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**The Manager  
Company Announcements  
Australian Stock Exchange  
Level 4, 20 Bridge Street  
Sydney, NSW 2000**

**BIOPROSPECT TO RAISE \$4.9M VIA OPTIONS UNDERWRITING.**

BioProspect Ltd (ASX: BPO) is pleased to announce that it has reached agreement with Max Capital Pty Ltd to underwrite the exercise of the company's listed options (ASX code: BPOOA).

The underwriting will mean that all of the 97,708,994 listed options (exercise price of \$0.05 per share, expiry 30 June 2007) will be exercised resulting in the company receiving gross funds of \$4,885,449.70.

The underwriting agreement is subject to normal underwriting terms and conditions and is subject to BioProspect completing the Solagran transaction as contemplated in the announcement dated 16 April 2007.

The proceeds from the funds raised will be used primarily for:

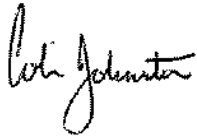
- The development of a range of Bioeffectives<sup>R</sup> in the animal health, nutrition and agricultural markets on an international scale. BioProspect will assess the regulatory, development, manufacturing and distribution requirements for the Bioeffectives<sup>R</sup> in countries like Australia, New Zealand, The Americas and Europe.
- Ongoing research and development of TERMILONE<sup>TM</sup>; and
- Working capital.

Max Capital will be paid the following fees for as consideration for underwriting the issue:

- A Management Fee of \$25,000 plus the issue of 3,000,000 options at an exercise price of \$0.05 on or before 31 March 2010 ("Underwriting Options").
- An Underwriting Fee of 5% of the funds underwritten plus the issue of 32,569,665 Underwriting Options.

The Underwriting Options are to be issued to Max or its nominees on the same date as the issue of the Shortfall Shares.

Yours sincerely \_\_\_\_\_

A handwritten signature in black ink, appearing to read "Colin Johnston". The signature is written in a cursive, flowing style.

Colin Johnston  
Company Secretary