



# BioLayer Corporation Limited

14 December 2007

Company Announcements Office  
Australian Stock Exchange Limited  
Exchange Centre  
20 Bridge Street  
SYDNEY 2000

## Non-Renounceable Rights Issue for BioLayer Corporation Limited ACN 070 028 025

BioLayer Corporation Limited ("**BioLayer**") wishes to announce that will undertake a Rights Issue to shareholders to raise approximately \$3.7 million. The offering is an underwritten non-renounceable rights issue consisting of the right to subscribe for one (1) ordinary fully paid share ("**New Shares**") for every one (1) share currently held at the record date 5pm (Sydney time) 27 December 2008, at a price of 5 cents per New Share.

With every two (2) New Shares subscribed for, shareholders will receive one Option to acquire a further ordinary share at an exercise price of 6.5 cents exercisable on or before 5pm 1 February 2011. Fractions will be rounded up in the determination of entitlements. The number of New Shares to be issued is 74,673,052 and the number of Options to be issued is approximately 37,336,526. The New Shares will rank equally in all respects with and shall have the same rights as the existing ordinary shares.

### No Rights Trading

The rights to the New Shares are non-renounceable. That is, holders of BioLayer shares at the record date can choose to take up all or part of their entitlement only, and are unable to sell all or part of their rights entitlement on the ASX.

### Timetable

Announcement of Rights Issue	14 December 2007
Prospectus lodgement date	14 December 2007
Notice sent to shareholders	17 December 2007
<b>Record date to determine entitlements to new shares</b>	<b>27 December 2007</b>
Prospectus and Entitlement and Acceptance Form despatched to shareholders	3 January 2008
Rights Issue closing date (last day for acceptance of new shares 5.00 pm EDST)	4 February 2008
Deferred settlement trading commences	5 February 2008
Shortfall Notification	6 February 2008
Expected date for allotment of New Shares and Options	12 February 2008
Expected date for despatch of holding statements for New Shares and Options	12 February 2008
Trading commences on a normal (T+3) basis	13 February 2008

**BioLayer Corporation Limited ABN 75 070 028 625**  
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**Web [www.biolayercorp.com](http://www.biolayercorp.com)**

## **Underwriters to the Rights Issue**

The rights issue is underwritten by Transocean Securities Pty Ltd ("**Underwriter**") for an underwriting commission of 6% of the total funds raised plus a management fee of 1% of the underwritten amount. Termination clauses of the underwriting agreement will be set out in the Prospectus.

Under arrangements entered into with the Underwriter, the Underwriter will on completion of successful capital raising initiatives for the Company, be paid an investment banking fee of \$50,000 and also receive options to be issued new shares in the Company at 6.5 cents per option exercised equivalent to 10% of the shares on issue on a fully diluted basis.

## **Overseas Shareholders**

Due to overseas regulatory requirements, this rights offer is not being made to, and does not qualify for distribution or sale to, and no New Shares will be issued to, or may be acquired directly or indirectly by or for the benefit of, any shareholder whose registered address is in a country other than Australia or New Zealand.

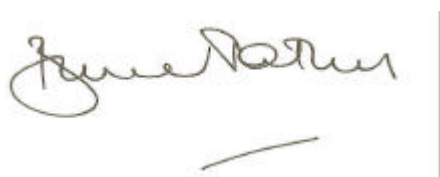
For that reason, no Entitlement and Acceptance Forms can be, or are being, sent to the Shareholders resident in countries other than Australia and New Zealand. However, for information purposes a Prospectus will be sent to these shareholders.

## **Purpose of Issue**

An amount of \$3,733,652 will be raised by this non-renounceable rights issue. The funds raised will be applied to provide working capital for the development and future characterisation of new formulations of Mix&Go, the development of new polymers that will be used to coat platform surfaces to complement the Mix&Go formulations, develop its own novel assays, pursue new approaches for improving immunoassays, continue company research programs and commercialise those projects using the Luminex and other immunoassay platforms.

Full details of the issue will be set out in the Prospectus.

Yours sincerely

A handwritten signature in cursive script, appearing to read "Bruce Rathie", is written above a horizontal line. A vertical line is drawn to the right of the signature.

Bruce Rathie  
Chairman