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

31 January 2012

Appendix 4C Quarterly cash position

The directors of BioProspect Limited, (ASX: BPO) (the Company) wish to make the following comments in relation to the attached Appendix 4C:

- The December quarter's net operating cash burn of \$204,400 was significantly lower than the September quarter's net operating cash burn of \$849,800;
- Other working capital expenditure for December quarter at \$250,300 was well down on the September quarter expenditure;
- Restructuring of the Brisbane office that was announced on 10 October 2011 contributed to a reduction of corporate overheads during December quarter;
- The Company has received a letter of support from the two major shareholders who participated in the convertible note issue that was announced on 29 August 2011, confirming they will provide another \$750,000 of funds, through the issue of further convertible notes to the Company if needed; and
- The Company is also currently reviewing several further capital raising initiatives and will keep the market informed as they are finalised.

Yours sincerely,

A handwritten signature in black ink that reads "Colin Johnston".

**COLIN JOHNSTON
Company Secretary**

+ See chapter 19 for defined terms.

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001

Name of entity

BIOPROSPECT LIMITED

ABN

58 008 130 336

Quarter ended ("current quarter")

31 December 2011

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from customers	-	49
1.2 Payments for		
(a) staff costs	(183)	(363)
(b) advertising and marketing	(17)	(54)
(c) research and development	(18)	(212)
(d) leased assets	-	-
(e) other working capital	(250)	(859)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	3	30
1.5 Interest and other costs of finance paid	-	-
1.6 Income tax rebate received	250	250
1.7 Other – Grants received	-	50
Other - GST	11	55
Net operating cash flows	(204)	(1,054)

+ See chapter 19 for defined terms.

	Current quarter \$A'000	Year to date (6 months)
1.8 Net operating cash flows (carried forward)	(204)	(1,054)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property		
(d) physical non-current assets	(1)	(2)
(e) other non-current assets	-	(1,875)
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	37	37
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other (provide details if material)	-	-
Net investing cash flows	36	(1,840)
1.14 Total operating and investing cash flows	(168)	(2,894)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	-	198
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Other- Issue of convertible notes	-	1,200
1.20 Other- Share issue costs	-	-
Net financing cash flows	-	1,398
Net increase (decrease) in cash held	(168)	(1,328)
1.21 Cash at beginning of quarter/year to date	390	1,718
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 Cash at end of quarter	222	390

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	92
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

The amounts paid in item 1.24 include to payments to associates of a director for the provision of consulting services pertaining to information technology services and capital raisings.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

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Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

+ See chapter 19 for defined terms.

Reconciliation of cash

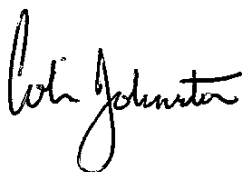
Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	222	390
4.2 Deposits at call	-	-
4.3 Bank overdraft	-	-
4.4 Other (provide details) –cash security deposit	-	-
Total: cash at end of quarter (item 1.23)	222	390

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity	-nil	-nil
5.2 Place of incorporation or registration	-nil	-nil
5.3 Consideration for acquisition or disposal	-nil	-nil
5.4 Total net assets	-nil	-nil
5.5 Nature of business		

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:
Company Secretary

Date: 31.01.2012

Print name: Colin Johnston

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Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
 - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
 - 9.2 - itemised disclosure relating to acquisitions
 - 9.4 - itemised disclosure relating to disposals
 - 12.1(a) - policy for classification of cash items
 - 12.3 - disclosure of restrictions on use of cash
 - 13.1 - comparative information
3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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