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The Manager
Company Announcements
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Level 4, 20 Bridge Street
Sydney, NSW 2000

Frontier Gasfields investment finalised; new appointments

Highlights

- BioProspect concludes acquisition of 25% stake in oil and gas explorer Frontier Gasfields Pty Ltd
- Frontier strengthens management team with appointment of Chief Operating Officer and Exploration Manager

Australian natural products provider BioProspect Limited (ASX:BPO) today announced the conclusion of its acquisition of a 25 per cent stake in privately owned Australian oil and gas explorer Frontier Gasfields Pty Ltd, as part of the Company's investment diversification.

Following shareholder approval at the July 8 Extraordinary General Meeting, BioProspect has issued 150,000,000 shares to Frontier shareholders as consideration for its investment. The Company has subscribed for 1 million new shares in Frontier at \$1each, with the option to increase its stake by a further 50 per cent in two equal tranches of 25 per cent.

BioProspect's Managing Director, Charles Pellegrino, said he welcomed shareholders' support for the investment following the Company's due diligence activities on Frontier.

"Frontier has a suite of oil and gas assets in the Philippines and China with considerable potential, giving BioProspect the opportunity to secure additional cash flow for our natural product development," he said.

Led by its chairman Peter Jermyn, who has more than 30 years' experience in the public company arena in the legal, financial and corporate sectors, Frontier has announced the strengthening of its management team with two new senior executive appointments.

Joining Frontier as its Chief Operating Officer is James Parry, a petroleum engineer with 32 years' experience in the oil industry, having managed operations for several major oil and gas companies including Apache Energy and Premier Oil.

Importantly, Mr Parry has had considerable managerial and operational experience in the Philippines oil and gas industry, having played a key role in bringing the Galoc Oilfield – the country’s largest producing oilfield – into production.

In addition, Freddie Rillera has been appointed Frontier’s Exploration Manager, bringing more than 30 years’ experience in the Philippines oil and gas exploration industry, including in the government and private sectors. He has served in senior executive roles for several oil and gas corporations and spearheaded exploration activities for a number of oil concessions in the country.

“Both Mr Parry and Mr Rillera bring substantial technical and operational expertise in the Philippines to Frontier. Their addition compliments the knowledge and skill set of the current Frontier exploration and operational team and the quality of its oil and gas projects,” Mr Jermyn said.

Commenting on the latest developments, Mr Pellegrino said: “BioProspect welcomes Frontier’s strengthening of its management and operational team, as the company expands its operations, particularly in the Philippines, which is showing growing gas prices in line with the region’s rapid growth.

“We are confident of securing further growth in shareholder value for BioProspect, which is committed to the successful development of its *REGEN*[®] range of natural therapeutics and the *AGRIPRO*[®] and *GI-GUARD*[®] natural animal health products.”

Yours sincerely,

A handwritten signature in black ink, appearing to read "Colin Johnston". The signature is written in a cursive, flowing style.

COLIN JOHNSTON
Company Secretary