

NEOPROBE CORPORATION

CODE OF BUSINESS CONDUCT AND ETHICS

(as adopted by the Board of Directors on April 30, 2004)

INTRODUCTION

We expect from each of our employees, officers and directors complete and undivided loyalty and business conduct consistent with the highest ethical standards. Our Company's business has always been carried out in accordance with those standards, which call for a clear understanding of our policies at all levels.

The purpose of this Code of Business Conduct and Ethics is to help all employees, officers and directors to recognize and understand the ethical standards that must be practiced in the conduct of our business. Each employee, officer and director must resolve to act honorably, with honesty and integrity, in compliance with all applicable domestic and foreign laws and regulations, and in accordance with the highest moral and ethical standards of responsibility and accountability in all dealings with our customers, potential customers, business partners, suppliers, public officials, competitors and each other.

Understandably, all unethical business practices cannot be listed in this Code of Business Conduct and Ethics. Therefore, the best guideline to follow is your own individual consciences and common sense in strict compliance with the law.

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EXPLANATION OF TERMS

As used in this Code of Business Conduct and Ethics, the term “Company” includes Neoprobe Corporation and any subsidiaries and affiliates, and the term “employee” includes all persons employed by us, including our officers, and where appropriate, members of an employee’s immediate family and persons living in an employee’s household. The term “Neoprobe Person” refers to all employees, officers and directors of the Company. Each employee is urged to consult with his or her supervisor and, if appropriate, with our legal counsel, if any questions arise about the applicability of our Company policy in a given situation.

PURPOSE

The purpose of the Code of Business Conduct and Ethics is to deter wrongdoing and promote:

- (1) honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (2) full, fair, accurate, timely and understandable disclosure in reports and documents the Company files with, or submits to, the Securities and Exchange Commission and in other public communications made by the Company;
- (3) compliance with applicable governmental laws, rules and regulations;
- (4) the prompt internal reporting to an appropriate person or persons of violations of this Code of Business Conduct and Ethics; and
- (5) accountability for adherence to this Code of Business Conduct and Ethics.

COMMITMENTS

The basic objective of the Code of Business Conduct and Ethics is to set forth the principles and beliefs that provide guidance and direction to our work and to build on the solid foundation we already have. The following commitments summarize these principles and beliefs which we make to our business partners:

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| Customers - | We are committed to providing value to our customers through quality products and services which are innovative and technologically responsive to their needs. |
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- Business Partners - We are committed to acting fairly in our dealings with business partners and as equals in an effort toward establishing long-lasting relationships.
- Suppliers - We are committed to acting fairly in our dealings with suppliers and as equals in an effort toward establishing long-lasting relationships.
- Employees - We are committed to maintaining for our employees an environment which promotes professional growth, encourages each employee to achieve his or her highest potential, and fosters individual creativity and responsibility within a framework of team effort, open communications and equal opportunity.
- Stockholders - We are committed to providing consistent growth and a superior return on their investment and maintaining a position and reputation as an industry leader and innovator.
- Community - We are committed to being a good citizen in our community and encourage our employees to serve their communities through volunteer activities and by conducting ourselves in an ethical manner in all aspects of our business.

POLICIES

1. Employee Relations

Our policy is to provide good jobs and to operate under sound and legal personnel policies. Our objective is to be equitable and fair in the treatment of all our employees and in all situations.

We will recruit, select, train, promote, compensate, discipline and release employees and take any and all other personnel actions based on each employee's qualifications and without regard to race, religion, national origin, sex, age, physical or mental handicaps (so long as the employee/applicant is qualified for the job) or veteran status. Compensation shall be in accordance with the employee's contribution to the Company, and compensation decisions shall also be made entirely independent of the foregoing considerations.

Company employees are expected to treat their colleagues and subordinates with respect and dignity. The abuse of the power and authority inherent in a supervisor/subordinate relationship that results in inappropriate and

coercive actions or comments of a sexual nature is considered harassment and will not be tolerated. Such behavior is not only unethical but also illegal.

2. Proprietary Information

The business and technical information developed and acquired by our Company is among its most valuable assets. The value of these assets can be unwittingly destroyed by casual dissemination or the unauthorized release of such information to third parties not affiliated with our Company.

Our proprietary information includes:

- intellectual property, such as patents, trademarks, trade secrets and copyrights;
- business and marketing plans;
- customer lists;
- internal memoranda and correspondence;
- research and other technical reports;
- engineering notebooks and data;
- models;
- microfilms, tapes, disks, drawings, and designs;
- internal data bases;
- specifications;
- personnel records and salary information;
- bid prices and cost information; and
- unpublished financial data and reports.

Proprietary information includes data developed or purchased by us or entrusted to us by business partners, suppliers or customers.

All Neoprobe Persons are responsible for ensuring that our Company's proprietary information is properly used, employing adequate controls and safeguards. Sensitive information should be stored and protected on a need-to-know basis, precluding unauthorized access, use or removal. The removal of any files or records from our Company's premises, except by persons specifically authorized to do so, is strictly prohibited. Any unauthorized use or disclosure of proprietary information violates our policy and is illegal with possible civil and criminal penalties.

Also, no Neoprobe Person may attempt to acquire through improper means any trade secrets or other confidential information of a competitor. Improper means include industrial espionage, urging competitors or customers to disclose confidential information, hiring our competitors' personnel to obtain confidential information, or any other means that are questionable, unethical or illegal. In addition, Neoprobe Persons should never accept or examine any document, paper or other information that appears to be confidential information

of another individual or company.

3. Conflicts of Interest

No Neoprobe Person should have any personal interest that is incompatible with the loyalty and responsibility owed to our Company. Although it is not possible to identify every particular activity that might give rise to a conflict of interest, some of the more common circumstances and practices that might result in conflicts are set forth below.

a. Acceptance of Payments, Loans, Gifts, etc.

Neoprobe Persons should avoid accepting any payments, loans (except from a recognized lending institution on terms generally available to the public), non-monetary gifts of more than a nominal value or excessive entertainment from third parties in connection with any business dealings on our behalf.

b. Dealing With Business Partners, Suppliers and Customers

All Neoprobe Persons are expected to maintain impartial relationships with our business partners, suppliers and customers. Employees must be motivated solely to acquire goods and services and make sales transactions on terms most favorable to our Company. In addition, no Neoprobe Person should have an interest in any business partner, supplier or customer except where such interest has been fully disclosed to our President or Chief Financial Officer for a determination as to the materiality of such interest and the propriety of transacting business with such business partner, supplier or customer.

c. Dealing With Competitors

No Neoprobe Person may serve as an officer, director, employee or consultant of another company or organization which is a competitor of our Company.

d. Corporate Opportunities

Neoprobe Persons are prohibited from taking for themselves personally opportunities that are discovered through the use of corporate property, information or position without the consent of the board of directors. No Neoprobe Person may use corporate property, information, or position for improper personal gain, and no employee may compete with the Company directly or indirectly. Neoprobe Persons owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises.

e. Use of Confidential Information or Company Property

No Neoprobe Person may without proper authorization use or reveal any confidential information received in a Company capacity, or use or permit others to use our Company property or services for personal purposes.

4. Compliance with Law

All Neoprobe Persons must respect and obey the laws of the cities, states, and countries in which we operate. Although not all Neoprobe Persons are expected to know the detail of these laws, it is important to know enough to determine when to seek advice from managers, supervisors, or other personnel.

5. Illegal or Improper Payments

No personal payments of any kind, whether of money, services or property, may be offered or made directly or indirectly to any domestic or foreign public official (including employees or agents of, or consultants to, governmental organizations) or to any employee, agent or representative of any organization seeking or doing business with our Company. Bribes, kickbacks or the giving of anything of value to obtain business concessions to any individual or organization are prohibited. Normal and properly authorized business expenses such as reasonable business travel and entertainment, non-cash gifts of nominal value provided openly and according to established business practice, and products, demonstrations or visits to the Company operations, are permitted.

6. Political Contributions

All domestic and foreign contributions by or on behalf of our Company directly or indirectly, of money, services or property to any candidate for or holder of federal, state or local office or to any political organization, party or committee are prohibited. For this purpose, contributions include the purchase of tickets to dinners or other fundraising events or the purchase of advertising space in programs.

7. Antitrust Laws

Neoprobe Persons are expected to comply with the antitrust laws of the United States. It is contrary to our policy to have any discussion, communication, agreement or understanding with any competitor concerning prices, pricing policy, discounts, promotions, terms or conditions of sale, purchases, territorial markets, production costs, distribution or the like. Any understanding or agreement with another person to refrain from doing business with a business partner, supplier, or customer or any discrimination in prices or promotional allowances as between customers (except as set forth in the next paragraph) is against our policy. It is also against our policy to require that a customer adhere

to any suggestions concerning resale prices or terms of resale or to engage in reciprocity (basing our purchases from a supplier upon the supplier's patronage of our Company).

We emphasize that the antitrust laws of the United States are complex, and that the foregoing is necessarily set forth in general terms, as it is not possible to enumerate the full range of legal exceptions. It is recognized, however, in the case of our policy on prices and promotional allowances that a lower price may be given to a customer competing with one or more other customers when given in good faith to meet a competitor's price or when based upon demonstrable cost savings. A greater promotional allowance may be given to a customer competing with one or more other customers when given in good faith to meet a competitor's allowance. Such exceptions, however, may be employed only upon the prior approval of our President or Chief Financial Officer.

The antitrust laws of the United States may apply to transactions or agreements entered into abroad where there is a substantial impact on the domestic or foreign commerce of the United States. This may be so even though the transactions involve citizens or corporations of other countries. Therefore, employees should review proposed international transactions with our President or Chief Financial Officer to determine whether their effect on domestic or foreign commerce would bring them within the jurisdiction of the United States antitrust laws. It also should be noted that in some cases, whether or not the antitrust laws of the United States are applicable, the antitrust laws of foreign countries may be applicable. In such cases, our policy requires compliance with the relevant law.

8. Accurate Accounts, Invoices, Documents and Records

All our accounts, invoices, memoranda and other documents and records must be prepared and maintained with strict accuracy and completeness. All assets, liabilities, revenues and expenses must be recorded in the regular books of our Company in a manner consistent with our policies and procedures. All employees shall give complete and accurate information in response to inquiries from the Board of Directors, our officers, and our independent auditors or legal counsel.

9. Financial Reports and Accounting Records

The Company requires full, fair, accurate, timely, and understandable disclosure in reports and documents that are filed with, or submitted to, the Securities and Exchange Commission and other regulators, and in other public communications made by the Company.

a. Accuracy and Completeness

Neoprobe Persons must ensure that the accounting and financial records of the Company meet standards of accuracy and completeness. Reporting accurate, complete and understandable information about the Company's business, earnings, and financial condition is an essential responsibility of all Neoprobe Persons. It is not the exclusive responsibility of the Company's accounting personnel to ensure that the Company's accounting and financial records are accurate and complete. If you have any reason to believe that any of the books and records are not being maintained in an accurate or complete manner, you are to report this immediately to your manager or the Company's President or Chief Financial Officer. If you do not wish to discuss an issue with your manager, you may confidentially contact our independent third party Ethics Hotline through the methods listed in the Company's Employee Handbook. Similarly, the Company relies on employees to speak up if they feel that they are being pressured to prepare or destroy documents in violation of the Company's policy. Neoprobe Persons also should speak up if they become aware that any misleading, incomplete or false statement has been made to an accountant, auditor, attorney or government official in connection with any audit, examination or filing with a government agency, such as the Securities and Exchange Commission.

b. Financial Statements and Accounts

Each Neoprobe Person is responsible for ensuring that the financial information within his or her control is recorded accurately and in a timely manner. All transactions must be recorded appropriately to ensure full accountability for all assets and activities of the Company, and to supply the data needed in connection with the preparation of the financial statements. If an employee is involved in the preparation of the Company's financial statements, he or she must do so according to generally accepted accounting principles and other applicable accounting standards and rules, so that the financial statements fairly and completely reflect the operations and financial condition of the Company.

c. Covering Up Mistakes; Falsifying Records

Mistakes should never be covered up, but should always be immediately fully disclosed and corrected. Falsification of any Company, customer, supplier or third party record is prohibited. In addition, no false, artificial, or deceptive statements or entries will be made in reports, business plans, books, records, accounts, documents, or financial statements, including the omission of entries if such omissions could be misleading.

10. Securities Laws and Insider Trading

a. Our Policy

We encourage Neoprobe Persons to invest in our stock. We do not, however, encourage Neoprobe Persons to commit an unreasonable amount of their assets to our stock, to buy the stock on margin or to engage in frequent trading of our Company's stock.

If an Neoprobe Person has material non-public information relating to our Company, it is our policy that neither that person nor any related person may buy or sell securities of our Company or engage in any other action to take advantage of, or pass on to others, that information. This policy also applies to material non-public information relating to any other company, including our business partners, suppliers or customers obtained in the course of employment.

It is also our policy that no Neoprobe Person may engage in short sales or options trading in our securities, as such trading is many times associated with, or gives the appearance of, the possession of material non-public information.

Transactions that may be necessary or justifiable for independent reasons (such as the need to raise money for an emergency expenditure) are no exception. Even the appearance of an improper transaction must be avoided to preserve our reputation for adhering to the highest standards of conduct.

b. Material Information

Material information is any information that a reasonable investor would consider important in a decision to buy, hold or sell stock. In short, any information which could reasonably affect the price of the stock is material. Either positive or negative information may be material.

Common examples of information that will frequently be regarded as material are:

- projections of future earnings or losses;
- news of a pending or proposed merger;
- acquisition or tender offer;
- news of a significant sale of assets or the disposition of a subsidiary;
- changes in dividend policies or the declaration of a stock split or the offering of additional securities;
- changes in management;
- significant new products or discoveries;
- financial liquidity problems; and
- the gain or loss of a substantial business partner, supplier or customer.

c. Twenty-Twenty Hindsight

If your securities transactions become the subject of scrutiny, they will be viewed after the fact with the benefit of hindsight. As a result, before engaging in any transaction you should carefully consider how regulators and others might view your transaction in hindsight.

d. Transactions By Family Members

The very same restrictions apply to your family members and others living in your household. Employees are expected to be responsible for the compliance of their immediate family and personal household.

e. The Consequences and Penalties

The consequences of insider trading violations can be staggering for individuals who trade on inside information (or tip information to others):

- a civil penalty of up to three times the profit gained or loss avoided;
- a criminal fine (no matter how small the profit) of up to or exceeding \$1 million; and
- a jail term of up to or exceeding ten years.

In addition, our Company could be held liable for fines and penalties in certain instances. Equally important, such violations will seriously injure your reputation and that of our Company.

f. Tipping Information to Others

Whether the information is proprietary information about our Company or information that could have an impact on its stock price, employees must not pass the information on to others. The penalties apply, whether or not you derive any benefit from another's actions.

g. When Information is Public

As you can appreciate, it is also improper for an Neoprobe Person to enter a trade immediately after our Company has made a public announcement of material information, including earnings releases. Because our stockholders and the investing public should be afforded the time to receive the information and act upon it, as a general rule you should not engage in any transactions until the second business day after the information has been released.

h. Company Assistance

Any person who has any questions about specific securities transactions

may obtain additional guidance from David Bupp, President, or Brent Larson, Chief Financial Officer. Remember, however, the ultimate responsibility for adhering to this Code of Business Conduct and Ethics and avoiding improper transactions rests with you. In this regard, it is imperative that you use your best judgment.

Directors, officers and other key personnel are also subject to other securities laws restrictions and reporting in addition to those involving material inside information. Directors, officers and other key personnel are expected to comply with the Company's Securities Trading Policy in addition to this Code of Business Conduct and Ethics.

11. Violations

Neoprobe Persons are expected to comply with this Code of Business Conduct and Ethics in all respects. Our management is charged with great responsibility to the stockholders and to the public at large to see to it that our Company's dealings and affairs accord with the highest standards of business practice and ethics, and it is believed that the most effective way to carry out this responsibility is by strict enforcement of this Code of Business Conduct and Ethics. Accordingly, any Neoprobe Person who knowingly violates this Code of Business Conduct and Ethics, or knowingly permits a subordinate to do so, shall be subject to disciplinary action, including demotion or dismissal, recovery of damages and the filing of criminal charges

Employees will be expected promptly to disclose to our President or Chief Financial Officer any acts or transactions known to such employee that may be in violation of this Code of Business Conduct and Ethics. Failure to report any such acts or transactions following their discovery shall also be grounds for disciplinary action. No disciplinary action will be taken against any employee who provides information regarding conduct which the employee believes violates the Code of Business Conduct and Ethics. If you do not wish to discuss an issue with the Chief Executive Officer or Chief Financial Officer, you may contact our independent third party Ethics Hotline through the methods listed in the Company's Employee Handbook:

All contacts to our Ethics Hotline will be handled confidentially.