BioLayer Corporation Limited

2 April 2008

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

Non-Renounceable Rights Issue ("Rights Issue") for BioLayer Corporation Limited ACN 070 028 025 ("BioLayer")

BioLayer is pleased to announce the underwritten rights issue has successfully concluded. The underwriter, Transocean Securities Pty Ltd, has maintained its support of the issue by subscribing for the shortfall under the offer. Transocean has stated its intention to sell down the shortfall of $3,140,178.60 to an institution and a number of sophisticated investors.

In light of the volatility in global financial markets the company is grateful for the commitment of the underwriter who has honoured their agreement despite market out clauses being triggered by the volatility.

Transocean Securities Pty Ltd Managing Director James Henderson stated "We are happy to absorb the shortfall given the level of interest from a number of large potential investors. Having worked with the company over the last few months we are confident Biolayer has an exciting future".

As mentioned in the Prospectus, BioLayer has raised the funds under the Rights Issue to further implement and develop its assays. In accordance with the terms of the Rights Issue, allotment of the 72,646,322 ordinary shares and 36,323,161 options has occurred with trading commencing on a normal (T+3) basis today.

For those shareholders who lodged acceptances prior to the issue of the Second Supplementary Prospectus whose shares are the subject of withdrawal rights, BioLayer will issue shares and options on 11 April 2008 to those shareholders who have not withdrawn their application. No shareholders have to date withdrawn, and if no withdrawal rights are exercised a further 2,026,730 shares and 1,013,365 options will be issued on 11 April.

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BioLayer also wishes to announce that as the amount of $3,733,652 has been raised, the convertible notes in favour of major shareholders of BioLayer being, Coates Myer & Company Pty Ltd, Asia Union Investments Pty Ltd and First Cape Management Pty Limited are mandatorily converted into ordinary shares. Under the conversion formula, 28,713,425 shares shall be issued to the converting note holders at 5 cents per share. In addition to the shares to be issued on conversion, the converting note holders will also be issued with 1 option with an exercise price of 6.5 cents for every 2 shares issued on conversion, and 1 option with an exercise price of 5.5 cents for every 2 shares issued on conversion. As a result a total of 28,713,425 options will be issued to the converting note holders in addition to the shares.

An Appendix 3B will be lodged with ASX shortly.

For further information contact the Company Secretary, Michelle Morrison.

Yours sincerely

Bruce Rathie
Chairman

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