



# BioLayer Corporation Limited

12<sup>th</sup> March 2008

Company Announcements Office  
ASX Limited  
Exchange Centre  
20 Bridge Street  
SYDNEY NSW 2000

## **Non-Renounceable Rights Issue (“Rights Issue”) for BioLayer Corporation Limited ACN 070 028 025 – Supplementary Prospectus and other matters**

Attached is a Second Supplementary Prospectus that BioLayer has today lodged with ASIC.

The Second Supplementary Prospectus has issued as a result of ASIC granting to BioLayer an extension of the statutory 3 month period for shares to be issued under the Rights Issue to be admitted to quotation, as a result of the extension of the closing date of the Rights Issue to 20 March 2008, as previously announced to the market on 31 January 2008.

ASIC has granted the relief on the basis that those shareholders who have lodged acceptances under the Prospectus prior to the date of the Second Supplementary Prospectus are given 1 month to withdraw the application.

The closing date of the Offer will remain at 20 March 2008 (“Closing Date”). After the Closing Date, no more applications will be accepted. BioLayer will allow shareholders who have submitted their Entitlement and Acceptance Form under the Prospectus prior to the date of this Second Supplementary Prospectus until 11 April 2008 to withdraw their acceptance and obtain a refund of their application moneys if they do not wish to proceed accepting their entitlement under the Rights Issue.

BioLayer will issue shares under the Rights Issue as follows:

- (a) for shareholders who are not subject to withdrawal rights (ie their Entitlement and Acceptance Form is submitted after the date of this Second Supplementary Prospectus), the Company will issue New Shares in accordance with the Rights Issue timetable (ie on or about 1 April 2008);
- (b) for shareholders who are entitled to withdraw their acceptance (ie their Entitlement and Acceptance Form was lodged prior to the date of this Second Supplementary Prospectus), BioLayer will issue New Shares on 11 April 2008 to those shareholders who have not withdrawn their application.

For further information contact the Company Secretary, Michelle Morrison.

Yours sincerely

Bruce Rathie  
Chairman

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# BioLayer Corporation Limited

ABN 75 070 028 625

## SECOND SUPPLEMENTARY PROSPECTUS

This document is important and should be read in its entirety together with the Prospectus. If you do not understand any part of this document, you should seek professional advice.

### 1. Important Information

- 1.1 This Second Supplementary Prospectus intended to be read with the Prospectus dated 14 December 2007 ("**Prospectus**"), the Supplementary Prospectus dated 4 February 2008 ("**First Supplementary Prospectus**") issued by BioLayer Corporation Limited ("**BioLayer**") relating to a non-renounceable rights issue of shares at 5 cents per share on the basis of 1 ordinary share for every 1 ordinary share held in BioLayer, together with 1 option to acquire a fully paid ordinary share, at an exercise price of 6.5 cents, for every 2 shares taken up under the rights issue.
- 1.2 This Second Supplementary Prospectus is dated 11 March 2008 and was lodged with the Australian Securities & Investments Commission ("**ASIC**") on 11 March 2008. Neither ASIC nor the ASX Limited take responsibility for the contents of this Second Supplementary Prospectus.
- 1.3 Pursuant to Section 719(4) of the *Corporations Act*, the Prospectus is taken to include this Second Supplementary Prospectus and must be read together with the Prospectus and the First Supplementary Prospectus.
- 1.4 Terms defined in the Prospectus have the same meaning in this Second Supplementary Prospectus except where otherwise defined in this Second Supplementary Prospectus.

### 2. Reason for Second Supplementary Prospectus

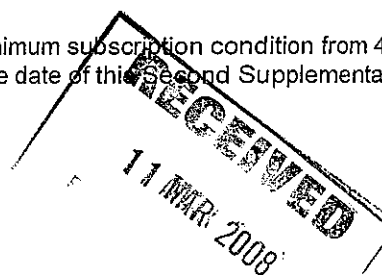
The Second Supplementary Prospectus has been prepared to extend the period for admission to quotation of securities offered under the Prospectus from 3 months from the date of the Prospectus to 3 months from the date of this Second Supplementary Prospectus.

### 3. ASX Listing

- 3.1 As at the date of this Second Supplementary Prospectus, the securities in BioLayer have not been admitted to quotation on the ASX. The period for BioLayer to have the securities offered under the Prospectus has been extended to the date which is 3 months from the date of this Second Supplementary Prospectus.
- 3.2 If BioLayer's securities are not admitted to quotation within 3 months from the date of this Second Supplementary Prospectus all application moneys will be refunded without interest.

### 4. Status of Offer and Applications

- 4.1 This Second Supplementary Prospectus has been lodged following the granting of a modification by ASIC pursuant to section 741(1) of the *Corporations Act* (Cth) on 11 March 2008. The modification relates to:
  - (a) the amendment of section 723(3)(b) and 724(1)(b)(ii), which effectively gives BioLayer 3 months after the date of the Second Supplementary Prospectus to obtain quotation of the Shares on ASX;
  - (b) the amendment of Section 724(1)(a) to vary any minimum subscription condition from 4 months from the date of the Prospectus to 4 months from the date of this Second Supplementary Prospectus; and



- (c) insertion of new section 724(1B) which effectively gives shareholders who have lodged acceptances under the Prospectus prior to the date of this Second Supplementary Prospectus 1 month to withdraw their application to take up their entitlement and obtain a refund of their application moneys.

- 4.2 As at 7 March 2008 BioLayer had received 203 acceptances for a total of 2,023,330 shares at a total subscription amount of \$101,166.50 pursuant to the Prospectus.
- 4.3 The closing date of the Offer will remain at 20 March 2008 ("**Closing Date**"). After the Closing Date, no more applications will be accepted. BioLayer will allow shareholders who have submitted their Entitlement and Acceptance under the Prospectus prior to the date of this Second Supplementary Prospectus until 11 April 2008 to withdraw their acceptance and obtain a refund of their application moneys if they do not wish to proceed accepting their entitlement under the Rights Issue.

## 5. Applications

### (a) Shareholders who have NOT previously submitted an Entitlement and Acceptance Form

Acceptances of a shareholder's Entitlement must be made on the personalised Entitlement and Acceptance Form that accompanied the Prospectus. The Entitlement and Acceptance Form contains detailed instructions on how it should be completed.

Completed Entitlement and Acceptance Forms may be lodged at any time before 5pm (Sydney time) 20 March 2008 (being the closing date for acceptances) as follows:

<b>by hand</b>	or	<b>by mail</b>
Registries Limited Level 7 207 Kent Street SYDNEY NSW 2000		Registries Limited PO Box R67 Royal Exchange SYDNEY NSW 1223

### (b) Shareholders who HAVE previously submitted an Entitlement and Acceptance Form pursuant to the Prospectus and DO NOT want to withdraw their acceptance

You do not have to take any further action.

Shareholders who have already lodged an Entitlement and Acceptance Form pursuant to the Prospectus DO NOT need to complete a further Entitlement and Acceptance Form.

### (c) Shareholders who HAVE previously submitted an Entitlement and Acceptance Form pursuant to the Prospectus and DO want to withdraw their acceptance

A shareholder who wishes to withdraw their Entitlement and Acceptance must ensure that written notice is received by BioLayer no later than 11 April 2008.

Such shareholders may withdraw their application and be repaid any moneys paid upon written request to:

<b>by hand</b>	or	<b>by mail</b>
Registries Limited Level 7 207 Kent Street SYDNEY NSW 2000		Registries Limited PO Box R67 Royal Exchange SYDNEY NSW 1223

The request must contain payee details for the refund cheque. The payee details of the refund cheque (including the address to which it should be sent) must correspond to the details contained in the Entitlement and Acceptance Form lodged by the shareholder.

ALL OTHER DETAILS IN RELATION TO THE TERMS OF THE OFFER AND OTHER MATTERS PURSUANT TO THE PROSPECTUS AND SUPPLEMENTARY PROSPECTUS REMAIN UNCHANGED.

**6. Allotment of New Shares**

The Company will issue New Shares under the Rights Issue as follows:

- (a) for shareholders who are not subject to withdrawal rights (ie their Entitlement and Acceptance Form is submitted after the date of this Second Supplementary Prospectus), the Company will issue New Shares in accordance with the Rights Issue timetable (ie on or about 1 April 2008);
- (b) for shareholders who are entitled to withdraw their acceptance (ie their Entitlement and Acceptance Form was lodged prior to the date of this Second Supplementary Prospectus), the Company will issue New Shares on 11 April 2008 to those shareholders who have not withdrawn their application.

**7. Status of Underwriting Agreement**


As indicated in the Supplementary Prospectus a new termination event was substituted in the Underwriting Agreement which enables the Underwriter to terminate the Underwriting Agreement if the arithmetic mean of the S&P/ASX 200 index on 4 consecutive business days commencing after 4 February is 7.5% or more below its level as at the close of trading on 1 February 2008. As a result of on-going volatility in financial markets and given the fall in the S&P/ASX index since 1 February 2008, the Underwriter now has the right to terminate the Underwriting Agreement.

The Underwriter remains supportive of the Offer and has indicated that, while it will continue to monitor market conditions, it has no present intent to terminate the Underwriting Agreement. However, if the Underwriter subsequently exercises its right to terminate the Underwriting Agreement, the Offer will not proceed and any moneys subscribed under the Offer will be returned to those shareholders who have subscribed for New Shares under the Offer. A consequence of any termination of the Underwriting Agreement is the Company may not be able to continue as a going concern without securing capital from another source.

**8. Directors Authorisation**

Each of the Directors of BioLayer have consented to the lodgement of this Second Supplementary Prospectus in accordance with section 720 of the *Corporations Act 2001* and has not withdrawn that consent.

Dated 11 March 2008



David Beins  
Director