BIOPROSPECT LIMITED

ABN 58 008 130 336

NOTICE OF ANNUAL GENERAL MEETING
AND
EXPLANATORY MEMORANDUM

PLACE: RSM Bird Cameron
Level 12, 60 Castlereagh Street, Sydney NSW 2000

DATE: Wednesday 28 November 2012
TIME: 10:00 am

IMPORTANT INFORMATION
This is an important document that should be read in its entirety.
If you do not understand it you should consult your professional advisers without delay.

NOTICE OF ANNUAL GENERAL MEETING
BIOPROSPECT LIMITED
ABN 58 008 130 336

Notice is hereby given that the Annual General Meeting of members of the Company will be held at the offices of RSM Bird Cameron, Level 12, 60 Castlereagh Street, Sydney NSW 2000 on Wednesday 28 November 2012 at 10:00 am.

AGENDA

ORDINARY BUSINESS:

Financial Statements and Reports

To receive the Financial Report and the Reports of the Directors and of the Auditor for the financial year ended 30 June 2012.

Resolution 1. Remuneration Report

To consider, and if thought fit, pass the following resolution as an **ordinary resolution**:

"That the Remuneration Report that forms part of the Directors' Report for the Company for the financial year ended 30 June 2012 be adopted."

The Remuneration Report is included in the ñDirectorsôReportôsection of the 2012 Annual Report.

Please note that the vote on this item is advisory only and does not bind the Directors or the Company.

Resolution 2. Re-election of Director

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

"Mr Ben Cooper having been appointed to the Board since the last Annual General Meeting of the Company retires and offers himself for election.;"

Resolution 3. Ratification of Issue of Shares

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

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholder's ratify the allotment and issue of 240,000,000 fully paid ordinary Shares that were issued to applicants to raise $240,000, as announced on the ASX on 16 August 2012, on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice."

Resolution 4. Approval of Issue of Shares

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

"That, for the purposes of Listing Rule 7.1 and all other purposes, Shareholders, approve the issue of 49,390,000 Shares to a product vendors by way of a placement within 3 months of the completion of this General meeting on terms and conditions set out in the Explanatory Memorandum accompanying this Notice."

Resolution 5. Approval of Issue of Shares

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

"That, for the purposes of Listing Rule 7.1 and all other purposes, Shareholders, approve the issue of 400,000,000 Shares at a minimum price of $0.001 per share to professional and sophisticated investors by way of a placement within 3 months of the completion of this General meeting. However, the Company reserves the right to issue a disclosure document and include retail investors in the offer."

Resolution 6. Approval of Issue of Shares

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

"That, for the purposes of Listing Rule 7.1 and all other purposes, Shareholders, approve the issue of 1,000,000,000 Shares at a minimum price of $0.002 per share to professional and sophisticated investors by way of a placement within 3 months of the completion of this General meeting. However, the Company reserves the right to issue a disclosure document and include retail investors in the offer."

Resolution 7. Approval of additional placement under ASX Listing Rule 7.1A

To consider and, if thought fit, pass the following as a **special resolution** of the Company:

"That in accordance with ASX Listing Rule 7.1A, and for all other purposes, approval be given for the Company to issue Equity Securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2, to be issued on the terms and conditions set out in the Explanatory Statement accompanying this Notice."

Please refer to the Explanatory Statement for details of these resolutions.

DEFINITIONS
Terms which are used in this Notice which are defined in Section 10 of the Explanatory Memorandum have the meanings ascribed to them.

VOTING EXCLUSIONS

In accordance with Listing Rules 14.11, the Company will disregard any votes cast on each Resolution (as applicable) by:

Resolution 1 ï Remuneration Report	A member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report and a Closely Related Party of such a member
Resolution 3 ï Ratification of Issue of Shares	Any person who participated in the issue, and any of their associates
Resolution 4 ï Approval of Issue of Shares	A person who may participate in the proposed issue and persons who may obtain a benefit, except a benefit solely in the capacity as a holder of ordinary securities, if the Resolution is passed, and any of that personòs associates.
Resolution 5 ï Approval of Issue of Shares	A person who may participate in the proposed issue and persons who may obtain a benefit, except a benefit solely in the capacity as a holder of ordinary securities, if the Resolution is passed, and any of that personòs associates.
Resolution 6 ï Approval of Issue of Shares	A person who may participate in the proposed issue and persons who may obtain a benefit, except a benefit solely in the capacity as a holder of ordinary securities, if the Resolution is passed, and any of that personòs associates.
Resolution 7 ï Approval of Additional 10% placement under ASX LR7.1A	A person who may participate in the proposed issue and persons who may obtain a benefit, except a benefit solely in the capacity as a holder of ordinary securities, if the Resolution is passed, and any of that personòs associates.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form; or
- it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Under section 224 of the Corporations Act, a vote must not be cast by or on behalf of a related party of the public company to whom the resolution would permit a financial benefit to be given, or an associate of such a related party.

PROXY INSTRUCTIONS
A member who is entitled to vote at a meeting may appoint:
- One proxy if the member is only entitled to one vote; or
- One or two proxies if the member is entitled to more than one vote.

Where more than one proxy is appointed each proxy may be appointed to represent a specific proportion of the memberòs voting rights. If the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes in which case any fraction of votes will be disregarded.

The proxy form (and the power of attorney or other authority, if any, under which the proxy is signed) or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be lodged at or sent by facsimile transmission to the Companyòs office at **Suite 25, Level 6, 145 Stirling Highway, Nedlands WA 6009 [PO Box 3144 Nedlands WA 6009] or facsimile number (08) 9389 3199 or by email to the Company Secretary – robert.lees@bioprospect.com** - not less than 48 hours before the time for holding the Annual General Meeting, or adjourned meeting as the case may be, at which the individual named in the proxy form proposes to vote.

The proxy form must be signed (or otherwise authenticated in a manner prescribed by the Corporations Regulations) by the member or their attorney duly authorised in writing or, if the member is a corporation, in a manner permitted by the Corporations Act. Proxies given by foreign companies must be executed in accordance with the laws of their place of incorporation. The proxy may, but need not, be a member of the Company. A proxy form is attached to this Notice.

VOTING INSTRUCTIONS
BioProspect Limited (as convener of the Meeting) has determined that a personôs entitlement to vote at the Meeting will be the entitlement of that person set out in the register of members as at 5:00 pm (Sydney time) on 27 November 2012.

VOTING INTENTIONS
In respect of undirected proxies, subject to any voting exclusions as listed above, the Chairman intends to vote in favour of all resolutions on the agenda.

Amendments to the Corporations Act applying to proxy voting for this Meeting mean that:

- If proxy holders vote, they must cast all directed proxies as directed; and
- Any directed proxies which are not voted will automatically default to the Chairman of the Meeting, who must vote the proxies as directed.

Proxy vote if appointment specifies way to vote
The new section 250BB provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way; and
- if the proxy has two or more appointments that specify different ways to vote on the resolution ï the proxy must not vote on a show of hands; and
- if the proxy is the Chairman of the Meeting at which the resolution is voted on ï the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the Chairman of the Meeting ï the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances
The new section 250BC provides that;

- if an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Companyôs members; and
- the appointed proxy is not the Chairman of the Meeting; and
- at the Meeting, a poll is duly demanded on the resolution; and
- either the following applies:
  - the proxy is not recorded as attending the meeting; or
  - the proxy does not vote on the resolution,

  the Chairman of the Meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at that meeting.

By Order of the Board

ROBERT LEES **Dated: 17 October 2012**
Company Secretary

EXPLANATORY MEMORANDUM

This Explanatory Memorandum and all attachments are important documents. They should be read carefully.

If you have any questions regarding the matters set out in this Explanatory Memorandum or the preceding Notice, please contact the Company, your stockbroker or other professional adviser.

General Information

This Explanatory Memorandum has been prepared for the shareholders of the Company in connection with the Annual General Meeting of the Company to be held on Wednesday 28 November 2012.

The purpose of this Explanatory Memorandum is to provide shareholders with information that the Board believes to be material to shareholders in deciding whether or not to approve the above resolutions detailed in the Notice.

Financial Statements and Reports

The BioProspect Annual Report 2012 has been made available to shareholders and can be found on the Companyôs website (www.bioprospect.com). During this item there will be an opportunity for shareholders at the meeting to comment on and ask questions about BioProspectôs management, operations, financial position and business strategies.

Resolution 1. Remuneration Report

During this item, there will be an opportunity for shareholders at the meeting to comment on and ask questions about the Remuneration Report which is included in the Directorsô Report section of the BioProspect Annual Report 2012.

The vote on the proposed resolution is advisory only and will not bind the Directors of the Company, however the Board will take the outcome of the vote into consideration when reviewing remuneration practices and policies.

A reasonable opportunity will be provided to the members as a whole to ask questions about or make comments on the Remuneration Report at the Meeting.

Pursuant to section 250R of the Corporations Act, a resolution must be put to the Shareholders that the Remuneration Report be adopted. However, under recent changes to the Corporations Act, if at least 25% of the votes cast on the resolution at the annual general meeting is against adoption of the report then:

- If comments are made on the report at the annual general meeting, the Companyôs remuneration report for the financial year ended 30 June 2013 will be required to include an explanation of the Boardôs proposed action in response or, if no action is proposed, the Boardôs decision for this; and
- If at the Companyôs 2013 annual general meeting, at least 25% of the votes cast on the resolution for adoption of the remuneration report for the relevant financial year are against its adoption, the Company will be required to put to shareholders a resolution proposing that a general meeting **(Spill Meeting)** be called to consider the election of directors of the Company **(Spill Resolution)**. The Spill Meeting must be called to consider the election of directors of the Company **(Spill Resolution)**. The Spill Meeting must be held within 90 days of the date of the 2013 annual general meeting. For any Spill Resolution to be passed, more than 50% of the votes cast on the resolution must be in favour of it. If a Spill Resolution is passed, all of the directors (other than any managing director) will cease to hold office immediately before the end of the Spill Meeting unless re-elected at that meeting.

Noting each Director has a personal interest in their remuneration from the Company, as described in the Remuneration Report, the Board unanimously recommends that the Shareholders vote in favour of adopting the Remuneration Report.

Resolution 2. Re-election of Director

Article 3.3 of the Companyôs Constitution requires that a Director that has been appointed since the last Annual General Meeting must automatically retire at the next Annual General Meeting and is eligible for re-election by that General Meeting.

Mr Benjamin Cooper was appointed a Director on 10 April 2012 and in accordance with Article 3.3 of the Companyôs Constitution, holds office only until the Annual General Meeting. Therefore, Mr Benjamin Cooper retires and offers himself for election pursuant to Resolution 2.

The Board recommends (with Mr Benjamin Cooper abstaining) that shareholders vote in favour of the election of Mr Benjamin Cooper.

Composition of the Board

The current composition of the Board is as follows:

- Mr Winton Willesee (Chairman);
- Mr Charles Pellegrino (non-executive Director); and
- Mr Ben Cooper (non-executive Director).

Resolution 3. Ratification of Issue of Shares

Background

As announced to the ASX on 16 August 2012, the Company issued 240,000,000 ordinary shares at $0.001 to Professional & Sophisticated Investors.

Regulatory Requirements – ASX Listing Rule 7.4

Under Listing Rule 7.4, an issue of securities made without approval under Rule 7.1 is treated as having been made with approval for the purposes of Listing Rule 7.1 if each of the following apply:

(a) the issue did not breach Rule 7.1; and

(b) holders of ordinary securities subsequently approve it.

Accordingly, the Company wants to have Shareholders ratify the issue of securities pursuant to ASX Listing Rule 7.4 in order to reinstate the Companyôs capacity to issue up to 15% of its issued capital, if required, in the next 12 months without Shareholder approval.

The information required by ASX Listing Rule 7.5 to be provided to shareholders is contained within this Notice and set out below:

- the number of securities issued was 240,000,000 Shares;
- the Shares were allotted and issued to:

NAME	NUMBER OF SHARES ISSUED
GEMWORTH PTY LTD <R D'ONOFRIO FAMILY A/C>,	10,000,000
TUTU PHONG	10,000,000
VEIL INVESTMENTS PTY LTD	30,000,000
MRS JENNIFER JILL FOGARTY	30,000,000
MR GEORGE KOENIGSHAUSEN	10,000,000
DEWHEATH PTY LTD	15,000,000
TARAGO HOLDINGS PTY LTD <THE GREENUP SUPER FUND A/C>	5,000,000
GREAT NOMINEES PTY LTD <THE LAIDLAW SUPERFUND A/C>	5,000,000
MR MICHAEL JOHN GREENUP	5,000,000
MRS DEBBIE GOLDSMITH	10,000,000
ROUND UP SOLUTIONS PTY LTD	50,000,000
PITT STREET ABSOLUTE RETURN FUND PTY LIMITED	40,000,000
FREELAND HOLDINGS PTY LTD,	3,000,000
FREELAND HOLDINGS PTY LTD <FREELAND HOLDINGS S/F A/C>	4,000,000
MR PETER JAMES MCKENZIE	10,000,000
MR MICHAEL BIJELIC	3,000,000

- the Shares were issued for $0.001 value on 16 August 2012;
- $240,000 was raised from the issue and allotment of the Shares
- the Shares allotted and issued rank equally in all respects with the existing Shares on issue; and
- Funds raised supplied the Company with working capital.

Directors' recommendation

All Directors recommend that shareholders vote in favour of Resolution 3.

Resolution 4. Approval of Issue of Shares

Background

The Directors are requesting approval of the issue of 49,390,000 Shares at $0.001 to Doward International Pty Ltd as a non-cash payment of $49,390. This payment is a contribution to product marketing costs incurred by Doward International Pty Ltd.

Approval is sought under Listing Rule 7.1 ï Doward International Pty Ltd is not a related party of BioProspect.

Regulatory Requirements – Listing Rule 7.1

Listing Rule 7.1 provides that the prior approval of Shareholders is required for an issue of equity securities if the securities will, when aggregated with the securities issued by the Company during the previous 12 months, exceed 15% of the number of securities on issue at the commencement of that 12 month period.

Shareholder approval under Listing Rule 7.1 is sought for this issue of 49,390,000 shares.

The following information is included in this Explanatory Memorandum for the purpose of Listing Rule 7.3:

- the maximum number of shares to be issued is 49,390,000 Shares;
- The Shares will be issued at $0.001 per share. No funds will be received by BioProspect from the issue;
- The Shares will be issued and allotted no later than three months after the date of this Meeting, or such other date as approved by ASX;
- The Shares will be issued to Doward International Pty Ltd;
- the Shares will rank equally with all other Shares on issue.

Directors' recommendation

All Directors recommend that Shareholders vote in favour of this Resolution.

Resolution 5. Approval of Issue of Shares

Background

The Directors are requesting approval from Shareholders to approve a placement facility for the issue of up to 400,000,000 Shares at a minimum price of $0.001 to raise $400,000. This additional working capital is required to fund the groupφs ongoing operations in the 2013 year by providing adequate funds.

Approval is sought under Listing Rule 7.1 on the basis that the placees will not be related parties of BioProspect.

Regulatory Requirements – Listing Rule 7.1

Listing Rule 7.1 provides that the prior approval of Shareholders is required for an issue of equity securities if the securities will, when aggregated with the securities issued by the Company during the previous 12 months, exceed 15% of the number of securities on issue at the commencement of that 12 month period.

Shareholder approval under Listing Rule 7.1 is sought for this issue.

The following information is included in this Explanatory Memorandum for the purpose of Listing Rule 7.3:

- the maximum number of shares to be issued is 400,000,000 Shares;
- The Shares will be issued at a price of not less than $0.001 per share. This issue would raise $400,000 if all 400,000,000 shares are issued at $0.001. The funds from the issue of the Shares will be paid to BioProspect in cash;
- The Shares will be issued and allotted no later than three months after the date of this Meeting, or such other date as approved by ASX.
- It is currently expected that the Shares will be issued to professional and sophisticated investors however the Company reserves the right to issue a disclosure document and include retail investors in the offer;
- The cash funds raised by the issue of Shares will be to fund working capital requirements in the 2013 year;

- the Shares will rank equally with all other Shares on issue.

Directors' recommendation

All Directors recommend that Shareholders vote in favour of this Resolution.

Resolution 6. Approval of Issue of Shares

Background

The Directors are requesting approval from Shareholders to approve a placement facility for the issue of up to 1,000,000,000 Shares at a minimum price of $0.002. This resolution will only allow the Company to raise funds at $0.002 or above. This resolution allows the Company the flexibility to raise equity capital if market conditions are favourable.

The Groups current operations are likely to require further capital during the 2013 financial period. We refer shareholders to the recently published 30 June 2012 Financial Statements for a fuller discussion of the Companyǿs financial position.

Further, as previously announced, the Company is seeking to source and review complementary assets along with other assets that may add value for shareholders. It should be noted that if funds raised under this resolution are used for the acquisition of new assets or a business, then ASX Listing Rule Chapter 11 provisions may be applied, which, if applied, may result in escrow provisions being applied to the shares issued. Any acquisition of a substantial asset in another business sector would require shareholder approval for a change of direction and may be subject to the application of ASX Listing Rule Chapters 1 & 2.

Approval is sought under Listing Rule 7.1 on the basis that the placees will not be related parties of BioProspect.

Regulatory Requirements – Listing Rule 7.1

Listing Rule 7.1 provides that the prior approval of Shareholders is required for an issue of equity securities if the securities will, when aggregated with the securities issued by the Company during the previous 12 months, exceed 15% of the number of securities on issue at the commencement of that 12 month period.

Shareholder approval under Listing Rule 7.1 is sought for this issue.

The following information is included in this Explanatory Memorandum for the purpose of Listing Rule 7.3:

- the maximum number of shares to be issued is 1,000,000,000 Shares;
- The Shares will be issued at a price of not less than $0.002 per share. This issue would raise $2,000,000 if all 1,000,000,000 shares are issued at the $0.002 minimum price. The funds from the issue of the Shares will be paid to BioProspect in cash;
- The Shares will be issued and allotted no later than three months after the date of this Meeting, or such other date as approved by ASX.
- It is currently expected that the Shares will be issued to professional and sophisticated investors however the Company reserves the right to issue a disclosure document and include retail investors in the offer;
- The cash funds raised by the issue of Shares will be to fund working capital requirements and other development activities;
- the Shares will rank equally with all other Shares on issue.

Directors' recommendation

All Directors recommend that Shareholders vote in favour of this Resolution.

Resolution 7 – Additional 10% Placement Capacity

General

Listing Rule 7.1 permits entities to issue 15% of its issued capital without shareholder approval in a 12 month period, subject to a number of exceptions.

The ASX has recently amended the Listing Rules to allow small to mid-cap companies to seek shareholder approval for additional placement capacity. Listing Rule 7.1A permits eligible entities, which have obtained shareholder approval by special resolution, to issue Equity Securities up to an additional 10% of its issued capital by placements over a 12 month period after the annual general meeting **("Additional Placement Capacity").**

The Company seeks Shareholder approval under Resolution 5 to be able to issue Equity Securities under the Additional Placement Capacity. The exact number of Equity Securities to be issued is not fixed and will be determined in accordance the formula prescribed in Listing Rule 7.1A.2 (set out below).

Requirements of Listing Rule 7.1A

1. Eligible entities
An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of $300 million or less. The Company is an eligible entity.

2. Shareholder approval
Shareholders must approve the Additional Placement Capacity by **special resolution** at the annual general meeting. As a **Special** Resolution it must be passed by at least 75% of the votes cast by members entitled to vote on the resolution.

A resolution under Listing Rule 7.1A cannot be put at any other shareholder meeting.

3. Equity Securities
Equity Securities issued under the Additional Placement Capacity must be in the same class as an existing class of Equity Securities of the Company that are quoted on ASX.

As at the date of this Notice, the Company has two classes of Listed Securities:

Å fully paid ordinary Shares ï (2,778,255,532 on issue and quoted on ASX); and

Å options (1,270,813,556 on issue - exercise price $0.03 and expiry date 31 December 2013).

There are also the following unlisted securities:
- options (19,000,000 on issue - exercise price $0.03 and expiry date 31 December 2013).
- options (29,248,571 on issue - exercise price $0.05 and expiry date 31 December 2013).
- 12 Convertible Notes with a $100,000 face value ï conversion subject to future shareholder approval.
- 24 Convertible Notes with a $50,000 face value ï conversion subject to future shareholder approval.

4. Formula for calculating number of Equity Securities that may be issued under the Additional Placement Capacity

If this Resolution is passed, the Company may issue or agree to issue, during the 12 month period after this Meeting, the number of Equity Securities calculated in accordance with the following formula:

(A x D) - E

A	The number of shares on issue 12 months before the date of issue or agreement: • plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2; • plus the number of partly paid shares that became fully paid in the 12 months; • plus the number of fully paid shares issued in the 12 months with the approval of shareholders under Listing Rules 7.1 or 7.4; • less the number of fully paid shares cancelled in the 12 months.
D	10%
E	The number of Equity Securities issued or agreed to be issued under Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of shareholders under Listing Rules 7.1 or 7.4.

5. Interaction between Listing Rules 7.1 and 7.1A

The Additional Placement Capacity under Listing Rule 7.1A is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

The Company has 2,778,255,532 Shares on issue as at the date of this Notice. If Resolution 5 is passed, the Company will be permitted to issue up to 1,400,000,000 additional Shares making the total shares on issue 4,178,255,532

If Resolution 6 is passed, the Company will be permitted to issue (as at the date of this Notice:

Å 626,738,330 Equity Securities under Listing Rule 7.1; and

Å 417,825,553 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will be permitted to issue under Listing Rule 7.1A will be calculated at the date of issue or agreement to issue the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (as set out above).

The effect of Resolution 6 will be to allow the Company to issue securities under Listing Rule 7.1A without using the Company's placement capacity under Listing Rule 7.1.

Information for Shareholders as required by Listing Rule 7.3A

6. Minimum price

The issue price of the new Equity Securities will be no lower than 75% of the volume weighted average price (VWAP) for securities in the relevant quoted class calculated over the 15 trading days on which trades in that class were recorded immediately before:

Å the date on which the price of the Equity Securities are to be issued is agreed; or

Å if the Equity Securities are not issued within 5 Business Days of the date above, the date on which the Equity Securities are issued.

7. Risk of economic and voting dilution

If Resolution 5 is passed and the Company issues securities under the Additional Placement Facility, existing Shareholders' voting power in the Company will be diluted.

There is the risk that:

Å the market price for the Company's existing Equity Securities may be significantly lower on the date of issue of the new Equity Securities than on the date of the Meeting; and

Å the new Equity Securities may be issued at a price that is at a discount to the market price of the Company's existing Equity Securities on the issue date or the new Equity Securities may be issued as part of the consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the new Equity Securities.

The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice.

The table also shows:

- two examples where variable "A" has increased by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example a pro rata entitlement issue) or future placements under Listing Rule 7.1 that are approved by Shareholders in the future;

- two examples of where the issue price of ordinary securities has decreased by 50% and increased by 50% as against the current market price.

Variable 'A' in Listing Rule 7.1A.2		Dilution $0.001 50% decrease in Issue Price	 $0.002 Issue Price	 $0.004 100% increase in Issue Price
Current Variable A 4,178,255,532 Shares	**10% Voting Dilution**	417,825,553 Shares	417,825,553 Shares	417,825,553 Shares
	Funds raised	$417,826	$835,651	$1,671,302
50% increase in current Variable A 6,267,383,298 Shares	**10% Voting Dilution**	626,738,330 Shares	626,738,330 Shares	626,738,330 Shares
	Funds raised	$626,738	$1,253,477	$2,506,953
100% increase in current Variable A 8,356,511,064 Shares	**10% Voting Dilution**	835,651,106 Shares	835,651,106 Shares	835,651,106 Shares
	Funds raised	$835,651	$1,671,302	$3,342,604

This table has been prepared on the following assumptions:

(i) The Company issues the maximum number of Equity Securities available under the Additional Placement Capacity.

(ii) No Options (including any quoted Options issued under the Additional Placement Capacity) are exercised into Shares before the date of the issue of the Equity Securities.

(iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.

(iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the Additional Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

(v) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.

(vi) The issue of Equity Securities under the Additional Placement Capacity consists only of quoted Securities. If the issue of Equity Securities includes quoted Options, it is assumed that those Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.

(vii) The issue price is $0.002, being the last sale price of the Shares on ASX on 23 October 2012.

The Company's ability to issue securities under Listing Rule 7.1A is in addition to its ability to issue securities under listing rule 7.1.

8. Placement Period

Shareholder approval of the Additional Placement Capacity under Listing Rule 7.1A is valid from 28 November 2012 (the date of this Meeting) and expires on the earlier of:

Å 28 November 2013, which is 12 months after this Meeting; or

Å the date that Shareholders approve a transaction under Listing Rule 11.1.2 (significant change to nature or scale of activities) or 11.2 (disposal of the main undertaking,

The Company will only issue and allot new securities during the Placement Period. The approval will cease to be valid in the event that shareholders' approve a transaction under Listing Rules 11.1.2 or 11.2.

9. Purposes for which the new Equity Securities may be issued

The Company may seek to issue new Equity Securities for the following purposes:

- Å cash consideration to raise funds for the acquisition of new assets or investments (including the expenses associated such acquisition), expenditure on the Company's current assets and for general working capital; or
- Å non-cash consideration for acquisition of new assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.

10. Allocation policy

The Company's allocation policy for the issue of new Equity Securities under the Additional Placement Capacity will depend on the market conditions existing at the time of the proposed issue. The allottees will be determined at the relevant time having regard to factors such as:

- Å the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing security holders can participate;
- Å the effect of the issue of new securities on the control of the Company;
- Å the financial situation and solvency of the Company;
- Å advice from corporate, financial and broking advisers (as relevant).

As at the date of this Notice the allottees are not known but may include existing substantial Shareholders and/or new Shareholders. No allottee under the Additional Placement Capacity will be a related party or associate of a related party. Existing Shareholders may or may not be entitled to subscribe for any Equity Securities issued under the Additional Placement Capacity and it is possible that their shareholding will be diluted.

If the Additional Placement Capacity is used to acquire new assets or investments then it is likely that the allottees will be the vendors of the new assets.

The Company will comply with the disclosure obligations under Listing Rule 7.1A(4) and 3.10.5A on the issue of any new securities.

11. Details of Equity Securities issued under earlier placement capacity approval

The Company has not previously obtained approval under Listing Rule 7.1A.

12. Voting exclusion

At the date of this Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in a proposed issue of Equity Securities under the proposed Additional Placement Capacity. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

GLOSSARY

"ASIC"	means the Australian Securities & Investments Commission;
"ASX"	means ASX Ltd. ACN 008 624 691;
"Board"	means the Directors of the Company from time to time;
"Company" or "BioProspect"	means BioProspect Limited ACN 008 130 336;
"Corporations Act or Act"	means the *Corporations Act 2001* (Cth);
"Directors"	means the directors of the Company;
"Annual General Meeting"	means the annual general meeting of Shareholders the subject of the Notice;
"Listing Rules"	means the official listing rules of ASX;
"Meeting or AGM"	means the meeting of Shareholders convened by the Notice to be held at 9.00am on 27 November 2012 and any adjournment thereof;
"Notice"	means the notice in respect of the Meeting;
"Shares"	means ordinary fully paid shares in the capital of the Company;
"Shareholder"	means the registered holder of a Share.

OTHER INFORMATION

Should any Shareholder be in doubt as to how they should vote on those Resolutions and/or as to how they may affect them, Shareholders should seek advice from their stockbroker, accountant, solicitor or other professional adviser as soon as possible.

Queries as to the lodgement of proxies and other formalities in relation to the Meeting should be directed to the Company Secretary (telephone: +612 9299 9580)

ACTION TO BE TAKEN BY SHAREHOLDERS

Attached to the Notice of Meeting accompanying this Explanatory Memorandum is a proxy form for use by shareholders. All shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person and are eligible to vote, to complete, sign and return the proxy form to the Company in accordance with the instructions contained in the proxy form and the Notice of Meeting. Lodgement of a proxy form will not preclude a shareholder from attending and voting at the Meeting in person.

Instructions for Completing 'Appointment of Proxy' Form

1. A member entitled to attend and vote at a meeting is entitled to appoint not more than two proxies to attend and vote on their behalf. Where more than one proxy is appointed, such proxy must be allocated a proportion of the memberôs voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes.

2. A duly appointed proxy need not be a member of the Company. In the case of joint holders, all must sign.

3. Corporate shareholders should comply with the execution requirements set out on the proxy form or otherwise with the provisions of Section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:

   - 2 Directors of the Company;
   - a Director and a Company Secretary of the Company; or
   - for a proprietary Company that has a sole Director who is also the sole Company Secretary ï that Director.

   For the Company to rely on the assumptions set out in Section 129(5) and (6) of the Corporations Act 2001 a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole Director and sole Company Secretary of the Company must state that next to his or her signature.

4. Completion of a 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 proxyôs authority to speak and vote for that shareholder is suspended while the shareholder is present at the meeting.

5. Where a proxy form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as this proxy.

4\. If a member appoints a member of the key management personnel (**KMP)** of the Company (which includes each of the Directors) as proxy, the KMP will not be able to vote proxies on Item 1 unless the member directs them how to vote. If a member appoints the Chairman of the Meeting as proxy, the member can direct him how to vote by either marking the boxes on the Proxy Form for Item 1, or by marking the Chairmanôs box on the Proxy Form (in which case the Chairman will vote in favour of this Item of business).

7\. To vote by proxy, please complete and sign (or otherwise authenticate it in a manner prescribed by the Corporations Regulations) the proxy form enclosed with this Notice of General Meeting as soon as possible and either:

- send the proxy form by facsimile to the Company on facsimile number (08) 9389 3199; or
- scan the document and e-mail to robert.lees@bioprospect.com; or
- send to the Company at PO Box 3144 Nedlands WA 6009; or
- deliver it to the Company at Suite 25, 145 Stirling Highway, Nedlands WA 6009

so that it is received no later than 10:00 am (Sydney time) on 26 November 2012.

PROXY FORM
BIOPROSPECT LIMITED
ABN 58 008 130 336

Appointment of Proxy

I/We

of - address please

being a member of BioProspect Limited entitled to attend and vote at the Meeting, hereby

Appoint

Name of proxy

or failing the person so named or, if no person is named, the Chairman of the Meeting or the Chairman's nominee, to vote in accordance with the following directions or, if no directions have been given, as the proxy sees fit at the Meeting to be held at the offices of RSM Bird Cameron, Level 12, 60 Castlereagh Street, Sydney NSW 2000 on Wednesday 28 November 2012 at 10:00 am. and at any adjournment thereof. If the Chair of the Meeting is appointed as your proxy, or may be appointed by default and you do not wish to direct your proxy how to vote in respect of a resolution, please place a mark in the 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 and votes cast by the Chair of the Meeting for those resolutions other than as proxy holder, will be disregarded because of that interest. You also acknowledge that the Chair of the Meeting may exercise your proxy even though Resolutions 1 is connected directly or indirectly with the remuneration of a member of key management personnel.

If no directions are given, the Chairman intends to vote in favour of resolutions 1 to 5.

If you do not mark this box, and you have not directed your proxy 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.

Voting on Business of the Meeting

ITEM		**FOR**	**AGAINST**	**ABSTAIN**
1	Adopt the Remuneration Report (non-binding resolution)	☐	☐	☐
2	Re-election of Ben Cooper	☐	☐	☐
3	Ratification of the issue of 240,000,000 Shares	☐	☐	☐
4	Approval of issue of 49,390,000 Shares	☐	☐	☐
5	Approval of issue of 400,000,000 Shares	☐	☐	☐
6	Approval of issue of 1,000,000,000 Shares	☐	☐	☐
7	Approval of additional 10% placement capacity	☐	☐	☐

Signed this **day of** **2012**

By:

Individuals and joint holders	**Companies (affix common seal if appropriate)**
Signature	Director
Signature	Director/Company Secretary
Signature	Sole Director and Sole Company Secretary