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

29 October 2010

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 September quarter's net operating cash burn of \$618,000 was higher than previous normal levels due to expenditure on other working capital requirements of \$338,000.
- Other working capital included share registry costs associated with the June 2010 share purchase plan of \$38,000 annual ASX listing fees of \$20,000 and annual insurance costs of \$21,000.
- As announced on 20 October 2010, the Company completed a private placement with Novus Capital Limited that raised \$370,000 (before costs);
- The company has submitted its 2010 tax return and is expecting a refund of \$400,000 during December 2010 in relation to the Research and Development tax benefit.;
- The Company announced on 26 October 2010 a fully underwritten non renounceable rights issue that will raise \$1.91m (before costs) that will be completed by the end of November 2010.
- The Company's 15% issuing capacity for future capital placements will be restored to full entitlement at the Company's Annual General Meeting to be held on 29 November 2010.

Yours sincerely,

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

COLIN JOHNSTON
Company Secretary

Rule 4.7B

+ 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")

30 SEPTEMBER 2010

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (3... months) \$A'000
1.1 Receipts from customers	26	26
1.2 Payments for		
(a) staff costs	(166)	(166)
(b) advertising and marketing	(31)	(31)
(c) research and development	(123)	(123)
(d) leased assets	-	-
(e) other working capital	(338)	(338)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	5	5
1.5 Interest and other costs of finance paid	-	-
1.6 Income tax rebate received	-	-
1.7 Other – Grants received	28	28
Other - GST	(18)	(18)
Net operating cash flows	(618)	(618)

+ See chapter 19 for defined terms.

	Current quarter \$A'000	Year to date (3 months)
1.8 Net operating cash flows (carried forward)	(618)	(618)
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	-	-
(e) other non-current assets	-	-
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	130	130
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other (provide details if material)	-	-
Net investing cash flows	130	130
1.14 Total operating and investing cash flows	(487)	(487)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	-	-
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	295	295
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Other- Share issue costs	-	-
Net financing cash flows	295	295
Net increase (decrease) in cash held	(192)	(192)
1.21 Cash at beginning of quarter/year to date	739	739
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 Cash at end of quarter	547	547

+ 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	127
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 relate to payments for executive services and travel bookings provided by directors or associated parties.

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

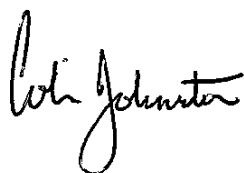
Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	347	739
4.2 Deposits at call	-	-
4.3 Bank overdraft	-	-
4.4 Other (provide details) –cash security deposit	200	-
Total: cash at end of quarter (item 1.23)	547	739

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: 29.10.2010

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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