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

By E-Lodgement

CAPITAL RAISING

The Board of BioProspect Limited (ASX code 'BPO') is pleased to announce a share placement to raise \$1,008,000 (before costs) as follows:-

Placement

The company has agreed to issue 42,000,000 ordinary shares (along with a 1:1 free attaching option) at 2.4 cents per share to raise \$1,008,000.

The options will be a new class of options exercisable at 5 cents per share on or before 31 March 2010. The options will be subject to shareholder approval at a meeting scheduled to be held in April 2007. The company will apply to the ASX for quotation of the options.

Use of Funds

The funds will be used to continue the development of Termilone™ (formerly known as AP778), the company's natural termiticide product and for working capital purposes.

Yours sincerely

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

Colin Johnston
Company Secretary