BioLayer Corporation Limited

(ABN 75 070 028 625)

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of shareholders of BioLayer Corporation Limited ("BioLayer" or the "Company") for 2008 will be held on **Tuesday 18 November at 11:00am (AEST) at 4/26 Brandl Street, Eight Mile Plains, Brisbane Qld 4113.** The Explanatory Memorandum accompanying this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Memorandum and Proxy Form form part of this Notice.

The Directors have determined that pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered shareholders of the Company as at 7:00pm AEST on Monday 17 November 2008.

BUSINESS

FINANCIAL STATEMENTS

To receive and consider the financial statements of the Company and its controlled entities for the year ended 30 June 2008 and the related Directors' Report, Directors' Declaration and Auditors' Report.

RESOLUTION 1: ADOPTION OF DIRECTORS' REMUNERATION REPORT

To adopt the Directors' Remuneration Report for the year ended 30 June 2008.

Note: In accordance with section 250R of the Corporations Act 2001, the vote on Resolution 1 will be advisory only and will not bind the Directors or the Company.

RESOLUTION 2: RE- ELECTION OF DIRECTOR (Mr. Bruce Rathie)

To consider, and if thought fit, pass with or without amendment the following resolution as an ordinary resolution:

"That Mr. Bruce Rathie who retires in accordance with Article 20.2 of the Company's Constitution and, being eligible, offers himself for re-election as a Director of the Company, is hereby re-elected as a director of the Company."

RESOLUTION 3: ELECTION OF DIRECTOR (Dr. Robert Gilmour)

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

"That Dr. Robert Gilmour, who retires, having been appointed in accordance with the Company's Constitution as a director of the Company to fill a casual vacancy until the next general meeting and, being eligible offers himself for election, is hereby elected a director of the Company".

RESOLUTION 4: ELECTION OF DIRECTOR (Ms Lara Iacusso)

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

"That Ms. Lara Iacusso, who retires, having been appointed in accordance the Company's Constitution as a director of the Company to fill a casual vacancy until the next general meeting and, being eligible offers himself for election, is hereby elected a director of the Company".

RESOLUTION 5: APPROVAL OF PRIOR ISSUE OF SECURITIES TO BODYWORKS HOLDINGS PTY LTD

To consider and if thought fit, pass with or without amendment the following resolution as an ordinary resolution:

"That in accordance with Australian Securities Exchange Listing Rule 7.4 and for all other purposes, shareholders hereby ratify the issue and allotment of:

(a) *1,000,000 ordinary shares in the Company;*

(b) *2,000,000 listed options to acquire ordinary shares in the Company, each option having an exercise price of $0.065, an expiry date of 1 February 2011,*

to Bodyworks Holdings Pty Ltd which are all more fully described in the Explanatory Memorandum accompanying and forming part of this Notice of Annual General Meeting."

Voting Exclusion Statement

The Company will disregard any votes cast in relation to Resolution 6 by Bodyworks Holdings Pty Ltd, or any associate of that company. However, the Company will not disregard a vote if;

(a) it is cast by a person as the proxy for a person who is entitled to vote, in accordance with directions on the proxy form; or

(b) It is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with directions on the proxy form to vote as the proxy decides.

RESOLUTION 6: APPROVAL OF PRIOR ISSUE OF SECURITIES TO SENIOR EXECUTIVES

To consider and if thought fit, pass with or without amendment the following resolution as an ordinary resolution:

"That in accordance with Australian Securities Exchange Listing Rule 7.4 and for all other purposes, shareholders hereby ratify the issue and allotment of:

(a) 3,000,000 unlisted options to acquire ordinary shares in the Company, each option having an exercise price of $0.065, an expiry date of 1 February 2011 and subject to certain vesting conditions;

(b) *72,329 unlisted options to acquire ordinary shares in the Company, each option having an exercise price of $0.081, an expiry date of 31 July 2013 and subject to certain vesting conditions,*

to senior executives which are all more fully described in the Explanatory Memorandum accompanying and forming part of this Notice of Annual General Meeting."

Voting Exclusion Statement

The Company will disregard any votes cast in relation to Resolution 6 by a person or company who participated in the issues of options, or any associate of such a person or company. However, the Company will not disregard a vote if;

(a) it is cast by a person as the proxy for a person who is entitled to vote, in accordance with directions on the proxy form; or

(b) It is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with directions on the proxy form to vote as the proxy decides.

RESOLUTION 7: APPROVAL PLAN PURSUANT TO LISTING RULE 7.2, EXCEPTION 9

To consider and if thought fit, pass with or without amendment the following resolution as an ordinary resolution:

"That pursuant to and in accordance with ASX Listing Rule 7.2, Exception 9 and for all other purposes, the Company hereby approves the issue of securities under the employee incentive option scheme for officers, employees and consultants known as "BioLayer Corporation Limited Officers, Employees and Consultants Share Option Plan" or such other name as determined by the Board from time to time, the rules of which are annexed as Annexure A to the Explanatory Memorandum accompanying this Notice of Meeting, as an exception to Listing Rule 7.1".

Voting Exclusion Statement

The Company will disregard any votes cast in relation to Resolution 7 by a Director of the Company and any person associated with those persons. However, the Company will not disregard a vote if;

(a) it is cast by a person as the proxy for a person who is entitled to vote, in accordance with directions on the proxy form; or

(b) It is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with directions on the proxy form to vote as the proxy decides.

RESOLUTION 8: CHANGE OF NAME

To consider and if thought fit, pass with or without amendment the following resolution as a special resolution:

"That the Company change its name to Anteo Diagnostics Limited"

DATED: 15 October 2008

By order of the Board

Shane Hartwig
Company Secretary

NOTES:

Explanatory Memorandum

The Notice of Annual General Meeting should be read in conjunction with the accompanying Explanatory Memorandum.

Eligibility to vote

In accordance with the Corporations Act 2001 and the Company's Constitution, a person's entitlement to vote at the Annual General Meeting will be determined by reference to the number of fully paid shares registered in the name of that person (reflected in the register of members) as at 7:00pm (Sydney time) on Monday 17 November 2008.

Proxy votes

A member entitled to attend and vote is entitled to appoint not more than two (2) proxies to attend and vote in his place.

Where more than one (1) proxy is appointed, the appointment may specify the proportion or number of votes that the proxy may exercise, otherwise each may exercise half of the votes.

A proxy need not be a member.

A form of proxy must be signed by the member or the member's attorney.

Proxies must reach the company at least forty eight (48) hours before the meeting at which the person named in the proxy form proposes to vote.

The address for lodgement of proxies is:

Delivery Address:	**Postal Address**	**Fax Number**:
BioLayer Corporation Limited c/- Registries Limited Level 2 28 Margaret Street Sydney NSW 2000	BioLayer Corporation Limited c/- Registries Limited PO Box R67 Royal Exchange Sydney NSW 1223	+ 61 2 9279 0664

Power of Attorney

If a proxy is signed by a member's attorney, the member's attorney confirms that he has received no revocation of authority under which the proxy is executed and the authorities under which the appointment was signed or a certified copy thereof must also be received at least forty eight (48) hours before the meeting.

Bodies Corporate

A body corporate may appoint an individual as its representative to exercise any of the powers the body may exercise at meetings of a company's shareholders. The appointment may be a standing one. Unless the appointment states otherwise, the representative may exercise all of the powers that the appointing body could exercise at a meeting or in voting on a resolution.

Questions for the Auditor

Under section 250PA of the Corporations Act, shareholders may submit written questions for the auditor up to five business days before the date of the Annual General Meeting. Shareholders wishing to do so may send their questions to the Company at 4/26 Brandl Street, Eight Mile Plains QLD 4113, and the Company will pass them on to the auditor.

2008 Annual Report

Copies of the Company's 2008 Annual Report for the financial year ending 30 June 2008 ("Annual Report") comprising the Annual Financial Reports, Directors' Report and Auditor's Report of the Company and the Company's controlled entities will be distributed to those shareholders requesting a physical copy of these documents. The Company's Annual Report is able to be viewed at the Company's website at *www.bio-layer.com* .

Enquiries

Shareholders are invited to contact the Company Secretary on (02) 8823 3152 if they have any queries in respect of the matters set out in these documents.

EXPLANATORY MEMORANDUM
BIOLAYER CORPORATION LIMITED
A.C.N. 077 398 826

INTRODUCTION

This Explanatory Memorandum has been prepared to assist shareholders in considering the Resolutions set out in the Company's Notice of General Meeting. This Explanatory Memorandum forms part of, and should be read in conjunction with, the Company's Notice of Meeting, for the Company's Annual General Meeting to be held at the offices of BioLayer Corporation Limited, 4/26 Brandl Street, Eight Mile Plains, Brisbane on Tuesday, 18 November 2008 at 11.00am (AEST).

Terms used in this Explanatory Memorandum are defined in the Glossary at page 10.

ORDINARY BUSINESS

FINANCIAL STATEMENTS

The *Corporations Act 2001* requires that the Financial Report (including the Directors' Report, Financial Statements and the Audit Report) be laid before the Annual General Meeting. Although not requiring a vote of Members, an opportunity will be provided for Members to ask questions on the reports, including of the Company's auditor, who will be available to answer Member questions relating to the Audit Report.

RESOLUTION 1: ADOPTION OF DIRECTORS' REMUNERATION REPORT

The Board is committed to creating value for Shareholders by applying the Company's funds productively and responsibly. A portion of the funds available to the Company is applied to remunerate your Non-Executive Directors.

Your Board is aware of the sensitivities of Shareholders to remuneration practices generally, and submits its remuneration report to Shareholders for consideration and adoption under a non-binding resolution.

The Remuneration Report appears within the Directors' Report in the Company's Annual Report and describes the remuneration practices of the Company and the rationale underpinning those practices.

Directors' Recommendation

The Directors unanimously recommend that shareholders vote in favour of the resolution.

RESOLUTION 2: RE- ELECTION OF DIRECTOR (Mr Bruce Rathie)

Under the Company's Constitution, Article 20.2, one third of Directors must retire from office annually and, if eligible, may offer themselves for re-election.

Mr Bruce Rathie, Independent Chairmen and Non Executive Director holds a Bachelor of Commerce, a Bachelor of Laws and a Masters in Business Administration, a Diploma of Company Director from AICD, and a Graduate Diploma CSP from Chartered Secretaries Australia and is a fellow of both AICD and AIM.

He has been a Director of BioLayer since July 2006, and is a Non Executive Director of USCOM Limited and Datadot Technology Limited. He was formerly a Non Executive Director of Compumedics Ltd from October 2004 to July 2006.

Directors' Recommendation

The Board supports the re-election of Mr Rathie.

RESOLUTION 3: ELECTION OF DIRECTOR (Dr Robert Gilmour)

Dr. Gilmour, having been appointed in accordance with the Company's Constitution as a Director of the Company to fill a casual vacancy until the next general meeting, offers himself for election as a Director of the Company

Dr. Gilmour has degrees in Biochemistry and Medicine from the University of Otago NZ. He held academic teaching positions at each of Monash University, Melbourne and Stanford University Palo Alto, and pursued orthopaedic training in Melbourne, Australia.

From 1998 Dr Gilmour moved into the medical devices business developing orthopaedic devices for the major markets. He founded Bodyworks Healthcare in New Zealand and then Bodyworks Inc in California. He is currently a director and significant shareholder in Omni Life Science Inc, a US orthopaedic implant maker.

Since retiring from day to day management in 2004 Dr Gilmour has focused his attention on investment in medical devices, in particular diagnostic assets in NZ and Australia. He is a senior advisor to the Foundation for Research Science and Technology in NZ. He is the NZ based Managing Director of San Diego based VC firm Finistere Partners which is focused on device and diagnostic assets. He is the founding director and a significant shareholder in a NZ based diagnostic investment company known as NZDX (New Zealand Diagnostics Limited).

Dr Gilmour has an extensive network in California and particularly in the diagnostic market segment.

Directors' Recommendation

The Board supports the election of Dr Gilmour.

RESOLUTION 4: ELECTION OF DIRECTOR (Ms Lara Iacusso)

Election of Ms Lara Iacusso as a Director.

Ms Iacusso, having been appointed in accordance with the Company's Constitution as a Director of the Company to fill a casual vacancy until the next general meeting, offers herself for election as a Director of the Company

Lara is a director of Transocean Group Pty Ltd. and a Chartered Accountant. She has over 20 years experience and specialises in the provision of investment banking and corporate finance services to emerging companies. Her focus is on providing advice relating to corporate transactions and strategies including overall project management, valuation, due diligence and other transaction support, corporate advice associated with transactions, stock exchange listings, and capital raisings and commercial negotiations.

During Lara's 20 years professional experience she has developed expertise in a wide variety of industries and transactions, including the medical products and diagnostics sector. She has a strong technical and commercial background, which provides significant value to all corporate transactions.

Prior to joining Transocean, Lara was a Corporate Finance partner with Deloitte in Australia. Lara has worked in several countries over her professional career including Australia, Hong Kong, China and Indonesia.

Directors' Recommendation
The Board supports the election of Ms Iacusso.

RESOLUTIONS 5 & 6: APPROVAL OF PRIOR ISSUE OF SECURITIES

The Board believes that it is in the best interests of the Company that it maintains its ability to issue up to a full 15% of the issued capital of the Company, so that the Company may issue further securities in the next 12 months and continue to pursue its stated business objectives.

ASX Listing Rule 7.1 provides that the Company must not issue more than 15% of its issued capital in any 12 month period without shareholder approval. However, under Listing Rule 7.4, the Company may seek subsequent approval of specified issues of securities, and if that approval is granted, such issues do not count toward the 15% limit.

Issue of Shares and Options to Bodyworks Holdings Pty Ltd

The Company seeks shareholder approval of the issue of securities as follows:

Number of Securities	Type	Date of Issue	Details
1,000,000	Fully paid Ordinary Shares	18-April-2008	Pursuant to a commercial agreement with Bodyworks Holdings Pty Ltd entered into in December 2007, and announced to ASX on 18 April 2008.
2,000,000	Options to acquire fully paid ordinary shares.	18-April-2008	Pursuant to a commercial agreement with Bodyworks Holdings Pty Ltd entered into in December 2007, and announced to ASX on 18 April 2008.

In December 2007, the Company entered into a mandate with Bodyworks Holdings Pty Ltd, a company associated with Dr Robert Gilmour, to provide strategic technological advisory services to the Company. As part of these mandate arrangements the Company issued the securities outlined above to Bodyworks Holdings Pty Ltd.

The following information in relation to the Securities issued is provided to shareholders for the purposes of Listing Rule 7.5:

(a) 1,000,000 fully paid ordinary shares ("the Shares") were issued;

(b) The Shares were issued to Bodyworks Holdings Pty Ltd (at the time of the issuance, an unrelated party of the Company) as part compensation for the services provided by Bodyworks Holdings pursuant to the mandate arrangements outlined above;

(c) The Shares rank equally with all fully paid ordinary shares on issue;

(d) There were no funds raised from the issuance of the Shares;

(e) 2,000,000 Options to acquire fully paid ordinary shares in the Company were issued;

(f) The Options were issued to Bodyworks Holdings Pty Ltd (at the time of the issuance, an unrelated party of the Company) as part compensation for the services provided by Bodyworks Holdings pursuant to the mandate arrangements outlined above;

(g) The Options have an exercise price of $0.065 per share and an expiry date of 2 February 2011;

(h) There were no funds raised from the issuance of the Options;

(i) The terms of the Options are outlined at Annexure B, Part 1 to this Explanatory Memorandum.

If the Options issued to Bodyworks Holdings Pty Ltd are exercised, the proceeds received on exercise shall be applied to the general working capital requirements of the Company.

Issue of Options to Senior Executives

The Company has previously granted performance options to senior executives as follows:

Number of Securities	Type	Date of Issue	Exercise Price per Option	Expiry Date of Options	Recipient	Price paid on issue of 0ptions
2,000,000	Options to acquire fully paid ordinary shares.	31 July 2008	$0.065	1 February 2011	Mr Joe Maeji	Nil
1,000,000	Options to acquire fully paid ordinary shares.	31 July 2008	$0.065	1 February 2011	Mr Nevin Abernethy	Nil
72,329	Options to acquire fully paid ordinary shares.	31 July 2008	$0.081	31 July 2011	Mr Nevin Abernethy	Nil

The terms of the Options are outlined at Annexure B, Part 2 to this Explanatory Memorandum.

If any Options issued to the senior executives are exercised, the proceeds received on exercise shall be applied to the general working capital requirements of the Company.

RESOLUTIONS 7: APPROVAL OF PLAN PURSUANT TO LISTING RULE 7.2, EXCEPTION 9

ASX Listing Rule 7.1 provides that the Company must not issue more than 15% of its issued capital in any 12 month period without shareholder approval. However, Listing Rule 7.2, lists a number of exceptions to this rule.

Listing Rule 7.2, Exception 9 exempts securities issued under an employee incentive scheme from Listing Rule 7.1 where the scheme is approved by shareholders at a general meeting within 3 years prior to the issue provided that the terms of the scheme do not change in those 3 years.

Approval is sought for the issue of Options under the terms of the Plan for the purposes of Listing Rule 7.2, Exception 9.

Terms of Plan

The full terms of the Plan are set out in Annexure A to this Explanatory Memorandum. A summary of the Plan is set out below:

(a) **Eligibility:** all officers, executives, employees or consultants of the Company that have satisfied the criteria of the Board from time to time, are eligible, at the invitation and discretion of the Company, to be issued options under the Plan ("**Eligible Participant**"). An

Eligible Participant may be entitled to nominate that options be held by another person that is an associate of the Eligible Participant;

(b) **Offer of Options:** an offer of options under the Plan may be made by the Company to an Eligible Participant at any time and in any form, and may provide conditions relating to the options, such as exercise price and option period;

(c) **Restrictions**: the Board must not issue options if:

(i) the aggregate number of options issued to an participant under the Plan together with other holdings of shares of all other participants and shares issued under any other employee plan of the Company must not exceed 5% of the issued share capital of the Company;

(ii) a participant would control or hold an interest in more than 5% of shares in the Company; or

(iii) in the case of the issue to permanent employees, less than 75% of those employees are eligible to participate in the Plan or other employee schemes of the Company, unless the Board determines otherwise.

(d) **Allocation of shares:** Shares acquired by an Eligible Participant under the Plan will be ordinary shares, listed on the register of the Company, and be subject to any rights, entitlements and restrictions that the Board may impose from time to time;

(e) **Disposal of shares:** a participant in the Plan must not dispose of any shares issued on exercise of the options under the Plan until the end of any period stipulated by the Board has expired;

(f) **Board's discretion and powers:** the Board has absolute and unfettered discretion to:

(i) act or refrain from acting pursuant to the rules of the Plan;

(ii) to exercise any power or discretion under the Plan;

(iii) to delegate its discretions and powers under the Plan; and

(iv) amend, add or waive any provision of the Plan.

Rationale behind the Plan

The success of the Company and its Shareholders depends greatly on the people employed by the Company. To maintain and improve performance, the Company has an ongoing need to motivate and retain a dedicated management team and key employees and to recognize the contribution to date of key employees.

The Plan provides a useful means to achieve this goal and will continue to:

- provide an incentive to employees to work and improve the performance of the Company;
- attract and retain valued employees essential for the continued growth and development of the Company;
- establish a sense of ownership in the Company for the employees;
- promote and foster loyalty and support amongst employees for the benefit of both the employees and the Company;
- enhance the relationship between the Company and its employees for the long term mutual benefit of all parties; and
- enable the Company to attract high caliber individuals, who can bring expertise to the Company

Past Issues under the Plan

The Company has previously had an approved Plan in place and has issued securities pursuant to this plan. The Company is now seeking shareholder approval for this updated Plan. The updated Plan is a new plan and, accordingly, no securities have previously issued under it.

Approval sought

The purpose of obtaining approval under this Resolution is so that the issue of Options under the Plan over the next 3 years will not be deemed to be part of the 15% allowance specified in Listing Rule 7.1 leaving the 15% allowance to be utilized by the Company for other issue of securities outside the Plan. As the issue of securities under the Plan is not for the purposes of fundraising, the Directors believe it is appropriate that the full 15% allowance be reserved for other issues of securities so that the Directors are not restricted in the amount of securities they may issue for the purposes of fundraising.

Change of Name of Plan

In the event that shareholders resolve to change the name of the Company under Resolution 8, your Board intends to rename the Plan as the "Anteo Diagnostics Limited Officers, Employees and Consultants Share Option Plan".

RESOLUTION 8: CHANGE OF NAME

Bio-Layer is undertaking a rebranding/re-positioning exercise to reflect the expanded field of operation (fast track assay development and commercialization of diagnostics, test components and diagnostic data) and the Board believes the current name of the Company does not best reflect its underlying operations. As such the Board considers that the Company should change its name to Anteo Diagnostics Limited to reflect the Company's underlying operations. Anteo is a latin root for "anticipate, prevent, precede" which is consistent with the underlying "diagnostic" element to the Company's operations.

The resolution is a special resolution and, accordingly, at least 75% of shareholders attending and voting at the meeting must vote in favour of the resolution for it to be passed. Following any passing of the resolution the Company will lodge appropriate documentation with the ASIC to change the name of the Company.

Directors Recommendation

The Board recommends the proposed change of name.

GLOSSARY

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited.

A$ means Australian Dollars.

Board means the board of directors of the Company.

Company and **BioLayer** means BioLayer Corporation Limited (ABN 75 070 028 625).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors mean the current directors of the Company.

Explanatory Memorandum means the explanatory memorandum accompanying the Notice.

General Meeting means the meeting convened by the Notice.

Listing Rule means a Listing Rule of ASX.

Notice means the Notice of Meeting accompanying this Memorandum.

Proxy Form means the proxy form for the General Meeting accompanying this Notice.

Schedule means a schedule of this Notice and Explanatory Memorandum.

Share means a fully paid ordinary share in the capital of the Company.

“ANNEXURE A”

BIOLAYER CORPORATION LIMITED

(A.B.N. 75 070 028 625)

RULES OF OFFICERS, EMPLOYEE AND CONSULTANTS SHARE OPTION PLAN

Officers, Employees and Consultants Option Plan Rules

1. Introduction

1.1 Overview

The purpose of the Plan is to motivate and incentivise Officers, Employees and Consultants by providing them with the opportunity to participate in the growth of the Company via a holding of shares in the Company.

1.2 Participation in the Plan

The Plan will be conducted as a non-discriminatory officers, employee and consultants option plan open to:

- officers of any Group Company;
- those permanent full-time and part-time employees of any Group Company; and
- consultants to any Group Company,

as selected by the Company.

2. Definitions and interpretation

2.1 Definitions

In these Rules:

ASX means the ASX Limited.

Board means the board of directors of the Company or a committee appointed by the Board.

Consultant means a person, not being an Officer or Employee, who provides services to a Group Company.

Control has the meaning ascribed to that term in s 9 of the Corporations Act and references to Controlled shall have a corresponding meaning.

Company means BioLayer Corporation Limited ABN 75 070 028 625.

Corporations Act means the *Corporations Act* 2001 (Cth) as may be amended or replaced from time to time.

Director means a member of the Board.

Dispose has the meaning ascribed to it in the Listing Rules and Disposed shall have a corresponding meaning.

Division 13A means Division 13A of the Tax Act.

Eligible Participant means Officers, Employees and Consultants.

Employee means a person employed, whether on a full or part time basis, by a Group Company or other person the Board in its absolute discretion determines to be an Employee for the purposes of the Plan.

Exercise Price means, in respect of an Option, the price per Share determined by the Board and stated in the Offer.

Group Company means the Company and each Subsidiary of the Company.

Listing Rules means the official listing rules of the ASX from time to time in force as they apply to the Company.

Offer means an offer of Options to an Eligible Participant pursuant to clause 5.

Officer means an officer (within the meaning ascribed to that term in section 9 of the Corporations Act) of a Group Company.

Option means an option issued under the Plan to acquire a Share.

Option Period means the period during which an Option may be exercised, which may be expressed in any way the Board chooses when it makes an Offer.

Participant means an Officer, Employee or Consultant who is issued Options under the Plan.

Permanent Employee has the meaning given to it in section 138GB of the Tax Act.

Plan means the BioLayer Corporation Limited Officers, Employees and Consultants Option Plan as set out in these Rules, as altered or added to under these Rules from time to time.

Plan Share means a Share issued pursuant to exercise of an Option.

Share means a fully paid ordinary share in the capital of the Company and **Shares** shall have a corresponding meaning.

Subsidiary has the meaning ascribed to that term in the Corporations Act.

Tax Act means the *Income Tax Assessment Act* 1936 (Cth).

2.2 Interpretation

In these Rules:

(a) terms not defined in these Rules which are defined in the *Corporations Act*, shall have the meanings ascribed to those terms in the *Corporations Act*;

(b) headings are only for convenience and do not affect interpretation;

(c) the singular number includes the plural and vice versa;

(d) words of one gender include the other genders;

(e) a reference to any legislation includes any amendment to that legislation, any consolidation or replacement of it, and any subordinate legislation made under it;

(f) a reference to a provision in any legislation includes a reference to a provision in any amendment, consolidation or replacement of that legislation which, in the opinion of the Board, corresponds with the first mentioned provision;

(g) if any provision in these Rules is invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions is not affected or impaired; and

(h) if the day on or by which something must be done is not a business day in the place where it must be done, it may be done on the next business day.

3. Eligibility

3.1 Who is eligible?

A person is only eligible to be issued Options under the Plan if he or she is:

(a) an Officer, Employee or Consultant at the date of issue of those Options; and

(b) has satisfied the criteria the Board from time to time and in its sole discretion decides for participation in the Plan.

3.2 Board Discretion

Participation in the Plan is in the Board's sole discretion. The Company reserves the right to refuse participation in the Plan in whole or in part for any particular Officer, Employee or Consultant, even if the eligibility criteria and other steps have been satisfied for participation.

4. Issue Price

No price is payable by participants for the issue of Options.

5. Offer and Acceptance

5.1 Offer

An Offer to an Eligible Participant may be made at any time and, if made, must be in writing and specify the following:

(a) the total number of Options to acquire Shares (and the number of Shares to which the Options relate) for which the Eligible Participant may apply;

(b) the Option Period;

(c) the minimum number of Shares (if any) which must be issued under any exercise of Options;

(d) the Exercise Price of the Options,

and may be on any conditions (including performance conditions) or subject to any restrictions, as the Board decides.

5.2 Nominees

An Eligible Participant may be entitled to nominate that the Shares be held by another person ("**Nominee**") so long as that person is an associate of the Eligible Participant and the Nominee agrees to be bound by the Plan.

5.3 Legal constraints

Despite any other Rule, the Board may exclude a person from the issue of Options under the Plan if it appears to the Board that doing so would contravene:

(a) these Rules;

(b) the Listing Rules; or

(c) any law of a jurisdiction in which an Eligible Participant resides at the time of the issue of an invitation to participate in the Plan,

or would give rise to unreasonable regulatory or administrative requirements for the Company determined by the Board in its sole discretion.

5.4 Acceptance

An Offer:

(a) remains open for the period determined by the Board;

(b) may only be accepted in writing.

6. Exercise Price

6.1 Determination by Board

The exercise Price per Option will be determined by the Board and stated in the Offer.

6.2 Adjustment to Exercise Price

The Exercise Price of an issued Option is subject to adjustment under clause 9.2.

7. Exercise of Options

7.1 Minimum Exercise

A Participant is, subject to this clause 7 entitled to exercise an Option during the Option Period provided that any exercise is for a minimum number or multiple of Shares as the Board may determine in the terms of the Offer.

7.2 Maximum of Exercise

Options may be exercised by the Participant in the manner specified in the offer.

7.3 Issue of Shares

On receipt of the full amount of the Exercise Price in respect of the Options exercised, the Company will allot and issue the Shares that relate to the Options. All such Shares will be credited as fully paid.

7.4 Quotation

As soon as practicable after allotment the Company will take all steps that are necessary to have the Shares quoted on the ASX.

7.5 Takeover

Despite the Board imposing a period during which any issued Options cannot be exercised, unexpired Options issued under this Plan become exercisable if a person announces an intention to make offers under a takeover bid for Shares in the Company, or initiates a scheme of arrangement, or other transaction which, in each case, has an effect similar to a takeover bid for Shares in the Company.

8. Restrictions on Dealings

8.1 Restriction

A Participant may not transfer or otherwise deal in a Plan Share before the earlier of the following times:

(a) such period may be specified by the Board in the Offer following the issue of the Plan Shares; or

(b) the time when the Participant ceases to be an Officer Employee or Consultant.

8.2 Segregation of Plan Shares by Share Registry

The Company may implement such procedures as it considers appropriate to restrict a Participant from transferring or dealing in Plan Shares for so long as dealing in those Plan Shares is restricted under clause 8.1. Without limiting the foregoing, each Participant:

(a) agrees that the Plan Shares may be subject to a restricted trading provision; and

(b) agrees that the Company may instruct the share registry to classify Plan Shares as 'Option Plan Shares' or similar and segregate Plan Shares in the Company's sponsored sub-register and record in the sub-register that those Shares are subject to the Plan and dealing in those Shares are restricted by these Rules.

9. Rights of Participants

9.1 Ranking for Dividends

A Participant will, from the date of allotment of Shares on the exercise of Options, hold the Shares free of restrictions. A Participant's Shares will rank for dividends in respect of any books closing date on or after the date of allotment, but will carry no right to receive any dividend in respect of any books closing date before the date of allotment.

9.2 Re-organisation

If after any Options are granted pursuant to this Plan, the Company undergoes a reorganisation or reconstruction of capital or any other change in the capital of the Company (other than by way of a bonus issue or issue for cash) occurs, the terms of the Options and rights of the Option holder will be changed to the extent necessary to comply with the Listing Rules as they apply at the relevant time.

9.3 Death of Participant

If a Participant dies before exercising Options issued under this Plan then the legal personal representative of that deceased Participant will have the same rights and benefits to and be subject to the same obligations in respect of those Options as the deceased Participant would have had or been subject to had they survived until the expiration of the Option Period.

9.4 Ceasing to be an Eligible Participant

Subject to clause 9.3, if a Participant ceases (for any reason) to be a Officer, Employee or Consultant before the Participant has exercised his or her Options and despite that period during which the Option could be exercised has not commenced or has not expired those Options will upon cessation or termination (as the case may be) cease to be capable of being exercised by the Participant and the Company will have no obligations to the Participant in respect of the Options.

9.5 New Issues

A holder of Options is not entitled to participate in a new issue of Shares or other securities by the Company to holders of its Shares merely because he or she holds Options.

9.6 General

Except as expressly provided in these Rules, nothing in these Rules:

(a) confers on any person the right to receive any Options;

(b) affects the conditions of employment or engagement provided by the Participant;

(c) confers on any Participant the right to continue as an Officer, Employee or Consultant;

(d) affects any rights which a Group Company may have to have that Participant removed from office, or to terminate the employment or engagement of that Participant;

(e) may be used to increase, to any extent, damages or other monetary claims whatsoever or any other claim including negligence, contract, restitution or under statute in any action brought against any Group Company in respect of any removal or termination referred to in clause 9.6(d) above;

(f) may be used to increase, to any extent, damages or other monetary claims whatsoever or any other claim including negligence, contract, restitution, under statute or under this Plan in any action brought against the Company in respect of any delay by the Company in issuing Options or applying for quotation of Shares issued on exercise of Options; or

(g) confers on any person any expectation of becoming a Participant.

10. Assignment of Options

Options cannot be transferred or assigned, except with the prior written approval of the Board.

11. Administration of the Plan

11.1 Commencement

The Plan will commence when determined by the Board.

11.2 Restrictions on issue of Plan Shares

The Board must not issue Options under this Plan:

(a) if following the issue of the Options, the aggregate number of Shares:

(i) that have issued on exercise of Options issued under this Plan;

(ii) that have issued under any other employee plan of the Company; and

(iii) that would be issued if all options issued under this Plan and any other employee option plan of the Company were exercised,

exceeds 5% of the total number of Shares then on issue; or

(b) to a Participant if following the exercise of those Options, a Participant will be in a position to control the casting of more than 5% of the voting rights in the Company or the Participant will hold a legal or beneficial interest in more than 5% of the Shares of the Company; or

(c) to Permanent Employees, if less than 75% of Permanent Employees are eligible, or have previously been eligible, to participate in the Plan or in other employee share schemes or option of the Company, unless the Board determines otherwise.

11.3 Administration and Rules

(a) The Plan will be administered by the Board in accordance with these Rules. The Board may make further Rules for the operation of the Plan, which are consistent with these Rules.

(b) In administering the Plan, the Company must comply with:

(i) the *Corporations Act* 2001 (Cth); and

(ii) the Listing Rules.

(c) To the extent that any provision of the Plan becomes inconsistent with:

(i) the *Corporations Act* 2001 (Cth); or

(ii) the Listing Rules,

the Company will do all things reasonably necessary to ensure that the Plan is amended, and that the Plan complies with the provisions of the *Corporations Act* 2001 (Cth) and the Listing Rules.

11.4 Power and Discretions

Any power or discretion which is conferred on the Board by these Rules must be exercised by the Board in the interest or for the benefit of the Company, and the Board is not, in exercising any such power or discretion, under any fiduciary or other obligation to a Participant.

11.5 Delegation

Any power or discretion that is conferred upon the Board by these Rules may be delegated by the Board to a sub-committee of the Board, or to a director or another officer of the Company or both as the Board see fit.

11.6 Interpretation

The decision of the Board as to any factual matter or interpretive matter, effect or application of these Rules will be final and conclusive in the absence of a manifest error.

11.7 Suspension or cancellation of Plan

The Board may from time to time suspend the operation of the Plan and may cancel the Plan. The suspension or cancellation of the Plan will not prejudice the existing rights of Participants in respect of Options already issued.

12. Amendment of these Rules

12.1 Amendment

Subject to clauses or Rules 12.2 and 12.3, the Company may at any time by written instrument or by resolution of the Board, amend all or any of the provisions of these Rules (including this Rule 11).

12.2 Accrued Rights

No amendment of the provisions of these Rules is to reduce the accrued rights of any Participant in respect of Options already issued under the Plan prior to the date of the amendment, other than an amendment introduced primarily:

(a) for the purpose of complying with or conforming to present or future state, territory or commonwealth legal requirements governing or regulating the maintenance or operation of the Plan or like plans;

(b) to correct any manifest error;

(c) to enable Participants or a Group Company to reduce the amount of fringe benefits tax under the *Fringe Benefits Tax Assessment Act* 1986*,* the amount of tax payable under the Australian Income Tax Act or the amount of any other tax or impost that may otherwise be payable by the Participant or a Group Company in relation to the Plan;

(d) for the purpose of enabling a Participant to receive a more favourable taxation treatment in respect of their participation in the Plan as determined in the absolute discretion of the Board from time to time; or

(e) to enable any Group Company to comply with the *Corporations Act* 2001, the Listing Rules or Division 13A.

12.3 Listing Rules

No amendment may be made except in accordance with and in the manner stipulated (if any) by the Listing Rules.

12.4 Retrospectivity

Subject to this clause 12, any amendment made pursuant to Rule 12.1 may be given such retrospective effect as is specified in the written instrument or resolution by which the amendment is made and, if so stated, amendments to these Rules, have the effect of automatically amending the terms of issued but unexercised Options.

13. General

13.1 Notices

Notices may be given by the Company to a Participant in the manner described by the Constitution of the Company for the giving of notices to members of the Company and the relevant provisions of the Constitution shall apply with all necessary modification to notices to be given to Participants.

13.2 Rights to Notices and Accounts

Participants do not, by reason only of participating in the Plan, have the right to be sent notices of meetings, reports or accounts of the Company.

13.3 Governing Law

This Plan is governed by the laws of Queensland.

14. Administration of the Plan

14.1 Non-residents of Australia

The Board may adopt additional rules of the Plan applicable in any jurisdiction outside Australia under which Shares allocated under the Plan may be subject to additional or modified terms, having regard to any securities, exchange control or taxation laws or regulations or similar factors which may apply to the Participant in relation to the Shares.

14.2 Board's Discretion

The Board has absolute and unfettered discretion:

(a) to act or refrain from acting under these Rules or concerning the Plan; and

(b) in exercising any power or discretion concerning the Plan or any Options issued under the Plan.

"ANNEXURE B"

OPTION TERMS – RESOLUTION 5

Part 1 - Rights and Liabilities Attaching to Options issued to Bodyworks Holdings Pty Ltd

The following is a summary of the rights, privileges and restrictions which shall attach to the Options:

- each Option entitles the holder to subscribe for one fully paid ordinary share in the capital of the Company at an exercise price of 6.5 cents per option;
- Options may be exercised by the holder at any time from their date of issue until their expiry date, being 5.00pm 1 February 2011 ("**Expiry Date**");
- Options must be exercised by delivering a notice of exercise to the Company by the Expiry Date;
- the Company will apply for quotation of the Options on ASX;
- all shares issued upon exercise of the Options will rank equally in all respects with existing ordinary shares of the Company;
- the rights and liabilities attaching to shares issued upon exercise of the Options will be the same as the rights and liabilities attaching to existing ordinary shares of the Company (as summarised above);
- in the event of any reconstruction of the issued capital of the Company, the number of Options or the exercise price of both will be adjusted as appropriate to the extent necessary to comply with the Listing Rules applying to a re-organisation of capital at the time of the re-organisation;
- until shares are issued pursuant to the exercise of Options, the holder of an Option shall not participate in dividends or new issues of securities by the Company.

Part 2 - Rights and Liabilities Attaching to Options issued to Senior Executives

(a) 3,000,000 Options exercisable @ $0.065 per Option

The following is a summary of the rights, privileges and restrictions which shall attach to the Options:

- each Option entitles the holder to subscribe for one fully paid ordinary share in the capital of the Company at an exercise price of 6.5 cents per option;
- the Options expire on 1 February 2011;
- the Options are performance options and no Option may be exercised until achievement or material progress is made towards achievement of various shorter term goals including completion of certain commercialisation agreements, assessing existing assays and achieving sales of existing assays;
- the Options are personal to the holder;
- the Options will lapse on the termination of the holder's employment with the Company Company except in the case of special circumstances (ie total and permanent disablement, reaching retirement age, death or other circumstances the Board may determine);

- until shares are issued pursuant to the exercise of Options, the holder of an Option shall not participate in dividends or new issues of securities by the Company.

(b) 72,329 Options exercisable @ $0.081 per Option

The following is a summary of the rights, privileges and restrictions which shall attach to the Options:

- each Option entitles the holder to subscribe for one fully paid ordinary share in the capital of the Company at an exercise price of 8.1 cents per option;
- the Options expire on 31 July 2013;
- the Options cannot be exercised until they are vested;
- 25% of the Options vest on each of 29 August 2008, 29 August 2009, 29 August 2010 and 29 August 2011;
- the Options are personal to the holder;
- the Options will lapse on the termination of the holder's employment with the Company except in the case of special circumstances (ie total and permanent disablement, reaching retirement age, death or other circumstances the Board may determine);
- until shares are issued pursuant to the exercise of Options, the holder of an Option shall not participate in dividends or new issues of securities by the Company.

PROXY FORM

To be completed if you are not attending the meeting and wish to vote. Please see instructions on the next page for completion.

BioLayer Corporation Limited
A.B.N. 75 070 028 625

Return Proxy Form(s) To:
c/- Registries Limited
Level 2
28 Margaret Street
Sydney NSW 2000

A Appointment

I/We...
(PLEASE PRINT NAME)

Of...
(ADDRESS)

being a member/members of BioLayer Corporation Limited and entitled to attend and vote, appoint

....
(PLEASE PRINT NAME)

or failing the person so named (or if no person is named) the **Chairman of the meeting** as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy or the Chairman sees fit) at the meeting of members of BioLayer Corporation Limited to be held at the offices of the Company on Tuesday 18 November at 11:00am at 4/26 Brandl Street, Eight Mile Plains, Brisbane Qld 4113 and at any adjournment of that meeting.

IMPORTANT: If the Chairman of the meeting is your nominated proxy, or may be appointed by default, and you do not wish to direct your proxy how to vote as your proxy in respect of a resolution, please place an "X" in this box ☐

By marking this box, you acknowledge that the Chair of the meeting may exercise your proxy even if he has an interest in the outcome of the resolution/s and that votes cast by the Chair of the meeting for those resolutions other than as proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy on how to vote, the Chair will not cast your votes on the resolution and your votes will not be counted in calculating the required majority if a poll is called on the resolution.

Please note that the Chairman of the meeting intends to vote undirected proxies in favour of each Resolution. Accordingly, if you intend to appoint the Chairman as your proxy and do not wish to vote in favour of each Resolution, please do not mark the above box, but instead mark the appropriate boxes below

B Business

Should you desire to direct your proxy how to vote on any resolution you should place a mark (X) in the appropriate box against each item below. If you wish to direct your proxy to vote some of your shares in a different manner to others, please insert the number of votes to be cast in respect of each resolution in each of the "For", "Against" and "Abstain" boxes for each resolution.

	FOR	AGAINST	ABSTAIN
Resolution 1: Adoption of Remuneration Report	☐	☐	☐
Resolution 2: Re-election of Director (Mr Bruce Rathie)	☐	☐	☐
Resolution 3: Election of Director (Dr Robert Gilmour)	☐	☐	☐
Resolution 4: Election of Director (Ms Lara Iacusso)	☐	☐	☐
Resolution 5: Approval of Issue of Securities - Bodyworks	☐	☐	☐
Resolution 6: Approval of Issue of Securities – Snr Executives	☐	☐	☐
Resolution 7: Approval of Plan pursuant to Listing Rule 7.2	☐	☐	☐
Resolution 8: Change of Name	☐	☐	☐

C If Appointing a Second Proxy

State here the percentage of your voting rights ________ **%**

OR / **Or**

The number of shares applicable to this form ________ Number

D Insert your daytime telephone number

(   )

E Signature(s)

Shareholder 1 (individual)	**Joint Shareholder 2 (individual)**	**Joint Shareholder 3 (individual)**
Sole Director & Company Secretary	**Director / Company Secretary (delete one)**	**Director**

PROXY FORM

Instructions for completion and return of proxy form

1. Completion of this Proxy Form will not prevent individual shareholders from attending the Meeting in person if they wish. Where a shareholder completes and lodges a valid proxy form and attends the Meeting in person, then the Proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the Meeting.

2. A shareholder of the Company entitled to attend and vote is entitled to appoint not more than two Proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the shareholder's voting rights. If the shareholder appoints two Proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes.

3. A proxy need not be a shareholder of the Company.

4. If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your shares are not to be counted in computing the required majority on a poll.

5. If a representative of a company shareholder is to attend the Meeting, a properly executed original (or certified copy) of the appropriate "Certificate of Appointment of Corporate Representative" should be produced for admission to the Meeting. Previously lodged "Certificates of Appointment of Corporate Representative" will be disregarded by the Company.

6. If a representative as Power of Attorney of a shareholder is to attend the meeting, a properly executed original (or originally certified copy) of an appropriate Power of Attorney must also be received at least forty eight (48) hours before the meeting.

7. **Signing Instructions**

   You must sign this form as follows in the spaces provided:

Individual:	Where the holding is in one name, the holder must sign.
Joint Holding:	Where the holding is in more than one name, each shareholder must sign.
Power of Attorney:	If you are signing under a Power of Attorney, you must lodge an original or certified photocopy of the appropriate Power of Attorney with your completed Proxy Form.
Companies:	Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

8. **Receipt of Proxy Forms**

   To be valid this Proxy Form (and any Power of Attorney under which it is signed) must be received at any of the addresses or the fax number below **no later than 11.00am on Sunday, 16 November 2008**. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Delivery Address:	**Postal Address**	**Fax Number**:
BioLayer Corporation Limited c/- Registries Limited Level 2 28 Margaret Street Sydney NSW 2000	BioLayer Corporation Limited c/- Registries Limited PO Box R67 Royal Exchange Sydney NSW 1223	+ 61 2 9279 0664