BioProspect Limited

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

CAPITAL RAISING

BioProspect Limited (ASX: BPO) is pleased to announce two capital raising initiatives as follows:

Placement

The Company is completing a private placement of 240,000,000 shares at 0.1c per share to unrelated professional and sophisticated investors to raise up to $240,000 before costs. This placement will be managed by Alto Capital Pty Ltd on a best endeavours basis.

Rights Issue

The Company will also undertake a Rights Issue (after completion of the placement) to all shareholders on the following terms:

- An offer of one ordinary share for every three shares held at the record date;
- A subscription price of 0.1 cents per share;
- Existing shareholders will be entitled to apply for any shortfall that may arise;
- The issue will be fully underwritten by Novus Capital Limited;
- The issue will raise approximately $618,000 before costs.

It is intended that funds will principally be applied to the Company's primary activities in the biotechnology sector, and for general working capital purposes.

Yours sincerely,

COLIN JOHNSTON
Company Secretary