



NOTICE OF GENERAL MEETING

BIOPROSPECT LIMITED

ACN 58 008 130 336

NOTICE IS HEREBY GIVEN that a general meeting of members of the Company will be held at Level 1, 'Laffite' room, 320 Adelaide Street, Brisbane, Queensland on Friday, 8 June 2007 at 10.30am to consider and, if thought fit, to pass the following resolutions:

1. **Ordinary Resolution - Ratification of Issue of Shares**

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 42,000,000 fully paid ordinary Shares in the capital of the Company at an issue price of \$0.024 each, on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice."

(Refer to Item 2 of the Explanatory Statement)

2. **Ordinary Resolution – Issue of 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 7.1 and for all other purposes, shareholders approve the issue of 42,000,000 Options (exercisable at 5 cents on or before 31 March 2010) on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice."

(Refer to Item 3 of the Explanatory Statement)

3. **Ordinary Resolution – Grant of Shares and Options to Solagran Limited**

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 7.1 and for all other purposes, Shareholders approve the granting of 22,500,000 ordinary Shares in the capital of the Company and up to 22,500,000 Options (exercisable at 5 cents on or before 31 March 2010) on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice."

(Refer to Item 4 of the Explanatory Statement)

4. **Ordinary Resolution – Issue of Shares and Options to Nova Vita Pty Ltd**

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 7.1 and for all other purposes, Shareholders approve the issue of 32,000,000 ordinary Shares in the capital of the Company and 32,000,000 Options (exercisable at 5 cents on or before 31 March 2010) on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice.”

(Refer to Item 5 of the Explanatory Statement)

5. Ordinary Resolution – Grant of Shares to Lacka Consulting Pty Ltd

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 7.1 and for all other purposes, Shareholders approve the granting of 10,000,000 ordinary Shares in the capital of the Company on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice.”

(Refer to Item 6 of the Explanatory Statement)

6. Ordinary Resolution – Non-Executive Directors’ Remuneration

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

“That, an increase in the aggregate maximum amount of non-executive directors fees from \$200,000 per annum (exclusive of superannuation guarantee charge (SCG) contributions) to \$400,000 per annum (exclusive of SGC contributions), to be allocated among non-executive directors as they agree, be approved pursuant to ASX Listing Rule 10.17.”

(Refer to Item 7 of the Explanatory Statement)

DEFINITIONS

Terms which are used in this Notice which are defined in Section 11 of the Explanatory Memorandum have the meanings ascribed to them.

VOTING EXCLUSIONS

In accordance with Listing Rules 7.1 and 7.4, the Company will disregard any votes cast on each Resolution (as applicable) by:

- (in respect of Resolution 1), any person who participated in the issue of the Shares;
- (in respect of Resolution 2), any person who may participate in the proposed issue and any person who might obtain a benefit, except a benefit solely in the capacity of a security holder, if the resolution is passed; and
- any associate of any of the above persons.
- (in respect of Resolution 6), any director or associate of any director

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.

PROXIES

In accordance with section 249L of the Corporations Act, members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company;
- a member who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.

In accordance with section 250BA of the Corporations Act, the Company specifies the following information for the purposes of receipt of proxy appointments:

Suite 21, Level 5
320 Adelaide Street
Brisbane Queensland 4000

Facsimile Number: (07) 3229 4655

Each member entitled to attend and vote at the Meeting has the right to appoint a proxy to attend and vote at the Meeting on his behalf. The member may specify the way in which the proxy is to vote on each resolution or may allow the proxy to vote at his discretion. The instrument appointing the proxy must be received by the Company at the address notified by the Company at least 48 hours prior to the time of the commencement of the Meeting.

NOTES

1. A shareholder of the Company entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the shareholder's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a shareholder of the Company.
2. Where a voting exclusion applies, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions 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.
3. Regulation 7.11.37 of the Corporations Regulations 2001 permits the Company to specify a time, not more than 48 hours before the meeting, at which a "snap-shot" of shareholders will be taken for the purpose of determining shareholder entitlements to vote at the meeting. The Company Directors have determined that all shares of the Company that are quoted on the ASX at the close of business on 6 June 2007 shall, for the purposes of determining voting entitlements at the General Meeting, be taken to be held by the persons registered as holding the Shares at that time.

EXPLANATORY MEMORANDUM

Shareholders are referred to the Explanatory Memorandum accompanying this Notice of Meeting.

CONTACT DETAILS

If you wish to discuss any aspects of this document with the Company contact the Company Secretary, Mr Colin Johnston on telephone (07) 3229 5755.

BY ORDER OF THE BOARD

DATED 3 May 2007

A handwritten signature in black ink that reads "Colin Johnston". The signature is written in a cursive style with a large, looping initial 'C'.

Colin Johnston
Company Secretary

BIO PROSPECT LIMITED
ACN 008 130 336

EXPLANATORY MEMORANDUM

1. INTRODUCTION

This Explanatory Memorandum forms part of a Notice convening a Meeting of Shareholders of the Company to be held on Friday, 8 June 2007. This Explanatory Memorandum is to assist Shareholders in understanding the background to and the legal and other implications of the Notice and the reasons for the Resolutions proposed. Terms used in this Explanatory Memorandum are defined in Section 11.

2. RESOLUTION 1 - Ratification of Issue of Shares

Background

As announced to ASX on 23 February 2007, the Company issued 42,000,000 fully paid ordinary Shares in the capital of the Company to raise \$1,008,000 (before costs) by way of a placement. These funds were required to fund the development of Termilone™ and working capital purposes. This issue will not exceed the 15% restriction on total securities on issue in the last 12 months.

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 Rules 7.1 and 7.5 to be provided to shareholders is contained within this Notice and set out below:

- The number of securities issued was 42,000,000 Shares
- The Shares were allotted and issued to clients of Max Capital Pty Ltd;
- The Shares were issued for 2.4 cents per Share.
- The Shares allotted and issued rank equally in all respects with all of the existing Shares on issue;
- The majority of the funds raised were to further develop Termilone™ and for working capital purposes; and
- an appropriate voting exclusion statement is included in the Notice.

Directors' recommendation

All Directors recommend that shareholders vote in favour of Resolution 1.

3. RESOLUTION 2 – Issue of Options

Background

The Company intends to issue a new class of 42,000,000 Options exercisable at 5 cents per Share on or before 31 March 2010.

Regulatory Requirements – Listing Rule 7.1

ASX Listing Rule 7.1 provides that the prior approval of the Shareholders of the Company 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 42,000,000 Options proposed to be issued by the Company pursuant to Resolution 2 will exceed the 15% threshold referred to in Listing Rule 7.1 and, accordingly, Shareholder approval under Listing Rule 7.1 is sought.

Rule 7.3 of the Listing Rules contains certain requirements as to the contents of a notice sent to Shareholders for the purposes of Rule 7.1 and the following information is included in this Explanatory Memorandum for that purpose:

- the maximum number of securities to be issued pursuant to Resolution 2 is 42,000,000 Options;
- The Options will be granted for no consideration on a 1 for 1 free attaching basis with the shares issued under Resolution 1;
- the Options will be issued to clients of Max Capital Pty Ltd;
- the Options will be granted on or about 8 June 2007 and in any event no later than three months after the date of the Meeting;
- the Options will be granted on the terms and conditions of the Company's current listed Options as set out in Section 10;
- an appropriate voting exclusion statement is included in the Notice.

Directors' recommendation

All Directors recommend that shareholders vote in favour of Resolution 2.

4. RESOLUTION 3 – Grant of shares and options to Solagran Limited

Background

As announced to the ASX on 16 April 2007, the Company has entered into a Heads of Agreement with Solagran Limited (ASX: SLA) whereby BioProspect will be granted an exclusive licence to develop a range of Solagran's Bioeffectives^R in the animal health, nutrition and agricultural markets on an international scale.

Significant Commercial Opportunity behind the need for Bioeffectives^R

- Bioeffectives^R are complex plant extracts (currently derived from northern hemisphere conifer species) with **unique anti-bacterial, anti-viral and antioxidant (flavonoid) characteristics**. The extraction of plant extracts from trees is something that BioProspect has particular expertise in through its complementary TERMILONETM project.

- Consumers of animal and plant derived products are demanding ‘cleaner and greener’ foods. The use of Bioeffectives^R in agriculture, animal health and nutrition has the potential, given their key attributes of **improving stock feed conversion efficiency, disease and infection control and stress reduction**, to offer a unique opportunity to target this growing market in lucrative food production markets.
- The combination of targeted multi million dollar markets, proven results to date and an all **natural, non toxic yet effective product range** puts BioProspect in a strong position to develop and commercialise Bioeffectives^R in a relatively short period of time.

Under the agreement BioProspect will have access to 5 Bioeffectives^R (Bioeffective A, K, S, I and X) that have potential to be sold in 3 specific market segments identified as (collectively the “**Solagran Rights**”):

- **Animal Nutrition** (Feed supplements, growth promotants, disease control, feed conversion efficiency, nutrients and vitamins).
- **Animal Health** (Application of internal and external remedies).
- **Agricultural** (Crop protection pesticides and nutritional compounds).

With increasing pressure to restrict the use of synthetic growth hormones, antibiotics and environmentally damaging pesticides in the agricultural industry, BioProspect has identified an immediate target market to concentrate on. The first scientific work was carried out in the late 1930’s in Russia for animal feed supplements. Positive trials have already been conducted in Australia with results indicating reduced stress levels on animals when applied as an adaptogen.

Significant synergies and commercial potential for BioProspect.

The impact of using products at the base of the food chain that have potentially detrimental health effects on consumers at the end of the food chain is being recognised by the producers, regulators, manufacturers and distributors of the food resulting in a significantly increased demand for natural, cost effective, equivalent products.

The use of Bioeffectives^R in agriculture, animal health and nutrition has the potential to offer a unique opportunity to target this growing demand in lucrative food production markets.

Suitable replacement products must satisfy regulatory requirements in the respective target countries and markets; however the key drivers for success will be based on cost, bio-equivalence and environmental impact.

The Bioeffectives^R identified in the agreement have the following unique characteristics when applied in the animal health, nutrition and agricultural segments:

(a). Stress Reduction

As a result of improving an animal’s disease fighting ability which is required in weaned animals and stock housed in intensive feeding and production systems (cattle, pigs and poultry), producers will receive the benefit of reduced mortality of the replacement stock and reduced reliance on the current products (antibiotics and growth hormones) that have an impact on consumers further down the food chain.

(b). Feed Conversion Efficiency

Intensive livestock production requires significant volumes of feed. In 2003 the total feed expenditure in the USA on animals was US\$26.6 billion at the farm gate or 354 million tons of processed feed (US Agricultural Statistics report 2005, US Dept Ag). The cost of feed has risen significantly in recent years and the reliance on the use of feed supplements to improve the conversion of feed in the

animals has also increased proportionately. Bioeffectives^R have shown that when used as supplements in or with the feed, equivalent conversion results are achieved.

A farmer that can use potentially lower cost additives to improve feed conversion that have no detrimental effects and the animals and the consumers of those products will receive immediate benefits.

A small % change in conversion efficiency is therefore beneficial to the farmer and producers.

(c). Infection and Disease Control

Based on the data generated from human health trials, the use of Bioeffectives^R in animals presents an excellent opportunity. A naturally sourced compound with lower costs that poses no risk to the animals or food chain yet exhibits equivalent efficacy is very attractive to the industry.

Figures released by the APVMA (Gazette 31, 2/01/2007) for the 2005 sales of animal health and nutritional products at the manufacturer level in Australia was AUD\$179 m. This will be an important sector target for Bioeffectives^R provided they show equivalence in efficacy and use patterns.

Given the known attributes of Bioeffectives^R, this is an attractive market to investigate but BioProspect will equally focus on the major markets of Europe and Northern America which have market sizes far greater than Australia.

(d). Natural Substances - No Environmental Impact

The information available indicates that Bioeffectives^R possesses little or no significant mammalian or ecological toxicity attributes. There is no evidence of 'bioaccumulation' which is particularly important in food production systems.

(e). Cost and Availability

All of Solagran's Bioeffectives^R are obtained from a patented extraction process – the feedstock source for which is the green foliage from plantation timber felled in the course of commercial forestry production. This provides a virtually unlimited supply of low cost materials.

Immediate and long-term benefits to BioProspect.

- Provision of a **viable range** of products that can be developed, commercialised, manufactured and distributed on an international scale providing **significant commercial and strategic benefits**.
- Bioeffective^R technology is **complimentary** to BioProspect's strategy in terms of developing and commercialising naturally sourced compounds with **good cost positions and low environmental impact** to satisfy a genuine demand from consumers and industry.
- BioProspect's search for a 'like' company to partner with is satisfied providing further security for the company's shareholders, employees and collaborators. A **defined and focused** approach in this regard will benefit the company immediately and in the long-term.

Key Terms of Heads of Agreement

- (a) Heads of Agreement subject to due diligence and all relevant regulatory approvals including BioProspect shareholder approval;
- (b) BioProspect to spend \$3,000,000 over 2.5 years from the Completion Date (not including any grants that BioProspect may apply for) to earn a 70% interest in the Solagran Rights;

- (c) The residual Solagran 30% interest is free carried until BioProspect completes its \$3,000,000 funding obligation to earn the 70% of the Solagran Rights. After the \$3,000,000 spend the interest is not free carried, but the proportion of costs to be met (30%) by Solagran is paid by BioProspect with repayment (including a commercial interest rate) only netted off against revenue / profits payable to Solagran (unless otherwise agreed);
- (d) On the Completion Date Solagran to receive 22,500,000 BioProspect Shares and 22,500,000 BioProspect Options. The BioProspect Shares and BioProspect Options will be subject to a 12 month escrow period.
- (e) Revenue Target of annualised revenue of \$5,000,000 by December 2010 applies with regard to BioProspect being able to retain exclusivity to the Solagran Rights. The purpose of the Revenue Target is to ensure that BioProspect is committed to developing and commercialising the Solagran Rights in a serious and constructive manner.
- (f) BioProspect will acquire 2,500,000 Solagran Options from Nova Vita Pty Ltd in return for the issue of 32,000,000 BioProspect Shares and 32,000,000 BioProspect Options (\$0.05, March 2010). BioProspect will exercise the 2,500,000 Solagran Options (\$500,000) on or before 1 August 2007 with the Solagran Shares subject to the same 12 month escrow period in paragraph (d) above;
- (g) BioProspect will acquire from Nova Vita Pty Ltd the China interest it has in respect of the Solagran Rights. The transaction involves a one off payment of \$300,000 cash on Completion and an attaching 1.5% Operating Royalty for five (5) years on commercialisation revenue generated in China.
- (h) Upon BioProspect completing its \$3,000,000 spend, as described in clause 5.1(b) above, and proceeding with commercialisation of the Solagran Rights, Solagran will receive a further 22,500,000 BioProspect Shares and 22,500,000 BioProspect Options. If BioProspect does not proceed with commercialisation, all rights and intellectual property revert back to Solagran;
- (i) Solagran and BioProspect will enter into a commercial, transparent, "at cost" arrangement with regard to the sourcing of any Bioeffectives^R necessary for the development and commercialisation of the Solagran Rights;
- (j) Upon BioProspect achieving \$7,500,000 in annualised revenue, based on a 3 month rolling period from the Solagran Rights, Solagran will receive \$2,500,000 worth of BioProspect Shares with a (1) for (1) free attaching BioProspect Options based on a price equivalent to the volume weighted average price of BioProspect Shares trading on ASX during the three month period prior to 31 December 2007.;and
- (k) The parties agree that Lacka Consulting Pty Ltd will receive a facilitation fee of 10,000,000 BioProspect Shares, the subject of a separate agreement.

Resolution 3 therefore pertains to the granting of 22,500,000 shares and 22,500,000 Options (both subject to a 12 month escrow period) to Solagran Limited in accordance with the above Heads of Agreement (part d). It is important to advise that Shareholder approval is only one of the conditions to be satisfied before proceeding; due diligence and formal documentation will also need to be satisfied.

Rule 7.3 of the Listing Rules contains certain requirements as to the contents of a notice sent to Shareholders and the following information is included in this Explanatory Memorandum for that purpose:

- the maximum number of securities to be issued pursuant to Resolution 4 is 22,500,000 Shares and 22,500,000 Options (exercisable on or before 31 March 2010);

- The Shares will be issued at a minimum price of 80% of the average market price calculated over the last 5 days on which sales of Shares were recorded before the day on which the issue will be made;
- The Options will be granted for no consideration on a 1 for 1 attaching basis with the 22,500,000 Shares;
- the Shares and Options will be issued to Solagran Limited;
- The Shares rank equally in all respects with all existing Shares on issue;
- the Shares and Options will be granted on or before 1 August 2007 and in any event no later than three months after the date of the Meeting and they will be subject to a 12 month escrow period;
- the Options will be granted on the terms and conditions of the Company's current listed Options as set out in Section 10;
- No funds will be raised from the issue.;
- an appropriate voting exclusion statement is included in the Notice.

Directors' recommendation

All Directors recommend that shareholders vote in favour of Resolution 3.

5. RESOLUTION 4 – Issue of Shares and options to Nova Vita Pty Ltd

Resolution 4 pertains to the issue of 32,000,000 Shares and 32,000,000 Options (exercisable on or before 31 March 2010) in accordance with the above Heads of Agreement (part f). This resolution is subject to the passing of the Solagran resolution by its Shareholders and completion of the deal. However, if Shareholder approval is not received, BioProspect will make use of its 15% issued capital capacity to proceed with the issue, on the assumption that Resolution 3 is approved by Shareholders.

Rule 7.3 of the Listing Rules contains certain requirements as to the contents of a notice sent to Shareholders and the following information is included in this Explanatory Memorandum for that purpose:

- the maximum number of securities to be issued pursuant to Resolution 4 is 32,000,000 shares and 32,000,000 Options;
- The Shares will be issued at a minimum price of 80% of the average market price calculated over the last 5 days on which sales of Shares were recorded before the day on which the issue will be made;
- The Options will be granted for no consideration on a 1 for 1 attaching basis with the 32,000,000 Shares;
- the Shares and Options will be issued to Nova Vita Pty Ltd in consideration of the acquisition of the 2.5m Solagran Options;
- The Shares rank equally in all respects with all existing Shares on issue;
- the Shares and Options will be granted on or before 1 August 2007 and in any event no later than three months after the date of the Meeting;

- the Options will be granted on the terms and conditions of the Company's current listed Options as set out in Section 10;
- No funds will be raised from the issue of shares;
- an appropriate voting exclusion statement is included in the Notice.

Directors' recommendation

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

6. RESOLUTION 5 – Grant of shares to Lacka Consulting Pty Ltd

Resolution 5 pertains to the granting of 10,000,000 Shares to Lacka Consulting Pty Ltd for services rendered in facilitating the transaction, in accordance with the above Heads of Agreement (part k). This resolution is subject to the passing of the Solagran resolution by its Shareholders and completion of the deal. However, if Shareholder approval is not received, BioProspect will make use of its 15% issued capital capacity to proceed with the issue, on the assumption that Resolution 3 is approved by Shareholders.

Rule 7.3 of the Listing Rules contains certain requirements as to the contents of a notice sent to Shareholders and the following information is included in this Explanatory Memorandum for that purpose:

- the number of securities to be issued pursuant to Resolution 5 is 10,000,000 Shares;
- The Shares will be issued at a minimum price of 80% of the average market price calculated over the last 5 days on which sales of Shares were recorded before the day on which the issue will be made;
- the Shares will be issued to Lacka Consulting Pty Ltd;
- the Shares will be granted on or before 1 August 2007 and in any event no later than three months after the date of the Meeting;
- No funds will be raised from the issue;
- an appropriate voting exclusion statement is included in the Notice.

Directors' recommendation

All Directors recommend that shareholders vote in favour of Resolution 5.

7. RESOLUTION 6 – Non-executive Directors' fees

Background

Total fees paid to non-executive Directors of the Company are limited to a maximum amount set by shareholders. The present limit of \$200,000 per annum (exclusive of Superannuation Guarantee Charge (SGC) contributions) has been in place since a resolution was approved at the Company's AGM held on 4 December 2000. Shareholder approval is sought for an increase of that limit to \$400,000 (exclusive of SGC contributions). The Board will have discretion as to how the fees are apportioned between all non-executive Directors.

The investment in Solagran Limited, as detailed in Resolution 3 will require Board representatives from Solagran Limited. This will increase the number of current non-executive Directors for BioProspect from 3 to 5 and therefore the total available pool needs to be increased.

Directors' recommendation

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

8. 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 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: (07) 3229 5755).

9. 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.

10. TERMS AND CONDITIONS OF OPTIONS

The terms and conditions of the Options referred to in the Resolutions are as follows:

- (a) Each Option is exercisable at a price of 5 cents on or before 31 March 2010;
- (b) Application will be made to ASX for the Options 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;
- (c) 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;
- (d) The Options do not entitle the holder to participate in any new issues by the Company without exercising the Options;
- (e) 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:
 - (i) 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
 - (ii) 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
- (f) The Options are freely transferable.

11. INTERPRETATION

“**ASIC**” means the Australian Securities & Investments Commission;

“**ASX**” means Australian Stock Exchange Ltd. ACN 008 624 691;

“**Board**” means the Directors of the Company from time to time;

“**Business day**” has the meaning ascribed to it by the Listing Rules;

“**Company**” or “**BioProspect**” means BioProspect Limited ACN 008 130 336;

“**Directors**” means the directors of the Company;

“**Listing Rules**” means the official listing rules of ASX;

“**Max Capital**” means Max Capital Pty Ltd. ACN 106 553 244

“**Meeting**” means the meeting of Shareholders convened by the Notice for 8 June 2007 and any adjournment thereof;

“**Notice**” means the notice in respect of the Meeting;

“**Official List**” means the official list of ASX;

“**Option**” means an option to acquire a Share exercisable at 5 cents each on or before 31 March 2010 on the terms and conditions set out in Section 10.

“**Shares**” means ordinary fully paid shares in the capital of the Company;

“**Shareholder**” means the holder of a Share.

“**Solagran**” means Solagran Limited. ACN 002 592 396

BIOPROSPECT LIMITED
ACN 008 130 336

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. To vote by proxy, please complete and sign 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
 - send to the Company at Suite 21, Level 5, 320 Adelaide Street, Brisbane, Queensland 4000; or
 - deliver it to the Company at Suite 21, Level 5, 320 Adelaide Street, Brisbane, Queensland.

so that it is received no later than 10.30 am (EST) on 6 June 2007, 48 hours ahead of the meeting.

The Company Secretary
 BioProspect Limited
 Suite 21, Level 5
 320 Adelaide Street
 Brisbane QLD 4000
 Facsimile: (07) 3229 4655

PROXY FORM
BIOPROSPECT LIMITED
ACN 008 130 336

GENERAL MEETING

Appointment of Proxy

I/We

Of

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 Level 6, 'Laffite' Room, 320 Adelaide Street, Brisbane, Queensland, on **8 June 2007 at 10.30am** and at any adjournment thereof. If no directions are given, the Chairman will vote in favour of each resolution.

If you do not wish to direct your proxy how to vote, please place a mark in the box

By marking this box, you acknowledge that the Chairman may exercise your proxy, even if he has an interest in the outcome of the resolution and votes cast by him other than as proxy holder, will be disregarded because of that interest.

Voting on Business of the Meeting

		FOR	AGAINST	ABSTAIN
1	Ratification of Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Issue of Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Grant of shares and options to Solagran Limited	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Issue of shares and options to Nova Vita Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	Grant of shares to Lacka Consulting Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6	Increase in non-executive directors' remuneration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your shares are not to be counted in computing the required majority on a poll.

Signed this day of 2007

By:

Individuals and joint holders

Signature

Signature

Signature

Companies (affix common seal if appropriate)

Director

Director/Company Secretary

Sole Director and Sole Company Secretary