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The Manager
Company Announcements
Australian Stock Exchange
Level 4, 20 Bridge Street
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BIOPROSPECT LIMITED (ASX: BPO) UPDATE ON FRONTIER DUE DILLIGENCE

Frontier Gasfields Pty Ltd – Service Contract 52, Philippines

The Directors of BioProspect Ltd (ASX: BPO) are pleased to provide the following update in relation to its intended investment in Frontier Gasfields Pty Ltd (“Frontier”) where BPO has the right to acquire up to 75% of Frontier as first announced on 3 March 2011.

Highlights:

- Frontier have advised BPO that it has signed a new agreement with the SC52 consortium whereby the company can now earn an 80% interest in SC52 by undertaking the re-entry and testing of “*Nassipping 2*”. Pursuant to the Agreement, which is subject to relevant Philippine governmental approvals, Frontier will be appointed as Operator of SC52.
- Frontier has recently completed a comprehensive operational report, and anticipates the drilling operations for the *Nassipping 2* re-entry will commence within the next 3 months.
- Frontier has sourced a number of available rigs capable of undertaking the re-entry program, with the final decision being dependent upon the results of a well-site assessment aimed at determining the integrity of the existing well-head for re-entry and gas production.
- Road rehabilitation for access to the site has been contracted out, and is scheduled to commence in the coming weeks. This will be followed by all other preparatory activities, including well-site and camp construction, and the commencement of an Information and Education program in the area.

Background:

SC52 is an onshore oil and gas permit located in the Cagayan Valley of Northern Luzon in the Philippines. The block contains one untested gas discovery and a number of other large and prospective oil and gas targets.

Nassipping 1 was drilled by Anglo-Philippines in 1961 to test the oil potential of the Nassipping Dome Complex. Gas shows were detected from the well, but were never evaluated. A comprehensive seismic program undertaken in the 1980’s led to the drilling of *Nassipping 2* in 1984 by PNOC/Petro Canada. The well was drilled as an oil prospect to a total depth of 3726

metres (12,221 feet), but then abandoned after failing to reach the oil target formation. The well encountered good gas shows through 817 feet of Upper Miocene limestone penetrated at approximately 10,000 feet. No tests for gas production were conducted, but mud log returns indicated a primary composition of 1C – 3C hydrocarbons.

Low to non-existent gas prices, together with the lack of any available market negated any economic considerations for the gas, at that time. Those fundamentals have now comprehensively and positively changed. *Nassipping 2* is strategically positioned to commercially exploit gas production for a power generation development being less than 1 kilometre from the main high-voltage power grid. The gas appears to be aptly suitable (after basic processing) for a gas to electricity operation.

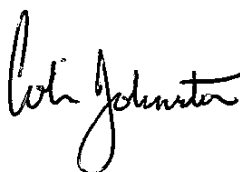
The Nassipping Dome is a nearly perfectly shaped, ovoid, domal surface anticline with good topographic and geomorphic expression. It is about eight kilometres in diameter, along its slightly longer northerly axis. Seismic data suggests it has some 2000 feet of vertical closure in the younger strata.

The Nassipping Dome Complex has an estimated Contingent Resource ^(#) of 35 to 350 BCF of gas.

The information related to past exploration results and Contingent Resource estimates outlined in this announcement have been compiled by Mr. Brian Hughes, who is a Petroleum Engineer contracted to Frontier. Mr. Hughes is a Member of the Society of Petroleum Engineers and has more than 20 years of relevant experience and is qualified in accordance with ASX Listing Rule 5.11. Mr. Hughes has consented to the form and context that this statement appears.

- Contingent Resources are those quantities of petroleum/gas which are estimated, on a given date, to be potentially recoverable from known accumulations but which are not currently considered to be commercially recoverable.

Yours sincerely,



COLIN JOHNSTON
Company Secretary