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26 October 2010

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

Dear Sir/Madam

Rights issue BioProspect Limited (ASX: BPO)

The directors of BioProspect Limited are pleased to announce that the Company is offering all eligible shareholders the opportunity to participate in a rights issue offer in order to raise approximately \$1.91 million.

BPO has entered into an underwriting agreement with Novus Capital Limited to underwrite the rights issue.

Shareholders are being offered one new ordinary share in BPO for every two existing shares held, at an issue price of 0.5 cents per share. With every new ordinary share taken up, shareholders will be issued with a bonus 'New Option', which will be exercisable at 3 cents by 31 December 2013.

Shareholders are also being offered one 'Loyalty Option' for every two existing shares held, at an issue price of 0.1 cents per share. This Loyalty Option will be exercisable at 3 cents by 31 December 2013.

The record date for participating in the rights issue will be 7.00pm (AEDT) on 4 November 2010.

An Appendix 3B in relation to the rights issue is attached, and BPO anticipates lodging the Prospectus with ASIC and ASX later this morning. Further information in relation to the rights issue offer will be dispatched to shareholders on 27 October 2010.

Yours faithfully

A handwritten signature in black ink, appearing to read "Colin Johnston".

Colin Johnston
Company Secretary/CFO

+ See chapter 19 for defined terms.

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement,
application for quotation of additional securities
and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

BIOPROSPECT LIMITED

ABN

58 008 130 336

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|--|
| 1 | +Class of +securities issued or to be issued | Ordinary Shares
Options Expiring 31 December 2013 |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 318,556,782 Ordinary Shares
318,556,782 New Options
318,556,782 Loyalty Options
(maximum numbers which may be issued) |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Ordinary Shares – Fully Paid
New Options – exercisable at 3 cents and expiring on 31 December 2013
Loyalty Options – exercisable at 3 cents and expiring on 31 December 2013 |

+ See chapter 19 for defined terms.

<p>4 Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Ordinary Shares – Yes New Options – Yes Loyalty Options – Yes</p>								
<p>5 Issue price or consideration</p>	<p>0.5 cents per Ordinary Share, which includes a bonus New Option exercisable at 3 cents per Option by 31 December 2013</p> <p>0.1 cents per Loyalty Option, exercisable at 3 cents per Option by 31 December 2013</p>								
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>For funding of development activities pertaining to Conifer Green Needle Complex (CGNC), specifically for further trials in Australia and New Zealand and for other working capital requirements. Funds will also be applied to the <i>REGEN</i>[™] range of human therapeutic and skin care products and potential acquisitions in the animal health and nutrition segment.</p>								
<p>7 Dates of entering ⁺securities into uncertificated holdings or despatch of certificates</p>	<p>2 December 2010</p>								
<p>8 Number and ⁺class of all ⁺securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="792 1444 1065 1476">Number</th> <th data-bbox="1065 1444 1341 1476">⁺Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="792 1476 1065 1539">(a) 955,670,347</td> <td data-bbox="1065 1476 1341 1539">Fully paid ordinary shares</td> </tr> <tr> <td data-bbox="792 1539 1065 1623">(b) 318,556,782</td> <td data-bbox="1065 1539 1341 1623">New Options – 31 December 2013 at 3 cents</td> </tr> <tr> <td data-bbox="792 1623 1065 1749">(c) 318,556,782</td> <td data-bbox="1065 1623 1341 1749">Loyalty Options – 31 December 2013 at 3 cents</td> </tr> </tbody> </table>	Number	⁺ Class	(a) 955,670,347	Fully paid ordinary shares	(b) 318,556,782	New Options – 31 December 2013 at 3 cents	(c) 318,556,782	Loyalty Options – 31 December 2013 at 3 cents
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Number	⁺ Class								

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9	Number and ⁺ class of all ⁺ securities not quoted on ASX (including the securities in clause 2 if applicable)	(a) 29,248,571	Options – 31 December 2013 at 5 cents Options -31 December 2013 at 3 cents
		(b) 74,000,000	
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A	

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	No	
12	Is the issue renounceable or non-renounceable?	Non renounceable	
13	Ratio in which the ⁺ securities will be offered	<p>Shares – 2:1 – one new share will be offered for every two existing shares</p> <p>New Options – for each new share taken up, a shareholder will be issued with a bonus New Option (exercisable by 13 December 2013)</p> <p>Loyalty Options 2:1 – one Loyalty Option will be offered for every two existing shares (exercisable by 13 December 2013)</p>	
14	⁺ Class of ⁺ securities to which the offer relates	Fully paid ordinary shares New Options Loyalty Options	
15	⁺ Record date to determine entitlements	4 November 2010	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	No	
17	Policy for deciding entitlements in relation to fractions	Fractions will be rounded up if 0.5 or more, and rounded down if less than 0.5.	

+ See chapter 19 for defined terms.

18	Names of countries in which the entity has ⁺ security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	N/A
19	Closing date for receipt of acceptances or renunciations	24 November 2010
20	Names of any underwriters	Novus Capital Limited
21	Amount of any underwriting fee or commission	Cash \$114,680 Issue of 10,000, 000 New Options
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of ⁺ security holders	N/A
25	If the issue is contingent on ⁺ security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	10 November 2010
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A (Non renounceable)
29	Date rights trading will end (if applicable)	N/A (Non renounceable)
30	How do ⁺ security holders sell their entitlements <i>in full</i> through a broker?	N/A (Non renounceable)

+ See chapter 19 for defined terms.

31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A (Non renounceable)
32	How do +security holders dispose of their entitlements (except by sale through a broker)?	N/A (Non renounceable)
33	+Despatch date	2 December 2010

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) Securities described in Part 1

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 A copy of any trust deed for the additional +securities

+ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38 Number of securities for which
+quotation is sought

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39 Class of +securities for which
quotation is sought

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40 Do the +securities rank equally in all
respects from the date of allotment
with an existing +class of quoted
+securities?

If the additional securities do not
rank equally, please state:

- the date from which they do
- the extent to which they
participate for the next dividend,
(in the case of a trust,
distribution) or interest payment
- the extent to which they do not
rank equally, other than in
relation to the next dividend,
distribution or interest payment

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41 Reason for request for quotation
now

Example: In the case of restricted securities, end of
restriction period

(if issued upon conversion of
another security, clearly identify that
other security)

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	Number	+Class
42	Number and +class of all +securities quoted on ASX (<i>including</i> the securities in clause 38)	

+ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here:

Company Secretary

Date: .26 October 2010

Print name:

Colin Johnston