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## **BioProspect Limited (ASX: BPO) - Company Update**

**BioProspect Limited (ASX: BPO)** is pleased to provide an update on the Company's activities.

### **Biotechnology Activities**

The Board is pleased to note the improvement in market sentiment toward the biotechnology sector, and notes that this improvement coupled with the progress made by the Board in strengthening the cash position and balance sheet of the Company has opened up opportunities for the Company to direct greater resources towards its existing biotechnology assets. After a period where cash resources have been difficult to access for biotechnology companies the prudent management of the Company's assets sees the Company now well placed to focus on its biotechnology activities. The Company is currently reviewing its suite of biotechnology assets to determine the best path to maximize their value in the improving climate, as well as reviewing complementary opportunities in biotechnology, life sciences and pharmaceuticals to determine where to best focus renewed investment. A more detailed ASX release will be made following the completion of this review.

### **Frontier Oil Corporation Investment**

Frontier Oil Corporation has further strengthened its Board of Directors ahead of its planned 2013 IPO. The Company has announced the appointment of former Philippines Trade undersecretary Melito Salazar and former Philippines National Economic Development Authority director-general Cielito Habito, as independent directors to its Board.

Frontier Oil Corporation has advised the Company that it filed its preliminary prospectus with the Securities Exchange Commission in the Philippines on Tuesday 10 September 2013 and that an underwriter for the IPO has been appointed.

BPO also notes the recent ASX Release (28 August 2013) made by Otto Energy (ASX: OEL) stating that Otto Energy has been notified that the Palawan Council for Sustainable Development ("PCSD") has approved the issuance of the Strategic Environmental Plan Clearance ("SEP Clearance") in relation to drilling of the Cinco-1 exploration well in Service Contract 55 ("SC55"). Frontier Oil Corporation, through its subsidiary Frontier Gasfields, holds an option to acquire a 5% interest in SC55 from consortium partner, Trans-Asia Oil and Energy Development Corp. The option is exercisable at any time, up to 180 days from the completion of the first exploration well on the block.

## **Balance Sheet and Cash Position**

The recent sale of approximately one quarter of BPO's holding in Frontier Oil Corporation for A\$1.79 million after costs, and the restructure of the convertible notes, has significantly strengthened the cash position and balance sheet of the Company. The Company's directors also note the improvement in market sentiment toward the biotechnology sector and the recent successful fund raisings undertaken by a number of listed biotechnology companies to support biotechnology activities.

BioProspect currently has cash at bank of \$534,220 with the final \$100,000 from the sale of Frontier still to be received. Based on the price received for the recent sale of the one-quarter interest, the Company's remaining holding in Frontier Oil Corporation can be valued at approximately \$5.2 million. Following the redemption of the convertible notes that were to mature in August and September, following completion of the restructure of the remaining notes and interest liabilities (see ASX release of 9 September 2013), the Company will have convertible notes on issue with a face value of only \$1.5 million and all with a maturity date of June 2015.

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