for purposes of this provision, waives objection to the venue of any proceeding in any such court or that any such court provides an inconvenient forum and consents to the service of process upon it in connection with any proceeding instituted under this Section 13(j) in the same manner as provided for the giving of notice under this Agreement. Judgment upon the award rendered may be entered in any court having jurisdiction. The parties hereby expressly consent to the nonexclusive jurisdiction of the state and federal courts situated in the County of Franklin, State of Ohio for this purpose and waive objection to the venue of any proceeding in such court or that such court provides an inconvenient forum. The arbitrator shall have the power to award recovery of all costs (including attorneys' fees, administrative fees, arbitrators' fees and court costs) to the prevailing party. The arbitrator shall not have power, by award or otherwise, to vary any of the provisions of this Agreement.

(k) *Delays or Omissions*. No delay or omission to exercise any right, power, or remedy accruing to any party under this Agreement, upon any breach or default of any other party under this Agreement, shall impair any such right, power, or remedy of such nonbreaching or nondefaulting party, nor shall it be construed to be a waiver of or acquiescence to any such breach or default, or to any similar breach or default thereafter occurring, nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. All remedies, whether under this Agreement or by law or otherwise afforded to any party, shall be cumulative and not alternative.

(l) *No Strict Construction*. The parties hereto have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises under any provision of this Agreement, this Agreement shall be construed as if drafted jointly by the parties thereto, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

(m) *No Subordination of Registration Rights*. After the date of this Agreement, the Company will not grant to any Person any registration rights which would preclude the Investors from participating in any subsequent registration pursuant to any right granted in this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

[Signatures on following pages]

COMPANY:
Neoprobe Corporation

By: /s/ Brent L. Larson

Brent L. Larson,
Vice President -- Finance

Signature page to Registration Rights Agreement

INVESTORS:

/s/ David C. Bupp

David C. Bupp

/s/ Cynthia B. Gochoco

Cynthia B. Gochoco

/s/ Walter H. Bupp

Walter H. Bupp,
by David C. Bupp, his attorney in fact, under power of attorney dated April 22, 2005

Signature page to Registration Rights Agreement

IMMEDIATE RELEASE **July 9, 2007**
CONTACTS:
Brent Larson,
Vice President / CFO
614 822.2330

Tim Ryan,
The Trout Group
646.378.2924

NEOPROBE CEO INCREASES INVESTMENT IN COMPANY
President and CEO Invests $1 million Confirming Confidence in Company

DUBLIN, OHIO - July 9, 2007 - Neoprobe Corporation (OTCBB:NEOP - News), a diversified developer of innovative oncology and cardiovascular surgical and diagnostic products, announced today that David Bupp, its President and CEO and certain members of his family last week purchased a $1 million convertible note and warrants of the Company.

The note is convertible into common stock of the Company at $0.31, a 25% premium to the average closing market price of the Company's common stock for the 5 days preceding the July 3, 2007 closing of the transaction. The note bears interest at 10% per annum during its 1-year term and is repayable in whole or in part by the Company with no penalty. In addition, the Company issued the purchasers 500,000 warrants to purchase common stock of the Company, also exercisable at $0.31 per share over a period of 5 years.

Mr. Bupp had disclosed his desire to invest to the Board of Directors in June, and the Board in turn established a Special Committee of independent directors to evaluate Mr. Bupp's proposal to avoid any appearance of conflict of interest. The independent directors of the Board expressly approved the transaction.

Mr. Bupp stated, "I believe the greatest expression of my continuing confidence in and commitment to Neoprobe Corporation is the fact that I am again investing my personal funds in the Company. The Company is making progress on a daily basis on all fronts, and I believe that this transaction will provide the Company with the bridge financing needed to see us through to the achievement of a number of near-term milestones leading up to the commencement of Phase 3 clinical trials for Lymphoseek®."

About Neoprobe

Neoprobe is a biomedical company focused on enhancing patient care and improving patient outcome by meeting the critical intraoperative diagnostic information needs of physicians and therapeutic treatment needs of patients. Neoprobe currently markets the neo2000® line of gamma detection systems that are widely used by cancer surgeons and is commercializing the Quantix® line of blood flow measurement products developed by its subsidiary, Cardiosonix Ltd. In addition, Neoprobe holds significant interests in the development of related biomedical systems and radiopharmaceutical agents including Lymphoseek® and RIGScan® CR. Neoprobe's subsidiary, Cira Biosciences, Inc., is also advancing a patient-specific cellular therapy technology platform called ACT. Neoprobe's strategy is to deliver superior growth and shareholder return by maximizing its strong position in gamma detection technologies and diversifying into new, synergistic biomedical markets through continued investment and selective acquisitions. www.neoprobe.com

Statements in this news release, which relate to other than strictly historical facts, such as statements about the Company's plans and strategies, expectations for future financial performance, new and existing products and technologies, anticipated clinical and regulatory pathways, and markets for the Company's products are forward-looking statements The words "believe," "expect," "anticipate," "estimate," "project," and similar expressions identify forward-looking statements that speak only as of the date hereof. Investors are cautioned that such statements involve risks and uncertainties that could cause actual results to differ materially from historical or anticipated results due to many factors including, but not limited to, the Company's continuing operating losses, uncertainty of market acceptance of its products, reliance on third party manufacturers, accumulated deficit, future capital needs, uncertainty of capital funding, dependence on limited product line and distribution channels, competition, limited marketing and manufacturing experience, risks of development of new products, regulatory risks and other risks detailed in the Company's most recent Annual Report on Form 10-KSB and other Securities and Exchange Commission filings. The Company undertakes no obligation to publicly update or revise any forward-looking statements.