

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

BIOLAYER CORPORATION LIMITED

ABN

75 070 028 625

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|---|
| 1 | +Class of +securities issued or to be issued | Ordinary Shares and Options |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 74,673,052 Ordinary Shares
37,336,526 Options |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | 1 fully paid ordinary share (" New Shares ") for every 1 share already held by the shareholder at 5.00pm (Sydney time) on 27 December 2007, at an issue price of 5 cents per New Share.

In addition, for each New Share subscribed for under this offer, each shareholder will receive, at no cost, one option to acquire a fully paid ordinary share for every two shares issued to them under the offer at an exercise price of 6.5 cents per share, exercisable on or before 5.00pm 1 February 2011. |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Yes. New Shares will rank equally with ordinary shares on issue.</p>		
<p>5 Issue price or consideration</p>	<p>5 cents for each Ordinary Share issued.</p>		
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>BioLayer will use the proceeds of this issue to provide working capital for the development and future characterisation of new formulations of Mix&Go and further characterise existing formulations, develop new polymers that will be used to coat platform surfaces so as to better complement the Mix&Go formulations, develop its own novel assays, pursue new approaches for improving immunoassays, continue joint research entitled “Smarter Diagnostics through Selective Chemical Tagging” which has been initiated between BioLayer and the University of Queensland’s Institute of Molecular Bioscience, continue the Company’s abiotics research program, commercialise those projects involving the Luminex and other immunoassay platforms, and defray the costs of the rights issue.</p>		
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>12 February 2008</p> <table border="1" data-bbox="686 1780 1279 1814"> <tr> <td data-bbox="686 1780 997 1814">Number</td> <td data-bbox="997 1780 1279 1814">+Class</td> </tr> </table>	Number	+Class
Number	+Class		

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

8	Number and +class of all +securities quoted on ASX (<i>including</i> the securities in clause 2 if applicable)	149,346,104 37,336,526	Ordinary Shares Options
---	---	---------------------------	----------------------------

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

9	Number and +class of all +securities not quoted on ASX (<i>including</i> the securities in clause 2 if applicable)	Number	+Class
		10,687,784	Options
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A	

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	No
12	Is the issue renounceable or non-renounceable?	Non-Renounceable
13	Ratio in which the +securities will be offered	1 for 1 Ordinary Shares and 1 Option (for no consideration) for every 2 Ordinary Shares taken up by this Issue
14	+Class of +securities to which the offer relates	Ordinary and Options
15	+Record date to determine entitlements	27 December 2007
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	One register – N/A
17	Policy for deciding entitlements in relation to fractions	Fractions rounded up to the nearest whole number
18	Names of countries in which the entity has +security holders who will not be sent new issue documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	Australia and New Zealand only.
19	Closing date for receipt of acceptances	4 February 2007

+ See chapter 19 for defined terms.

20	Names of any underwriters	Transocean Securities Pty Ltd ACN 009 230 120
21	Amount of any underwriting fee or commission	an underwriting fee of 6% of the amount to be raised, which is approximately \$3,733,652 and a management fee of 1% of the amount to be raised which is approximately \$3,733,652.
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	N/A
25	If the issue is contingent on +security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	3 January 2008
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	Only those shareholders who hold Ordinary Shares are entitled to participate in this issue.
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

- 32 How do +security holders dispose of their entitlements (except by sale through a broker)?
- 33 +Despatch date

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of securities
(tick one)
- (a) Securities described in Part 1
- (b) All other securities
- Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 A copy of any trust deed for the additional +securities

+ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38 Number of securities for which
+quotation is sought

39 Class of +securities for which
quotation is sought

40 Do the +securities rank equally in all
respects from the date of allotment
with an existing +class of quoted
+securities?

If the additional securities do not
rank equally, please state:

- the date from which they do
- the extent to which they
participate for the next dividend,
(in the case of a trust,
distribution) or interest payment
- the extent to which they do not
rank equally, other than in
relation to the next dividend,
distribution or interest payment

41 Reason for request for quotation
now

Example: In the case of restricted securities, end of
restriction period

(if issued upon conversion of
another security, clearly identify that
other security)

	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)		

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:



(Company secretary)

Date: 14 December 2007

Print name: Michael Moloney

====

+ See chapter 19 for defined terms.