



ABN 58 008 130 336
Suite 25, 145 Stirling Hwy
Nedlands WA 6009
Ph: 08 9389 3170
Fax: 08 9389 3199

7 August 2013

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

Sale of 25% of holding in Frontier Oil Corporation and debt restructure

BioProspect Limited (ASX: BPO) is pleased to announce that it has entered into an agreement to sell 25.58% of its holding in Frontier Oil Corporation (öFrontierö) for A\$1.79 million after costs. BPO has received an initial amount of \$1.69 million with the remaining \$0.1 million to be paid upon the completion of the Frontier shares sale transaction which is expected to take approximately 8-10 weeks.

BPO has been advised by Frontier that it expects to complete its IPO on the Philippines Stock Exchange in the fourth quarter of this year. Based on this sale price BPO's remaining holding in Frontier has a value of approximately \$5.2 million. While Frontier has indicated that the likely IPO price will be a premium to this sale price, the majority of BPO's stake in Frontier will be escrowed for a period of 12 months from the listing date, therefore the BPO Board deemed it prudent to realise approximately 25% of its investment in Frontier at this time.

The proceeds of this sale will provide BPO with sufficient funds to:

- Pursue one or more of a number of opportunities the company is currently investigating in its core biotechnology space - subject to due diligence and any acceptable acquisition agreement being reached;
- Restructure the Convertible Notes on issue by redeeming those Notes which are close to expiry and extending the balance until June 2015; and to
- Remove the need for a capital raising in the short term.

Convertible Note Restructure

BPO has received an in-principle commitment from all Convertible Note holders to restructure its Convertible Notes. The key terms of the restructure are outlined below.

BPO proposes to redeem those Convertible Notes with a combined face value of \$1.2 million which were due to expire in August and September of this year. All outstanding interest on all the Convertible Notes, including the Convertible Notes to be redeemed, will be capitalised and converted into new Convertible Notes. The remaining Convertible Notes (including the Notes derived from the capitalisation of the interest) will be extended until 30 June 2015. The Notes will pay interest at a rate of 8% with all interest to be paid in cash or capitalised at BPO's election. The Notes will be convertible at the lower of 0.1 cents per share or a 20% discount to the 5 day VWAP of shares traded on ASX prior to the conversion. Conversion of the Notes in excess of the Company's existing placement capacity at the time of conversion is currently subject to shareholder approval which is to be sought in due course.

Following the restructure the company will have reduced the face value of the outstanding Convertible Notes and accrued interest from \$2.7million to \$1.5million.

For further information please contact:

Mr Benjamin Cooper
Director
BioProspect Limited
T: 0425 311 121