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

BioProspect Share Purchase Plan 2010 (2010 SPP) – Invitation to Participate

The Directors of BioProspect Limited (ASX: BPO) (Company) are pleased to announce an invitation to all eligible shareholders to participate in its Share Purchase Plan (2010 SPP) which opens on 12 May 2010.

Following application, the Company has been granted a waiver from the present ASX Listing Rules 7.1 and 10.11 and so is able to offer eligible shareholders of the Company an opportunity to purchase up to \$15,000 worth of fully paid ordinary shares in the capital of the Company, free from all brokerage and commissions.

The issue price for each share under the 2010 SPP will be the lower of \$0.022 or a 15% discount to the 5 day VWAP (subject to the condition below) up to and including the Record Date, being 7 May 2010 (rounded to the nearest third decimal place). The price of \$0.022 is approximately 8% lower than the VWAP of the Company's shares as traded on ASX over the last 5 days on which sales in the Company's shares were recorded before the release of this announcement.

In accordance with ASX requirements and the conditions of the ASX waiver, the issue price is subject to the discount being no greater than 20% of the Company's average share price over the last 5 days on which sales in the Company's shares were recorded either before the day on which the offer was first announced or or before the day on which the issue was made.

BioProspect will announce the final issue price to ASX as soon as it is able to be calculated.

Based on a share price of \$0.022 per share, eligible shareholders may apply for a choice of variable numbers of shares, comprising from a minimum of \$1,000 (45,455 shares), \$5,000 (227,273 shares), \$10,000 (454,545 shares), up to a maximum subscription of \$15,000 (681,818 shares).

The Share Purchase Plan will open on **12 May 2010** and **close at 5.00 pm (EST) on Friday 28 May 2010**. The Directors reserve the right to vary this date. The maximum number of shares to be issued under the 2010 SPP is intended to be 150,000,000 (raising \$3.3 million).

The 'record date' for the 2010 SPP will be **7.00pm on Friday 7 May 2010**. This will give the opportunity for investors who are currently not BPO shareholders an opportunity to invest in the Company prior to 7 May 2010 and therefore participate in the 2010 SPP.

Shareholders should also note that the Company intends to undertake a loyalty issue of options to all shareholders at the completion of the 2010 SPP. This will allow shareholders the right to take up one loyalty option exercisable at a price of 5 cents on or before 31 December 2013 at a price of 0.1 cents for every two shares they hold. The company will apply for these options to be listed on the ASX. A separate announcement pertaining to this rights issue will be made in due course.

Funds raised pursuant to the 2010 SPP will primarily be applied to fund critical development and commercialisation projects with *AGRIPRO*TM products including *GI-Guard*TM Oral Paste (95% Conifer Green Needle Complex (CGNC)) for gastro intestinal care in horses including treatment for EGUS (equine gastric ulcer syndrome) and *AGRIPRO*TM Topical Gel (7.5% CGNC) for wound treatment in horses.

A recent survey of horses in the USA involving endoscopic examinations of over 1,500 horses revealed that over 60% were suffering from EGUS. This supports BioProspect's market assessments that confirm the market opportunity for an effective natural remedy for this debilitating condition that particularly impacts high value performance horses.

As already reported, BioProspect has recently successfully completed a major safety study with *GI-Guard*TM Oral Paste for Horses. This will form an essential component of a regulatory data package to support a claim for general gastro-intestinal health and wellbeing. A preliminary efficacy study undertaken in the United Arab Emirates provided useful data regarding the use of *GI-Guard*TM Oral Paste vs. EGUS in Arabian horses. However, an additional study is planned in Australia that will aim to demonstrate the efficacy of *GI-Guard*TM Oral Paste as an EGUS treatment for thoroughbred race horses in training, which is considered a major potential use opportunity for the product.

An efficacy study with *AGRIPRO*TM's Topical Gel for treatment of wounds in horses is also planned, which, together with the recently completed safety study, will enable a registration application for this product to be submitted to the Australian Pesticides and Veterinary Medicines Authority. The market for topical treatments of wounds and abrasions in horses is significant and also receptive to natural treatments such as *AGRIPRO*TM Topical Gel.

*AGRIPRO*TM Topical Gel and *GI-Guard*TM Oral Paste provide a complementary core range of horse care products based on CGNC that can be further developed with other natural animal health care products. Discussions with potential commercial collaborators have already taken place and there is a keen interest in *AGRIPRO*TM products in both Australian and overseas markets. Market opportunities will be further investigated with a view to establishing regulatory pathways in key target markets such as Europe, UAE and the USA, and further promoting the products and technology to potential commercial collaborators and distributors in the animal health sector.

BioProspect's other projects include *RE-GEN*TM human therapeutic products as well as *TERMILONE*[®] natural termite control product. We recently announced positive results from a field trial with *TERMILONE*[®] as a timber treatment against termites conducted by the CSIRO. The above ground trial showed that a *TERMILONE*[®] timber treatment formulation successfully prevented significant damage by the destructive subterranean termite species *Coptotermes acinaciformis* which is the major economic termite pest found in urban areas throughout mainland Australia.

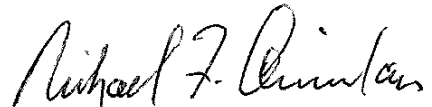
The use of the funds raised in 2010 SPP will be further explained in the documents accompanying the 2010 SPP Terms and Conditions which are expected to be dispatched to all shareholders on 11 May 2010.

I also refer you to our website www.bioprospect.com for recent announcements including the March 2010 issue of BioNews for a full update on BioProspect project and activities. Hard copies of BioNews can be

obtained from the Company's office at Level 3, 320 Adelaide Street, Brisbane or requested by email on info@bioprospect.com.

I thank you for your past support and trust that you will take the opportunity of this offer as a convenient means of increasing your holding in the Company, at what your Board considers a favourable entry price and without the cost of brokerage, as we progress developments and commercialisation of BioProspect's exciting range of natural products.

Yours sincerely,

A handwritten signature in black ink, reading "Michael F. Quinlan". The signature is written in a cursive style with a large initial 'M' and 'Q'.

DR MICHAEL QUINLAN
Chairman