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2 June 2011

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

BIOPROSPECT EXTRAORDINARY GENERAL MEETING

The Directors of BioProspect Limited (ASX: BPO) announce the holding of an extraordinary general meeting of shareholders to be held on Friday 8 July 2011 in Melbourne. Please find attached a notice of meeting that is being dispatched to shareholders tomorrow.

This meeting is important as there are many resolutions to discuss and seek shareholder approval for such as the new investment opportunity into Frontier Gasfields Pty Ltd. The Directors encourage shareholders to attend this meeting where an update on all of the Company's activities will be presented.

Yours sincerely,

A handwritten signature in black ink that reads "Colin Johnston". The signature is written in a cursive style.

**COLIN JOHNSTON
Company Secretary**

NOTICE OF EXTRAORDINARY GENERAL MEETING



BIOPROSPECT LIMITED

ABN 58 008 130 336

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 IS HEREBY GIVEN that an extraordinary general meeting of members of the Company will be held at the Parkview Hotel, 562 St Kilda Road, Melbourne, Victoria on Friday 8 July 2011 at 1.30 pm to consider and, if thought fit, to pass the following resolutions:

Special business

1. Ratification of Issue of Placement 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 7.4 and for all other purposes, the issue of 123,900,000 Shares by placement announced on ASX on 16 February 2011 (**Placement**) and on the terms set out in the Explanatory Memorandum accompanying this Notice, be ratified.”

(Refer to Section 1 of the Explanatory Memorandum for more information.)

2. Approval of Issue of Placement 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 for all other purposes, Shareholders approve the issue of up to 191,100,000 Shares by way of placement announced on ASX on 16 February 2011 (**Placement**) and on the terms set out in the Explanatory Memorandum accompanying this Notice.”

(Refer to Section 2 of the Explanatory Memorandum for more information.)

3. Approval of Issue of Free Attaching Placement Options

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

“That, subject to passing Resolutions 1 and 2 in this Notice and for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 315,000,000 Options to sophisticated and institutional placees under the placement announced on ASX on 16 February 2011 (**Placement**) on the terms set out in the Explanatory Memorandum accompanying this Notice.”

(Refer to Section 3 of the Explanatory Memorandum for more information.)

4. Approval of Issue of Options to Underwriter

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 for all other purposes, Shareholders approve the issue of 10,000,000 Options to Novus Capital Pty Ltd on the terms set out in the Explanatory Memorandum accompanying this Notice.”

(Refer to Section 4 of the Explanatory Memorandum for more information.)

5. Approval of Issue of Options to Sub Underwriters

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

5A. “That, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 4,000,000 Options to the SEK Investments Pty Ltd on the terms set out in the Explanatory Memorandum accompanying this Notice.”

5B. “That, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 8,000,000 Options to Pitt Street Absolute Return Fund Pty Ltd on the terms set out in the Explanatory Memorandum accompanying this Notice.”

(Refer to Section 5 of the Explanatory Statement for more information.)

6. Approval of Issue of Shares and Options to Mr Langdon

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 10.11, Part 2E.1 of the Corporation Act and for all other purposes, approval is given for the issue of 3,000,000 Shares and 3,000,000 Options in the capital of the Company to Mr Anthony Langdon (or his nominee) on the terms set out in the Explanatory Memorandum accompanying this Notice.”

Note: Approval pursuant to Listing Rule 7.1 is not required in order to issue the Shares to a Director as approval is being obtained under Listing Rule 10.11.

(Refer to Section 6 of the Explanatory Statement for more information.)

7. Approval of Issue of Shares and Options to Mr Pellegrino

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 10.11, Part 2E.1 of the Corporation Act and for all other purposes, approval is given for the issue of 6,000,000 Shares and 6,000,000 Options in the capital of the Company to Mr Charles Pellegrino (or his nominee) on the terms set out in the Explanatory Memorandum accompanying this Notice.”

Note: Approval pursuant to Listing Rule 7.1 is not required in order to issue the Shares to a Director as approval is being obtained under Listing Rule 10.11.

(Refer to Section 6 of the Explanatory Statement for more information.)

8. Approval of Issue of Shares and Options to Dr Michael Quinlan

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 10.11, Part 2E.1 of the Corporation Act and for all other purposes, approval is given for the issue of 3,000,000 Shares and 3,000,000 Options in the capital of the Company to Dr Michael Quinlan (or his nominee) on the terms set out in the Explanatory Memorandum accompanying this Notice.”

Note: Approval pursuant to Listing Rule 7.1 is not required in order to issue the Shares to a Director as approval is being obtained under Listing Rule 10.11.

(Refer to Section 6 of the Explanatory Statement for more information.)

9. Approval of Issue of Shares and Options to Mr Jacob Khouri

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 10.11, Part 2E.1 of the Corporation Act and for all other purposes, approval is given for the issue of 3,000,000 Shares and 3,000,000 Options in the capital of the Company to Mr Jacob Khouri (or his nominee) on the terms set out in the Explanatory Memorandum accompanying this Notice.”

Note: Approval pursuant to Listing Rule 7.1 is not required in order to issue the Shares to a Director as approval is being obtained under Listing Rule 10.11.

(Refer to Section 6 of the Explanatory Statement for more information.)

10. Approval of Executive Incentive Share and Option Plan (EISOP)

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

“That, for the purposes of being approved as an exemption from Listing Rule 7.1 pursuant to Listing Rule 7.2, exception 9, and for all other purposes, approval is given for the securities and the implementation of the Executive Incentive Share and Option Plan (EISOP) on the terms set out in the Explanatory Memorandum accompanying this Notice.”

(Refer to Section 7 of the Explanatory Statement for more information.)

11. Approval for the Issue of Shares and Options under EISOP to Director – Mr Langdon

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

“That, subject to passing Resolution 10 in this Notice and for the purposes of Listing Rule 10.14, Part 2E.1 of the Corporations Act, and for all other purposes, approval is given for the issue of 3,000,000 Shares and 3,000,000 Options under the Executive Incentive Share and Option Plan (EISOP) to Mr Anthony Langdon (or his nominee) on the terms set out in the Explanatory Memorandum accompanying this Notice.”

Note: This resolution is conditional upon shareholder approval of Resolution 10.

(Refer to Section 8 of the Explanatory Statement for more information.)

12. Approval for the Issue of Shares and Options under EISOP to Director – Mr Pellegrino

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

“That, subject to passing Resolution 10 in this Notice and for the purposes of Listing Rule 10.14, Part 2E.1 of the Corporations Act, and for all other purposes, approval is given for the issue of 6,000,000 Shares and 6,000,000 Options under the Executive Incentive Share and Option Plan (EISOP) to Mr Charles Pellegrino (or his nominee) on the terms set out in the Explanatory Memorandum accompanying this Notice.”

Note: This resolution is conditional upon Shareholder approval of Resolution 10.

(Refer to Section 8 of the Explanatory Statement for more information.)

13. Approval for the Issue of Shares and Options under EISOP to Director – Dr Quinlan

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

“That, subject to passing Resolution 10 in this Notice and for the purposes of Listing Rule 10.14, Part 2E.1 of the Corporations Act, and for all other purposes, approval is given for the issue of 3,000,000 Shares and 3,000,000 Options under the Executive Incentive Share and Option Plan (EISOP) to Dr Michael Quinlan (or his nominee) on the terms set out in the Explanatory Memorandum accompanying this Notice.”

Note: This resolution is conditional upon shareholder approval of Resolution 10.

(Refer to Section 8 of the Explanatory Statement for more information.)

14. Approval for the Issue of Shares and Options under EISOP to Director – Mr Khouri

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

“That, subject to passing Resolution 10 in this Notice and for the purposes of Listing Rule 10.14, Part 2E.1 of the Corporations Act, and for all other purposes, approval is given for the issue of 3,000,000 Shares and 3,000,000 Options under the Executive Incentive Share and Option Plan (EISOP) to Mr Jacob Khouri (or his nominee) on the terms set out in the Explanatory Memorandum accompanying this Notice.”

Note: This resolution is conditional upon shareholder approval of Resolution 10.

(Refer to Section 8 of the Explanatory Statement for more information.)

15. Approval of Issue of Shares and Options to Executive Employees

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 for all other purposes, Shareholders approve the issue of up to 4,000,000 Shares and 4,000,000 Options to executive employees on the terms set out in the Explanatory Memorandum accompanying this Notice.”

(Refer to Section 9 of the Explanatory Memorandum for more information.)

16. Approval of Change in Nature of Activities

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

“That, for the purpose of Listing Rule 11.1.2 and for all other purposes, shareholders approve the change in nature of the Company’s activities to include the exploration, development and production of oil and gas domestically and internationally and as well as other associated activities, such change of activities will occur on the proposed acquisition of up to 75% of the issued capital in Frontier Gasfields Pty Ltd in the manner set out in the Explanatory Memorandum.”

(Refer to Section 10 of the Explanatory Statement for more information.)



17. Approval of Issue of Shares to Shareholders of Frontier Gasfields Pty Ltd

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

“That, subject to passing Resolution 16 in this Notice and for the purposes of Listing Rule 7.1 and all other purposes, Shareholders approve the issue of 150,000,000 Shares to shareholders of Frontier Gasfields Pty Ltd as consideration for the granting of Options under an agreement to acquire an interest in Frontier Gasfields Pty Ltd”.

(Refer to Section 11 of the Explanatory Statement for more information.)

18. Approval of Issue of Shares and Options to Novus Capital Pty Ltd

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

“That, subject to passing Resolutions 16 and 17 in this Notice and for the purposes of Listing Rule 7.1 and all other purposes, Shareholders approve the issue of 50,000,000 Shares and 50,000,000 Options to Novus Capital Pty Ltd as consideration for bringing the Frontier investment opportunity to the Company.”

(Refer to Section 12 of the Explanatory Statement for more information.)

19. Approval of Issue of Shares and Options to Sophisticated and Professional Investors

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 200,000,000 Shares and 200,000,000 Options to professional and sophisticated investors by way of a placement within 3 months of the completion of this General meeting.”

(Refer to Section 13 of the Explanatory Statement for more information.)

20. Approval of Issue of Shares to consultants and advisors

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 7,000,000 Shares to consultants and advisors to the Company as consideration for services performed during the last 12 months”

(Refer to Section 14 of the Explanatory Statement for more information.)

21. Approval of Issue of Options to Obelisk SAL

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 10.11, Part 2E.1 of the Corporation Act and for all other purposes, approval is given for the issue of 50,000,000 Options in the capital of the Company to Obelisk SAL on the terms set out in the Explanatory Memorandum accompanying this Notice.”

Note: Approval pursuant to Listing Rule 7.1 is not required in order to issue the Shares to a related party as approval is being obtained under Listing Rule 10.11.

(Refer to Section 15 of the Explanatory Statement for more information.)

DEFINITIONS

Terms which are used in this Notice which are defined in Section 19 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 - Ratification of Issue of Placement Shares	any person who participated in the issue, being institutional and sophisticated investors who were introduced to the Company by Novus Capital and any of their associates.
Resolution 2 - Approval of Issue of Placement Shares	any person who may participate in the proposed issue, being institutional and sophisticated investors introduced to the Company by Novus Capital and their associates, and any person who may obtain a benefit, except a benefit solely in the capacity of a holder of Shares and any of their associates, if the Resolution is passed.
Resolution 3 - Approval of Issue of Free Attaching Placement Options	any person who may participate in the proposed issue, being institutional and sophisticated investors introduced to the Company by Novus Capital and its associates, and any person who may obtain a benefit, except a benefit solely in the capacity of a holder of Shares and any of their associates, if the Resolution is passed.
Resolution 4 - Approval of Issue of Options to Underwriter	any person who will participate in the issue, being Novus Capital and its associates, and any person who may obtain a benefit, except a benefit solely in the capacity of a holder of Shares and any of their associates, if the Resolution is passed.
Resolution 5A - Approval of Issue of Options to Sub Underwriters	any person who will participate in the issue, being SEK Investments Pty Ltd and its associates, and any person who may obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if the Resolution is passed.
Resolution 5B - Approval of Issue of Options to Sub Underwriters	any person who will participate in the issue, being Pitt Street Absolute Return Fund Pty Ltd and its respective associates, and any person who may obtain a benefit, except a benefit solely in the capacity of a holder of Shares and any of their associates, if the Resolution is passed.
Resolution 6 - Approval of Issue of Shares and Options to Director	Mr Anthony Langdon (or his nominees) and his associates.
Resolution 7 - Approval of Issue of Shares and Options to Director	Mr Charles Pellegrino (or his nominees) and his associates.
Resolution 8 - Approval of Issue of Shares and Options to Director	Dr Michael Quinlan (or his nominees) and his associates.
Resolution 9 - Approval of Issue of Shares and Options to Director	Mr Jacob Khouri (or his nominees) and his associates.
Resolution 10 – Approval of the Executive Incentive Share and Option Plan	by any director of BioProspect, and their associates who may participate in the EISOP, except a director of BioProspect or their associates who are ineligible to participate in the EISOP.
Resolutions 11 - 14 - Approval for the Issue of Shares and Options under EISOP to Directors	The Company will disregard any votes cast on a resolution by each of the directors, including Mr Langdon, Mr Pellegrino, Dr Quinlan and Mr Khouri and each of their associates, but excluding any person who is eligible to participate in the EISOP.
Resolution 15 - Approval of Issue of Shares and Options to Executives	Mr Peter May, Mr Colin Johnston, and any of their associates.
Resolution 16 - Approval of proposed change in nature of activities	a person who might 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 person's associates.
Resolution 17 – Approval of Issue of Shares to shareholders of Frontier Gasfields Pty Ltd	Shareholders of Frontier Gasfields Pty Ltd, being Peter Jermyn, Oak Trust (Guernsey) Ltd, Dentost Pty Ltd, Stewart Cranswick ATF Stewart & Sally Super Fund, Jennifer Stagoll ATF The Stagoll Family Trust, Middle East Petroleum Services Limited, Panther Petroleum Limited, Suburban Holdings Pty Ltd ATF The Suburban Super Fund and James Parry and a person who may participate in the proposed issued and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed and each of their associates.
Resolution 18 – Approval of Issue of Shares and Options to Novus Capital Pty Ltd	Novus Capital and its associates.
Resolution 19 - Approval of Issue of Shares and Options to Sophisticated and professional Investors	a person who may participate in the proposed issue and a 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 person's associates.
Resolution 20 –Approval of Issue of Shares to consultants and advisors	Each of the consultants and advisors to the Company who may participate in the proposed issue, being Wayne Loh, Wendell Wait, Howard Fox and Cleo Nanni and a person who may participate in the proposed issued and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed and each of their associates.
Resolution 21 –Approval of Issue of Options to Obelisk SAL	Obelisk SAL and its 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. This restriction shall apply to Resolutions 6 – 9, and 11– 14, and 21 inclusive.

PROXIES

In accordance with section 249L of the Corporations Act, members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company;
- a member who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.

In accordance with section 250BA of the Corporations Act, the Company specifies the following information for the purposes of receipt of proxy appointments:

Suite 6, Level 3
320 Adelaide Street
Brisbane Queensland 4000
Facsimile Number: (07) 3229 4655

Each member entitled to attend and vote at the Meeting has the right to appoint a proxy to attend and vote at the Meeting on his behalf. The member may specify the way in which the proxy is to vote on each resolution or may allow the proxy to vote at his discretion. The instrument appointing the proxy must be received by the Company at the address notified by the Company at least 48 hours prior to the time of the commencement of the Meeting.

NOTES

1. A shareholder of the Company entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the shareholder's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a shareholder of the Company.
2. Where a voting exclusion applies, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions 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.

3. Regulation 7.11.37 of the Corporations Regulations 2001 permits the Company to specify a time, not more than 48 hour before the meeting, at which a "snap-shot" of shareholders will be taken for the purpose of determining shareholder entitlements to vote at the meeting. The Company Directors have determined that all shares of the Company that are quoted on the ASX at 7.00pm on 6 July 2011 shall, for the purposes of determining voting entitlements at the General Meeting, be taken to be held by the persons registered as holding the Shares at that time.

Conditionality of resolutions

Resolution 3 in the Notice is conditional upon Resolutions 1 and 2 being approved. For Resolution 3 to be effective, Resolutions 1, 2 and 3 each need to be passed.

Resolutions 11, 12, 13 and 14 in the Notice are each conditional upon Resolution 10 being approved. For each of Resolutions 11, 12, 13 and 14 to be effective, Resolution 10 must be approved.

Resolution 17 in the Notice is conditional upon Resolution 16 being approved. For Resolution 17 to be effective, Resolution 16 must be approved.

Resolution 18 in the Notice is conditional upon Resolutions 16 and 17 being approved. For Resolution 18 to be effective, Resolutions 16 and 17 must be approved.

Shareholders are referred to the Explanatory Memorandum accompanying this Notice of Meeting.

CONTACT DETAILS

If you wish to discuss any aspects of this document with the Company contact the Company Secretary, Mr Colin Johnston on telephone (07) 3229 5755.

BY ORDER OF THE BOARD

DATED 31 May 2011

Colin Johnston

Company Secretary

EXPLANATORY MEMORANDUM

BIOPROSPECT LIMITED ACN 008 130 336

INTRODUCTION

This Explanatory Memorandum forms part of a Notice convening a Meeting of Shareholders of the Company to be held on 8 July 2011. This Explanatory Memorandum is to assist Shareholders in understanding the background to and the legal and other implications of the Notice and the reasons for the Resolutions proposed. Terms used in this Explanatory Memorandum are defined in Section 19.

1. RESOLUTION 1 – Ratification of Issue of Placement Shares

1.1 Background

As announced to the ASX on 16 February 2011, the Company completed a placement to raise \$3,150,000 before costs and subsequently issued 123,900,000 Shares in the capital of the Company to raise \$1,239,000 (before costs) (**Placement**) utilising its 15% capacity at that date.

These funds are required to fund:

- expansion of existing operations, including the rollout of REGEN® natural health products, and commercialisation of the DEMURE® and L'AZURE™ natural skin care and cosmetic ranges;
- market development programs with AGRIPRO® natural animal health products;
- general working capital requirements; and
- evaluation of potential investment opportunities following a number of recent unsolicited approaches to the Company.

This issue did not exceed the 15% restriction on total securities on issue in the last 12 months for the purpose of Listing Rule 7.1.

1.2 Regulatory Requirements – 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.

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

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

- the number of securities issued was 123,900,000 Shares;
- the Shares were allotted and issued to clients of Novus Capital Pty Ltd, specifically professional or sophisticated investors as defined under Section 708 (8), (10) or (11) of the Corporations Act, and no related parties were involved;
- the Shares were issued for \$0.01 cash per share on 18 February 2011;

- the Shares allotted and issued rank equally in all respects with all of the existing Shares on issue; and
- the funds raised were as explained in the background above.

Directors' recommendation

All Directors recommend that Shareholders vote in favour of Resolution 1.

2. RESOLUTION 2 – Approval of Issue of Placement Shares

2.1 Background

As announced to ASX on 16 February 2011, the Company completed a private placement (see Resolution 1) and also received applications and funds from professional and sophisticated investors in excess of the Company's 15% issuing capacity. BioProspect seeks Shareholder approval for the issue of 191,100,000 Shares for these excess applications. The Company intends to issue the 191,100,000 Shares within 30 days of receipt of Shareholder approval at the Meeting.

2.2 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.

The 191,100,000 Shares proposed to be issued by the Company pursuant to Resolution 2 will exceed the 15% threshold referred to in Listing Rule 7.1 and, accordingly, Shareholder approval under Listing Rule 7.1 is sought.

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

- the maximum number of securities to be issued pursuant to Resolution 2 is 191,100,000 Shares;
- the Shares will be issued and allotted for \$0.01 cash per Share;
- the Shares will be issued and allotted to clients of Novus Capital, specifically professional or sophisticated investors as defined under Section 708 (8), (10) or (11) of the Corporations Act, and no related parties will be involved;
- the Shares will be issued and allotted on or after the date of the Meeting and in any event no later than three months after the date of the Meeting, being 8 October 2011;
- the Shares issued and allotted will rank equally in all respects with all of the existing Shares on issue;
- the funds raised will be used to further develop the REGEN® natural health range of products, and commercialisation of the DEMURE® and L'AZURE™ natural skin care and cosmetic ranges, market development programs with AGRIPRO®, evaluation of new business opportunities and to fund other working capital requirements.

Directors' recommendation

All Directors recommend that Shareholders vote in favour of Resolution 2.



3. RESOLUTION 3 – Approval of Issue of Free Attaching Placement Options

3.1 Background

The issue of Shares under the Placement (referred to in Resolutions 1 and 2) were offered to placees with one for one free attaching Options expiring 31 December 2013 at an exercise price of \$0.03 per Share (Placement Options). Accordingly, the Company intends to issue up to 315,000,000 Placement Options within 30 days of receipt of Shareholder approval at this Meeting.

If Shareholder approval for the issue of the Placement Options is not received, the Company will put the resolution up to be considered at the annual general meeting later in the year.

3.2 Regulatory Requirements – Listing Rule 7.1

The requirements of Listing Rule 7.1 are set out in Section 2.2 of this Explanatory Memorandum.

The 315,000,000 Options proposed to be issued by the Company pursuant to Resolution 3 will exceed the 15% threshold referred to in Listing Rule 7.1 and, accordingly, Shareholder approval under Listing Rule 7.1 is sought.

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

- the maximum number of securities to be issued pursuant to Resolution 3 is 315,000,000 Options;
- the Options will be granted for no consideration on a 1 for 1 free attaching basis with the Shares issued under Resolutions 1 and 2 in accordance with the terms of the Placement;
- the Options will be issued to clients of Novus Capital, specifically professional or sophisticated investors as defined under Section 708 (8), (10) or (11) of the Corporations Act, and no related parties will be involved;
- the Options will be issued and allotted on or after the date of the Meeting and in any event no later than three months after the date of the Meeting, being 8 October 2011;
- the Options will be granted on the terms as set out in Section 18; and
- no funds will be raised by the issue and allotment of the Options.

Directors' recommendation

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

4. RESOLUTION 4 – Approval of Issue of Options to Underwriter

4.1 Background

In December 2010, the Company completed its pro-rata rights issue (Rights Issue) which was fully underwritten by Novus Capital Pty Ltd (Novus). As part of the underwriting fee, Novus agreed to accept the issue of 10,000,000 Options, subject to Shareholder approval. The Company seeks Shareholder approval and then intends to issue the 10,000,000 Options within 30 days of receipt of such approval.

4.2 Regulatory Requirements – Listing Rule 7.1

The requirements of Listing Rule 7.1 are set out in Section 2.2 of this Explanatory Memorandum.

The 10,000,000 Options proposed to be issued by the Company pursuant to Resolution 4 will exceed the 15% threshold referred to in Listing Rule 7.1 and, accordingly, Shareholder approval under Listing Rule 7.1 is sought.

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

- the maximum number of securities to be issued pursuant to Resolution 4 is 10,000,000 Options;
- the Options will be granted for no consideration, being part payment of the underwriting fee for the Rights Issue;
- the Options will be issued and allotted to Novus Capital;
- the Options will be issued and allotted on or after the date of the Meeting and in any event no later than three months after the date of the Meeting, being 8 October 2011;
- no funds will be raised by the issue and allotment;
- the Options will be granted on the terms as set out in Section 18.

If Shareholder approval for the issue of Options to the Novus Capital is not received, the Company will put the resolution up to be considered at the annual general meeting later in the year.

Directors' recommendation

All Directors recommend that Shareholders vote in favour of Resolution 4.

5. RESOLUTION 5 – Approval of Issue of Options to Sub Underwriters

5.1 Background

In December 2010, the Company completed its 2010 pro-rata rights issue (Rights Issue) which was fully underwritten by Novus. A sub underwriter Pitt Street Absolute Return Fund Pty Ltd and a participant SEK Investments Pty Ltd were issued with Shares but without the one for one free attaching Option as these were expressed to be subject to future Shareholder approval. The Company now seeks Shareholder approval and then and intends to issue the 12,000,000 Options within 30 days of receipt of such approval.

Specifically, 4,000,000 Options are proposed to be issued to SEK Investments Pty Ltd under Resolution 5A and 8,000,000 Options are proposed to be issued to Pitt Street Absolute Return Fund Pty Ltd under resolution 5B.

Approval is sought under Listing Rule 7.1 on the basis that both SEK Investments Pty Ltd and Pitt Street Absolute Return Fund Pty Ltd are not related parties of BioProspect.

5.2 Regulatory Requirements – Listing Rule 7.1

The requirements of Listing Rule 7.1 are set out in Section 2.2 of this Explanatory Memorandum.

The 12,000,000 Options (in aggregate) proposed to be issued by the Company pursuant to Resolutions 5A and 5B will exceed the 15% threshold referred to in Listing Rule 7.1 and, accordingly, Shareholder approval under Listing Rule 7.1 is sought.

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

- the maximum number of securities to be issued pursuant to Resolutions 5A and 5B is 12,000,000 Options;
- the Options will be granted for no consideration, on the basis they were expressed to be 'free attaching' as a term of the Rights Issue;
- the Options will be issued to SEK Investments Pty Ltd (4,000,000 Options) and Pitt Street Absolute Return Fund Pty Ltd (8,000,000 Options);
- the Options will be issued and allotted on or after the date of the Meeting and in any event no later than three months after the date of the Meeting, being 8 October 2011;
- no funds will be raised by the issue;
- the Options will be granted on the terms as set out in Section 18; and
- an appropriate voting exclusion statement is included in the Notice.

Directors' recommendation

All Directors recommend that shareholders vote in favour of Resolution 5.

6. RESOLUTIONS 6 to 9 – Approval of Issue of Shares and Options to Directors

6.1 Background

Resolutions 6 to 9 seek Shareholder approval for the issue of up to 15,000,000 Shares and 15,000,000 Options to Directors (or their nominees).

The Listing Rules and the Corporations Act set out a number of regulatory requirements which must be satisfied. These are summarised below:

6.2 Regulatory Requirements – Listing Rule 10.11

Listing Rule 10.11 requires the Company to obtain Shareholder approval by ordinary resolution prior to the issue of securities to a related party of the Company.

If Resolutions 6 to 9 are passed, securities will be issued to Mr Langdon, Mr Pellegrino, Dr Quinlan and Mr Khouri who, being Directors, are related parties of the Company. Accordingly, approval for the issue of securities is required pursuant to Listing Rule 10.11.

Pursuant to Listing Rule 7.2, exception 14, approval under Listing Rule 7.1 is not required where approval is obtained under Listing Rule 10.11. The issue of securities to the Directors will not be included in the 15% calculation for the purposes of Listing Rule 7.1 if approval is obtained under Listing Rule 10.11.

6.3 Regulatory Requirements – Listing Rule 10.13

For the purposes of Listing Rule 10.13, the following information is provided in relation to Resolutions 6 to 9 :

- (a) the maximum number of Shares and Options to be issued and allotted by the Company is 30,000,000 as follows:
 - 3,000,000, Shares and 3,000,000 Options to Mr Anthony Langdon (or his nominee);
 - 6,000,000 Shares and 6,000,000 Options to Mr Charles Pellegrino (or his nominee);
 - 3,000,000 Shares and 3,000,000 Options to Dr Michael Quinlan (or his nominee);
 - 3,000,000 Shares and 3,000,000 Options to Mr Jacob Khouri (or his nominee).
- (b) the Shares and Options will be issued and allotted for no cash consideration;
- (c) Shares and Options will be issued and allotted no later than one month after the date of the General Meeting, being 8 August 2011;
- (d) no funds will be raised from the issue and allotment of the Shares and Options;
- (e) the Options will be granted on the terms as set out in Section 18; and
- (f) the Shares will be allotted and will rank equally in all respects with all of the existing Shares on issue.

6.4 Section 208 of the Corporations Act

Under Chapter 2E of the Corporations Act, a public company cannot give a 'financial benefit' to a 'related party' unless one of the exceptions to the section apply or Shareholders have in a general meeting approved the giving of that financial benefit to the related party.

In the current circumstances, the issue of the Shares and Options to the Directors constitutes a 'financial benefit' as defined in the Corporations Act. Further, each Director is a 'related party' of the Company as defined under the Corporations Act. Accordingly, the proposed issue of Shares and Options to the Directors will constitute the provision of financial benefits to related parties of the Company.

It is the view of the Directors that the exceptions under the Corporations Act to the provision of financial benefits to related parties may not apply in the current circumstances.

The Directors have determined it appropriate to seek Shareholder approval under Section 208 of the Corporations Act to permit the issue of the Shares and Options to each of Mr Langdon, Mr Pellegrino, Dr Quinlan and Mr Khouri.

6.5 Sections 217 to 227 of the Corporations Act

Pursuant to Sections 217 to 227 of the Corporations Act, the Company provides the following information to Shareholders in respect of the proposed financial benefit to be given to the Directors:

- (a) the related parties to whom the financial benefit will be given are Mr Langdon, Mr Pellegrino, Dr Quinlan and Mr Khouri;
- (b) the maximum number of Shares and Options (being the nature of the financial benefits to be provided) to be issued and allotted is:
 - (i) 3,000,000 Shares and 3,000,000 Options to Mr Langdon;
 - (ii) 6,000,000 Shares and 6,000,000 Options to Mr Pellegrino;
 - (iii) 3,000,000 Shares and 3,000,000 Options to Dr Quinlan; and
 - (iv) 3,000,000 Shares and 3,000,000 Options to Mr Khouri.
- (c) the Options will be granted on the terms as set out in Section 18; and
- (d) the Shares will rank equally in all respects with all of the existing Shares on issue;
- (e) the Directors make the following recommendations in relation to Resolutions 6 to 9 :
 - (i) the Directors (Mr Langdon abstaining), who do not have a material personal interest in the outcome of Resolution 6, recommend that Shareholders vote in favour of Resolution 6 as they are of the view that the issue of Shares and Options to Mr Langdon is appropriate to provide him with an incentive to maximise returns to Shareholders (notwithstanding the fact that the issue of Shares and Options to a non-executive Director is not in accordance with the ASX Corporate Governance Principles and Recommendations guidelines for non-executive director remuneration). The Directors (Mr Langdon abstaining) considered Mr Langdon's experience, the current market price of the Shares and current market practice when determining the number and exercise price of the Shares and Options to be issued to Mr Langdon. Mr Langdon declined to make a recommendation in relation to Resolution 6 due to the fact that he has a material personal interest in its outcome;
 - (ii) the Directors (Mr Pellegrino abstaining), who do not have a material personal interest in the outcome of Resolution 7, recommend that Shareholders vote in favour of Resolution 7 as they are of the view that the issue of Shares and Options to Mr Pellegrino is appropriate to provide him with an incentive to maximise returns to Shareholders. The Directors (Mr Pellegrino abstaining) considered Mr Pellegrino's experience, the current market price of the Shares and current market practice when determining the number and exercise price of the Shares and Options to be issued to Mr Pellegrino. Mr Pellegrino declined to make a recommendation in relation to Resolution 7 due to the fact that he has a material personal interest in its outcome; and



(iii) the Directors (Dr Quinlan abstaining), who do not have a material personal interest in the outcome of Resolution 8, recommend that Shareholders vote in favour of Resolution 8 as they are of the view that the issue of Shares and Options to Dr Quinlan is appropriate to provide him with an incentive to maximise returns to Shareholders (notwithstanding the fact that the issue of Shares and Options to a non-executive Director is not in accordance with the ASX Corporate Governance Principles and Recommendations guidelines for non-executive director remuneration). The Directors (Dr Quinlan abstaining) considered Dr Quinlan's experience, the current market price of the Shares and current market practice when determining the number and exercise price of the Shares and Options to be issued to Dr Quinlan. Dr Quinlan declined to make a recommendation in relation to Resolution 8 due to the fact that he has a material personal interest in its outcome; and

(iv) the Directors (Mr Khouri abstaining), who do not have a material personal interest in the outcome of Resolution 9, recommend that Shareholders vote in favour of Resolution 9 as they are of the view that the issue of Shares and Options to Mr Khouri is appropriate to provide him with an incentive to maximise returns to Shareholders (notwithstanding the fact that the issue of Options to a non-executive Director is not in accordance with the ASX Corporate Governance Principles and Recommendations guidelines for non-executive director remuneration). The Directors (Mr Khouri abstaining) considered Mr Khouri's experience, the current market price of the Shares and current market practice when determining the number and exercise price of the Shares and Options to be issued to Mr Khouri. Mr Khouri declined to make a recommendation in relation to Resolution 9 due to the fact that he has a material personal interest in its outcome; and

(f) The reasons for giving this financial benefit are:

- (i) the Company wishes to maximise the use of its cash resources towards the Company's development and equity based incentives such as Shares and Options are used to supplement cash based remuneration;
- (ii) equity based incentives, such as Shares and Options, assist in the alignment of Shareholders' and Directors' interests;
- (iii) the issue of Shares and Options are designed to reward the Director for performance beyond the requirements of their ordinary role and in the interests of retaining suitably qualified and experienced Directors;
- (iv) the Company believes the nature of the Shares and Options package proposed is commensurate with market practice. On this basis the Company believes the giving of the benefits, as constituted by the issue of the Shares and Options, is in the best interests of the Company and its Shareholders.

(g) The Directors currently receive the following emoluments from the Company

Director	Position	Annual Emolument (inclusive of superannuation)
Dr Quinlan	Non-executive Chairman	\$54,500
Mr Pellegrino	Executive Managing Director	\$218,000
Mr Langdon	Non-executive Director	\$43,600
Mr Khouri	Non-executive Director	\$43,600

(h) the Directors currently have an interest in the following securities in the Company:

Director	Shares	Options
Dr Quinlan	Direct 597,293 Indirect 727,779	Direct 398,196 Indirect 485,186
Mr Pellegrino	Nil	Nil
Mr Langdon	Nil	Nil
Mr Khouri	Nil	Nil

(i) if Shareholders approve the issue of Shares and Options to the Directors, and all of the Options are exercised, the effect will be to dilute the shareholding of existing Shareholders by approximately 2.7% on an undiluted basis based on the number of Shares on issue as at the date of this Notice (assuming 1,116,570,347 Shares on issue). The market price for Shares during the term of the Options would normally determine whether or not the Directors exercise the Options. If, at the time any of the Options are exercised, the Shares are trading on the ASX at a price that is higher than the exercise price of the Options, there may be a perceived cost to the Company

In the last 12 months up to and including 19 May 2011, the highest, lowest and last trading price of Shares on ASX are set out below:

	Date	Price
Highest	24/02/10	\$0.030
Lowest	26/11/10	\$0.007
Last	19/05/11	\$0.011

(j) ASIC in reviewing documents lodged under section 218 relating to the giving of financial benefits to related parties of public companies requires explanatory information regarding the value of the Shares and Options to be granted. The Shares will be issued and valued on the volume weighted average closing Share price for the 5 days preceding the date of issue; the value of the Options has been calculated internally by the Company using the Black Scholes pricing model and is set out under 6.6 below; and

(k) the Directors are not aware of any further information that Shareholders should consider before making a decision to vote on Resolutions 6 through 9.

6.6 Valuation of Shares and Options

The Shares will be issued to Directors for no cash consideration immediately following approval and in any event, within 1 month after approval is obtained, and shall have a deemed price equivalent to the 5 day VWAP immediately before the approval. A representative value of \$0.015 has been applied to the Shares based upon trading data outlined above. It is possible the value of the Shares may increase prior to the actual date of issue, particularly if the Frontier Transaction and related actions, as outlined in Resolutions 16- through 18, are approved. There will, however, be a benefit to the Shareholders as a whole in the event of Share price growth.

The Options have been valued using the Black Scholes model and based upon the following assumptions:

- (a) the Options expire on 31 December 2013 and are all exercisable at \$0.03 per Share;
- (b) the average closing market price of the Shares for the 12 month period prior to the time of the Company agreed to issue the Options was \$0.015;
- (c) an annual common volatility factor of 22.1%;
- (d) an interest rate of 4.97%; and
- (e) the valuation date for the Options is 15 March 2011.

Based on the above, the Options have been valued at \$0.0069 each.

The Black Scholes valuation methodology has been used. The Company is of the view that this is a commonly used methodology for valuing Options and is appropriate in the circumstances. The valuation ascribed to the Options may not necessarily represent the value of the Options at the date of the issue however.

Director	Shares	Deemed Share value (\$)	Options	Deemed value of Options applying valuation methodology (\$)
Dr Quinlan	3,000,000	45,000	3,000,000	20,700
Mr Pellegrino	6,000,000	90,000	6,000,000	41,400
Mr Langdon	3,000,000	45,000	3,000,000	20,700
Mr Khouri	3,000,000	45,000	3,000,000	20,700

7. RESOLUTION 10 – Approval of the Executive Incentive Share and Option Plan

7.1 Background

BioProspect proposes to implement an Executive Incentive Share and Option Plan (EISOP) to reward senior executives and directors of the Company in recognition of their past performances and in order to offer sufficient incentive for them to remain with the Company in the long term. BioProspect has assembled a team of highly skilled and specialised staff who have worked diligently over a number of years in advancing BioProspect.

The granting of Shares and options under the EISOP to these senior executives and directors will align their interests with the interests of Shareholders. No shares or options will be issued or allotted under the EISOP until the occurrence of BioProspect 20 day VWAP achieving \$0.03 per Share or 12 months after the date of the approval, being the 8 July 2012, whichever is the earlier.

The Company views the implementation of the EISOP and subsequent issue of Shares and options under the EISOP as a key component of the remuneration

package it offers key executives and directors, and plays an important role in ensuring their long-term engagement. The Shares and options will be issued to key executives and directors based on their service period with the Company, their contribution to the Company during their employment and the responsibilities and requirements of their individual positions.

The maximum number of Shares that may be issued and allotted under the EISOP will not exceed 5% of the issued capital of the Company, from time to time.

Listing Rules 7.2, exception 9

If the EISOP is approved by Shareholders, future issues under the EISOP will fall under the exemption to Listing Rule 7.1 being Listing Rule 7.2, exception 9. This means that the Company will be able to issue equity securities under the EISOP which will be exempt from counting toward the Company's 15% threshold for the purpose of Listing Rule 7.1. This exemption, does not apply to related party transactions however, which will necessitate separate approval under Listing Rule 10.14.

BioProspect will have to refresh the shareholder approval for the EISOP every three years in order to be able to rely on the Listing Rule 7.2, exception 9.

Below is a summary of the key terms of the EISOP for the purposes of Listing Rule 7.2, exception 9.

Eligible Employees	All current full-time executives and directors of BioProspect Limited are eligible to be issued shares and options under the EISOP.
Vesting Event:	Options will vest upon to occurrence of any one of the following events: <ul style="list-style-type: none"> • if, under a Takeover Bid or otherwise, a person (together with his or her Associates) acquires Shares or a relevant interest (within the meaning of the Corporations Act) in Shares that, when aggregated with Shares already acquired by such person (and their associates), constitute at least 19.9% of the issued Shares of the Company and, in the case of a Takeover Bid, the Takeover Bid is or has become unconditional; • pursuant to an application made to the court under section 411 of the Corporations Act, the court orders a meeting to be held in relation to a proposed compromise or arrangement for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company; • if the Company approves a resolution for BioProspect to enter into: <ul style="list-style-type: none"> > a major collaboration arrangement with a third party for the commercialisation of some or all of its products, > a major license arrangement with a third party regarding any of its products, for which BioProspect receives royalties or similar revenues; or > the sale of the operations of the Company's business; • the Company passes a resolution for voluntary winding up; • an order is made for the compulsory winding up of the Company; or • any other reorganisation of the Company which results in a Participant ceasing to be an Eligible Employee.
Issue Price	Shares and options will be issued for nil consideration.
Exercise Price:	Each option will be exercisable for \$0.03.
Lapse Date (for Options)	Options will lapse on 31 December 2013 if not exercised beforehand.
The Exercise Period (for Options)	Options may be exercised following the occurrence of a performance event at any time before the Lapse Date.
Rights of Shares	Shares issued under the EISOP or upon conversion of options issued under the EISOP will rank <i>pari passu</i> with existing Shares on issue. The rights and liabilities attaching to all Shares are detailed in the Company's constitution.



Rights of Options	<p>The terms of options issued under the EISOP</p> <ul style="list-style-type: none"> • Each Option is exercisable at a price of \$0.03 on or before 31 December 2013; • The Options will not be quoted on ASX; • The Company will apply to ASX for any Shares issued upon exercise of the Options, to be granted quotation on ASX. Such Shares will rank equally from the date of issue with all other Shares on issue; • The Options do not entitle the holder to participate in any new issues of securities by the Company without first exercising the Options; • The rights of the holder of the Option will be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation; • The Options do not confer on the holder any rights to a change in the exercise price of the Options or a change to the number of underlying securities over which the Options can be exercised except: <ul style="list-style-type: none"> > in the case of a pro rata issue to the holders of Shares (except a bonus issue) in which case the exercise price of each Option shall be reduced in accordance with the formula contained in Listing Rule 6.22.2; and > in the case of a bonus issue to the holders of Shares, in which case the number of Shares over which each Option is exercisable shall be increased by the number of Shares which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue.
Cessation of employment:	<p>Unless the Board determines otherwise, eligible executives and directors who cease employment or to hold a board position as a director, prior to vesting will generally forfeit their unvested options except in circumstances approved by the Board, such as death, or cessation due to total or permanent disability or some redundancy circumstances.</p>
Transferability:	<p>Options issued under the EISOP are personal to the Participant and may not be transferred except:</p> <ul style="list-style-type: none"> • with the prior written consent of the Board (which consent may be withheld in the absolute discretion of the Board and without giving reasons); or • if the Participant dies, to the Participant's legal personal representative, on the production to the Company of such documents or other evidence that the Board may reasonably require to establish the entitlement of the legal personal representative.
Administration of the EISOP	<p>The Board will administer the EISOP Rules and the decision of the Board is final. In its discretion, the Board may determine it is appropriate to issue shares and options under the EISOP on terms, including the vesting period, different to those default rules set out in the EISOP Rules.</p>

8. RESOLUTIONS 11 -14 – Approval for the issue of shares and options under EISOP to Directors

Under Resolutions 11 through 14, Shareholders are asked to approve the following issues and allotments under the EISOP:

- 3,000,000 Shares and 3,000,000 Options to Mr Langdon;
- 6,000,000 Shares and 6,000,000 Options to Mr Pellegrino;
- 3,000,000 Shares and 3,000,000 Options to Dr Quinlan;
- 3,000,000 Shares and 3,000,000 Options to Mr Khouri.

The directors believe that the quantum of Shares and Options to be issued to each of Mr Langdon, Mr Pellegrino, Dr Quinlan and Mr Khouri, subject to Shareholder approval, is reasonable given the complexity of the Company's activities and the demands placed on individual directors over and above that which is considered usual. In particular, the proposed issues are made in recognition of the efforts of particular Directors in seeking to achieve growth of the Company's capabilities and Share price through the Frontier Transaction;

Director incentivisation with Shares and Options rather than cash is also a prudent means of conserving the Company's available cash.

8.1 Listing Rule 10.14

Listing Rule 10.14 provides that a company must not issue securities to a director or their associates under an employee incentive scheme without the prior approval of shareholders.

The purpose of each of the Resolutions 11 through 14 is to obtain Shareholder approval to enable the Shares and Options to be issued to Directors under the BioProspect Executive Incentive Share and Option Plan (EISOP).

The approval of each of the Resolutions 11 through 14 is conditional upon the EISOP being approved under Resolution 10.

The following information is provided for the purposes of Listing Rule 10.15:

Name of allottees:	Resolution 11 - Mr Langdon (or his nominees) - 3,000,000 Shares and 3,000,000 options Resolution 12 - Mr Pellegrino (or his nominees) - 6,000,000 Shares and 6,000,000 options Resolution 13 - Dr Quinlan (or his nominees) - 3,000,000 Shares and 3,000,000 options Resolution 14 - Mr Khouri(or his nominees) - 3,000,000 Shares and 3,000,000 options
Maximum number of securities to be issued:	A total of 15,000,000 Shares and 15,000,000 Options will be issued if Resolutions 11-14 are approved. The individual number of Shares and Options to be issued under each resolution are as set out in section 8 above. On vesting, one ordinary Share will be issued for each Option that is exercised. In total, 15,000,000 fully paid ordinary Shares are capable of being issued to the allottees identified in section 8 above if all of the Options are duly exercised.
Date by which securities will be issued:	The Shares and Options will be issued upon the occurrence of a Performance Event but no later than 12 months after the date of the approval, being the 8 July 2012.
Relationship of the person to the Company	All allottees to receive shares and options under Resolutions 11 through 14 (as identified above) are Directors of BioProspect Limited.
Names of all persons referred to in Listing Rule 10.14 entitled to participate in the EISOP	As stated in the Explanatory Memorandum for resolution 10, all current full-time executives and directors of BioProspect Limited are eligible to be issued shares and options under the EISOP.
The terms of any loan in relation to the acquisition	There are no loans in relation to the issue of Shares or Options the subject of resolution 11 through 14.
Issue price of the securities	The Shares and Options will be issued at no cost to the allottees. An exercise price of \$0.03 will be payable for the exercise of each Option for one Share in the Company.
Summary of terms of issue	The general terms of the EISOP are summarized in this explanatory memorandum for Resolution 10. In addition, the following terms apply to the Shares and Options issued under Resolutions 11-14: <ul style="list-style-type: none"> • the Shares and Options will be issued and allotted upon the occurrence of the performance condition of the event which is the earlier of: <ul style="list-style-type: none"> >the BioProspect 20 day VWAP achieving \$0.03 per Share; and >12 months after the date of the approval, being the 8 July 2012. • Upon being issued, the Options will immediately vest and be capable of exercise. The Options will lapse if they are not exercised within 12 months of issue, being 8 July 2012.

8.2 General Information for the purposes of section 208 of the Corporations Act

The proposed issue of Shares and Options to the Directors the subject of Resolutions 11 through 14 constitute a financial benefit to a related party and requires approval under Chapter 2E of the Corporations Act. Shareholders are referred to the disclosures in Section 7 of this Explanatory Memorandum which applies equally for the proposed issues under Resolutions 11 through 14.

8.3 Existing interests and the dilutionary effect on other Shareholders' interests

The effect that the issue of Shares and exercise of the Options will have on the interests of the Director relative to other Shareholders' interests (based on the Director's interest at the time of this Notice and excluding any potential issues under other resolutions in this Notice) is set out in the following table. The table assumes no further issues of Shares in, or reconstruction of the capital of the Company during the time between issue of the Shares and exercise of the Options.

Mr Anthony Langdon (as at the date of this Notice)	
The total number of shares on issue in BPO	1,116,570,347
Shares currently held by Mr Langdon (including indirect interests)	Nil
% of shares currently held by Mr Langdon	n/a
Shares to be issued under this resolution to Mr Langdon following EGM (excluding shares to be issued upon exercise of Options)	3,000,000
Options held by Mr Langdon prior to EGM (including indirect interests)	Nil
Options to be issued under this resolution to Mr Langdon following EGM	3,000,000
Shares that will be held following the exercise of all Options held by Director	6,000,000
% of Shares that would be held by Director assuming no other Options held by other parties were exercised	0.534%
% of Shares that would be held by Director assuming all other Options held by other parties were exercised (fully diluted basis)	0.523%



Dr Michael Quinlan (as at the date of this Notice)	
The total number of shares on issue in BPO	1,116,570,347
Shares currently held by Dr Quinlan (including indirect interests)	1,325,072
% of shares currently held by Dr Quinlan	0.119%
Shares to be issued under this resolution to Dr Quinlan following EGM (excluding shares to be issued upon exercise of Options)	3,000,000
Options held by Dr Quinlan prior to EGM (including indirect interests)	883,382
Options to be issued under this resolution to Dr Quinlan following EGM	3,000,000
Shares that will be held following the exercise of all Options held by Dr Quinlan	7,325,072
% of Shares that would be held by Dr Quinlan assuming no other Options held by other parties were exercised	0.653%
% of Shares that would be held by Dr Quinlan assuming all other Options held by other parties were exercised (fully diluted basis)	0.639%

Mr Charles Pellegrino (as at the date of this Notice)	
The total number of shares on issue in BPO	1,116,570,347
Shares currently held by Mr Pellegrino (including indirect interests)	Nil
% of shares currently held by Mr Pellegrino	n/a
Shares to be issued under this resolution to Mr Pellegrino following EGM (excluding shares to be issued upon exercise of Options)	6,000,000
Options held by Mr Pellegrino prior to EGM (including indirect interests)	Nil
Options to be issued under this resolution to Mr Pellegrino following EGM	6,000,000
Shares that will be held following the exercise of all Options held by Mr Pellegrino	12,000,000
% of Shares that would be held by Mr Pellegrino assuming no other Options held by other parties were exercised	1.063%
% of Shares that would be held by Mr Pellegrino assuming all other Options held by other parties were exercised (fully diluted basis)	1.047%

Mr Jacob Khouri (as at the date of this Notice)	
The total number of shares on issue in BPO	1,116,570,347
Shares currently held by Mr Khouri (including indirect interests)	Nil
% of shares currently held by Mr Khouri	n/a
Shares to be issued under this resolution to Mr Khouri following EGM (excluding shares to be issued upon exercise of Options)	3,000,000
Options held by Mr Khouri prior to EGM (including indirect interests)	Nil
Options to be issued under this resolution to Mr Khouri following EGM	3,000,000
Shares that will be held following the exercise of all Options held by Director	6,000,000
% of Shares that would be held by Mr Khouri assuming no other Options held by other parties were exercised	0.534%
% of Shares that would be held by Mr Khouri assuming all other Options held by other parties were exercised (fully diluted basis)	0.523%

Directors' recommendation

All of the Directors abstain from voting on Resolutions 11 through 14 in compliance with the voting exclusion statement under the Listing Rules.

9. RESOLUTION 15 – Approval of Issue of Shares and Options to Executive employees

9.1 Background

In February 2011, Mr May, the Chief Operating Officer of the Company and Mr Johnston, the Company Secretary completed personal annual performance reviews and it was recommended by the directors that they be issued with Shares and Options in the Company in lieu of an increase in their base salaries. Their last review was given in August 2009 and the workload and responsibilities of the executive employees have increased significantly in the intervening period.

The directors believe that the issue of Shares and Options is appropriate for the following reasons:

(a) the Company wishes to maximise the use of its cash resources towards the Company's development and equity based incentives such as Shares and Options are used to supplement cash based remuneration;

(b) equity based incentives, such as Shares and Options, assist in the alignment of Shareholders and employee's interests;

(c) the Company believes the nature of the Shares and Options package proposed is commensurate with market practice.

(d) On this basis the Company believes the giving of the benefits, as constituted by the issue of the Shares and Options is in the best interests of the Company and its Shareholders.

9.2 Regulatory Requirements – Listing Rule 7.1

The requirements of Listing Rule 7.1 are set out in section 2.2 of this Explanatory Memorandum.

The 4,000,000 Shares and 4,000,000 Options proposed to be issued by the Company pursuant to Resolution 15 will otherwise exceed the 15% threshold referred to in Listing Rule 7.1 and, accordingly, Shareholder approval under Listing Rule 7.1 is sought.

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

- the maximum number of securities to be issued pursuant to Resolutions 15 is 4,000,000 Shares and 4,000,000 Options;
- The Shares will be issued and allotted and the Options will be granted for no consideration;
- the Shares and Options will be issued and allotted to Mr Peter May (2,000,000 Shares and 2,000,000 Options) and Mr Colin Johnston (2,000,000 Shares and 2,000,000 Options);
- the Shares and Options will be issued and allotted on or after the date of the Meeting and in any event no later than three months after the date of the Meeting, being the 8 October 2011;
- no funds will be raised by the issue of the Shares or the Options;
- the Options will be granted on the terms as set out in Section 18; and
- An appropriate voting exclusion statement is included in the Notice.

The Shares issued or upon conversion of Options issued will rank *pari passu* with existing Shares on issue.

Directors' recommendation

All Directors recommend that shareholders vote in favour of Resolution 15.

10. RESOLUTION 16 – Approval of Change in Nature of Activities

10.1 Approval under Listing Rule 11.1

Resolution 16 has been included so that Shareholders may approve, pursuant to Listing Rule 11.1, the Company proceeding with the proposed acquisition of up to 75% of the issued capital in Frontier.

Listing Rule 11.1.2 provides that the Company must obtain the approval of Shareholders if required by ASX, where the Company proposes a significant change to the nature or scale of its activities. The Company wishes to, and has confirmed to ASX that it will, seek Shareholder approval under Listing Rule 11.1.2 to change the nature of the Company's activities so that the Frontier Acquisition can proceed.

The Frontier Acquisition will constitute a significant change to the nature of the Company's activities as set out in this Explanatory Memorandum.

10.2 Current activities of the Company

BioProspect is a publicly listed technology company which focuses research and early-stage commercialisation in the pesticide and agricultural sectors with interests in the pharmaceutical, biotechnology and life science industries. Since listing on ASX in 2001, the Company's main focus has been on developing natural plant extracts for use in the agriculture and animal health market segments.

In August 2009, the Company acquired Re Gen Wellness Products Pty Ltd in order to enter the human health and skin care segments based on emu oil additives.

The Company has consistently advised the market through previous capital raisings, placements and share purchase plans that it has sought investment opportunities to expand its potential sources of revenue and therefore increase shareholder value.

The Company intends to maintain its current operations and a large proportion of the proceeds from the recent capital raising will go towards expanding BioProspect's existing operations and activities.

The Company believes it is an opportune time to consider additional strategies for generating value for Shareholders.

10.3 The Frontier Acquisition

The proposed acquisition of Frontier is summarised as follows:

(a) BioProspect will subscribe for 1,000,000 new shares in the capital of Frontier at \$1.00 each (**Frontier Shares**).

(b) Upon allotment of the Frontier Shares, BioProspect will hold a 25% interest in Frontier.

(c) Conditional upon the first part of the transaction (per paragraph (a) and (b)) occurring, BioProspect will also be granted an option to acquire a further 50% interest in Frontier, in two tranches (the 'First Option' and 'Second Option') of 25% each. In consideration for the grant of the First Option and Second Option, BioProspect will issue Frontier shareholders (pro rata to their entitlement) 150,000,000 Shares.

(d) The First Option may be exercised by BioProspect at any time up to 60 days after Frontier formally notifies BioProspect that a farm-in partner has been secured to drill at least one well (at the farm-in partner's cost) on SC55 (a development in the deep waters of the South China Sea). The exercise price payable by BioProspect to exercise the First Option is \$1.25 million cash and the issue of 100,000,000 Shares and 100,000,000 Options (each convertible for one Share at an exercise price of \$0.03 and an expiry date of 31 December 2013).

(e) The Second Option may be exercised by BioProspect at any time up to 60 days after Frontier formally notifies BioProspect that an exploration well has been 'spudded' on SC55. The exercise price payable by BioProspect to exercise the Second Option is \$1.25 million cash and the issue of 150,000,000 Shares and 150,000,000 Options (each convertible for one Share at an exercise price of \$0.03 each with an expiry date of 31 December 2013).

(f) Upon the exercise of the First Option and Second Option and the issue of 100,000,000 and 150,000,000 Shares respectively, (assuming no other subsequent equity issues), Frontier shareholders will hold an interest in BioProspect of approximately 23.4% of the total issued capital then on issue. As the major shareholder of Frontier holds 36.6% of the issued capital of Frontier, this will represent a total holding in BioProspect of just 8.56%.

For additional information regarding the Frontier Transaction, Shareholders are directed to the Company's announcements via ASX on the ASX website and the Company's website (www.bioprospect.com/news_asx).

10.4 Effects of the proposed change in activities

The Frontier Acquisition will be a change in the nature of the Company's current activities, adding to them oil and gas exploration and development. BioProspect however, has no intention of ceasing any of its current activities. The Board's intentions is that BioProspect's current activities will continue to be the primary focus for the Company and constitute the substantial proportion of the Company's business, with interests in oil and gas through the Frontier Transaction forming a minor proportion of the business.

The Company is currently ramping up its development programs in order to achieve significant sales within the next 12 months. In February 2011, BioProspect announced an exclusive distribution contract with Doward International Pty Ltd for the Re Gen Wellness range of products. Sales of the Pain Relief Spray have been \$172,000 over the months of February and March 2011.

A television advertising campaign for the Pain Relief Spray was filmed in early April 2011 and will commence on the main commercial capital city stations during late April 2011. Sales are expected to increase significantly after this campaign. BioProspect is also looking to secure a distribution agreement with a US company for the Pain Relief Spray.

BioProspect is in the process of further developing the DEMURE® and LAZURE™ cosmetic ranges and sales are expected after distribution avenues are secured, which the company is looking at presently.



In regards to the development of AGRIPRO® and GI-GUARD®, the company is in the process of commencing further equine studies.

The purpose of the Frontier Acquisition is to broaden the activities of the Company and, in doing so, implement a strategy to increase value for Shareholders over the longer term. The Board reasonably believes that it will be capable of managing the implementation process such that there is minimal risk that additional time and resources will be required from the existing BioProspect executive team.

In the near term, BioProspect will experience a reduction in its cash reserves to the extent that it is required to make cash payments to Frontier.

BioProspect will seek to raise capital as necessary. In order to balance the depletion of cash, BioProspect has negotiated to issue Shares and options to the shareholders of Frontier. Following the issue of Shares and options in consideration for the initial payment and exercise of the First and Second Options, (assuming no other subsequent equity issues), the major shareholder of Frontier will hold an interest in BioProspect of approximately 8.6% of the total issued capital then on issue. This will have a dilutionary impact on the current interests of BioProspect Shareholders.

To illustrate the effect of the Frontier Transaction on the Company, a Pro Forma Statement of Financial Position has been prepared as at 28 February 2011.

		Unaudited Consolidated		Unaudited
	Notes	28 February 2011	Adjustments	Pro forma consolidated
		\$	\$	\$
Current Assets				
Cash and cash equivalents	2,5	3,424,544	3,411,000	6,835,544
Trade and other receivables		92,800	-	92,800
Inventories		161,851	-	161,851
Prepayments		42,165	-	42,165
Total Current Assets		3,721,360	3,411,000	7,132,360
Non-current Assets				
Intangibles		300,000	-	300,000
Available-for-sale investments	2,6	63,792	2,500,000	2,563,792
Property, plant and equipment		26,643	-	26,643
Total Non-current Assets		390,435	2,500,000	2,890,435
TOTAL ASSETS		4,111,795	5,911,000	10,022,795
Current Liabilities				
Trade and other payables		264,698	-	264,698
Equity funds received not issued	1	1,499,547	(1,499,547)	-
Provisions		23,880	-	23,880
Total Current Liabilities		1,788,125	(1,499,547)	288,578
Non-current Liabilities				
Other payables		-	-	-
Total Non-current Liabilities		-	-	-
TOTAL LIABILITIES		1,788,125	(1,499,547)	288,578
NET ASSETS		2,323,670	7,410,547	9,734,217
EQUITY				
Issued capital	1,2,3,5	31,219,299	7,910,547	39,129,846
Reserves	4	2,626,751	345,000	2,971,751
Accumulated losses	3,4	(31,522,380)	(845,000)	(32,367,380)
TOTAL EQUITY		2,323,670	7,410,547	9,734,217

Notes to the pro forma Statement of Financial Position

- \$1,499,547 of funds raised from the Placement announced 16 February 2011 will not be issued until after Shareholder approval. A further \$411,000 will be received for the balance of the 191,000,000 Shares issued after Shareholder approval.
- As per the Frontier transaction, \$1 million cash paid for initial 25% investment after shareholder approval and the issue of 150,000,000 Shares at an issue price of 1 cent (\$1.5 million), for a total of \$2.5 million;
- Issue of 50,000,000 Shares with an attributed value of 1 cent to Novus Capital for successful completion of the Frontier transaction, for a total of \$500,000.
- Issue of 50,000,000 Options with an attributed value of 0.69 cent to Novus Capital attached to the shares under point 3
- Issue of 200,000,000 Shares to professional and sophisticated investors at an estimated price of 2 cents for a total of \$4 million.
- At the completion of the \$1 million cash payment and issue of 150,000,000 Shares to Shareholders of Frontier represents only 25% of the total net assets of the consolidated group.

The Company draws Shareholders' attention to the fact the balance sheet (above) only illustrates expenditure arising from the transactions that are the subject of resolutions in this Notice. The balance sheet does not include expenditure on the Company's current development activities and other working capital requirements. In this regard, the Company intends to apply funds during 2011 in the following manner:

Intended use of funds	Estimated expenditure (\$)
Benefit Sharing Agreement QLD Government payments	\$50,000
GI-GUARD® and AGRIPRO® development in equine and other markets	\$700,000
Inventory safety stock for the Re Gen Wellness range of skincare products	\$200,000
Development of the DEMURE® & L'AZURE™ range of cosmetics	\$100,000
Legal fees	\$100,000
Audit, tax and due diligence fees	\$150,000
Salaries and wages and director's fees	\$575,000
Other working capital requirements	\$480,000

The intended use of funds set out above reflects the Board's intention based on currently available information.

There are some risks associated with the Frontier Acquisition are:

- BioProspect's due diligence process in respect of the Frontier Acquisition may not be successful and the Frontier business may not perform to the level expected or the assets may not retain the value attributed to them;
- unfavourable changes to the regulatory environment for the oil and gas industry which may have an impact on the future profitability of the Frontier business;
- management time of Frontier and BioProspect may be diverted; and
- BioProspect may need to raise significant debt or equity funding and may not be able to do so on favourable terms.

Section 11 provides further commentary in relation to the Frontier assets.

The Board is, nevertheless, of the opinion that the change in activities provides a benefit to BioProspect and its Shareholders which, on balance, outweighs the potential risks associated.

Directors' recommendation

All Directors recommend that shareholders vote in favour of Resolution 16.



11. RESOLUTION 17 – Approval of Issue of Shares to Shareholders of Frontier Gasfields Pty Ltd

11.1 Background

As a condition of the Frontier Acquisition, BioProspect is required to issue 150 million Shares to the shareholders of Frontier Gasfields Pty Ltd (**Frontier**) as consideration for the granting of an option arrangement to acquire issued capital in Frontier.

Frontier assets

Based on the due diligence program conducted by the Company in relation to the acquisition of interests in Frontier, the Company believes that the gas and oil assets of Frontier are as follows:

- 80% interest in SC52, which is an onshore oil and gas block located in the Philippines (ASX Announcement 31 March 2011), which is subject to the entry into assignment documentation with E. F. Durkee & Associates, Inc (**EFDA**) and approval from the Department of Energy (**DOE**), which cannot be unreasonably withheld;
- an option to acquire from Trans-Asia Oil and Energy Development Corporation (Trans-Asia) the 5% interest in the SC55 which Trans-Asia has the right to acquire from NorAsian Energy Limited pursuant to the terms of a Participation Agreement dated 15 March 2005 made between Trans-Asia, AustraAsian Energy Limited and Otto Energy Limited; and
- 15% interest in SC69 subject to the completion of assignment and assumption documentation with Trans-Asia and NorAsian PH and approval from DOA, which cannot be unreasonably withheld.

As a result of the Frontier acquisition, the Company will have a corresponding level of ownership in these assets relative to its interest in Frontier at that time.

SC52, SC55 and SC69 are subject to the satisfaction of conditions precedent which the Company believes are normal for a transaction of this nature.

At the date of this Notice of Meeting, the conditions precedents that apply to the Company's acquisition of Frontier is subject to:

- approval of shareholders as contemplated by this Notice;
- regulatory approval from the relevant DOE approvals; and
- satisfaction of any other further requirements as contemplated for the purposes of obtaining approval from the relevant government bodies in the Philippines;

The meeting called by this Notice seeks Shareholder approval contemplated as a condition precedent to the acquisition of interest in Frontier.

The Company anticipates the process in relation to SC52 and SC69 can be finalised expeditiously, utilising existing resources and that these processes are an anticipated component in executing the transaction. As there are third parties involved, the Company cannot guarantee it will obtain the necessary approvals, and the Company will endeavour to advise shareholders as soon as possible if this does not occur. If the relevant approvals cannot be obtained, there is a risk that the Company may not be able to complete parts or all of the proposed acquisition.

Frontier's interests as described above, will require Frontier to expend funds to facilitate the relevant transfers to the Company. There is a risk that if Frontier is not able to meet its financial obligations in relation to the tenements, it may delay wholly or in part the proposed acquisition. The Company currently has no reason to believe that this will be the case.

General

The approval of this Resolution and the issue of the Shares in accordance with its terms, is conditional upon the approval of Resolution 16.

11.2 Regulatory Requirements – Listing Rule 7.1

The requirements of Listing Rule 7.1 are set out in section 2.2 of this Explanatory Memorandum.

- the 150,000,000 Shares proposed to be issued by the Company pursuant to Resolution 17 will exceed the 15% threshold referred to in Listing Rule 7.1 and, accordingly, Shareholder approval under Listing Rule 7.1 is sought.
- the following information is included in this Explanatory Memorandum for the purpose of Listing Rule 7.3:
- the maximum number of securities to be issued pursuant to Resolution 17 is 150,000,000 Shares;
- the Shares will be issued with an attributed value of \$0.01 though no funds will be raised, as the Shares are being issued as consideration for the option to acquire a further 50% interest in the issued capital in Frontier Gasfields;
- the Shares will be issued to the existing shareholders of Frontier as displayed in the following table.

A	B	C	D
Shareholder	Number of Frontier Shares held	Interest (%)	No of BPO shares
Peter Jermyn	200	0.007	10,000
Oak Trust (Guernsey) Ltd	200,000	6.666	10,000,000
Dentost Pty Ltd	600,000	20.000	30,000,000
Stewart Cranswick ATF Stewart & Sally Super Fund	100,000	3.333	5,000,000
Jennifer Stagoll ATF The Stagoll Family Trust	100,000	3.333	5,000,000
Middle East Petroleum Services Limited	1,099,800	36.660	54,990,000
Panther Petroleum Limited	750,000	25.000	37,500,000
Suburban Holdings Pty Ltd ATF The Suburban Super Fund	100,000	3.333	5,000,000
James Parry	50,000	1.667	2,500,000
Totals	3,000,000	100.000	150,000,000

- for completeness, it is noted that none of the allottees are related parties of BioProspect;
- the Shares will be issued and allotted within 3 months of the Meeting, being 8 October 2011 (conditional upon approval of Resolutions 16);
- no funds will be raised by the issue; and
- the Shares will rank equally with all other Shares on issue.

Directors' recommendation

All Directors recommend that shareholders vote in favour of Resolution 17.

12. RESOLUTION 18 – Approval of Issue of Shares and Options to Novus Capital Pty Ltd

12.1 Background

Novus Capital Pty Ltd (Novus) were instrumental in bringing the potential investment into Frontier Gasfields Pty Ltd and as such have incurred many hours of management time up to preparing this Notice and have assisted Lavan Legal in the current due diligence process. Assuming a successful due diligence program, and Shareholder approval under Resolutions 16 and 17, the Directors have recommended that Novus Capital be issued with Shares and Options as compensation for their own costs plus as a reward for bringing the investment opportunity to the Company.

It is proposed that Novus be issued 25,000,000 Shares and 25,000,000 Options on approval of Resolution 17 and a further 25,000,000 Shares and 25,000,000 Options upon the Frontier Transaction moving to the second tranche as defined under Paragraph 10.3 above. This event is expected to occur within 3 months after the General Meeting, being 8 October 2011.

In the event the Frontier Transaction is delayed and does not achieve the second tranche within 3 months of the Meeting, the Shareholder approval under this resolution will lapse and the Company will need to convene another extraordinary general meeting of Shareholders to again seek approval for the issue of securities to Novus Capital.

12.2 Regulatory Requirements – Listing Rule 7.1

The requirements of Listing Rule 7.1 are set out in section 2.2 of this Explanatory Memorandum.

The 50,000,000 Shares and 50,000,000 Options proposed to be issued by the Company pursuant to Resolution 18 will exceed the 15% threshold referred to in Listing Rule 7.1 and, accordingly, Shareholder approval under Listing Rule 7.1 is sought.

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

- the maximum number of securities to be issued pursuant to Resolutions 18 is 50,000,000 Shares and 50,000,000 Options;
- the Shares and Options will be issued and allotted in the following manner:
 - > 25,000,000 Shares and 25,000,000 Options upon Resolution 17 being approved, and in any event, no later than 3 months after this Meeting, being 8 October 2011;
 - > 25,000,000 Shares and 25,000,000 Options upon the Frontier Transaction moving to the second tranche as defined under Paragraph 10.3 above and in any event, no later than 3 months after this Meeting, being 8 October 2011, provided that if the Frontier Transaction does not move to the second tranche by 8 October 2011, the 25,000,000 Shares and 25,000,000 Options will not be issued;
- The Shares will be issued with an attributed value of \$0.01 per Share while the Options will be issued with an attributed value of 0.69 of a cent each, but no cash funds will be raised by the issue;
- the Shares and Options will be issued to Novus Capital Pty Ltd;

- the Options will be granted on the terms as set out in Section 18; and
- the Shares will rank equally with all other Shares on issue.

Directors' recommendation

All Directors recommend that Shareholders vote in favour of Resolution 18.

13. RESOLUTION 19 – Approval of Issue of Shares and Options to sophisticated and professional investors

13.1 Background

With the investment into Frontier that has been proposed in Resolutions 16, there is the possibility that the Company will need to raise further capital to fund drilling activities and other working capital requirements within three months of this General Meeting, being 8 October 2011. As a result, the Directors are requesting approval from Shareholders to approve a placement to sophisticated and professional investors to ensure that the Company's 15% issuing capacity is maintained. BioProspect intends to issue up to 200,000,000 Shares along with 200,000,000 free attaching Options (exercisable on or before 31 December 2013 at an exercise price of 3 cents per Share).

The proposed placement will be managed by Novus Capital Pty Ltd and it is expected that the Shares and options will be placed to clients of Novus Capital who must be sophisticated and professional investors for the purposes of the Corporations Act in order to invest.

Approval is sought under Listing Rule 7.1 on the basis that the sophisticated and professional investors will not be related parties of BioProspect.

13.2 Regulatory Requirements – Listing Rule 7.1

The requirements of Listing Rule 7.1 are set out in section 2.2 of this Explanatory Memorandum.

The 200,000,000 Shares and 200,000,000 Options proposed to be issued by the Company pursuant to Resolution 19 will exceed the 15% threshold referred to in Listing Rule 7.1 and, accordingly, Shareholder approval under Listing Rule 7.1 is sought.

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

- the maximum number of securities to be issued pursuant to Resolution 19 is 200,000,000 Shares and 200,000,000 Options;
- the Shares will be issued at a price calculated as 80% of the volume weighted average closing price for the 5 days preceding the date of issue. The Options will be issued at deemed value of 0.69 of a cent per Option. The funds from the issue of the Shares will be paid to BioProspect in cash;
- the Shares and Options will be issued and allotted no later than three months after the date of the Meeting, being 8 October 2011.
- the Shares and Options will be issued to professional and sophisticated clients of Novus Capital;
- the cash funds raised by the issue of Shares and Options will be to fund working capital requirements associated with the Frontier investment and other natural product development activities in furtherance of the Company's primary activities in the biotechnology space;
- the Options will be granted on the terms as set out in Section 18; and
- the Shares will rank equally with all other Shares on issue.

Directors' recommendation

All Directors recommend that Shareholders vote in favour of Resolution 19.



14. RESOLUTION 20 – Approval of Issue of Shares to consultants and advisors

14.1 Background

During the last 12 months, the Company has engaged various consultants and advisors who have been critical in providing services to the Company in order to progress the development of the Company's product portfolio, including DEMURE®, L'AZURE™, AGRIPRO®, GI-GUARD® and REGEN®.

The Company is well aware of the need to maximise its cash reserves for ongoing development projects and has agreed with these consultants that they be issued with Shares in the Company to secure long term support and commitment.

Approval is sought under Listing Rule 7.1 on the basis that these consultants and advisors are not related parties of BioProspect.

14.2 Regulatory Requirements – Listing Rule 7.1

The requirements of Listing Rule 7.1 are set out in section 2.2 of this Explanatory Memorandum.

The 7,000,000 Shares proposed to be issued by the Company pursuant to Resolution 20 will exceed the 15% threshold referred to in Listing Rule 7.1 and accordingly, Shareholder approval under Listing Rule 7.1 is sought.

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

- the maximum number of securities to be issued pursuant to Resolutions 20 is 7,000,000 Shares;
- the Shares will be issued at a price calculated as 80% of the volume weighted average closing price for the 5 days preceding the date of issue;
- the Shares will be issued and allotted no later than three months after the date of the Meeting, being 8 October 2011.
- the Shares will be issued to the following consultants;
 - > 2,000,000 Shares to Wayne Loh of I Nuovi Cosmetics (S) PTE LTD or his nominated entity or associate;
 - > 2,000,000 Shares to Wendell Wait of Boambee Sciences Pty Ltd or his nominated entity or associate;
 - > 2,000,000 Shares to Howard Fox of Manningtree Pty Ltd or his nominated entity or associate;
 - > 1,000,000 Shares to Cleo Nanni or his nominated entity or associate.
- no funds will be raised by the issue of Shares; and
- the Shares will rank equally with all other Shares on issue.

Directors' recommendation

All Directors recommend that Shareholders vote in favour of Resolution 20.

15. RESOLUTION 21 – Approval of Issue of Options to Obelisk SAL

Resolution 21 seeks Shareholder approval for the issue of up to 50,000,000 Options to Obelisk SAL.

The Listing Rules and the Corporations Act set out a number of regulatory requirements which must be satisfied. These are summarised below.

15.1 Background

During the last 12 months Obelisk SAL has been instrumental in assisting BioProspect in the establishment of overseas markets, particularly in the Middle East and Russia as well providing assistance with regards to registration and sales of Re Gen's therapeutic range of products in those countries.

The Company is well aware of the need to maximise its cash reserves for ongoing development projects and has agreed with Obelisk SAL that it will be issued with Options in the Company to secure long term support and commitment.

15.2 Regulatory Requirements – Listing Rule 10.11

Listing Rule 10.11 requires the Company to obtain Shareholder approval by ordinary resolution prior to the issue of securities to a related party of the Company.

If Resolution 21 is passed, securities will be issued to Obelisk SAL which is a related party of the Company. Accordingly, approval for the issue of securities is required pursuant to Listing Rule 10.11.

Pursuant to Listing Rule 7.2, exception 14, approval under Listing Rule 7.1 is not required where approval is obtained under Listing Rule 10.11. The issue of Options to Obelisk SAL will not be included in the 15% calculation for the purposes of Listing Rule 7.1 if approval is obtained under Listing Rule 10.11 for Resolution 21.

15.3 Regulatory Requirements – Listing Rule 10.13

For the purposes of Listing Rule 10.13, the following information is provided in relation to Resolution 21:

- the maximum number of Options to be issued and allotted by the Company is 50,000,000. The maximum number of Shares which may be issued upon the subsequent vesting and exercise of the Options is 50,000,000 Shares;
- the Options will be issued and allotted for no cash consideration;
- options will be issued and allotted no later than one month after the date of the General Meeting, being 8 August 2011;
- no funds will be raised from the issue and allotment of the Options; and
- the Options will be granted on the terms as set out in Section 18.

15.4 Section 208 of the Corporations Act

Under Chapter 2E of the Corporations Act, a public company cannot give a 'financial benefit' to a 'related party' unless one of the exceptions to the section apply or Shareholders have in a general meeting approved the giving of that financial benefit to the related party.

In the current circumstances, the issue of the Options to Obelisk SAL constitutes a 'financial benefit' as defined in the Corporations Act. Obelisk SAL is owned and controlled by Leo Khouri (a former director of BioProspect) who is also the father of current director and related party of the Company, Jacob Khouri. Accordingly, Obelisk SAL is a related party of the Company as defined under the Corporations Act. The proposed issue of Options to Obelisk SAL will, therefore, constitute the provision of a financial benefit to a related party of the Company.

It is the view of the Directors that the exceptions under the Corporations Act to the provision of financial benefits to related parties may not apply in the current circumstances.

The Directors have determined it appropriate to seek Shareholder approval under Section 208 of the Corporations Act to permit the issue of the Options to Obelisk SAL.

15.5 Sections 217 to 227 of the Corporations Act

Pursuant to Sections 217 to 227 of the Corporations Act, the Company provides the following information to Shareholders in respect of the proposed financial benefit to be given to Obelisk SAL:

- the related party to whom the financial benefit will be given is Obelisk SAL;
- the maximum number of Options (being the nature of the financial benefits to be provided) to be issued and allotted is 50,000,000 Options;
- the Options will be granted on the terms as set out in Section 18; and
- the Directors (Mr Jacob Khouri abstaining), who do not have a material personal interest in the outcome of Resolution 21, recommend that Shareholders vote in favour of Resolution 21 as they are of the view that the issue of Options to Obelisk SAL is appropriate to provide it a means of consideration for the provision of its services for the benefit of the Company and Shareholders. The Directors (Mr Jacob Khouri abstaining) considered Obelisk's contribution to the Company and its future prospects arising from Obelisk's services to the Company when determining the number and exercise price of the Options to be issued to Obelisk SAL. Mr Jacob Khouri declined to make a recommendation in relation to the Resolution;
- the reasons for giving this financial benefit are:

- (i) the Company wishes to maximise the use of its cash resources towards the Company's development and equity based remuneration for services rendered, including Options, are used to supplement cash based payments;
- (ii) the Company wishes to recognise the services and support provided by Obelisk to the Company to date and to the strategic nature of the relationship between Obelisk and the Company as a source of raw materials and as a potential distributor of Company products to the Middle East and adjacent markets.

- Obelisk SAL currently has an interest in the following securities in the Company:

Shares	Options
Nil	Nil

- if Shareholders approve the issue of Options to Obelisk, and all of the Options are exercised, the effect will be to dilute the shareholding of existing Shareholders by approximately 50,000,000 on an undiluted basis based on the number of Shares on issue as at the date of this Notice (assuming 1,116,570,347 Shares on issue). The market price for Shares during the term of the Options would normally determine whether or not Obelisk SAL exercises the Options. If, at the time any of the Options are exercised, the Shares are trading on ASX at a price that is higher than the exercise price of the Options, there may be a perceived cost to the Company;

- in the last 12 months up to and including 19 May 2011, the highest, lowest and last trading price of Shares on ASX are set out below:

	Date	Price
Highest	24/02/10	\$0.030
Lowest	26/11/10	\$0.007
Last	19/05/11	\$0.011

- ASIC in reviewing documents lodged under section 218 relating to the giving of financial benefits to related parties of public companies requires explanatory information regarding the value of the Options to be granted. The value of the Options has been calculated internally by the Company using the Black Scholes pricing model and is set out under 15.6 below; and
- the Directors are not aware of any further information that Shareholders should consider before making a decision to vote on Resolution 21.

15.6 Valuation of Options

The Options have been valued using the Black Scholes model and based upon the following assumptions:

- the Options expire on 31 December 2013 and are all exercisable at \$0.03 per Share;

- the average closing market price of the Shares for the 12 month period prior to the time of the Company agreed to issue the Options was \$0.015;
- an annual common volatility factor of 22.1%;
- an interest rate of 4.97%; and
- the valuation date for the Options is 15 March 2011.

Based on the above, the Options have been valued at \$0.0069 each.

The Black Scholes valuation methodology has been used. The Company is of the view that this is a commonly used methodology for valuing Options and is appropriate in the circumstances. The valuation ascribed to the Options may not necessarily represent the value of the Options at the date of the issue however.

Related Party	Options	Deemed value of Options applying valuation methodology (\$)
Obelisk SAL	50,000,000	\$345,000

Directors' recommendation

All Directors recommend that Shareholders vote in favour of Resolution 21.

16. 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 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: (07) 3229 5755).

17. 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.

18. TERMS AND CONDITIONS OF OPTIONS

The terms of the Options referred to in the Resolutions in this Notice are as follows:

- Each Option is exercisable at a price of \$0.03 on or before 31 December 2013;
- Application will be made to ASX for the Options to be granted quotation, subject to the right to be granted quotation. If the Options are exercised the Company will apply for the Shares thereupon issued to be granted quotation. Such Shares will rank equally from the date of issue with all other Shares on issue;
- The rights of the holder of the Options will be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation;
- The Options do not entitle the holder to participate in any new issues by the Company without exercising the Options;
- The Options do not confer on the holder any rights to a change in the exercise price of the Options or a change to the number of underlying securities over which the Options can be exercised except:
 - in the case of a pro rata issue to the holders of shares (except a bonus issue) in which case the exercise price of each Option shall be reduced in accordance with the formula contained in Listing Rule 6.22.2; and
 - in the case of a bonus issue to the holders of Shares, in which case the number of Shares over which each Option is exercisable shall be increased by the number of Shares which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue; and
- The Options are freely transferable.



19. INTERPRETATION

“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;
“ESIOP”	means Executive Incentive Share and Option Plan;
“Frontier”	means Frontier Gasfields Pty Ltd ACN 142 715 713;
“Frontier Acquisition”	means the proposed acquisition of up to 75% of Frontier by BioProspect on the terms summarised in section 10;
“General Meeting”	means the extraordinary general meeting of Shareholders the subject of the Notice;
“Listing Rules”	means the official listing rules of ASX;
“Novus Capital”	means Novus Capital Pty Ltd. ABN 32 006 711 995;
“Meeting or EGM”	means the meeting of Shareholders convened by the Notice to be held at 1.30pm on 8 July 2011 and any adjournment thereof;
“Notice”	means the notice in respect of the Meeting;
“Option”	means an option to acquire a Share exercisable at \$0.03 each on or before 31 December 2013 on the terms and conditions set out in Section 18. These options are currently listed;
“Shares”	means ordinary fully paid shares in the capital of the Company;
“Shareholder”	means the registered holder of a Share.

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 member’s 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 – 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 proxy’s 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.
 6. To vote by proxy, please complete and sign 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 (07) 3229 4655; or
 - send to the Company at Suite 6, Level 3, 320 Adelaide Street, Brisbane, Queensland 4000; or
 - deliver it to the Company at Suite 6, Level 3, 320 Adelaide Street, Brisbane, Queensland; or
 - scan and email to info@bioprospect.com.

so that it is received no later than 1.30pm (EST) on 6 July 2011, 48 hours ahead of the meeting.

PROXY FORM

EXTRAORDINARY GENERAL MEETING
Appointment of Proxy

I/We

Of –(address)

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 Parkview Hotel, 562 St Kilda Road, Melbourne Victoria on 8 July 2011 at 1.30pm and at any adjournment thereof. If no directions are given, the Chairman will vote in favour of resolutions 1 to 21.

IMPORTANT: If the Chair of the Meeting is appointed as your proxy, or may be appointed by default and you do not direct your proxy on 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. 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

	FOR	AGAINST	ABSTAIN
1 Ratification of Issue of Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Approval of Issue of Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Approval of Issue of Free Attaching Placement Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval of Issue of Options to Underwriter	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5A Approval of Issue of Options to SEK Investments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5B Approval of Issue of Options to Pitt Street Absolute Return Fund	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Approval of Issue of Shares and Options to Mr Langdon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Approval of Issue of Shares and Options to Mr Pellegrino	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8 Approval of Issue of Shares and Options to Dr Quinlan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9 Approval of Issue of Shares and Options to Mr Khouri	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10 Approval of Executive Incentive Share and Option Plan (EISOP)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11 Approval of EISOP Shares and Options to Mr Langdon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12 Approval of EISOP Shares and Options to Mr Pellegrino	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13 Approval of EISOP Shares and Options to Dr Quinlan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14 Approval of EISOP Shares and Options to Mr Khouri	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15 Approval of Issue of Shares and Options to Executives Employees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16 Approval of Change in Nature of Activities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17 Approval of Issue of Shares to Shareholders of Frontier	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18 Approval of Issue of Shares and Options to Novus Capital	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19 Approval of Issue of Shares and Options via future placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20 Approval of Issue of Shares to consultants and advisors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21 Approval of Issue of Options to Obelisk SAL	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your shares are not to be counted in computing the required majority on a poll.

Signed this day of 2011

By: Individuals and joint holders

Signature

Signature

Signature

Companies (affix common seal if appropriate)

Director

Director/Company Secretary

Sole Director and Sole Company Secretary



BIOPROSPECT LIMITED

ABN 58 008 130 336