



THE MANAGER
COMPANY ANNOUNCEMENTS
AUSTRALIAN STOCK EXCHANGE
LEVEL 4, 20 BRIDGE STREET
SYDNEY NSW 2000

30 April 2007

**QUARTERLY REPORT FOR PERIOD ENDED 31 MARCH 2007
AND APPENDIX 4C**

Finance

The attached Appendix 4C shows that the company ended the March quarter with just over \$2.0m cash on hand. On the 23 February 2007, the company announced it had successfully completed a placement for 42,000,000 ordinary shares to raise \$1,008,000 (before costs). The company is well placed to continue significant research and development activities pertaining to its natural termiticide product "TERMILONE™".

Development Projects

TERMILONE™ (PREVIOUSLY AP778)

This quarter has seen significant progress on finalising the detailed research and development programmes with collaborators in order to generate the required data for the assessment by the Australian Pesticides and Veterinary Medicines Association (APVMA). The following is a summary of the key contractors and research work completed during the quarter:-

Ensis – A joint venture between CSIRO FFP Pty Ltd and Scion Australia. Ensis is developing a number of formulations that will be used to carry the active ingredient, Eremophilone Oil for the impregnation into commercial timber products. This stage commenced in November and the first stage was completed by late April 2007. The impregnated timber samples will then undergo bioassay and analytical assessment following assessment of the formulations by the companies project working committee.

ICP Firefly Pty Ltd - Work commenced in December 2006 on the first tier genotoxicity trials and on the 28th February 2007, the company announced the results of this study. The Tier 1 genotoxicity tests conducted under strict OECD protocols and under good laboratory practice (GLP) indicated that the Eremophilone Oil extracted from the Australian native tree *Eremophila mitchellii* has no clastogenic (a substance

that causes chromosomal damage) or mutagenic properties (a substance that causes mutations). The oil will be the active compound in the TERMILONE™ product range that is proposed for use in the termite control and deterrence markets. This is an excellent result and the company can now proceed with further toxicological work throughout 2007 and 2008.

Eureka! AgResearch (Vic) Pty Ltd. This project also commenced in November 2006 in order to develop formulations for the Contact Spray application of TERMILONE™ on existing termite incursions. This is an essential early stage task to determine whether the oil can be made into a formulation that is stable with known low toxicity co-formulants (food grade products). During March 2007, Eureka successfully produced two formulations that are now awaiting assessment by the project working committee. Bioassays will commence in May and June 2007.

University of Western Sydney (UWS). In late January 2007, the company formally signed a research and development agreement with UWS to conduct regulatory data generation work for TERMILONE™. UWS will be the lead contractor and will manage and complete trials and other development projects to ensure successful registration of TERMILONE™.

Stage 1 of the project will cover formulation development and subsequent bioassay analysis, analytical methods for the Active Constituent and the formulations and biochemical properties on the compound.. This is expected to take approximately 6 months with key milestones related to efficacy of the compound on termites tested under Australian and international standards.

Over the next 18 months BioProspect Ltd will generate data on its natural termite compound with the objective of gaining registration in Australia. Under the current progress, regulatory data is expected to be submitted to the APVMA for the Active Constituent and associated End Use Products in late 2008 and early 2009. The actual registration approval could take a further 12-14 months depending on the speed of assessment within the APVMA and related Australian Government authorities.

Commercial Ready Grant

The Company has spent the quarter finalising a submission for a Commercial Ready Grant which was submitted for final application in April 2007. The Commercial Ready Grant is an AusIndustry initiative whereby funding for the project is matched dollar for dollar over the life of the project. A successful outcome for the grant would result in significant funding inflow to the company for its TERMILONE™ project.

Astrum Therapeutics Pty Ltd

Astrum has identified four classes of lead molecules for its anti-diabetic drug development program. Lead molecules demonstrate potency and efficacy comparable to positive control drugs for drug-target interactions and improvements in pancreatic cell viability in industry standard in vitro models. Synthesis and testing of lead molecules in these four series is on-going. In addition Astrum has begun to expand testing of lead molecules against other protein related disorders including Alzheimer's.

Qcide

The company continues to work on achieving a commercial outcome for Qcide.

Yours sincerely

A handwritten signature in black ink, reading "Colin Johnston". The signature is written in a cursive style with a large initial 'C' and 'J'. It is enclosed in a thin black rectangular box.

Colin Johnston

Company Secretary

APPENDIX 4C follows

Appendix 4C

**Quarterly report
for entities admitted
on the basis of commitments**

Introduced 31/3/2000. Amended 30/9/2001

Name of entity

BIOPROSPECT LIMITED

ABN

58 008 130 336

Quarter ended ("current quarter")

31 MARCH 2007

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from customers	-	8
1.2 Payments for		
(a) staff costs	(99)	(305)
(b) advertising and marketing	-	-
(c) research and development	(183)	(243)
(d) leased assets	-	-
(e) other working capital	(97)	(259)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	30	65
1.5 Interest and other costs of finance paid	(2)	(6)
1.6 Income tax rebate received	-	-
1.7 Other – Grants received	-	-
Other - GST	12	(6)
Net operating cash flows	(339)	(747)

	Current quarter \$A'000	Year to date (9 months) \$A'000
1.8 Net operating cash flows (carried forward)	(339)	(747)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property		
(d) physical non-current assets	-	(1)
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	4
(e) other non-current assets	-	-
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other (provide details if material)	-	-
Net investing cash flows	-	3
1.14 Total operating and investing cash flows	(339)	(745)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	948	948
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Other (provide details if material)	-	-
Net financing cash flows	948	948
Net increase (decrease) in cash held	609	203
1.21 Cash at beginning of quarter/year to date	1,405	1,811
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 Cash at end of quarter	2,014	2,014

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	108
1.25	Aggregate amount of loans to the parties included in item 1.11	-
1.26	Explanation necessary for an understanding of the transactions	
	The amounts paid in item 1.24 relate to payments for executive services, non-executive services, corporate advisory services provided by directors or associated parties.	

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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- 2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

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Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

Reconciliation of cash

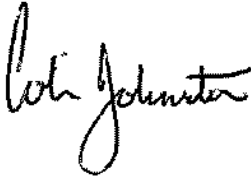
Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	15	8
4.2 Deposits at call	1,999	1,397
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.23)	2,014	1,405

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity	-nil	-nil
5.2 Place of incorporation or registration	-nil	-nil
5.3 Consideration for acquisition or disposal	-nil	-nil
5.4 Total net assets	-nil	-nil
5.5 Nature of business	-nil	

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:
Company Secretary

Date: 30.04.2007

Print name: Colin Johnston

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
 - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
 - 9.2 - itemised disclosure relating to acquisitions
 - 9.4 - itemised disclosure relating to disposals
 - 12.1(a)- policy for classification of cash items
 - 12.3 - disclosure of restrictions on use of cash
 - 13.1 - comparative information
3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.