



21 September 2009

Companies Announcements Office
Australian Securities Exchange Limited
10th Floor, 20 Bond Street
SYDNEY NSW 2000

Dear Shareholder,

RE: EXTENSION OF SHAREHOLDER SHARE PURCHASE PLAN

The directors of BioPharmica Limited wish to announce the extension of the Shareholder Share Purchase Plan to Monday, 28th September 2009.

Accordingly shareholders are encouraged to submit their Acceptance Form for the Shareholder Share Purchase Plan as soon as possible.

Investment in Advent Energy Limited

On the 11 September 2009 the Company announced an exclusive option to invest in Advent Energy Limited. The option gives BioPharmica the opportunity to acquire between 9.7% and 19.4% of Advent's share capital at 50 cents per share which is consistent with the Talbot Group Holdings investment. The investment will be subject to shareholder approval which will be sought at the 2009 Annual General Meeting which is anticipated to be held on the 12th November 2009.

To assist with the proposed investment in Advent, BioPharmica intends to undertake a placement of BPH shares to sophisticated and institutional investors to raise approximately \$20M before costs. Completion of the placement will be subject to approval by BioPharmica shareholders, which is proposed to be sought at the 2009 Annual General Meeting.

Molecular Discovery Systems Spin Off

The extension of the SSPP offers shareholders a very important opportunity to increase their shareholding in BioPharmica before the planned spin off of Molecular Discovery Systems in which BioPharmica shareholders will receive a free share in Molecular Discovery Systems for every listed BioPharmica share they hold in BioPharmica five (5) trading days after shareholder approval has been obtained. Shareholder approval for this transaction will be sought at the 2009 annual general meeting.

Cortical Dynamics

Preparation for the spinoff of Cortical Dynamics Limited continues and we hope to be able to advise shareholders in the near future of developments in this regard. You will have seen from recent announcements that Cortical Dynamics has been actively developing its technology despite being unlisted. The delay in the stock exchange listing of Cortical Dynamics has been as a result of soft investor sentiment for biotechnology stocks, and the removal by the Federal Government of key R&D Grant/Funding schemes.

We are assessing the level of interest in biotechnology stocks and the improved market sentiment and hope to complete the Cortical Dynamics IPO as planned as soon as possible. A timeframe has not yet been put in place but we will of course advise the market as to any developments in this regard as soon as that information is available.

This closing date of Shareholder Share Purchase Plan is indicative only. The company may vary the dates and times of the offer without notice.

The directors of BioPharmica Limited would like to thank all of its shareholders for their continued support.

Yours Sincerely

A handwritten signature in black ink, appearing to read 'D. Breeze', with a stylized flourish at the end.

David Breeze
Chairman