



ABN 58 008 130 336
Suite 6, Level 3
320 Adelaide Street
Brisbane QLD 4000
Ph 07 3229 5755
Fax 07 3229 4655

19 October 2010

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

SHARE PLACEMENT and RIGHTS ISSUE to Raise \$2.28m

The directors of BioProspect Limited (ASX: BPO) advise that the Company has completed the first stage of a \$2.28m capital raising program. This entails a private share placement of 74,000,000 ordinary fully paid shares at a subscription price of 0.5 cents per share to raise \$370,000. For each share placement, each subscriber will also receive a 1:1 free attaching option of a new class of options expiring 31 December 2013 at an exercise price of \$0.03. The issue of the options will be made subject to shareholder approval.

The directors also wish to announce that it is in the process of completing a prospectus for a forthcoming non renounceable Rights Issue which will offer to shareholders, the chance to participate in a one (1) for two (2) Rights Issue on the same terms as the placement. The one (1) for two (2) Rights Issue will raise \$1.59m from the issue of new shares at a price of 0.5 cents per share along with a free attaching option of a new class of options expiring 31 December 2013 at an exercise price of \$0.03.

There will also be an offer of Loyalty Options on the basis of one (1) Loyalty Option for every two (2) shares held at an issue price of 0.1 cent. These Loyalty Options will have the same terms and conditions as to the new class of options expiring 31 December 2013 at an exercise price of \$0.03. The issue will raise approximately \$0.32m.

The directors are pleased to advise that the non renounceable Rights Issue and the Loyalty Options Issue has been fully underwritten by Novus Capital Limited. Further details of the Rights Issue will be announced on completion of the Prospectus which will be announced to the market before the end of October.

Private Placement

The funds from the private placement will be used for continuing the development activities associated with AGRIPRO™ products based on Conifer Green Needle Complex (CGNC) in particular GI-GUARD® Oral Paste for horses, including trials commencing in Australia and New Zealand and to fund other working capital requirements.

The placement has been made by way of an excluded offer of ordinary fully paid shares under Section 708 of the Corporations Act.

In accordance with ASX Listing Rule 3.10.5, please find attached an Appendix 3B in relation to this placement.

+ See chapter 19 for defined terms.

Notice given under Section 708 (10) of the Corporations Act

The shares and options were issued without disclosure to the investors in reliance on Section 708 (10) of the Corporations Act.

The Company, as at the date of this notice, has complied with:

- The provisions of Chapter 2M of the Corporations Act; and
- Sections 674 and 675 of the Corporations Act.

There is no excluded information as at the date of this notice, for the purposes of Sections 708A (7) and (8) of the Corporations Act.

Yours sincerely,



COLIN JOHNSTON
Company Secretary

+ See chapter 19 for defined terms.

Appendix 3B

*New issue announcement,
application for quotation of additional securities
and agreement*

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002.

Name of entity

BIOPROSPECT LIMITED

ABN

58 008 130 336

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|--|
| 1 | +Class of +securities issued or to be issued | Ordinary Shares
Options expiring 31 December 2013 |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 74,000,000 Ordinary Shares (BPO)
74,000,000 Options –new class unlisted |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Options expiring 31 December 2013 @ \$0.03 |

+ See chapter 19 for defined terms.

4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	Shares –Yes Options -Yes				
5 Issue price or consideration	0.5 cents per ordinary share				
6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	For funding of development activities pertaining to Conifer Green Needle Complex (CGNC), specifically for further trials in Australia and New Zealand and for other working capital requirements.				
7 Dates of entering +securities into uncertificated holdings or despatch of certificates	On or immediately after 20 October 2010.				
8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)	<table> <tr> <th data-bbox="787 1312 966 1354">Number</th><th data-bbox="966 1312 1443 1354">+Class</th></tr> <tr> <td data-bbox="787 1354 966 1520">637,113,565</td><td data-bbox="966 1354 1443 1520">Fully Paid Ordinary Shares</td></tr> </table>	Number	+Class	637,113,565	Fully Paid Ordinary Shares
Number	+Class				
637,113,565	Fully Paid Ordinary Shares				

9	Number and +class of all +securities not quoted on ASX (<i>including</i> the securities in clause 2 if applicable)	Number	+Class
		29,248,571	Options 31/12/13 @\$0.05
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)		

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	
12	Is the issue renounceable or non-renounceable?	
13	Ratio in which the +securities will be offered	
14	+Class of +securities to which the offer relates	
15	+Record date to determine entitlements	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17	Policy for deciding entitlements in relation to fractions	
18	Names of countries in which the entity has +security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	
19	Closing date for receipt of acceptances or renunciations	
20	Names of any underwriters	

21	Amount of any underwriting fee or commission	
22	Names of any brokers to the issue	
23	Fee or commission payable to the broker to the issue	
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of ⁺ security holders	
25	If the issue is contingent on ⁺ security holders' approval, the date of the meeting	
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	
28	Date rights trading will begin (if applicable)	
29	Date rights trading will end (if applicable)	
30	How do ⁺ security holders sell their entitlements <i>in full</i> through a broker?	
31	How do ⁺ security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	
32	How do ⁺ security holders dispose of their entitlements (except by sale through a broker)?	
33	⁺ Despatch date	

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) ☒ Securities described in Part 1

(b) ☐ All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

(If the additional securities do not form a new class, go to 43)

Tick to indicate you are providing the information or documents

35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 ☐ A copy of any trust deed for the additional +securities

(now go to 43)

Entities that have ticked box 34(b)

38 Number of securities for which
+quotation is sought

39 Class of +securities for which quotation
is sought

- 40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

- 41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

- 42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)

Number	+Class

(now go to 43)

All entities

Fees

- 43 Payment method (tick one)

☐

Cheque attached

☐

Electronic payment made

Note: Payment may be made electronically if Appendix 3B is given to ASX electronically at the same time.

☐

Periodic payment as agreed with the home branch has been arranged

Note: Arrangements can be made for employee incentive schemes that involve frequent issues of securities.

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here:

Date: 19.10.2010

Print name: Colin Johnston

== == == == ==