

NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY MEMORANDUM

ABN 58 008 130 336



PLACE: Parkview Hotel,
562 St Kilda Road, Melbourne, Victoria

DATE: Wednesday 23 November 2011

TIME: 2.00 pm

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 the Annual General Meeting of members of the Company will be held at the Parkview Hotel, 562 St Kilda Road Melbourne on Wednesday 23 November 2011 at 2.00 pm.

AGENDA

ORDINARY BUSINESS:

1. Financial Statements and Reports

To receive the Financial Report and the Reports of the Directors and of the Auditor for the financial year ended 30 June 2011.

2. Remuneration Report

To consider, and if thought fit, pass the following resolution as an **ordinary resolution**:

“That the Remuneration Report that forms part of the Directors’ Report for the Company for the financial year ended 30 June 2011 be adopted.”

The Remuneration Report is included in the “Directors’ Report” section of the 2011 Annual Report.

Please note that the vote on this item is advisory only and does not bind the Directors or the Company.

3. Re-election of Directors

To elect a director in accordance with Article 3.3 of the Company’s Constitution:

Mr Jacob Khouri having been appointed to the Board since the last Annual General Meeting of the Company retires and offers himself for election;

Mr Winton Willesee having been appointed to the Board since the last Annual General Meeting of the Company retires and offers himself for election;

(Refer to Items 4 and 5 of the Explanatory Statement)

4. Ordinary Resolution - Ratification of Issue of Shares and Options

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 100,000,000 fully paid ordinary Shares and 100,000,000 Options that were issued to shareholders of Frontier Gasfields Pty Ltd announced on ASX on 23 August 2011, on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice.”

(Refer to Item 6 of the Explanatory Statement)

5. Approval of Issue of Options to Mr Willesee

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 15,000,000 Options in the capital of the Company to Mr Winton Willesee (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 Options to a Director as approval is being obtained under Listing Rule 10.11.

(Refer to Item 7 of the Explanatory Statement.)

6. Approval of Issue of Shares and Options

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. However, the Company reserves the right to issue a disclosure document and include retail investors in the offer.”

(Refer to Item 8 of the Explanatory Statement)

DEFINITIONS

Terms which are used in this Notice which are defined in Section 10 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 4 – Ratification of Issue of Shares and Options	Any person who participated in the issue, being shareholders of Frontier Gasfields Pty Ltd and any of their associates
Resolution 5 – Issue of Options	Mr Winton Willesee (or his nominee) and his associates.
Resolution 6 –Approval of Shares and Options to Professional Investors	A person who may participate in the proposed issue and 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.

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 Resolution 5.

PROXY INSTRUCTIONS

A member who is entitled to vote at a meeting may appoint:

- One proxy if the member is only entitled to one vote; or
- One or two proxies if the member is entitled to more than one vote.

Where more than one proxy is appointed each proxy may be appointed to represent a specific proportion of the member's voting rights. If the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes in which case any fraction of votes will be disregarded.

The proxy form (and the power of attorney or other authority, if any, under which the proxy is signed) or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be lodged at or sent by facsimile transmission to the Company's office at **PO Box 663 Albany Creek QLD 4035 or facsimile number (07) 3229 4655** not less than 48 hours before the time for holding the Annual General Meeting, or adjourned meeting as the case may be, at which the individual named in the proxy form proposes to vote.

The proxy form must be signed (or otherwise authenticated in a manner prescribed by the Corporations Regulations) by the member or their attorney duly authorised in writing or, if the member is a corporation, in a manner permitted by the Corporations Act. Proxies given by foreign companies must be executed in accordance with the laws of their place of incorporation. The proxy may, but need not, be a member of the Company. A proxy form is attached to this Notice.

VOTING INSTRUCTIONS

BioProspect Limited (as convener of the Meeting) has determined that a person's entitlement to vote at the Meeting will be the entitlement of that person set out in the register of members as at 2.00 pm (Melbourne time) on 21 November 2011. This means that any holder registered at 2.00 pm (Melbourne time) on 21 November 2011 is entitled to attend and vote at the Meeting.

VOTING INTENTIONS

Subject to any voting exclusions as listed above, the Chairman intends to vote in favour of all resolutions on the agenda. In respect of undirected proxies, subject to any voting exclusions as listed above, the Chairman intends to vote in favour of all resolutions on the agenda.

In relation to item 3 (Adoption of Remuneration Report) if you have not marked the 'For', 'Against' or 'Abstain' boxes you will have directed the Chairman of the Meeting to vote in favour of this resolution, even though this item is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. If you do not wish to give the Chairman of the Meeting such a directed proxy, you should ensure that a box other than the 'For' box is clearly marked.

RECENT AMENDMENTS

Amendments to the Corporations Act have been made which apply to proxy voting for this Meeting. Broadly, the changes mean that:

- If proxy holders vote, they must cast all directed proxies as directed; and
- Any directed proxies which are not voted will automatically default to the Chairman of the Meeting, who must vote the proxies as directed.

Proxy vote if appointment specifies way to vote

The new section 250BB provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way; and
- if the proxy has two or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the Chairman of the Meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the Chairman of the Meeting – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

The new section 250BC provides that;

- if an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the Chairman of the Meeting; and
- at the Meeting, a poll is duly demanded on the resolution; and
- either the following applies:
 - the proxy is not recorded as attending the meeting; or
 - the proxy does not vote on the resolution,

the Chairman of the Meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at that meeting.

By Order of the Board



COLIN JOHNSTON
Company Secretary

Dated: 14 October 2011

EXPLANATORY MEMORANDUM

This Explanatory Memorandum and all attachments are important documents. They should be read carefully.

If you have any questions regarding the matters set out in this Explanatory Memorandum or the preceding Notice, please contact the Company, your stockbroker or other professional adviser.

1. General Information

This Explanatory Memorandum has been prepared for the shareholders of the Company in connection with the Annual General Meeting of the Company to be held on Wednesday 23 November 2011.

The purpose of this Explanatory Memorandum is to provide shareholders with information that the Board believes to be material to shareholders in deciding whether or not to approve the above resolutions detailed in the Notice.

2. Financial Statements and Reports

The BioProspect Annual Report 2011 has been made available to shareholders and can be found on the Company's website (www.bioprospect.com). During this item there will be an opportunity for shareholders at the meeting to comment on and ask questions about BioProspect's management, operations, financial position and business strategies.

3. Resolution 1-Remuneration Report

During this item, there will be an opportunity for shareholders at the meeting to comment on and ask questions about the Remuneration Report which is included in the Directors' Report section of the BioProspect Annual Report 2011.

The vote on the proposed resolution is advisory only and will not bind the Directors of the Company, however the Board will take the outcome of the vote into consideration when reviewing remuneration practices and policies.

A reasonable opportunity will be provided to the members as a whole to ask questions about or make comments on the Remuneration Report at the Meeting.

Pursuant to section 250R of the Corporations Act, a resolution must be put to the Shareholders that the Remuneration Report be adopted. However, under recent changes to the Corporations Act, if at least 25% of the votes cast on the resolution at the annual general meeting is against adoption of the report then:

- If comments are made on the report at the annual general meeting, the Company's remuneration report for the financial year ended 30 June 2012 will be required to include an explanation of the Board's proposed action in response or, if no action is proposed, the Board's decision for this; and

- If at the Company's 2011 annual general meeting, at least 25% of the votes cast on the resolution for adoption of the remuneration report for the relevant financial year are against its adoption, the Company will be required to put to shareholders a resolution proposing that a general meeting (**Spill Meeting**) be called to consider the election of directors of the Company (**Spill Resolution**). The Spill Meeting must be called to consider the election of directors of the Company (**Spill Resolution**). The Spill Meeting must be held within 90 days of the date of the 2012 annual general meeting. For any Spill Resolution to be passed, more than 50% of the votes cast on the resolution must be in favour of it. If a Spill Resolution is passed, all of the directors (other than any managing director) will cease to hold office immediately before the end of the Spill Meeting unless re-elected at that meeting.

Noting each Director has a personal interest in their remuneration from the Company, as described in the Remuneration Report, the Board unanimously recommends that the Shareholders vote in favour of adopting the Remuneration Report.

4. Resolution 2 Re-election of Director

Article 3.3 of the Company's Constitution requires that a Director that has been appointed since the last Annual General Meeting must automatically retire at the next Annual General Meeting and is eligible for re-election by that General Meeting.

Mr Jacob Khouri was appointed a Director on 16 February 2011 and in accordance with Article 3.3 of the Company's Constitution, holds office only until the Annual General Meeting. Therefore, Mr Jacob Khouri retires and offers himself for election pursuant to Resolution 2.

The Board recommends that shareholders vote in favour of the election of Mr Jacob Khouri.

5. Resolution 3 Re-election of Director

Article 3.3 of the Company's Constitution requires that a Director that has been appointed since the last Annual General Meeting must automatically retire at the next Annual General Meeting and is eligible for re-election by that General Meeting.

Mr Winton Willesee was appointed a Director on 16 September 2011 and in accordance with Article 3.3 of the Company's Constitution, holds office only until the Annual General Meeting. Therefore, Mr Winton Willesee retires and offers himself for election pursuant to Resolution 3.

The Board recommends that shareholders vote in favour of the election of Mr Winton Willesee.

6. Resolution 4 Ratification of Issue of Shares and Options

Background

As announced to the ASX on 23 August 2011, the Company issued 100,000,000 ordinary Shares and 100,000,000 Options to the existing shareholders of Frontier Gasfields Pty Ltd (Frontier) to increase its stake in capital of the Company from 25 per cent to 50 per cent. The move to exercise the option to gain 50 per cent ownership followed Frontier's required notification of the securing of a farm-in partner to drill at least one well (at the farminee's cost) at SC55, located offshore Palawan Islands in the Philippines.

Consideration for the additional 25 per cent holding was \$1,250,000 cash and the issue of 100,000,000 Shares and 100,000,000 Options (expiring 31 December 2013 at an exercise price of 3 cents) in BioProspect Limited. This further investment in Frontier is based on the potential for Frontier to increase shareholder wealth and reduce investment risk for BioProspect Limited.

Regulatory Requirements – ASX 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.

Accordingly, the Company wants to have Shareholders ratify the issue of securities pursuant to ASX Listing Rule 7.4 in order to reinstate 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 ASX Listing Rule 7.5 to be provided to shareholders is contained within this Notice and set out below:

the number of securities issued was 100,000,000 Shares and 100,000,000 Options;

- the Shares were allotted and issued to the existing shareholders of Frontier as at the date of the transaction and no related parties were involved;
- the Shares and Options were issued for nil value on 22 August 2011;
- no funds were raised from the issue and allotment of the Shares and Options;
- the Shares allotted and issued rank equally in all respects with all of the existing Shares on issue; and
- The Options were granted on the terms set out in Section 9.

Directors' recommendation

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

7. RESOLUTION 5 Approval of Issue of Options

a. Background

Resolution 5 seeks Shareholder approval for the issue of up to 15,000,000 Options to Mr Winton Willesee (or his nominee).

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

b. 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 5 is passed, securities will be issued to Mr Willesee who 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 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.

c. Regulatory Requirements – Listing Rule 10.13

For the purposes of Listing Rule 10.13, the following information is provided in relation to Resolution 5:

- (a) the maximum number of Options to be issued and allotted by the Company is 15,000,000 to Mr Winton Willesee (or his nominee).
- (b) The Options will be issued and allotted for no cash consideration;
- (c) The Options will be issued and allotted no later than one month after the date of the General Meeting, being 23 December 2011;
- (d) no funds will be raised from the issue and allotment of the Options; and
- (e) the Options will be granted on the terms as set out in Section 9.

d. 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 constitutes a 'financial benefit' as defined in the Corporations Act. Further, the Director is a 'related party' of the Company as defined under the Corporations Act. Accordingly, the proposed issue of Options to the Director 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 Options to Mr Winton Willesee.

e. 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:

- the related party to whom the financial benefit will be given is Mr Winton Willesee;
- The maximum number of Options (being the nature of the financial benefit to be provided) to be issued and allotted is 15,000,000; and
- the Options will be granted on the terms as set out in Section 9;

The Directors make the following recommendation in relation to Resolution 5:

- the Directors (Mr Willesee abstaining), who do not have a material personal interest in the outcome of Resolution 5, recommend that Shareholders vote in favour of Resolution 5 as they are of the view that the issue of Options to Mr Willesee 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 Willesee abstaining) considered Mr Willesee's experience, his recent appointment as Chairman, the current market price of Shares and current market practice when determining the number and exercise price of the Options to be issued to Mr Willesee. Mr Willesee declined to make a recommendation in relation to Resolution 5 due to the fact that he has a material personal interest in its outcome.

The reasons for giving this financial benefit are:

- 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;
- equity based incentives, such as Shares and Options, assist in the alignment of Shareholders' and Directors' interests;
- 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;
- the Company believes the nature of the 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 Options, is in the best interests of the Company and its Shareholders.

The Director currently receives the following emoluments from the Company:

Director	Position	Annual Emolument (inclusive of superannuation)
Mr Willesee	Non-executive Chairman	\$65,400

The Director currently has an interest in the following securities in the Company:

Director	Shares	Options
Mr Willesee	Nil	Nil

If Shareholders approve the issue of Options to Mr Willesee, and all of the Options are exercised, the effect will be to dilute the shareholding of existing Shareholders by approximately 0.9% on an undiluted basis based on the number of Shares on issue as at the date of this Notice (assuming 1,612,170,347 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 30 September 2011, the highest, lowest and last trading price of Shares on ASX are set out below:

	Date	Price
Highest	03/03/11	\$0.023
Lowest	30/09/11	\$0.005
Last	30/09/11	\$0.005

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 paragraph f below.

The Directors are not aware of any further information that Shareholders should consider before making a decision to vote on Resolution 5.

f. Valuation of Options

The Options will be issued to Mr Willesee for no cash consideration immediately following approval and in any event, within 1 month after approval is obtained.

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 \$0.010;
- (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 26 September 2011.

Based on the above, the Options have been valued at \$0.0007 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	Options	Deemed value of Options applying valuation methodology (\$)
Mr Willesee	15,000,000	10,993

The Board recommends that shareholders vote in favour of Resolution 5.

8. RESOLUTION 6 Approval of Issue of Shares and Options

8.1 Background

The Directors are requesting approval from Shareholders to approve a placement facility. The Directors request a facility for 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).

Approval is sought under Listing Rule 7.1 on the basis that the placees will not be related parties of BioProspect.

8.2 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 200,000,000 Shares and 200,000,000 Options proposed to be issued by the Company pursuant to Resolution 6 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 6 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 23 February 2011 or such other date as approved by ASX.
- It is currently expected that the Shares and Options will be issued to professional and sophisticated investors however the Company reserves the right to issue a disclosure document and include retail investors in the offer;
- 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 9; and
- the Shares will rank equally with all other Shares on issue.

Directors' recommendation

All Directors recommend that Shareholders vote in favour of Resolution 6.

9. Terms and Conditions of Options

- The terms and conditions of the Options referred to in Resolutions 4, 5 and 6 in this Notice are as follows:
- Each Option is exercisable at a price of 3 cents 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.

10. 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 <i>Corporations Act 2001</i> (Cth);
“Directors”	means the directors of the Company;
“Frontier”	means Frontier Gasfields Pty Ltd ACN 142 715 713;
“Annual General Meeting”	means the annual general meeting of Shareholders the subject of the Notice;
“Listing Rules”	means the official listing rules of ASX;
“Meeting or AGM”	means the meeting of Shareholders convened by the Notice to be held at 2.00pm on 23 November 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 9.
“Shares”	means ordinary fully paid shares in the capital of the Company;
“Shareholder”	means the registered holder of a Share.

11. 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 stockbroker, 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: 0408 766 657)

12. 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.

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. If a member appoints a member of the key management personnel (**KMP**) of the Company (which includes each of the Directors) as proxy, the KMP will not be able to vote proxies on Item 1 unless the member directs them how to vote. If a member appoints the Chairman of the Meeting as proxy, the member can direct him how to vote by either marking the boxes on the Proxy Form for Item 1, or by marking the Chairman's box on the Proxy Form (in which case the Chairman will vote in favour of this Item of business).

7. To vote by proxy, please complete and sign (or otherwise authenticate it in a manner prescribed by the Corporations Regulations) 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
 - scan the document and e-mail to col.johnston@bioprospect.com; or
 - send to the Company at PO Box 663 Albany Creek, Queensland 4035; or
 - deliver it to the Company at Suite 4, Level 1, 50 Bourke Street, Melbourne, Victoria.
- so that it is received no later than 2.00pm (Melbourne time) on 21 November 2011.

PROXY FORM

BIOPROSPECT LIMITED ABN 58 008 130 336

Appointment of Proxy

I/We

Of –address please

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 23 November 2011 at 2.00pm and at any adjournment thereof. If the Chair of the Meeting is appointed as your proxy, or may be appointed by default and you do not wish to direct your proxy 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. You also acknowledge that the Chair of the Meeting may exercise your proxy even though Item 1 and Item 5 is connected directly or indirectly with the remuneration of a member of key management personnel.

If no directions are given, the Chairman will vote in favour of resolutions 1 to 6.

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

ITEM		FOR	AGAINST	ABSTAIN
1	Adopt the Remuneration Report (non-binding resolution)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Re-election of Mr Jacob Khouri	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Re-election of Mr Winton Willesee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Ratification of issue of 100,000,000 Shares and 100,000,000 Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	Issue of Options to Mr Winton Willesee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6	Approval of issue of 200,000,000 Shares and 200,000,000 Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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