



ABN 58 008 130 336  
Suite 25  
145 Stirling Highway  
Nedlands WA 6009  
Ph 08 9389 3170  
Fax 08 9389 3199

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

### **UPDATE ON FRONTIER OIL INVESTMENT**

**BioProspect Limited (ASX: BPO)** today announced that it had just been advised by Frontier Oil Corporation ("Frontier Oil") that Frontier Oil has entered into a Farm-In Option Agreement (the "Agreement") covering the Cebu Strait sector of the SC 51 Contract Area (the "South Block").

Under the Agreement, Frontier Oil has the option to acquire eighty percent (80%) of the current concession holders' combined participating interests in the South Block primarily by undertaking to drill the offshore Argao-1 exploratory well at its sole cost and risk under the 6<sup>th</sup> Sub-Phase of the Exploration Period of SC 51 (31 January 2014 to 8 July 2015). Frontier Oil may exercise the option no later than 15 December 2012.

As previously announced BioProspect has entered into a Share Sale and Exchange Agreement with Frontier Oil Corporation (FOC) to sell BPO's 50% shareholding in Frontier Gasfields Pty Ltd (FGF) in exchange for 430,000,000 newly issued shares in Frontier Oil. The issue and allotment of the shares to BPO is currently subject to approval by the Philippines Securities & Exchange Commission ("SEC").

Yours sincerely,

A handwritten signature in black ink, appearing to read "Robert Lees", written in a cursive style.

**ROBERT LEES**  
**Company Secretary**