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17 January 2012

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

Frontier Gasfields progresses Philippines drilling prospects

Highlights

- **SC52: Farm-in interests and cost-sharing terms agreed concerning re-entry of Nassiping -2, anticipated for first quarter 2012**
- **SC55: Otto Energy Ltd (ASX:OEL) announces drilling planned at SC55 oil/gas project in April 2012**

BioProspect Limited (ASX:BPO) today announced further progress by Frontier Gasfields Pty Ltd ("Frontier Gasfields") - in which BioProspect currently holds a 50% interest - at its oil and gas projects in the Philippines.

SC52:

Frontier Gasfields has agreed to farm-in interests and cost-sharing terms on SC52 in relation to the re-entry of Nassiping -2. The Nassiping -2 re-entry program is expected to cost US$4.4 million.

Frontier Gasfields will hold a 30% interest in Nassiping -2 and in the block and will be responsible for 25% of the costs associated with the re-entry program. E. F. Durkee & Associates (the initial concession holder) will hold a 20% interest, free carried through the costs of the re-entry program. Frontier Oil Corporation ("Frontier Oil"), a newly registered Philippines corporation, will hold the remaining 50% interest, but will be responsible for contributing 75% of the Nassiping -2 re-entry costs and shall assume responsibility as Operator of SC52.

Frontier Gasfields had the rights to an 80% interest in the concession by contributing the full costs of the Nassiping -2 program. Frontier Gasfields has agreed, however, that subject to certain terms and conditions, to farm-out a 50% interest to Frontier Oil in return for reducing its cost-sharing commitments. The current interests of the partners have been approved by the Department of Energy in the Philippines.

Frontier Gasfields and Frontier Oil are currently engaged in negotiations with additional farm-in partners and investors to secure funding to complete the work program associated with the Nassiping -2 program.

On January 12, 2012 Trans-Asia Oil and Energy Development Corporation announced to the Philippines Stock Exchange that it had signed a Farm-In Option Agreement with Frontier Oil. As announced by Trans-Asia Oil and Energy Development Corporation, under that agreement, Frontier Oil has granted Trans-Asia the option to acquire from it a 10% participating interest in SC52, which may be exercised by the payment of an agreed amount within a specified period of time following completion of re-entry and testing of the Nassiping -2 well. Further updates will be provided to the market as farm-in and funding arrangements for the project are confirmed.

The contracted drilling rig has arrived at Port Irene (the designated entry port in the Philippines). Subject to weather conditions, the rig will now be road transported to the Nassiping -2 site. The re-entry operation, including a comprehensive flow-test, is planned for completion in the first quarter of 2012.

SC55:

Frontier Gasfields holds an option over a 5% interest in the concession from SC55 consortium partner, Trans-Asia Oil and Energy Development Corp. The option is exercisable at any time, up to 150 days from the completion of the first exploration well on the block (see BioProspect announcement dated 7th March 2011 for more detail).

In May 2011, SC55 operator, Otto Energy Ltd announced that BHP Billiton had exercised its option to farm-in to SC55 and would drill at least one exploration well on the concession. In November 2011, Otto announced that the Cinco prospect was to be drilled in April 2012 and that BHP Billiton would assume operatorship over the concession.

On December 28, 2011, Otto announced that BHP Billiton had executed the final farm-in agreements in relation to SC55 and confirmed the planned drilling of the Cinco prospect within the block.

Commenting on the latest developments, BioProspect's Managing Director, Charles Pellegrino, said Frontier's progress showed the potential value of the Company's investment in Frontier.

"Frontier's projects are well-placed to satisfy the Asia-Pacific region's growing demand for energy, which is forecast to show continued growth in line with its rapid industrialisation. The quality of the project partners involved, backed by an experienced management team, has increased confidence in the potential for growth in shareholder value and we anticipate further success in 2012," Mr Pellegrino said.

Yours sincerely,

Colin Johnston

COLIN JOHNSTON
Company Secretary